

BOOK REVIEW: TOWARDS A SECOND REPUBLIC – IRISH POLITICS AFTER THE CELTIC TIGER BY PEADAR KIRBY & MARY MURPHY

Towards a Second Republic – Irish Politics after the Celtic Tiger by Peadar Kirby and Mary Murphy
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For four years now, the Irish state has been engulfed by the most serious economic crisis in its history. This is no mere recession, nor solely a crisis confined to one or two sectors, nor indeed a national crisis. Rather Ireland is in the spotlight internationally alongside several “old” and “new” European countries whose flaws have been mercilessly exposed by a global crisis the magnitude of which has as yet not been plumbed. While it is by now a commonplace to say that we should not waste a crisis, it is by no means agreed what constitutes wasting this one. All that is sure is that things will change dramatically for Ireland as the hubris of the “noughties” yields to what looks at best like Sisyphus and more likely nemesis in the ‘teens of the still young 21st century.

Kirby and Murphy’s contribution, *Towards a Second Republic*, is a key addition to the growing literature on this subject and, usefully, was published after the momentous election of 25th February 2011, the inception of the 31st Dáil and installation of a Fine Gael-Labour government on the basis of taking 113 out of 166 seats between them. The book is a valuable contribution in that it covers a lot of ground, synthesising a range of existing academic work, official reports and commentary on the crisis. It examines the critical scholarship on the political context, including the electoral system, political parties, social partnership, weaknesses in Irish political culture, and defects in the “public sphere” which they view as significant contributory factors in the crisis as manifested in Ireland. They continue with an account of the civil service bureaucracy, the Department of Finance’s dominance and its conservatism, the centralism of the state, and repeated failures to achieve devolution. Here they also review the literature on the crisis, partly attributed to “groupthink” *via* incorporative strategies such as social partnership but more particularly attributed to cronyism at the highest level, and media influence in recent times. Moreover, the civil servants were often trumped by populist politicians, as typified by Finance Minister McCreevy’s crass “decentralisation” programme. Despite embracing the “new public management” ideologies, the Irish state still relied on poorly structured and egregiously governed entities like FÁS.

There is a chapter covering the overall direction of the economy in the boom years and the course of the crisis from 2008. The book examines the impact of this long period of expansion, and early years of the crisis, on distribution, and there are chapters respectively identifying the “losers” and the “winners”. The chapter on the “losers” reviews in some depth the quantitative research and also qualitative dimensions of poverty and its impact on individuals. The one on “winners” scrutinises the *nouveau riche* and emphasises the continuing advantages of indigenous elites in the building, business, financial, high-tech and professional sectors. This chapter also points up the cosy interconnectedness of the powerful and wealthy classes as evidenced by networks of overlapping directorships.

These outcomes are linked to the political culture and governance analysed in the earlier sections.

There is a good chapter on the European context which shows Ireland's initially positive but more recently negative relations with the integration project. The critique is rounded and resists the temptation of Europe-bashing; it nevertheless weaves into the Irish story the changing direction of the European project from a social-market model to an increasingly competition-centred and competitiveness oriented neo-liberal one, and points to criticisms of ECB policy on interest rates during the boom years, and lack of regulation of the interbank lending that fuelled the bubble economy in Ireland. However, they place the main focus on the domestic front and a government mentality that was much more in favour of light touch regulation and a low tax regime than typically applied other EU states.

There is an interesting comparative chapter that looks at other countries and "their" crashes. The examples come from across the globe, including Latin America (Argentina, Uruguay, and Costa Rica), Europe (Iceland, Finland, Spain). These pen pictures help throw some light on several facets of the crisis in Ireland. While they offer no obvious blueprint and are very diverse cases, the authors make the point that clear and purposeful government built on solid principles of citizenship and governance for the public good, and a readiness to stand up against market interests when required, are common traits worthy of deeper study. There is some discussion, drawing on the 1980s work of Katzenstein (1984), on the strategies of small states in the face of powerful international forces. Given the deepening of global de-regulation since then, however, one might ask whether most states can now be regarded as "small", as witness Italy's vulnerability to "the markets".

Despite the breadth of analysis, this book is not merely intended as academic scholarship. The title of the book is programmatic in tone and chimes in with a trend towards more fundamental reconsideration of the direction of the Irish state, its governing ideology and the prospects for democratic life in the course of and after the debacle. The concept of republicanism figures prominently not only in the title but also as a core theme in the book as a whole. Other writers, such as Fintan O'Toole (2010) and indeed Michael D Higgins (2011), since elected President of Ireland, have also focused on the concept of republicanism, either to get to a new Republic or to renew its spirit. In all instances, "republicanism" is defined not as it entered the vernacular in Ireland over the past forty years but as a core political value involving democratic citizen engagement to the broadest and deepest extent, through rights and duties, and a political process and institutions resolutely focused on the pursuit of the public good.

Kirby and Murphy's volume portends not just a renewal of a spirit of republicanism, active political citizenship in the sense of a focus on *res publica* and the re-centring of politics on the public good, but also constitutional and institutional change designed to embody and accelerate such a renewal. Indeed, the choice of the term "Second Republic" signals a qualitative leap, rather than a revival of spirit or an incremental reform of the constitution. Kirby and Murphy note that the need for such qualitative changes should not surprise us and may be both necessitated and facilitated by crises (they cite France's replacement of the Fourth by the Fifth Republic in 1958 and Kenya's replacement of a post-colonial constitution in 2010 as illustrative of the range of cases) (211).

Presumably the term "second" is simply a device to emphasise the break with "the past". Obviously, a literal reading, implying an actual arithmetical nomenclature for republics in Ireland, could prove especially testing during this "decade of centenaries" and the authors, in going for a "second" one, might be asked to say explicitly what period was covered by the first! Should we not consider the 1916 Proclamation, the Democratic Programme of 1919, the Saorstát Éireann (Free State) constitution of 1922, or Bunreacht na hÉireann (1937) as memorable landmarks warranting inclusion in such a scheme?

In fact, though, the substantive focus of Kirby and Murphy's nomenclature is quite removed from this source of potential diversion. What they are really interested in is the political economy of the Irish state. In this context, 1958 marked a watershed in relation to the substantive elements of modernisation of Ireland and defined a new political economy around export led industrialisation, dismantling tariffs, deepening foreign trade, attracting foreign investment, entering into the European Economic Community etc. Arguably, this was in substance a new Republic, which now needs replacing. Taking a long view, it may be credited with transforming Ireland from a stagnating conservative rural backwater into a growing economy with free education, health care, housing, a welfare state, greater economic independence from the UK, and greater engagement in a wider European and global economy. However, as a model of development, it is described by Kirby and Murphy as but one possible path, which in time became more deeply committed to principles of neo-liberalism. Implicit in the model, from the start, were tendencies towards widening of income and wealth dispersion, while many of the "pre-republican" traits in our political culture, such as paternalism, patronage, "pedigree" (pro- and anti-Treaty), patriarchy, clericalism, etc, were reproduced. Thus, the ground was prepared and the seeds sown for a regime of poor oversight, cronyism and corruption in key areas of public regulation and governance. The massive rejection of Fianna Fáil and its PD remnants in the 2011 election (and, perhaps unfortunately, the electoral wipe-out of the Greens) provides a potential opportunity to garner the support of the *demos* for a clearout of the Augean stables. Beyond that, however, there is considerable disagreement as to the remedy for Ireland's current woes. The crisis is massive, private debt is strangling many households, unemployment is corroding huge layers of society, state services are being wound back successively every year to the point where living standards are dropping, health care is increasingly unaffordable, and educational expectations at third level are seriously threatened for the rising generation. A longer term schedule for return to a "rising tide" is inevitable and it is here that matters of substance, pertaining to the economic model as a whole, come to the fore.

Kirby and Murphy relate Ireland's impasse to the economic model set in place since the late 1950s and, globally, to neo-liberalism, which has been embraced by Ireland's political elite. A key aim of the book is to critique the current model and review alternatives that might figure in defining the real content, i.e., the political economic underpinnings of a new (let's forget the numbers) republic.

A key source of influence on Kirby and Murphy in this context is the work of Karl Polanyi, whose star has risen in recent decades, in view of his prophetic critique of the claims of his neo-classical peers - Austrian School economists and market libertarians such as Ludwig von Mises and the progeny of this School such as Friedrich von Hayek. Polanyi's critique also anticipated the downside realities of neo-liberalism, not only in relation to the debates from the 1930s to the 1980s between socialists and liberals, but in relation to issues of environmental sustainability and macro-economic management of capitalist economies which have been fore-grounded more recently. Against intellectual claims for the minimal state and liberation of spontaneously self-regulating markets, Polanyi argued that, far from being spontaneous, generalised commodity production and exchange was brought about through coercion - particularly in relation to labour and land (for example, the enclosure movement in Europe from the 1500s on and the new Poor Law in England from 1834). Along with money, he argued, land and labour constituted commodities only in a "fictional" sense, and that to view labour, land and money in the same terms as assembly line widgets is to ignore the importance of embedding markets in societies. Land, labour and money are on the interface of economy and society, economy and environment and economy and polity. Land, labour and money cannot be defined simply in terms of commodities because they are the very reason why it is essential to set boundaries around markets and commodification. In this sense, historically, markets are planned, often coercively by the state, but need to become embedded in a more civilized structure of society based on norms and standards relating to the conditions of living, human dignity, environmental safety and sustainability.

Money as a commodity is fictional because its critical role in governing market society constitutes a key aspect of protecting markets from their self-destructive and indirectly societally disintegrative, tendencies. Polanyi referred to this as a “double movement”. Although pitched at a high level of abstraction, the ideas of Polanyi are congruent with the macro-economic theory of Keynes and the growth of welfare states. Additionally, due to the references to land, they also translate into a basis for environmentalism and address what economists limply refer to as spillovers or externalities. Polanyi’s critique of capitalism is also distinct from Marxian political economy, which is also experiencing a revival, but which plays no part in the analysis offered in the present study. Kirby and Murphy’s critique of the Irish economic collapse can be related to Polanyian foundations, and from these they elaborate three ideal-typical models for longer term regeneration on Irish economy and society. Briefly, these are:

1. **Weak liberal model:** Essentially this would involve a continuation of the existing pattern based on low corporate taxes, export led business and favoured by FG and FF, tightening up regulatory laxness and institutional efficiency, but with a continuation of an unequal society with a weak public sphere;
2. **Developmental social democratic model:** This model would entail more state activism, with a state strategic investment bank. Ideally, it would foster some strong national brands (such as Nokia in the Finnish case). This is a model supported by TASC and (prior to the election) the Labour Party, and the ICTU, and has been viewed sympathetically by the NESG; the model involves high tax, high social investment, greater equality, better distribution. However, they acknowledge that resistance to this option is very strong in “public discourse”.
3. **Ecological socialist model:** Challenges continuous GDP growth as the ultimate end, addresses the “peak-oil” challenge, arrests environmental degradation, and promotes lower carbon emissions. Typically this option would be supported by Green Party and wider ecological movements, but is not very popular and is often regarded as putting a brake on recovery and development. This option, however, is one that needs to be addressed and must be propelled by global level momentum because the carbon footprint and other ecological degradation by individual countries are not charged to them but globally and into the future (the “externality” problem).

The authors are not explicitly prescriptive but are most critical of the first model and appear to make a stronger case at times for the third. There is a major question here as to how an economy like Ireland could change track without major challenges to the political basis of the present model. Esping Andersen’s typology of welfare regimes also drew on Polanyi for its core concept of “decommodification” but the whole point of welfare regime theory that resulted was that different states get locked into specific forms of double-movement and, once institutionalised, policy choices become path dependent; hence liberal regimes do not easily change into social democratic ones. Thus, the options as set out appear to have didactic rather than programmatic efficacy. While the book is useful at this level, it does not outline the steps between crisis-resolution in the present and a new economic model for the longer term.

Similarly, on the political front, the authors do not set out an explicit blueprint for constitutional or institutional reforms. Perhaps this is unfair comment, since there are many references throughout the text to possibilities. However, there is no single point where they set out, in summary, a compelling way forward. Clearly, one of the targets of the book is the new government’s commitment to a constitutional convention, reform of political institutions, reform or possibly abolition of the Seanad, and broadly, renewal of the republic. Here, the authors review and explore various options for electoral reform, unicameralism etc., without drawing definitive conclusions or believing that institutional reform of itself will change the direction and momentum of political life sufficiently to create a new republic in substance. They laud the programme for government and list its proposals in so far as they go. (Since the book was written, one of these proposals, to give greater powers to Oireachtas committees, was defeated in a referendum).

However, they criticise the limitations of the Programme for Government, for lacking a focus on “equality, participation and separation of power(s)” and for containing few concrete proposals on “enabling participation and creating deliberative democratic forums” (194/5), and they caution that the government may settle for the low hanging fruit.

Evidently, Kirby and Murphy are sceptical of the prospects for anything substantial from the coalition. They have an eye to Labour and the possibility of further realignments, particularly on the political left, with a possibility of a future left government that could truly break the mould. To this end they finish the book with a fascinating chapter providing an account of the welter of political and social movements, ideological currents, “civil society” initiatives and tendencies to emerge over the past two years. It is not really clear where the authors are positioned in relation to all this flux although it is apparent that they are involved in it and broadly favour a shift to the second and third models they outline. There are some signs of hope for an alignment of Labour and the opposition left parties in a 2016 general election but these are tempered by fears that Labour will become hoist on its own petard in the meantime. The focus for aspiration shifts to “civil society”, but the definition of civil society oscillates between broad and narrow. The narrower concept points to civil society as an agency or a range of social movements for change along radical lines while the broader definition – a field in effect – includes associations of business interests, and neo-liberal movements pushing in the opposite direction. The authors call on the government, in effect, to promote deliberative civic forums as key to renewing the republic. On the evidence of its actions so far, however, far from taking this up, the coalition is accelerating the wind-down of such fora as existed over the past two decades, at local and national level, and has little time for what is seen as lobbying by community and voluntary organisations. Deliberative engagement with civil society appears to be off the agenda and a “lean state” with a firm hand against any let-up in austerity is the preferred route.

Meanwhile, dramatic shifts in the electorate in the run-up to the 2011 election, and restlessness among the activist layers between the state and the citizens, is indicative of the realities. The current government’s parliamentary majority was granted by a traditionally conservative electorate that was united mainly by anger at the previous centre-right Fianna Fáil dominated coalition and by a desperate hope for a reprieve from the relentless tide of misery that threatens to engulf citizens into the future. The new government is not ideologically coherent and, politically speaking, is a coalition of right and “centre-left”. Its programme for government is anchored in the dictates of the EU-IMF bailout terms and although the government has told the electorate that the crisis is “not your fault”, the best it can offer is an attempt to seek to re-negotiate the worst aspects of the bailout while continuing with the same austerity programme.

To many it will seem that the Fine Gael-Labour government is destined to lock Ireland into the weak liberal model. While the coalition is stable on the basis of parliamentary numbers, and as yet still in credit with the *demos*, it is walking a political tight rope. While there is evidence that popular support both for the new government and for independent deputies and “left” opposition parties in the Dáil is holding up, and contestation of austerity measures outside the political institutions continues sporadically on single issues, there is no inevitability about the evolution of events. The centre may or may not hold but either way the prize of a new republic will not be easily won. By providing a valuable frame for public debate and deliberation, however, Kirby and Murphy have made a genuine contribution towards achieving this goal.

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