

Editorial

The Irish people have suffered enough. Europe should back off

The new government in Dublin deserves a supportive EU, not a punitive one

Monday 28 February 2011, by [The Observer](#) (Date first published: 27 February 2011).

The Irish have delivered a savage verdict on those who turned their country from the envy of the world into an object of pity. In the process, they have smashed one of Europe's great political machines, the Fianna Fáil party that enjoyed a near monopoly of power since 1932. This is a striking example of democracy at work.

But does it matter? Voters damned Fianna Fáil's disastrous decision to underwrite the staggering losses of grotesquely reckless banks. They are, however, stuck with those same policies in the shape of the deal made with the International Monetary Fund and the European Union. It ties the new government into ever-more brutal austerity for at least the next four years, while continuing to lavish public money on insolvent banks.

This deal is punitive, unjust and unsustainable. The Irish undoubtedly had to pay a price for the follies of the governments they elected. Mass unemployment, mass emigration, rapidly falling standards of living and rising poverty are horrifying to see and clearly punishment enough.

It is hard to avoid the conclusion that Irish interests are being sacrificed to the larger cause of saving the euro. The IMF suggests the need for banking crisis resolutions "ultimately allowing losses to be borne by creditors rather than taxpayers". German chancellor Angela Merkel said last November that bank bondholders should take the hit when a country is in trouble. The EU intends to make sure this happens – after 2013. Why should the opposite policy apply for Ireland?

The regime being imposed on Ireland is utterly unrealistic. A depressed and deeply indebted economy with just 1.8 million people at work cannot underwrite private banking liabilities of €200bn (135% of GDP). The parties that will form the new government promised to renegotiate the deal with the IMF/EU. If democracy and European solidarity are to mean anything, they should get a sympathetic and fair-minded hearing.

The Observer [[1](#)]

P.S.

* From the Guardian.co.uk, Sunday 27 February 2011:
<http://www.guardian.co.uk/commentisfree/2011/feb/27/editrial-ireland-eu-election-debt>

Footnotes

[1] <http://observer.guardian.co.uk/>