

TWO

NEW CENTURY SOCIALISM: FIGHTING FOR JUSTICE IN THE JUNGLE

Main Issues

Can tigers be tamed?

Must a viable economy be unfair?

How can the market be democratised?

How can wealth be both increased and redistributed?

Can production be planned?

How can poverty and unemployment be eliminated?

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Economist and Senior Researcher in SIPTU

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The Facilitator of this discussion was Nuala Keher of the
Open Learning Centre in University College Galway.

Two: New Century Socialism: Fighting for Justice in the Jungle

Paper presented by Des Geraghty

“There is no lesson so strong, so vivid in our time, as that no group, no community, can depend for its economic salvation on the goodwill, the kindness, the compassion, of the more fortunate. In modern society these are present; they are never enough. There must be organisation and organised political expression.”

John Kenneth Galbraith, speaking at the Irish Congress of Trade Unions Conference on 21st century trade unionism in Dublin Castle.

For me, democratic socialism must be the political expression of a truly egalitarian value system which determines a particular approach to politics, economics, social policy and the environment. To be sustainable - or credible - it must be deeply rooted in a world view which demands equality and justice for all human beings, irrespective of race, creed, class or gender. It must be informed by the belief that human society can cater for everyone's need but not for everyone's greed; that people are naturally disposed to care for and share with each other; that by working together we can provide sustenance, jobs, shelter, security, and the opportunity for personal and collective expression and cultural achievement.

Core Values

These core values spring from a basic human value system of nature and nurture, shaped by the evolution of our civilisation, our inherited knowledge, our achievements in science and technology, and our experience of class struggle, injustice and the power and privilege of wealth. Our politics are based on the belief that all people deserve the right to life and the pursuit of their full human potential, and should not be frustrated by terror, hunger, deprivation, fear, insecurity or injustice when seeking to do so. Increasingly, we also realise that it is not possible to achieve such truly human values if we do not live and work in harmony with our natural environment, or do not respect human difference and diversity.

Political Yardsticks

It is against these yardsticks that I measure all political, economic or social theory, and assess the value of the European market, the trees in the Glen of the Downs, or the so-called Celtic Tiger. These are the yardsticks that I apply to the debate on market or non-market economies, state ownership of public utilities, central planning, class struggle, national liberation, or political democracy. These are how I measure human progress.

Equally, I believe it was the departure from these essential human values that doomed the Soviet model of socialism to failure, and will in time undermine the liberal market capitalism of our own time.

I make this assertion because of the self-evident destructive potential inherent in the unrestrained values of individualism - not individuality, which I value greatly - and the exercise of avarice, exploitation, environmental destruction, injustice, over consumption, power, privilege, and abuse of human rights which permeates so-called 'free market' capitalism.

Democratic Struggle

Democracy, human rights, social policy and equality of citizenship are not the products of 'free-for-all' capitalism, but the achievements of continuous political conflict mounted by the Left and supported by the poor, underprivileged and marginalised; by the trade unions, the women's movement and the national liberation movements. They are the legacy of that 'large and respectable class, the people of no property', bequeathed to the ordinary citizens who have come together to defend what they value - whether it is the right to join a trade union, the safety of their neighbourhoods, the health of their children, the preservation of the environment around them - against big business, governments, property speculators or local bureaucrats.

The freedom and citizenship rights of our current democratic system were wrung out of an unwilling ruling class and are the inheritance of the poor not the rich. That is why we must all defend them from the cynicism of the 'post - political' pundits, and continue to assert the primacy of politics over blind economic forces.

A New Europe

One of the most coherent political statements of New Century Socialism in recent years was that agreed in December '93 in Barcelona, where Democratic Left joined with other new European Left parties in the Declaration entitled 'A New Europe in a New World.' In this we stated:

"Despite the significant progress made in Europe, the present reality is increasingly characterised by the deepening chasm between rich and poor, the increase in the levels of unemployment and social exclusion, the systematic destruction of our natural environment, the growing marginalisation of citizens from the political process, and the rise of racism, reactionary nationalism, and xenophobia."

It went on to state:

"These problems are aggravated as a result of neo-liberal economics and rightwing policies. These intensify competition and greed, while co-operation and solidarity are rejected. This concept of a developed society is based on liberalised markets and intensified competition. It aims to reduce democratic control of capital at a national and international level, and to eliminate national regulation. It destroys the public company and supports the growth of private monopolies. These monopolies are not content with exploiting only the new European markets, but also those of developing countries, so they are able to compete with their rivals in Japan and the United States. They rely on the uncontrolled consumption of the world's resources, and the remorseless exploitation of workers and consumers."

The Celtic Tiger

Our 'Celtic Tiger' is a creature of this environment. It is a cub of the increasingly competitive jungle of the global economy, well nourished by EU subsidies and cultivated by multi-national corporations and local businesses, which want minimal regulation, control or accountability. It thrives on individual profiteering, tax evasion and passive political compliance with a corporate culture of deregulation and state subsidy - but with minimal interference. It wants none, or at most weak trade unionism and compliant politicians bought by corporate donations. As an image, it is more dynamic than the little leprechaun, the green shamrock or the black shillelagh, but it carries within itself the seed of its own destruction.

It is a predator of the wild. The obvious speed and agility of the tiger were the inspiration for the Esso marketing ploy 'put a tiger in your tank'. But they also inspired William Blake to ask:

"And what shoulder and what art
Could twist the sinews of thy heart?
And when that heart began to beat
What dread hand, and what dread feet?
What the hammer? What the chain?
In what furnace was thy brain?
What the anvil? what dread grasp
Dare its deadly terrors clasp?"

For Blake, the tiger was a creation of a power beyond our comprehension. And for the poor and marginalised in Irish society – for the compliant taxpayer, for the low paid and average-earning worker, the insecure employee, the environmental activist; for the house buyer, the concerned parent, the social and community worker – the tiger is there largely in the realisation of weakness and of unequal strength, of social division and disempowerment, as capital and its political allies dictate its price in a jungle of rigged money markets.

Asian Tigers

Those with a more global perspective know the current life and death struggle of the South - East Asian tigers. They are currently the threatened species of the global markets, choking on their own gluttony and strangled by the price of capital extracted by banks, speculators and financial institutions of the 'civilised' first world. Nick Leeson was not a maverick solo player, but a mercenary money agent who began to believe in his own invulnerability. The South East Asian economies are the latest political casualties of the one world market, the single global economy which sees China, with its millions, as potential consumers, the really appetising prize of the free market vultures.

The South - East Asian experience must at least send a clear warning signal about our over-optimistic view of Ireland as the Celtic Tiger. We must welcome the growth in employment, the increased prosperity in living standards, the drop in emigration, the increased educational opportunities, the improved budgetary position, the strength of Irish exports, the new sense of achievement and hope.

The Casualties

But equally, each success story of the liberal market exposes another side of the equation. The growth in jobs and raised educational standards have made the problems of the unskilled long-term unemployed even more difficult to resolve. With the growth in services, there is a massive increase in low-paid, casual and contract working without pensions, sick pay or job security. The success of big business has also increased the political clout of right-wing politicians and their financial sponsors.

The neo-liberal society of intensive competition, deregulation, environmental devastation and absolute individualism provides no panacea for most people. It provides very well for those who own capital, and it can provide big rewards for those with marketable levels of education, technological literacy, highly adaptable skills – the young, active well-educated and highly mobile worker.

But it does not automatically provide for many in our society: for large segments of the labour force, most women workers, the poor and underprivileged, the dependent old and young; for families, urban dwellers, migrants, older workers, the marginalised. It is not working for our physical environment, as most people in cities and towns know, and it is increasingly not working for those who are completely dependent on selling their labour to make a living.

Economic growth has increased car numbers, generated urban pollution, traffic congestion, reduced the quality of life for many in the cities. The demand for houses and flats has unleashed ruthless profiteering and malpractices in the construction industry, aided and abetted by the legal and architectural professions and financial institutions in for the quick kill.

Land rezoning and political corruption are endemic in the jungle warfare of the so-called property market. Equally, the distinctions between legitimate business and drug dealing becomes increasingly blurred in an increasingly psychotic society of drug dependency, addiction and hopeless social marginalisation and isolation.

I have no doubt that our moves towards EMU will again let the money speculators out of their traps - those new capitalists whose only product is money, who make nothing and provide no service, do not engage in trade or commerce but make money out of other people's money, the pension schemes and life insurance schemes, the life savings of the ordinary citizens.

A Reactionary Budget

In my view the most blatant example of political reaction in recent years was the construction of the 1998 Budget. That was a Charter for wealth and privilege. It demonstrated contempt for low-paid average industrial workers and social welfare recipients anxious to take up jobs in relatively low-paid employment.

This was a Budget produced by the same politicians who object to openness in political funding or transparency in the banking or offshore dealings of the Irish business class. They are part of the Ryanair generation, the ruthless moneymakers and manipulators of labour who reject with scorn the right of workers to union advice or representation, and see nothing wrong with cutting Capital Gains Tax in half to facilitate their business friends.

So How Do We Tame The Tiger?

How do we fight for justice in this jungle?

We must start by reasserting the centrality of politics, of political organisation and democracy and reject sharply the 'smart Alec' dismissal of politics or of

class-consciousness. Capital has outgrown the nation state, has in many cases liberated itself from the constraint of the production of goods and services and has used technology and globalisation to frustrate labour and indeed citizens generally. It has reasserted its dominance in the global jungle of the 'free markets' after years of social democratic consensus. It now has a mobility and a power which dwarfs all the social forces which seek to impose democratic accountability or restraint.

A new class of managerial elite has made millions from preying upon workers, consumers, ransacking the environment and using the pensions and savings of workers and the poor to enrich themselves with share options, offshore accounts and speculative money dealings. Since money has no conscience, those who benefit make little distinction between property dealing, arms, drugs or 'angel dust'. They never have to dirty their hands with 'filthy lucre'; they only have to read the bottom line on a balance sheet and get access to someone else's hard-earned money.

Therefore, people with a democratic value system must:

- continue to demand full employment and reject poverty, exploitation, inequality and marginalisation. The fight for full employment, more than any other issue, defines the left and distinguishes it from the right. Those who see full employment as an essential do so because their values demand equality - equal opportunity and social equity -and a fair distribution of rewards. Those who see jobs as a by-product of the market are in fact telling us they see the jungle as a place where the strongest thrive at the expense of the rest. This is the crucial difference between the Maastricht Treaty, which emphasised an EMU without reference to jobs, and the Amsterdam Treaty, which seeks to make jobs a central issue of all political, social and economic policy in the EU
- renew the battle for a political democracy - a democracy which can assert control, can impose regulation and constraints on the cannibalism of the new-liberal marketeers
- develop a realistic philosophy of democratic socialism which has a global view, a European view and a local view - a philosophy which offers real hope and leadership for the people who reject the values of exploitators and who demand justice and equity in their own communities as well as in Africa, Indonesia and Bosnia
- think globally, while acting globally, regionally and locally.

The real test of New Century Socialist politics will be its ability to develop sophisticated and effective means for managing markets, achieving a redistribution of wealth, maintaining sustainable growth, and extending democratic rights against the power of capital.

The fundamental challenge of socialism must be the challenge of humanity against the inhumanity, and moral bankruptcy, of unrestrained capitalist greed and exploitation. Oscar Wilde once remarked with astute perception "To make men socialists is nothing, but to make socialism human is a great thing." It is the fundamental humanity of socialism which matters, and which transcends any particular market mechanism or system of ownership.

Everyone's Struggle

The struggle for a New Century Socialist order is a struggle for change, for transformation of the one world we all inhabit.

Gone is the two-world view - of a capitalist world and a socialist world, both justifying their immoral actions by reference to the external threat to the other.

Our challenge is to change ourselves - our world order, our own value system, and our system of power and privilege.

Such a challenge to the inhumanity of predatory capitalism takes our struggle beyond the ghettos of the destitute and dispossessed and extends it to all humanity. While the struggles of the exploited may be the obvious frontline, the rearguard actions can take place in the boardrooms of pension trustees, in the campaign for ethical investment, or against tax evasion; in local and national elections, in the election of worker directors, European Works Councils; in estate management, in the community war against drugs, and for sports and leisure facilities; for social protection, job creation, profit-sharing, equality and peaceful co-existence.

We all have our own individual battles, our own frontlines, but we all can be part of the one war for human emancipation.

Market Myths

We must challenge continually the 'myth of the market' which is constantly promulgated to oppose political attempts at redistribution of wealth or the establishment of social protection. We must point out that leaving everything to the market is a political choice of conservatives, and usually those with strong vested interests and extensive economic power in the market already.

There is no single market. But there is scope for a variety of approaches to open markets, partial markets with significant regulation, and non-market sectors for such essential services as welfare, health, education and social housing. These are practical choices, the means to an end.

Essentially, markets must be part of a democratically regulated economic and social order: a system which prevents monopoly, the abuse of economic power, and the

absence of transparency, accountability and social responsibility. Markets must be a mechanism of - and not the master of - political life, and the role of politics must be to ensure the mastery of people over profit.

New Left Economics

We must work for a New Left economics, an economics which recognises the centrality of political and social economy, and which evaluates and analyses three dimensions - financial, social and environmental - in every economic and political decision. At the heart of this is the assertion that people and planet are more important than a mythical "bottom line"; that it is people who determine the bottom line. It is human intelligence, imagination, skill and organisation which shapes successful economies, and not the accidental consequences of blind economic forces let loose in a Mad Hatter marketplace.

Will that tame the tiger, or be enough to create justice in the jungle?

It should at least restore a sense of direction, a value system, and practical politics which can lead our people out of the wilderness. It may also help us to conserve, in relatively good health, the Celtic Tiger cub while cultivating the competitive jungle and making it a friendlier place to inhabit.

The individual responses are there; but can we create a collective political intelligence which will make more sense of those responses? To do so we must shed some of our old notions and open up to new ideas and new forms of combat. Otherwise we won't survive in today's jungle.

However, we might also take note of the wisdom of the limerick which goes:

There once was a Celtic conniver
Who thought he could ride on a tiger
They returned from the ride
With the young Celt inside
And a smile on the face of the tiger.

Response to Des Geraghty's Paper

by Seamus Murphy

I would not dissent from anything contained in Des's paper, but would rather argue for a different and very specific focus on the politics of financial markets in particular.

Taming the Tigers

The world has changed, the role and importance of markets has changed, and their interaction with politics, with people, has changed utterly in the last generation. The tigers of the market are out of control, they are rampaging over a larger area each year, they are eating or injuring more and more people. Attempts to kill them off were failures, and probably mistaken - it seems they are after all a product of nature, and in their own way they are creatures of some beauty.

I doubt if the tigers can be tamed - but they must be fenced in: the jungle must be made safe. We will never fence them in with values, only with a conscious agenda of political action. Values are not enough to build a fence: it requires power, political power, democratic political power. But first, let us get to know our tigers.

Financial Markets

Most people find financial markets confusing and difficult to understand and typical TV coverage does little to help. TV comes to the markets only when there is a crisis, showing a mass of people scurrying around like ants and waving arms, phones and pieces of paper. Usually, these are shots of the stock exchange - the equity market where company shares are bought and sold. The equity market is indeed complex, and it requires considerable skill to deal in shares or even to follow their movement.

The equity market is of great economic importance, but has little direct day-to-day interaction with the political sphere. There are in fact two much more important market, and they are not at all difficult to understand, in fact they are brutally simple, but we don't hear quite so much about them, even though their potential impact on our lives is much greater. They are the bond and foreign exchange markets.

There is a saying in the bond markets: what's good for bonds is bad for people.

Bonds – or gilts as they are called in England – are government debts held by private investors. All governments have lived beyond their means at some point, have spent more than they took in in tax; and most still do. So all governments owe a lot of money. They borrow by issuing a bond – a promise to repay £100 in fifteen years' time and to pay 8.5% interest per year meantime. If you bought one of these, you might later want to sell it to someone else for, say, £98, or for £102 if demand is good enough.

The problem you have is this: if the government keeps spending and borrowing more, there will be a tendency for the bond you hold to lose its value, because the supply of bonds has increased. Bond holders want the government to stop borrowing, and by implication to stop spending, since no one likes higher taxes.

There is a second reason why bondholders do not like government spending. Since increased public spending normally has no direct relationship with productivity, it tends to be inflationary. If you hold a bond with a coupon rate of 8.5%, and the rate of inflation is 3%, your real income on investment is 5.5%. But if inflation jumps to 5%, your income falls by more than a third.

Governments owe a great deal of money: our government owes about 70 percent of everything we can produce in a year, 70 percent of gross domestic product. If you owe a lot of money, you may well have to be nice to your bank manager, not do anything that would upset him.

Government bonds are generally regarded as very safe investments: in fact, they are classed as risk-free, since governments do not go broke. For this reason they are in great demand by certain types of investors – life insurance companies and pension funds must by law invest a certain proportion of their premium income in government bonds.

Borrowing

Not so many years ago, the Irish government borrowed most or all of the money it needed inside Ireland. Today Irish government bonds are freely bought and sold worldwide, and many are held abroad. For foreign investors, there is a second worry: the exchange rate. It is a disaster for a German or Japanese pension fund if the punt loses value, since their payout in mark or yen goes down.

Let's take a case study, a theoretical case broadly based on real cases. A Fianna Fáil government is in power, with a really tough finance minister, a financial Rambo who is intent on impressing the international bond markets with his fiscal rectitude – his ability to hold the line on public spending, with cuts if necessary. Down the country

there is a town of 30,000 people - let's call it Ballymacgreevy - with a well-run hospital and a large and flourishing branch of Democratic Left. On Rambo's orders, the Minister for Health decides the hospital should be reduced to the status of a nursing home, with main services centralised at the regional hospital 20 miles away.

Within 24 hours several people on the hospital staff have formed the Hospital Action Committee. The Trades Council passes a motion the next night - there is a certain overlap of membership with the Action Committee. The Democratic Left member of the town council puts down an emergency motion at the Town Hall and is pleasantly surprised when it is passed unanimously, and the Chamber of Commerce falls quickly into line. A clearly embarrassed Health Minister appears on TV to explain the move, followed by a totally unembarrassed Finance Minister who almost seems to be enjoying himself. Various economists employed by Dublin stockbrokers say the Finance Minister is quite right, we must all tighten our belts, etc.

Then fate takes a hand. Ballymacgreevy is in a five-seater, and the government's main vote-sweeper chokes on a chicken-bone in a select restaurant in Dublin 4. The government is perilously close to losing its majority, and its by-election chances do not look good. The Hospital Action Committee reckons the time has come to go for the jugular, and they organise half the town to go on a deputation to the Minister in Dublin. Then the Taoiseach steps in and quietly explains electoral reality to Rambo. The Health Minister says the hospital will remain open while he conducts a review of hospital services in the whole region.

The markets react fast and furiously. Their faith in Rambo is gone, and they sell off Irish government bonds in a hurry. Foreign investors sell particularly hard, reducing demand for Irish punts. The foreign exchange market now steps in. Clearly the punt is going to fall further, so they short it - they sell punts they haven't got at 2.50 to the mark, confident that they will be able to buy punts at 2.30 before the date of actual delivery. Shorting is dangerous, but the profits can be enormous.

The Central Bank has no option but to protect the punt. So it jacks up the key rate at which it lends to the commercial banks. A couple of days later, AIB Bank raises all its lending rates. This is the last straw for Ballymacgreevy Textiles, which has been struggling along in the face of Asian competition. It defaults on its bank loans, and lays off the workforce of 450. Only 120 people worked in the hospital.

Bond Markets

The bond markets hate people like us. It's nothing personal, but virtually every policy we have, everything we stand for, is bad for their investment. What's good for people is bad for bonds. Remember - a broker in company shares has to know a little about all the companies he deals in. But a bond dealer only has to know a very few

things - like, how likely is this government or that Finance Minister to increase spending or tolerate inflation. They spend all their time studying how close to power parties like ours are, and doing their best to make sure we don't get closer.

Foreign exchange dealers don't know anything, they are 22-year-olds with nimble fingers on the keyboard, and they take all their political and economic cues from the bond market, which means they hate us too. But their power is awesome - every day, they turn over about 1.4 trillion dollars. That's 1,000 billion pounds, every day. In a whole year, we spend about £13 billion on public services, but they trade 1000 billion a day. You might think; well, someone needs all those dollars or yen or deutschmarks to go on holiday, or buy a new factory or import a container-load of Nikes from Burma or whatever, but this is not the case. Less than 4% of this trade reflects an underlying trade in real goods or services - that is, less than four percent is economically necessary.

Our ability to stand up to these people is strictly limited. They can destroy our whole economy in a couple of hours, and even make money on the deal. For example, it is utterly impossible for a government - for any government - to be elected in this country on a policy of doubling all benefits, no matter if you have the backing of 90 percent of the population. As soon as the first opinion polls show the extent of your backing, many billions of pounds worth of bonds would be sold off, there would be a run on the punt, interest rates would rise and layoffs would follow as night follows day. Instead of doubling benefits, you would find yourself with twice as many people on benefit and much less money to pay for it.

Being opposed to the power of the financial markets is hardly an ideological issue at all - our opposition is dictated by the position of the markets on just about every issue that concerns us. They demand human sacrifice. Once a month the US Dept of Commerce releases employment figures at 8.30a.m. just as the markets open. The reaction is utterly predictable - if more people are in work, bond prices fall and the dollar slips a tick. If more are unemployed, bonds rally and the dollar is looking good.

Power

So, is it hopeless? Should we surrender, throw in the towel? No, but we have got to realise that these people are massively more powerful than they were 20 years ago. That is why Tony Blair is no Ernest Bevin and Bill Clinton resembles FD Roosevelt only in the libidinous region. They are what the market will tolerate. They have public expenditure under control.

Politicians of all kinds have much less power than they had a generation ago. The political arena - the democratic space - has shrunk, and is still shrinking. The mills of the market grind exceedingly small. They are not satisfied with their current level

of political power, they never will be satisfied. Remember, it's not personal, the dealers are doing their job. It is the nature of the beast.

The markets - the ones that matter, bonds and foreign exchange - are global and no one country can control them, not even the USA. Their power can only be broken at regional level, by multi-lateral democratic action. There is currently only one institution capable of such action and that is the European Union. Roll on the single currency, which will strengthen democracy - because it will remove a big chunk of that £1 trillion in daily currency trading.

Real belief in totally unregulated markets only exists in the Anglo-Saxon countries. Continental Europeans generally take a dim view of this mixture of mysticism and dogma. French and Germans, from all parts of the political spectrum but under the clear leadership of the left, are calling for controls - at EU level, because even they can no longer impose national controls. What should they be?

Currency Transactions Tax

There is a proposal for a small tax on currency deals not related to any underlying real trade. This is an excellent idea, because it would stop economic and financial crises rolling around the globe within seconds as they do. Even a small tax could be effective; currency deals may be enormous, but the margins are often tiny. Besides, it is more important to restrict the frequency than the size of currency deals.

Ethical Investment

But there is a bigger political issue. This speculation is being done in your name, every one of you who has a pension or mutual fund savings or a life insurance policy. Have you mandated anyone to use your money in this way? How might you mandate them to act responsibly? Ethical investment is now an absolutely central issue for socialists.

The time to do these things is now, when the confidence of the neo-liberal mystics is at a particularly low ebb. For years they held up the Suharto regime in Indonesia as the model of the future, now they can't get their money out quickly enough.

There are signs in several parts of the world that there is at last a fracture, between markets as useful mechanisms and the neo-liberalist claptrap of the resurgent right which has dominated the last 20 years - what George Bush called voodoo economics.

New Politics

Into this space, this fracture, we can insert a new politics - a new socialism for the new millennium. Markets as such do not frighten us, except when they try to subvert our democracy.

I leave you with one thought - is not the whole history of socialism composed of the struggle to bring market mechanisms under democratic control? It is one way of looking at it.

The tasks outlined by Des are all there to be done. But they are political tasks and can only be done in a political space. Let's not take the continued existence of that space for granted.

Summary of Discussion by Rosheen Callender

Nearly one-third of the 60 or so participants in this coffee-circle voiced views in the course of the 100-minute debate that followed Des Geraghty's paper and Seamus Murphy's response. There was widespread praise for both papers and agreement that considerable clarity had been brought to subjects that generally 'lacked transparency'.

The view that one paper was about 'values and decency' and the other about 'power and reality' was disputed hotly. Most speakers who addressed this point saw that as a false dichotomy. They saw the papers as complementary rather than contradictory. There was no incompatibility between emphasising the need for decent human values, as the foundation of our policies and organisation, and seeking power in order to 'tame the tiger' and control market forces that often turn nasty if left to run wild. Most speakers saw competition and market forces as part of today's economic furniture. The challenge was to shape and control them; to force them, if necessary, to meet peoples' needs – but not to keep denying, or railing against, the fact of their existence. Others were less ready to accept this, believing that ultimately it's impossible to control market forces; therefore they cannot and must not be accepted. However, one such speaker added, somewhat sadly, that he couldn't really offer any convincing alternative.

A number of speakers addressed the issue of how, in practice, we seek to control 'blind' market forces: how exactly we can try to rein them in; how we can curb their destructiveness without destroying their potential creativity. They felt that what distinguishes people and political parties, nowadays, is basically the extent to which they seek to assert their control and to achieve a dynamic, progressive balance between the facilitation and the regulation of markets.

Specifically, the mechanisms and forums for asserting this control and finding this balance were seen as involving:

•Fiscal policy - which one speaker described as "the closest thing we have to central planning but also a particularly inefficient and undemocratic way of directing capital into corners of the economy where it's wanted or needed". In practice, she said, most governments "plan retrospectively", using tax incentives as the key instrument. First they spend (or forego) vast amounts of taxpayers' money directing footloose funds into such areas as covenants, or seaside resorts, or 'business expansion schemes', or multi-storey car parks, or urban renewal. Then they tighten up, or ease off, or reverse the policy if they see its not working, or perhaps is working too well - having aggravated other problems like traffic congestion or environmental destruction in the meantime. In this speaker's view, the political process by which vitally important economic decisions were made, driven by tax incentives rather than democratic consideration, was deeply flawed and needed major reform.

Also, at Budget time, people and political parties needed to look beyond those tax changes which affected them most directly and personally (like income taxes and excise duties) to those which sought to change or determine the direction in which investment capital and 'big money' was flowing in the economy as a whole.

•Pensions policy - Talking of 'big money', at least three speakers felt that society was giving inadequate attention to the way in which pension funds and insurance companies invested the hard-earned 'deferred wages' of thousands of Irish workers. The widespread and growing establishment of funded (as opposed to 'pay as you go') pension schemes meant that part of workers' present incomes were being invested in order to secure their future incomes. We all had a stake in ensuring that this was done in a way that was adequate, democratic, financially secure and socially responsible.

•Welfare policy - as the tax and welfare systems were the main mechanisms, in a market economy, for transferring and redistributing income and resources, an integrated approach was needed to use these mechanisms effectively. One of the most frustrating aspects of Democratic Left's recent participation in a coalition government, as a minor player with limited resources, was the absence of such an integrated approach and our inability to have any major influence in the formation of policy in government departments where we had no direct involvement. Reforms could be carried out in the welfare area, for example, but these could not be easily matched or co-ordinated with corresponding reforms in fiscal and employment policy.

•Consumer rights - the protection and advancement of consumer rights was also seen as a crucial area of work for socialists today. Issues of justice and fair play, quality and standards, environmental hazard, health and safety concerns, could all be highlighted in concrete ways through consumer action and very often single-issue campaigns were the gateway to wider political involvement.

•Is it true that 'Ideas are Power'? – On the issue of 'the wider political agenda' one speaker felt that in today's world, where most people were alienated from politics and political institutions, "ideas are power". Ideas which struck chords with people and caught their imagination were what motivated them to take action in favour of social progress and democratisation and they would respond positively to ideas for controlling and redirecting market forces to positive effect, if these ideas were concrete, tangible and made sense. Because most people believed that the 'big things' and 'market forces' in today's world – like money markets, international capital, multinational companies, poverty and unemployment – were too big to influence or control and perhaps not amenable to anyone's control.

But if ideas were the main vehicle through which Democratic Left exercises influence and power, how was it that the substantial extent to which we contributed ideas (on all aspects of social, economic, industrial and cultural policy) during the period before and during the Rainbow Government, had little or no positive effect on our electoral performance in 1997?

Was it because, as one speaker suggested, our ideas – however sharp or laudable in social terms – were simply not shared on a large enough scale to effect change – and "longing on a large scale is what makes history", according to Don de Lillo. Or was it because so many of our ideas on tax, social welfare, equality, poverty, unemployment and other key issues were simply absorbed and incorporated into mainstream thinking, government legislation and the manifestos of almost every other political party?

It would be a contradiction in terms to be promoting socialist ideas and at the same time resent, or seek to prevent, the absorption of 'our' ideas by other parties and individuals. What we should be aiming for was the widespread promotion and acceptance – even 'theft' – of our best, our most progressive, our most radical and far-reaching ideas. The idea of a 'private property market' in ideas should be anathema to most socialists. Yet it was clear that some socialists still sought to maintain this particular market, to the extent of concealing their views rather than proselytising about them. Surely some rethinking in this area was long overdue?

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