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Authors	Ó hAdhmaill, Féilim
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Demexit: Brexit, Like the Banks Bail-out, shows how little democratic control we really have in the global economy.

By Féilim Ó hAdhmaill

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Whilst the consequences of the UK's decision to leave the EU, remain unclear, one thing is however, certain - the limited power and influence Ireland, North and South, will exercise over the final decision making. The hype in May of this year, over apparent 'concessions' gained by Ireland, from the EU, about an early resolution to how the Irish border will be affected, was quickly rubbished by UK Brexit Secretary, David Davis. He and other English Tory politicians have made it clear that the UK's self-interest goes beyond, and is much more important than, the concerns of those living either side of the Irish border or indeed the Irish peace process. It is not even clear how the 27 remaining member states of the EU (of which the Irish state is only one) will actually approach negotiations with the UK, and whether they will indeed take the concerns of the Irish seriously. Unlike Spain, apparently granted a veto by the EU, over any decisions on Gibraltar, the Irish state has not been awarded a similar status in relation to the North or the Border. Indeed it is not clear that EU interests (if there is even such a collective interest) are likely to coincide with Ireland's when it comes to what will be a new EU land border with what will be a non-EU state.

And if the Irish State will have limited power and influence over negotiations it is clear that the people of the North will have none at all. Despite a majority of the North's population (56%) voting to remain in June 2016, that voice is more or less silenced by an overwhelming majority of English MPs in Westminster supportive of Brexit and whose minds are concentrated on negotiating a deal that will suit their own constituencies.

One option touted by some hopeful nationalist politicians is for the people in the North to vote for Irish reunification, in a referendum (allowable under the Belfast Agreement, 1998). David Davis accepted in March of this year that by joining an existing EU state (Ireland) the North could remain in the EU without having to reapply. However, whilst many unionists, particularly in Border areas, appear to have voted against Brexit it's not clear that this would translate into a vote for the ending of partition. The Northern Ireland entity was after all created in 1920 specifically to give unionists a majority, where they had lacked one in the whole of Ireland. It is true that that majority has been on the decrease in recent years. It is also true that in the Assembly elections in March 2017 the Unionist parties (for the first time since partition) did not win a majority of seats, but neither did the nationalist parties. There is also no guarantee that all votes for the nationalist parties would necessarily translate into votes for reunification, particularly if this led to the loss of the NHS and social services and public sector jobs. Ironically, an English Tory Government dedicated to rolling back the welfare state and public sector cuts, might make that choice easier! In any event the British Government has refused to agree to a referendum in the North as it has in Scotland, apparently fearful that this might lead to the break-up of the UK.

The lack of control over its own destiny is not something new for Ireland of course. Whilst the North remained within the UK after the 1921 Treaty, the 'independence' of the Irish state in the South always seemed compromised, initially by economic dependence on Britain and then, from 1973 onwards, by EU membership and a progressive seepage of sovereignty to the EU and, in particular, its bigger states.

The lack of democratic control over the economy in Ireland, North and South, became particularly clear during the banking crisis and the period of the austerity. While the experience of the crisis and austerity was different, North and South, reflecting different

social, economic, and political contexts, as well as different forms of democratic control, it nonetheless showed that power lay elsewhere.

The 2008 global economic crisis and, the responses to it in the industrialised rich countries of the world, led not just to a re-moulding of capitalism, but to increased clarity about both the lack of global democracy and what John Pilger termed in 2002, ‘the new rulers of the world’. Neo-liberal minimalist state regulation of financial institutions, and the economy in general, was replaced by high state interventionist ‘austerity’ measures, aimed at protecting capitalist financial structures. In the EU, Governments nationalised private debt, spreading the costs across their local communities, largely to ensure that capitalism as an economic structure and ideology was maintained. The notion of ‘European-ness’ and a sense of a unified EU citizenship - used to promote the idea of a greater social and economic union from the 1970s - gave way to single state self-interest as the bigger economies banded together to protect their national interests and the interests of their banks and their bondholders.

Smaller EU states, having progressively relinquished sovereignty to the larger states, from Maastricht (1992) to Lisbon (2007) to the Euro (2002), in the interests of ‘Europeanisation’, realised that they no longer controlled their own economies, budgets or fiscal arrangements. Ideological choices appeared limited in smaller states – either accept the new ‘austerity’ measures, enthusiastically, as the only solution to a global crisis, or accept them, reluctantly. What Greece’s former Finance Minister, Yanis Varoufakis, was to call, ‘financial terrorism’ was in town.

Irish Governments from 2008 on fitted in with that ‘austerity’ agenda accepting with a large degree of enthusiastic energy the dominant discourse of public sector cuts. Whilst the capitulation to threats from the IMF and the EU seemed to show a lack of democratic control

they still had choices, even if the choice was simply to raise a protest at the way their state was being treated. A 'pragmatic' approach to the powerful seemed the best option and by and large the approach did fit with the world view of the main parties.

Up until 2015, the North of Ireland did not suffer the same level of cuts to the public sector, welfare services and benefits or the same levels of unemployment or emigration, as were experienced in the South. Initially this was because the Brown Labour Government in Britain opposed wholesale 'austerity' as the way out of the crisis. The elections of Governments in 2010 and 2015 committed to 'austerity' however meant that the North was then to experience in a probably much more brutal way the sharp end of 'austerity' especially from 2015 onwards. Indeed it was even clearer by this stage that 'austerity' was a tool used by the Tory Government in a wider agenda to reassert neoliberalist thinking regardless of any economic crisis and to reject any serious consideration of alternative approaches.

Lack of democratic control in the North was of course exacerbated by the lack of agreement between the nationalist and unionist parties within the devolved Executive - largely linked to the old animosities over the constitutional question, the legacy of the conflict and continuing political uncertainty and distrust. However, it was also linked to different ideological positions on the new neoliberalist agenda. While the nationalist parties made some sort of a stand against 'austerity', the unionists demanded the implementation of the UK Government's 'austerity' agenda. As the Executive faced collapse throughout 2015, over a range of different issues, austerity being only one, an initial agreement was cobbled together by the parties to continue on in Government. By the end of 2016, the Executive collapsed totally, possibly indefinitely.

What the future holds for Ireland, North and South remains unclear. Despite everything, however, people still do have choices. In the South they have shown that in recent years in the rise in the vote for parties from the Left in opposition to ‘austerity’ and during the successful water rates campaign. Whether that leads eventually to a Left leaning Government for the first time in Irish history is difficult to predict, as is whether such a Government would reassert more democratic control over the economy in the face of potential global opposition.

In the North it is too early to say whether traditional unionists will revisit the ideas espoused by their ancestors in the 1790s in the United Irish Society, ideas not just about grasping the idea of self- determination but about national reconciliation on the island.

And of course, little has been said in recent months about whether Brexit may lead Ireland North and South to eventually consider Irexit, an Irish withdrawal from the EU, or at least a renegotiation in relation to greater sovereignty. Of course that decision may be made for us by others – if the EU itself collapses!

(Féilim Ó hAdhmaill is a lecturer in social policy at University College Cork. This article of partly based on his chapter, Ireland and the Global Economic Crisis: One Island, Two Different Experiences, in Murphy, M., and Dukelow, F., (2016) *The Irish Welfare State in the Twenty-First Century: challenges and change*, Palgrave Macmillan, London.)