PRIVATISATION

Robbing the people's wealth

Trade Union Left Forum

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Introduction

This is the first publication of the Trade Union Left Forum. We hope it will contribute to a deeper understanding of the politics necessary to revitalise the trade union movement, defend our members' rights, and help in building the necessary coalition of forces to resist privatisation—the selling of the people's wealth to private corporate interests, most of all to monopolies beyond national or democratic accountability.

The first section of the pamphlet deals with the underlying politics, the ideology of privatisation as embraced by the main political parties in Dáil Éireann and reinforced by the European Union and its agencies. It shows how the system is driven by its own imperatives and stagnation to reduce the space and the role of public enterprise, further increasing the commodification of every aspect of people's economic, social, political and cultural needs.

The analysis draws on both Irish and international experience of privatisation and its social impact on working people. It presents clearly the arguments against privatisation and why it is in all our interests—members and the public—to oppose it for the common good.

The second part of the pamphlet draws on the practical experience of the ESB and shows the important role of the ESB and the detrimental effect that the policy decisions of the present and past governments have had on the company and on the wider Irish society.

State and state-sponsored companies have played a very important role in creating jobs, in stabilising urban and rural communities, in democratically spreading development, and in slowing the waves of mass emigration that have been a dominant feature of our society since the foundation of the Irish state.

The state and state-sponsored companies provided opportunities for tens of thousands of people to gain employment, apprenticeships and opportunities for educational advance not available to working people in the private sector or even within the educational system provided by the state. These facilities had a huge influence on their families and their communities.

Another feature, and a much-neglected role of the public companies, was the raising of the skill base of its workers. Not only did this benefit those working in these companies but when some of them moved into the private sector they brought with them those skills, this inter-generational skill and knowledge base, that they had benefited from, thereby raising the educational and skills mix available throughout the economy.

Workers in state-sponsored companies also led the way in achieving equal opportunities, equal pay, and the provision of child care, setting standards in working conditions and wage levels that benefited workers in the private sector.

If privatisation is successful it will affect all workers' wages and conditions and can only lead to further downward pressure from employers eager to increase their profits.

State and state-sponsored companies also provide important services and a necessary social infrastructure, because they have provided what is socially required, not merely services from which a profit can be made by private corporations. They brought electricity, gas, water and postal services to remote communities or individuals, developing resources that benefited the wider community. They formed part of the collective experience that make us citizens of a country rather than mere consumers, with our access to such services based only on our ability to pay.

The present drive for privatisation is being sold to our people on the grounds that we can use some of the money to reinvest in job creation, through some form of stimulus package, which will be aimed primarily at the private sector, while the bulk of the money accruing from their sale will go to bring down the "national debt." This is in fact a three-way robbery of our resources: firstly through the sale of our public assets, secondly through the handing over of some of that money to private enterprise as a "stimulus," and thirdly through the use of the rest to pay off private bank debt.

This debt is not the people's debt but is the outcome of a strategy of reckless borrowing carried out by banking and financial institutions, in co-operation with the economic and political elite.

The fire sale of these assets that belong to all our people—not just to the workers employed in such companies—will not benefit our people. As experience in other countries has shown, thousands of jobs will be lost and prices will go up as the private corporate owners push for greater and greater profits.

International experience shows that the trade union movement needs to build wider coalitions among all our people to prevent privatisation. There is a clear democratic argument to be made that it is not in the people's interests to have important public companies and public services privately owned. It is not just a battle for the workers in these companies, nor should it be solely left up to them: it is in the interests of the whole of the working class and working people to stop privatisation.

We have to get beyond sectoral interests and look at the common good, to defend the very idea of social ownership as an alternative to the anarchy and chaos of corporate monopoly capitalism.

The Programme for Ireland signed with the EU, ECB and IMF by the previous coalition of Fianna Fáil and the Green Party is now being eagerly implemented by the present coalition of Fine Gael and the Labour Party. This, in conjunction with the review undertaken by Colm McCarthy, puts the following at risk of privatisation:

- State energy companies, including the ESB, An Bord Gáis, and Bord na Móna
- Ports, port agencies, and airports
- Dublin Airport Authority, Aer Lingus, and the Irish Aviation Authority
- Coillte and state forests
- CIE, RTE, TG4, and An Post
- Irish National Stud, Horse Racing Ireland, and Bord na gCon
- Intangible assets, such as fishing quotas and radio frequencies.

As the economic situation continues to deteriorate, the full scale of privatisation will put all these at risk.

Working people are being crushed by a coalition of the external troika of the EU, ECB and IMF and the internal troika of Fine Gael, Labour Party, and Fianna Fáil. Their priority is to make the people pay for the deepening crisis of the system and the socialised corporate debt. The EU-ECB debt repayment has become the primary responsibility of the Irish government, above everything else.

We know from experience that state and state-sponsored companies have been used as feeding troughs for the parasitic elements that have run our country into the ground. They have been used to provide cheap services and a skill base for transnational corporations. Workers have only been given token representation on their boards, while users of the services have been excluded.

We are not arguing for, nor do we defend, their existing structures, stuffed as they are with political party hacks, viewed as playthings by corrupt politicians, or the leeches of the private corporations. Rather we envisage a more dynamic role in building a more sustainable economy, to provide the tens of thousands of jobs required for our youth, to stop the haemorrhage of emigration, to stop the depopulation of our towns and villages, to give those working in these industries, as well as those who rely upon their services, a real and meaningful say in how they are run.

These companies can form the bedrock for the development of a more sustainable economic system. More jobs can be created and sustained with the expansion of public companies into wider economic and social development.

Privatisation has failed the people everywhere. It has laid waste the public wealth, it has enriched a minority, and has cost the majority a very heavy price.

The challenge now facing the trade union movement is to build and lead a people's alliance to protect the common good, which can only deepen the people's understanding of the need for more radical economic and social changes. This was the agenda that tens of thousands of unionised workers long believed in, struggled and sacrificed for. The trade union movement is now facing a stark choice: to become radical or redundant.

Neo-liberalism and privatisation

When Peter Mandelson assessed the prospects for the British Labour Party's "Third Way" policies in 2002 he argued that,

> in this strictly narrow sense, and in the urgent need to remove rigidities and incorporate flexibility in capital, product and labour markets, we are all "Thatcherite" now.

"Thatcherism" was presented as the inevitable outcome of globalisation and confirmed, for those who followed the "New Labour" line, that independent states no longer possessed effective levers of planning or economic redistribution. Instead, progressive politics was limited to making economies (and people) fit for global competition. It was the market that would decide the fate of nations and people.

Neo-liberalism is the theory and ideology of deregulated market economies. It is the orthodoxy of the age and still dominates policy-making, even in the wake of the global crash. Privatisation—and its bastard cousin "outsourcing"—cannot be understood, nor effectively fought, unless this ideology is confronted with an alternative.

Privatisation is now firmly on the agenda. It will be promoted largely on the grounds that sales will generate income for paying state debt and generating some finance for job creation. And while it is true that the "Troika" is not imposing privatisation as a condition of the "bail-out," privatisation is deeply enmeshed in the economic approach of the European Union—our domestic neo-liberals being subordinate cogs in the international neo-liberal project.

So, while the "fire sale" aspect of the policy is real enough at one level, privatisation has been on the agenda for a long time. It is part of a much deeper development in capitalist economies, and has gone much further elsewhere, not least in Britain. To mount a coherent opposition we have to work out why this is so, and disentangle the various arguments that will affect public and, more importantly, working-class opinion.

What is public, and why?

Privatisation is the disposal of state-owned or partly state-owned production and services, whether commercial or free at the point of delivery, at the national and the local level. So, we have to ask, What is public, and *why* is it public?

For neo-liberals, the case for privatisation is straightforward: the state should have no hand in the provision of products or services, which is why the end product of nationalising the Irish banks will be their "safe" return to private hands.

The case for national ownership has always been much more varied, and draws support from different sources. Public ownership and service provision is widespread in advanced capitalist countries, especially in Europe since the end of the Second World War. In some cases, such as Renault in France, it was a matter of dispossessing Nazis or collaborators. The educational and health reforms in Britain were a political response to perceived social needs and the foundation of the "welfare state" and attracted political support from throughout the spectrum. In much of Europe, power, utilities and transport suffered chronic underinvestment and anarchic development, undermining capitalist profitability in general. Where private investment could not remedy these defects the state intervened. There was often strong support from workers and their organisations for nationalisation, based on a history of abusive labour practices.

State ownership and provision in manufacturing and other services has had a more complex history. Public opinion has usually been cool, as nationalisation has often been seen (rightly) as a bail-out for failed capitalists. Union support has usually been a pragmatic defence against job losses rather than part of a strategy for developing socialism.

In most respects, nationalisation has provided rather limited opportunities for workers and consumers to plan and hold to account the services and goods provided—the more so the further public ownership is from core educational and health provision—and such opportunities have become weaker, not stronger, over time. In Britain, for example, the National Health Service is seen by most as the people's; the Royal Bank of Scotland, on the other hand, is widely regarded as a sham, much like the nationalisation of Anglo-Irish Bank here.

Public ownership and the managed economy

The public ownership and provision that is now under attack characterised a specific period of capitalism—often called the managed economy. It was found in some form or other throughout Europe from 1945 until the late 1970s. It began earlier, with the New Deal in America, for example, and was associated with the economic ideas of Keynes and similar thinkers. It became the mainstay of Labour and Social-Democratic Parties' policies.

The state became responsible for full employment, stable prices, a positive trade balance, and the provision of social welfare. From the capitalist point of view, this meant the avoidance of disastrous slumps in profit, and protection against workers' radicalism—including competition with the socialist bloc after 1945. We need to remember that Keynes proposed his policies so as to undermine demands for the "social allocation of capital," by which he meant some form of socialism.

But managed capitalism is only one possible form of what Marxists have long called state monopoly capitalism, where the state power is directly engaged in economic activity, with limited planning and guaranteeing the interests of the most powerful sections of the capitalist class.

The period of managed capitalism is now seen by many on the left as something of a "golden age," based on growing union membership and militancy, a growing share of national income going to workers, rising living standards, the shortening of the working week, and rising levels of health, education, housing, and social services generally. These very real gains for workers throughout Europe became in effect the end game for labour, socialist, social-democratic and even many communist parties. Even some employers and capitalist parties, as well as politically conservative unions and union federations, could "join in" in what was often called the "post-war settlement" between capital and labour.

So, how did we get from there to Mandelson's acceptance that "we are all Thatcherite now"?

The neo-liberal revolution

It all fell apart in the late 1970s. Inflation, unemployment, trade crises and deindustrialisation (Ireland was a partial exception—for a while at least) threw the post-war settlement into a new crisis.

There is an orthodox explanation for these developments, which argues that managed capitalism had "stopped working," because of a number of new developments.

Firstly, the globalisation of markets for both goods and capital led to the growing power of transnational corporations, which increasingly became divorced from their national base and relations with "their" national state. States increasingly had to compete for inward investment, and transnational corporations had the whole of the developing world as a source of cheap and unregulated labour.

These trends were amplified by the liberalisation of trade, which worked against the protection of national industries. Both trends increased the mobility of capital in investment and the penetration of product markets. In this way the levers of economic power were said to slip from the hands of the state.

Secondly, new methods of production and new products and services emerged with the development of the computer and associated technologies, amounting, in some accounts, to a second Industrial Revolution. These technologies had the capacity to revolutionise the production of existing products in manufacturing, with dramatic increases in productivity and the displacement of labour.

Thirdly, there was the weakening of class as a political force as socialist and labour parties lost members and votes and union membership and organisational capacity were eroded by unemployment and an inability to successfully confront employers on the new ground.

The re-emergence of large-scale unemployment alongside inflation fatally undermined the confidence of many workers in the politics and policies of the post-war boom, and drove capitalists to reject the compromise of those years in a deepening competitive struggle to retain profits and dominance in markets.

These developments were accompanied by a rise in political and economic theoretical assaults on managed capitalism—from the right. The end of the post-war settlement saw the emergence of a new breed of neo-liberal politicians and ideologues, such as Thatcher, Reagan, Hayek, and Friedman.

Electoral and business support for these new policies broke through the logjam of economic crisis, "rescued" economies from the distortions of collective bargaining, welfarism, and state intervention in industry, and established a new, neo-liberal orthodoxy. This orthodoxy has been widely accepted by socialist and labour parties, by unions and their members, as well as by a wider public.

So in Britain, if Thatcher was the neo-liberal solution to an exhausted consensual conservatism, New Labour was the neo-liberal colonisation of the labour movement.

Although things played out rather differently in Ireland during the period of "social partnership," neo-liberal ideas and policies came to dominate the Fianna Fáil-PD coalition, and still dominate today. We must all learn to compete in the brave new world of open markets and mobile capital and to bury as unproductive and backward-looking any talk of building an economy to serve the needs of the majority of the people.

A better way of looking at it

There is a better way of understanding these changes, and a way that can make a greater contribution to understanding what is meant by privatisation, and how unions may respond to it.

The present economic crisis cannot be the product of over-regulation and the "nanny state," nor was the crisis of the 1980s that unleashed neo-liberalism. Both these economic tsunamis arose from the overproduction of capital relative to profitable investment opportunities—the classic, self-destructive dynamic of capitalist economies dissected by Marx some 150 years ago. Where, after the Second World War, the state was seen as the absorber of excess capital—if at a political price—by the 1980s it could no longer play this role. But it could play another role—in the interests of capital it *had* to play another role—and it did.

The resolution of capitalist crises of overproduction always involves two main elements. The first is the destruction of old capital values and their removal from the competitive stage. Members of the capitalist class incur huge losses in this process, but it clears the ground for new capitalist advances. Secondly, the conditions for renewed profitable production are created for newer products, services and technologies as the costs of production are radically reduced.

In Europe after 1945 both these elements were achieved by the destruction of war and the reorganisation of the economy in reconstruction; and the politics of the post-war settlement can be best understood as the harnessing of the state to this process in the context of a resurgent labour movement and the onset of the Cold War.

The crises of the 1980s and the 2000s are closely connected. If the solution to the great slump of the 1930s included planning and welfarism, the neo-liberal solutions of the 1980s are being deepened rather than abandoned, as the present crisis represents unfinished work for international capital.

It is for this reason that attempts to reintroduce Keynesian solutions to the recession, for example in the United States by the Democratic Party under Obama and others, have produced so little response.

Thus, the essential components of the resolution of the crisis of the 1980s reappear today, only presented differently, to the extent that they must address also the developed form of the crisis in the banking and sovereign debt debacles. The essential components include—but are not limited to—the following features.

First is the driving down of costs for employers, particularly through attacks on organised labour and state regulation of pay and conditions. This also rejects union involvement in state policy on both industry and employment. The European dimension can clearly be seen in such policies as raising retirement ages, reducing minimum pay and undermining pay regulation, especially at the lower end of the labour market, and attacks on welfare payments to increase the "incentive to work," as well as the consequent demonisation of the unemployed.

Secondly, capitalists require the acquisition of new market opportunities, which means continued trade liberalisation and the end of national planning or industrial policy. These opportunities are required in both investment and product markets. We are familiar with the provision of aid in developing countries being linked to access for international capital as well as for international goods. In "advanced" economies the construction of regional blocs such as the European Union involves similar initiatives, now reinforced as "conditionality" in bail-outs.

The acquisition of new markets implies also the acquisition of new labour sources, by labour migration or capital mobility, or both. For example, the global reach of energy companies, alongside computer technologies in sales and service, cannot reach their full potential without dismantling strategic national energy provision.

On the one hand, nationalised energy companies cannot compete on costs with companies that can "offshore" many elements of marketing and customer service and can monopolise energy supplies. On the other hand, these private transnational corporations cannot reach *their* full profit potential without the destruction of national energy providers.

This means that the acquisition of new profit opportunities through privatisation comes in two forms. The first is in returning nationalised assets to the private sector, both to cut costs and to accommodate the further internationalisation and restructuring of production. The second is through turning social provision into market provision. Capitalism always seeks to do this in the private or family sphere, turning as many human relationships as possible into commodities. In this case privatisation is directly geared to transforming social consumption into private consumption in order to open up new fields of investment.

Last year in Texas a new and draconian state law was proposed for the control of illegal and undocumented immigration from Mexico, involving extended police rights to stop and search and the state's rights to imprison. The campaign for this controversial law—which was designed to increase the prison population—was sponsored, and in large part paid for, by a consortium of private prison providers.

Privatisation is therefore one—very important—part of a neo-liberal agenda. The state never "got out" of economic management: it got into it in a new way, both at the national and the regional "superstate" level, with the EU, NAFTA, etc. While the nationalisation of the banks in Ireland "socialises" capitalists' losses—passes them on to you and me—privatisation desocialises both production and consumption, transferring social value into private profit. The "co-location" of hospitals and private finance initiatives are a perfect example of this.

The neo-liberal agenda and the public sector

Privatisation is the point at which the neo-liberal agenda comes up against public provision. The neo-liberal agenda covers the whole of public-sector employment and provision: privatisation may be the end game but is not always possible, either because of political resistance or because specific services or markets do not offer sufficient access to profits and therefore are left to public subsidy—or cuts.

In either case the neo-liberal approach is based on the assertion that the state (national or local) is inherently inefficient at providing goods and services, because (1) it lacks the spur of profit, and state enterprise is inflexible and slow to change, and (2) because those who staff it (managers as well as workers) operate services on their own terms for their own benefit, because they are not accountable to customers.

Neo-liberalism therefore peddles “customer choice” as the answer to these problems, and proclaims the “empowerment” of welfare recipients and hospital patients.

The “outsourcing” (i.e. privatisation) of Dublin’s refuse collection is a good example. The argument goes like this: Clearly the state (or local government in this case) must guarantee waste collection and disposal, on public-health grounds. In recent years wider environmental concerns have been added through EU regulation. Leaving the provision and management of these services in the hands of the city council slows the adoption of change, and extracts a price from the public in labour costs that would come cheaper from competing private companies.

Householders want their bins lifted, but why should they care who does the job? Just because you have to have your rubbish removed, why subsidise the wages of council workers to do it? Why not let the council *commission* cheaper provision by the private sector, and then *regulate* the provider?

This leads us to consider another American import, so-called “new public management.” If you can’t privatise it, then apply market disciplines and give opportunities for fake competition by the private sector: co-location and public-private finance initiatives.

A variation in Ireland is the use of the Croke Park agreement after the pay cuts, where unions are still too strong to be destroyed but too weak to resist effectively. The whole purpose of the agreement was to act as a “productivity deal”—not one in which productivity gains are shared by workers and the public but one where change is delivered “gratis,” at gunpoint, while services to the public are *still* cut.

But this has been brewing for years: the OECD praised Ireland in 2006 for progress in adopting “new public management.” It cheapens provision by the state and at the same time prepares the ground for further privatisation.

Markets, democracy, and all that "guff"

The nineteenth-century Scottish historian Thomas Carlyle described economics as the "dismal science"; today's neo-liberal version could be called the "stupid science."

Consider: a woman has an accident and breaks her leg. She is taken to a public hospital to have the fracture set, and receives after-care from a physiotherapist, enabling her to resume normal life. Her care is provided by public-service workers, paid (or overpaid) by public taxes and is, just now, an unbearable cost on the state that increases the public deficit. If this woman was treated wholly in the private sector, and paid for her own care, this would appear in the national statistics as a contribution to output and growth.

Socialists argue that the economy, from the provision of burgers to bedpans, is about how we satisfy individual and social needs. In the capitalist economy nothing is provided except where a profit can be made. In one set of transactions, capitalist production subordinates the consumer and exploits the worker.

We can see that the "health services industry" in the United States is one of the most expensive in the world, excludes millions from care, and gives priority to drugs, treatments and technologies that produce the greatest return for corporations and professionals at the expense of patients.

It will come as no surprise, therefore, that the United States—the "preferred supplier" of neo-liberalism and new public management—is also the site of the most virulent and scaremongering political attempts to scupper limited reform of health care and of public provision more generally. In Europe the debate is less direct. Many leading figures in Labour and Socialist Parties tell us that ownership doesn't matter but control does. In this way, privatisation is accompanied by a proliferation of publicly funded control bodies.

In fact ownership matters very much indeed—which is the big reason why capitalist owners get so excited about privatisation.

Public ownership—at its best, rather than as a rescue package for lame-duck capitalism—can put the interests of consumers before those of profit generation, can regulate pay, conditions, training and participation by employees, and can provide direct and public accountability for the work of public enterprise and services.

Just because Anglo-Irish Bank Resolution Corporation Ltd is a vehicle for rescuing private capital at the expense of the public purse does not mean we should "give it back": it means we should bring it under democratic control and use it as a means of planning and economic development. Such an approach would be of keen interest, of course, to employees in the bank—and, it should be said, to employees facing the meltdown of their job prospects in other Irish banks—but it is also of real interest to the whole community.

Unions, privatisation, and resistance

So what about the private sector? Neo-liberal policy is not just "divide and rule" between public and private, however important that has been in the last couple of years: change in the public sector can also act as a lever for the private sector.

Privatisation + deregulation = redistribution of power, and this redistribution extends directly into the private sector.

The "reform" of the joint labour committees and employment regulation orders, for example, was presaged by cuts in unemployment benefit and pay in the public sector. Publicly funded hospitals, for example, cannot be allowed to pay rates to cooks that make employment in fast-food outlets seem unattractive, and rates in neither sector can be undermined by the extent of welfare provision.

If unions in particular, and the left in general, oppose privatisation only in detail—unfair to workers, or creates even poorer service—then they will certainly be beaten, and will not build a basis for recovery of the socialist case for public provision.

If unions and the left fight privatisation *politically* they may be beaten—stopping a government that represents international as well as domestic capital is not an easy thing—but they may also build a new basis for such a recovery. The experience of our nearest neighbours in Britain—and limits to what unions can do alone—tell us this.

In part this is because the impact of privatisation on workers can be very varied: some (if they survived the employment cull) did quite well. The mobilising of union members tended to concentrate on immediate terms and conditions; but this often isolated workers from broader opinion, and even divided workers between winners and losers in what could be seen as just another job choice.

Where the left insisted that privatisation could be stopped by industrial action they usually capitulated on the political arguments—the class arguments—in favour of relying on sectional interests. The argument was quickly transformed into one that principally addressed the employment terms of the transfer to the private sector—an argument that could end only in an industrial relations compromise that left the broader union and labour movement, and the public in general, outside the loop altogether.

Unwilling to recognise this dynamic, many on the left posed opposition to privatisation as a test of union leaders' "willingness to fight," with little concern about what the workers who were supposed to be doing the fighting thought. The responsibility of socialists is to fight outside as well as inside the unions for a programme that addresses the needs of workers as a whole, and not just public-service workers.

For unions and their members, of course, successful privatisation offers a challenge that ends up being fought on limited economic grounds. In Britain the capacity of workers and unions to defend terms and conditions varied enormously. The privatisation and dismemberment of the railway industry was met by a vigorous and successful fight-back by (in particular) the Rail, Maritime and Transport Union, under Bob Crow's leadership.

For unions there can be life after privatisation, and their members know it; for socialists, every privatisation is a blow to the politics of communal economic development. But if socialists—including those inside unions—do not argue the case for public ownership, planning, and democracy, who will?

A case study: the ESB

Since its establishment in 1927 the Electricity Supply Board has played a strategic role in the economic development of this country.

The construction of the Shannon Hydro-Electric Scheme at Ardnacrusha, Co. Clare, brought rural electrification, with the ESB providing safe and secure electricity generation and a supply to every corner and parish in the Republic. The ESB has never received a subsidy from the state and has been self-financing since its inception.

Many years ago it was said that the only reason the state set up the ESB as a state company was that there wasn't the capital in the country to finance such a project. Although this may be true to some extent, the state did consider involving the private sector, i.e. foreign capital. According to Michael Shiel's book *The Quiet Revolution: The Electrification of Rural Ireland, 1946–1976* (1984),

> the possibility of attracting foreign capital was investigated and dismissed as it was obvious that foreign investors would only be attracted on their own hard-nosed commercial terms which would not harmonise with the social and economic objectives of the scheme.

What's new? Another interesting paragraph is the following:

> Banking and business interests and even the Farmers Party were vocal in advocating private enterprise. To many the concept of a state-run undertaking was anathema. One newspaper described it as "the first fruits of bolshevism in this country."

However, the ESB went on to grow and at its peak employed 13,500 people. Citizens on limited incomes were able to obtain access to reasonably priced electricity and also to get cheap credit for electrical goods as the economy grew and developed. In addition, industry benefited from a publicly owned grid network that allowed the economy to grow nationally. The ESB was integral to this economic progress.

In 2002 a market-driven ideology pursued by successive governments, using the excuse of an EU competition directive on energy, led to the setting up of the Commission for Energy Regulation, which was to change the energy industry in Ireland beyond recognition.

It must be remembered that in 2002, when the ESB generated, transmitted, distributed and supplied all the electricity in the Republic, electricity prices were the lowest in the fifteen member-states of the European Union. This fact, however, did not prevent a government spokesperson describing the regulations that were to be introduced as necessary to provide "cheaper electricity."

The ESB was regulated by the regulator, while the market was deregulated to encourage new entrants into the "electricity market." The ESB's prices were set at 14 per cent higher than was necessary, to encourage so-called competition.

The ESB was prevented from building new generating stations, at a time when new stations were needed, which forced it to hire mobile generators, at great cost, to prevent black-outs in winter.

Since then, other generating companies have entered the market, such as Viridian, Tynagh Energy, and Airtricity, as well as another state-owned company, An Bord Gáis. The ESB now generates only 40 per cent of the electricity in an all-Ireland market. To reduce capacity it was compelled to sell long-established generating plant at Tarbert, Co. Kerry, and Great Island, Co. Wexford, to the Spanish utility ENDESA.

Some would argue that divesting the company of some power stations was not only to encourage competition in generation but also to reduce the power of the trade unions.

In the electricity supply market the ESB was effectually forced to hand over 800,000 customers in eighteen months. This was done by forcing it—through regulation—to keep its electricity prices 14 per cent higher than its competitors Airtricity and An Bord Gáis for eighteen months while those companies ran aggressive advertising campaigns aimed at taking ESB customers.

We have now arrived at a situation where in a mere ten years the ESB has moved from 100 per cent generating capacity to 40 per cent, the rest being held by competitors and private-sector and international interests. The company has lost more than a third of its customers in the supply business while the number of employees is down from a peak of 13,500 to half that number, 6,500, which it proposes to reduce by a further 1,000.

Electricity prices, the lowest in the EU-15 in 2002, were the highest in the expanded EU-25 by 2009; and while they have fallen slightly since then, they are still artificially high.

The ESB is still 95 per cent state-owned, with 5 per cent owned by employees. It is still a vertically integrated utility, with generation, distribution and supply business. It is a multi-million asset, with an estimated value of €5 to 6 billion, and has provided about €2 billion to the state over the last ten years in dividends to the government. It still has 6,500 skilled workers, all of whom pay tax, on a payroll of €635 million.

Ireland is a country in an economic mess, which needs investment, growth in employment, and research and development in realistic renewables, such as wind, wave and tidal energy. The ESB has the experience, knowledge, skill and resources not alone to continue to serve the citizens of this country but also to help it move out of its economic difficulties and to a new phase of badly needed development. It would be national economic sabotage to privatise the ESB.

There are rumours that it is not to be sold off but that An Bord Gáis and Coillte will be, to realise about €2 billion. But the "Troika" are looking for €5 billion of state assets to be sold, so the ESB is not out of the woods yet.

The question for the left is, How do we mount a campaign against the sale of state assets? How do we mobilise industrial, public and political support for our position?

At a meeting of more than two hundred ESB shop stewards in July 2011 a resolution was passed that said:

> In noting the recent motions passed at the biennial ICTU Conference relating to the Sale of Assets this conference directs the group and affiliated unions to ballot all union members in ESB for industrial action up to and including strike action in the

> event of steps being taken to implement any further asset sale, disposal, transfer or divestment as proposed in the Programme for Government on the McCarthy report.

Perhaps the unions in other state companies that are mentioned as being due for selling off need to consult their members, if they have not already done so, to raise awareness and to campaign against the sale of these assets, which is not in the interests of the state, the consumers, or the workers employed in these companies. A debate on this question might produce some ideas about how we might raise awareness within the trade union movement, within society, and among political activists who would support this position.

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Trade Union Left Forum

The purpose of the Trade Union Left Forum is to encourage and initiate serious examination and debate from a left and class viewpoint of the major questions facing the labour movement in Ireland.

The Forum will be a focus for socialist thought on these questions —not to provide ready-made answers to complex problems but to provide a forum for discussion and debate.

The Forum will thus assist trade union activists in making practical interventions in their own work-places and unions as they feel appropriate.

The Trade Union Left Forum will initially be a discussion forum; it may develop and acquire a wider role to the extent that participants find it of benefit and have confidence in it.

Principal issues

- Privatisation and the neo-liberal agenda
- The debt-austerity link: EU and IMF connection
- Trade union and community campaigning links
- Trade union education: politics, ideology, political economy.

Ireland is going through its greatest economic and social crisis since the foundation of the state. The domestic elite, in alignment with the imperial designs of the European Union and its banking institutions, are content to make working people and their families pay unsustainable debts they never incurred.

The response of the trade union movement to the need for continuing counter-offensives against austerity cuts and for the projection of an alternative strategy for working-class interests has been disappointing, to say the least. This pamphlet examines the reasons for these limitations and puts forward recommendations for the trade union movement to shift direction and pursue a more imaginative and militant course.

Trade Union Left Forum
www.tuleftforum.com