

SOCIALISM IN THE 21ST CENTURY

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Daltún Ó Ceallaigh

Socialism

In the last century, socialism came to be considered under three headings: social democracy, communism, and alternative models.

Social democracy and communism emerged as different routes from already established socialist movements. Social democracy indicated a reformist and gradualist path to the realisation of socialism. Communism indicated a revolutionary and immediate construction of socialism on the path to the ultimate objective of a communist society.

The underlying question remained of 'what is socialism?'

Forerunners

In fact, protectionist and welfare elements of social democracy had already been foreshadowed in the 19th century with the likes of welfare provisions by Bismarck in Germany and the Factories Acts in Britain; Lloyd George followed through the latter with old-age pensions etc in the early 20th century. Trade union rights were also granted gradually in the 19th and 20th centuries.

Another precursor of social democracy (or 'proto-social democracy') was the New Deal of Franklin Roosevelt in America in the 1930s. All these were intelligent moves on the part of some capitalists to shore up the system in the face of socialist advance, on the one hand, and dire economic crisis and breakdown, on the other, as in the case of the 1929 crash. The most significant aspects of the Roosevelt response, inspired by Keynesian ideas, increased public expenditure in the form of enhanced welfare payments and direct and indirect State action in job creation.

It was around this time that the term 'welfare capitalism' came into use to describe these phenomena and it was subsequently applied as well by some as a classification of explicit social democracy, particularly by those to the Left thereof. The descriptions 'social market' economy and 'market socialism' have also been used here.

Socialism in Practice?

Subsequent to 1914, actual social democratic governments came to power in major States (Britain, Germany and France) and, to an extent, in Scandinavia. In 1917, what became self-described communists took over in the Russian Empire and, five years later, fully recast most of it as the USSR or, simply, the Soviet Union. At the same time, various left-wing thinkers produced or developed alternative models of socialism and the path thereto.

Where they existed, both social democratic and communist governments upheld and expanded, to one degree or another, the trade union rights and socially protective and welfare measures that had gone before. Also, again in small or large degree, these governments engaged directly in job creation.

In some social democracies, an attempt was made later to give employees a say in the running of businesses by way of worker councils, worker directors, profit sharing, and worker shareholding (e.g. 'codetermination' in Germany). Full worker

involvement was supposed to take place in communist states, but this eventually turned out to be more rhetoric than reality.

Communist countries were in fact characterised by having a highly centralised State, organising planned production through an official bureaucratic structure from government departments down to individual plants. This largely replaced entrepreneurship, competition and the market in economic activity, all of which continued under social democracy, albeit in qualified form. Thus, the description 'command economy' has also been used in the case of communism.

Otherwise, a salient distinction between social democracies and communist regimes was, in the latter case, the lack of civil liberties and democratic decision-making, while having the ultimate in freedom and democracy on paper in their constitutions.

Sometimes, the Soviet Union is referred to as 'state capitalist'. However, this classification is unbalanced. State capitalism, where it does occur, is a situation in which the state owns profit-making enterprises and engages in competition in a market or markets, nationally and internationally. State capitalism is also characterised, as in current Western societies, by marked inequality of wealth whereby those in control of capital and managing it or associated thereto are rewarded to a grossly disproportionate extent. Furthermore, it is identifiable by regressive taxation and conservative social policy on all fronts.

The Soviet Union, however, should more appropriately be described as 'state socialist'. In the USSR, the State owned and administered all major capital (in the name of the people); this could also be termed 'bureaucratic socialism'. Output occurred within the framework of a national plan and not one of market competition. Moreover, while there were significant differentials in rewards benefiting the political controllers and the enterprise managers, these did not allow for conspicuous enrichment and result in the gross inequality of the kind found in state capitalism. This was so, even taking account of the special privileges which politicians and functionaries had under state socialism. Nor was inherited wealth permitted. The USSR was also distinguishable in providing for a high level of job security, worker protection, social welfare, health services, and education provision as well as affordable cultural pursuits at all levels. Further, it implemented an appropriate regime of progressive taxation. In all these respects, state socialism was also ahead of social democracy. However one assesses the way the Soviet Union went about it, one can accept that the honest objective was socialist.

However, state socialism did not institute genuine worker self-management of the nature originally envisaged by socialists as characterising authentic socialism. The object of socialism in its initial conception was socialisation of capital. As noted, the Soviet Union understood this to mean public ownership through state nationalisation and administration accordingly. The project of socialisation through a form of workers' control was promoted in Yugoslavia and, while the extent of this needs to be looked at critically, including the role of the Communist League (i.e. Party) in it, there are valuable lessons to be learned from the experience. (It was initially attempted after the October Revolution in Russia, but had to be abandoned quickly, because workers were not qualified to carry it out – a point addressed below in connection with the advocacy of economic democracy.)

Collapse of the Left & Neo-liberalism

Towards the end of the last century, communist regimes collapsed along with their allied parties elsewhere, and social democracy also retreated. This was in the

light of both their failures, firstly, to find ways to meet the just and necessary social and economic demands of the majority in a modern society and, secondly, to address the capitalist counter-offensive of neo-liberalism which was promoted by those who had never accepted 'welfare capitalism' in the first place.

The latter occurred in the context of the disintegration of international currency stability (Bretton Woods agreement) and the oil crisis of the early 70s, which shifted the focus from consumption to supply economics, and the policy emphases became those of low inflation rather than job creation, and deregulation and privatisation instead of adequate public service. The 'free' market and pure competition models were re-established as paramount, while planning and sectoral collaboration were devalued. This was accompanied by cutbacks in expenditure on public services and specifically welfare payments. Taxation became more regressive, the argument being that this incentivised enterprise. Workers were confronted and cowed by the new dispensation. Their associated trade unions, weakened in the crisis by the losses of jobs as well as automation and therefore a sharp decline in membership, were a particular subject of attack and containment.¹

Neoliberalism most came to ideological and practical expression in mainstream politics and economics under Reagan in America and Thatcher in Britain. It was supposed to achieve greater efficiency, more innovation, enhanced productivity, and job creation, especially as the State was forced to retire from engagement in the economy as much as possible.

After the collapse of communism, neo-liberalism initially also took root in the new order in Eastern Europe. It has since been modified somewhat, but neo-capitalism, in one form or another, still holds sway. Post-Maoist China is a distinctive type of state capitalism. The economic framework is shaped and controlled by the Communist Party, and private enterprise is constrained and regulated accordingly. Thus one has 'socialism with Chinese characteristics' in which inequality is tolerated more than it was in the Soviet Union. It is also an authoritarian State.

We all know by now what the fruit of neo-liberalism actually was – the second greatest economic crash and capitalist crisis in modern history commencing in 2008. As a result, the neo-liberals went cap-in-hand to the door of the State begging for financial bailouts in respect of failed banks and bankrupt businesses. These were given on the basis of 'austerity', which simply meant that the mass of the people had to pay for them through further cutbacks in services and regressive increases in taxes. The rich and the corporate sector were not to be penalised unless that threatened investment and recovery. The actuality was that finance capital was revived and productive capital did not benefit in any significant way. In particular, the culprits in the financial sector who were responsible for the calamity were left in charge, with the argument (believe it or believe it not) that they were the only ones who knew how to run the system!

All the signs currently are that, inevitably, we are lurching towards yet another crisis owing to the renewed growth of unsustainable debt, both public and private, with consequences that are impossible to predict, due to committing the same mistakes as before.

Populism & Neo-socialism

As a result, there has been an increase in populism, particularly in terms of the rise of the Right. There is massive discontent and the populist Right offers

¹ See further Note on this at end.

sharing). The question even then is the actual powers which these structures and forms of participation have actually involved up to now.

A developed economic democracy would require that such structures are enhanced and allow for proper democratic control, i.e. full control by all engaged in the firm, concerning product, output, marketing, investment, r&d, remuneration (with equitable differentials), and demands vis-à-vis the State concerning matters such as taxes and grants, all within the framework of a national plan. (Equitable remuneration differentials will be generally needed for the purposes of incentivisation.)

Economic democracy is different from what has sometimes been called 'worker self-management' which is still intended to ensure that capitalist specified output is met with maximum efficiency, while the use of resultant profit remains to be determined by the capitalist.

Economic democracy would entail enterprise assemblies in firms in which all those active in them are the owners. The distinction between employer and employee would thus be abolished. However, enterprise ownership, as distinct from private ownership, need only come into force in the case of the employment of a certain number of people, i.e. beyond a threshold.² The moral case for enterprise ownership derives from the process of manufacturing or service supply (in excess of the self-employed situation) necessitating a collective human operation, i.e. a social endeavour, thus bestowing right of ownership beyond the individual. This could also be expressed as *socialising capital*.

As for the threshold, below it, say in a private enterprise consisting of an employer and five employees, they would at least be obliged to meet and co-operate on all matters reasonably and fairly, almost like a family. However, there will still be problems and that is where tribunals come in similar to the Labour Relations Commission, Labour Court, Rights Commissioners, and Employment Appeals Tribunal. If need be, cases could also be taken to the ordinary courts. All this would be within the framework of an appropriately revised code of employment law.

Economic democracy would remove the impotence and consequent disenchantment at work which employees currently experience. It would also lead to a greater emphasis upon the design of work so that it would cease to be atomised and repetitive, while still achieving the same or, indeed, thus better productive results. In other words, labour would return to being humanly satisfying and alienation at the workplace would cease (e.g. compare, say, the task of a person or team making a product with that of, for example, an individual just fastening bolts in an assembly line all day long). Economically, the process could be summed up as production-reward-incentive.

The role of trade unions in economic democracy would continue to be to formulate demands regarding remuneration and conditions of employment, and to represent individuals and sectional groups (e.g. vis-à-vis personal bullying or the interests of particular workers such as carpenters, technicians, and so on). Therefore, while the Assembly would be comprised of all those engaged in an enterprise, its population could be spread over various unions.

(There is also the term 'industrial democracy' which has been around since the middle of the 19th century. This has been used to refer to a wide scope of arrangements and can mean no more than consultative procedures. Thus it is

² The SME approach should be considered here, e.g. Medium >250, Small >100, Micro >10.

preferable to designate the model addressed here as 'economic democracy'. Furthermore, the latter ensures that one is not just referring to manufacturing industry.)

Share Holding

Throughout the 19th and 20th centuries, simple entrepreneur-ownership was superseded, especially in large enterprises, by joint-stock companies, i.e. consisting of share holders. This entailed individuals and organisations buying shares in the company in anticipation of receiving a return by way of dividends and capital gains. This also gave them a vote or votes in the running of the company. In fact, this still allowed for one individual or organisation to dominate the company by way of having a controlling bloc of shares.

In a fully developed economic democracy, share holding would continue, but share holders would no longer have a vote in company business. The question might be asked as to the difference then between a person buying a share and saving in a bank. The difference is that a bank pays a fixed interest on the saving. A share holder, however, gets a dividend, which hopefully varies upwards, and he or she can sell the share, hopefully to make a profit.

Shares should also be awarded to those engaged in an enterprise as a way of increasing a return for their engagement. This would also provide an incentive in regard to the contribution made to a company.

Co-operatives

Co-operatives of citizens can also be formed and adhere to economic democracy on that basis. These would involve entrepreneurial and innovative ideas on the part of an individual or individuals leading to invitations to others to, for example, collaborate in land acquisition, factory building and machine purchase and then engagement in all activities of the resulting company. The other points made here, above and below, would apply to them as well, *mutatis mutandis*.

Structures of Economic Democracy

These could mirror State arrangements. In an enterprise of, say, 5000 members, an Enterprise **Assembly** of all those engaged in it could elect a **Council** of, say, 100 which would, taking account of Assembly debates and resolutions, formulate policies on all matters; the Council could then appoint an **Executive** (cf Board of Directors) to implement policy and take decisions accordingly. (Among other things, the Executive could, after due consultation, appoint supervisors and managers, and specialist staff such as technicians, marketing experts etc. Enterprise **Rules** would be drawn up which specified detailed operations and powers at the three levels. These should include provisions for recall. In an economic sector, there would be a representative **Economic Sectoral Council** for liaison among enterprises and the avoidance of duplication and superfluity.

The question of operational feasibility will of course arise in a modern economy where one has large corporations. Say, for example, there is an Irish corporation comprised of 20 plants with 1000 operatives in each, how could this function under economic democracy? It could be approached by plant Executives electing an overall **Administration** for the corporation and that being responsible to occasional Joint Executive Meetings.

Transition to Economic Democracy

Economic democracy, as just outlined, could obviously not be achieved instantly. Employees have of course not been trained up until now in subjects such as enterprise, innovation, management, marketing, investment, and so on. The education and training systems would need to be radically overhauled to ensure that these deficiencies were eliminated, including initiatives in such as life-long learning, and everybody would be instructed to an adequate level so as to enable them to participate meaningfully in an economic democracy. Therefore, a transition would have to be developed which could take a considerable period to fully realise, but immediate and rapid progress is still possible. What is involved overall could be termed as the introduction of a ***socialisation curriculum*** in education provision.

As noted above, the attempt to operate a socialist State from the bottom up through what we call enterprise councils was tried in the early days of post-Tsarist Russia, but just produced economic chaos, which reinforces the point that economic democracy can only be introduced gradually and with appropriate preparation. The problem with the Soviet Union was that it subsequently just gave up totally on economic democracy.

The immediate challenge will be to decide how the establishment of economic democracy can be initiated and developed. That will shape the Rules to be formulated for the different levels within economic democracy and at different junctures, and such Rules need not be the same for all enterprises. Electoral processes can begin at once throughout the levels of enterprise assembly-council-executives. However, there would have to be specialist qualifications stipulated for involvement in the second two levels. Powers would need to be laid down and degrees of autonomy outlined. Officials appointed by the executives (equivalent of CEO etc) would require specific contracts. Personnel external to the enterprise may have to be recruited. The limited economic democracy that can be realised at the start will still be substantially more than the economic autocracy which prevails at present. Immediate efforts at implementation should involve identification within the workforce of necessary abilities already there and intensive courses in the required subjects.

Public Ownership & Services

Economic democracy, as conceived above, is clearly different from public ownership exercised through a fully democratic State and involving administration and management by appointed officials. Such public ownership will be necessary in certain areas, particularly national infrastructure like transport and financial services. But that is different from enterprises producing material output or specialised services for consumers or for other firms. That is to say that *socialisation* of the economy can take various democratic forms relative to the tasks to be achieved. Even so, publicly owned and administered undertakings should still have assemblies and councils which must be engaged in all relevant matters and have representatives on the executives concerned.

As for the Civil Service, at both national and local levels, assemblies and councils should be in place to negotiate, after taking account of trade union representations, with government about remuneration and conditions of employment. They can then also provide valuable feedback to help improve the services administered and provided. Recourse to appropriate tribunals, as need be, should obtain at this level as well.

Public ownership in the past has been termed 'nationalisation' and an attempt has been made to give it a bad name by portraying it as taking on unprofitable services

and production which are poorly managed and not requiring standards of efficiency and quality, including the cossetting of employees rather than having reasonable performance demanded of them. Under socialism, these deficiencies must not be tolerated. Achievement and answerability must be demanded within the framework of fair treatment and reward. The nature and spirit of such public ownership might be better termed 'civicsation'.

Entrepreneurship

The question of entrepreneurship raises a number of issues about individual talent and the position in respect of enterprises and the market.

The argument of the Right is that economic democracy, especially at the enterprise level, is incompatible with entrepreneurship. However, that need not in fact be the case. Continued entrepreneurship should be seen as both desirable and necessary. Society needs people who produce good business ideas, take risks and successfully promote and manage enterprises. But that can be done in the context of economic democracy.

To take an example, if an entrepreneur develops a productive operation with, say, eventually a thousand employees, and he or she is guaranteed an ongoing and suitable ex officio role in it with proper remuneration as well as full compensation for the personal outlay incurred in launching the enterprise by way of land acquisition, factory building and machine purchase, thus leaving that person much better off than if the enterprise had never been undertaken, it would be irrational not to engage in it, even if one is obliged to accept certain structures and rules of economic democracy.

Of course, there are those who would prefer to be in absolute control and rewarded much more than would be the case in the context of economic democracy. But there is always a cost-benefit assessment to be made and, if that results in a better-off outcome for the entrepreneur just described, it is only the foolish, dogmatic and bigoted who are likely to refuse to engage with the new dispensation, no matter how regretfully.

Foreign Direct Investment

A consideration of particular relevance to Ireland is foreign direct investment (FDI). We will be told that the likes of an American multinational company will be reluctant to invest in Ireland if it has to abide by criteria of economic democracy. However, that is not necessarily so because, while some of the same provisions should apply to it as to the entrepreneur in Ireland, clearly not all can.

The range of products will inevitably continue to be determined by the MNC as well as the markets to be served. Developmental investment (including r&d) will also still be a matter for the MNC. However, levels of remuneration and conditions of engagement should be issues for negotiation between enterprise representative organs (Assembly and Council) and the MNC. The corporate Executive/Board will of course be located outside the State. However, on all relevant questions, the MNC would be required to seek and have regard to the views of enterprise representative organs.

The MNC, while perhaps disliking any economic democracy and even unionisation, will make a cost-benefit analysis of the situation. The overriding consideration is if, at the end of the day, a profit is accrued for the MNC which otherwise would not be.

It also has to be remembered that cost-benefit analysis does not depend on any one factor, even, for example, corporation tax, which is often over-stressed in this

regard. The MNC looks at establishing factories in various lights such as: location in respect of markets (for example being in the EU); transport (depending on the nature of the product); the quality of the workforce in terms of education, skills and language; and political stability in the receiving country, whether it is on the Left or the Right.

These considerations are also to be brought into account in constantly assessing the global context. It may well be that a MNC can find cheaper labour, lower costs, or less corporation tax, for instance, in a country in Asia and will threaten to go there if it does not get what it wants in Ireland. But the fact is that these aspects do not always outweigh the advantages of investing in a country like Ireland, even if it has an economic democracy.

Besides, the global situation is not always going to remain the same. For instance, wages are already rising in China and it is only wise to assume that workers in Asia generally will continue to strive for the betterment of their conditions. Indeed, some economists are speculating that, while de-industrialisation occurred to a large extent in recent decades, the diminution of cheaper costs in Asia may eventually lead to a certain amount of re-industrialisation in the West.

While FDI will continue to be important for Ireland into the near future, one should also appreciate that the overwhelming proportion of employment in the State lies outside of MNCs. Currently, about 12% of the private sector are employed by MNCs with perhaps a further 8% of jobs deriving therefrom.

At the same time, what needs to be stressed more and more is the desirability of developing production and international trade and investment based within the State.

Other Important Issues

The environmentalist factor is becoming increasingly important as a matter of sheer human survival and will also have implications for the economy. In particular, decarbonisation may well require innovation and a significant number of new jobs in all countries.

Moreover, identity politics - such as those of race, ethnicity, gender - require to be addressed by socialists in their own right while also being set in the economic context. However, one must be wary of them being used to substitute for or disguise class politics.

The Market

There is the remaining question of the market. Some socialists believe that a market is inherently incompatible with socialism as it involves serving profit rather than simple supply of need or desire as well as irrational competition and consequential exploitation of employees in order to maximise return. However, there have already been measures and institutional frameworks introduced involving such as competition authorities, consumer protection agencies and all sorts of laws about fair and unfair trading. It is a matter of re-examining and perhaps adding to these.

The fact is that it is very difficult to see how one can meet all the just needs and *desires* of people without some kind of market as a social mechanism for accurately identifying these. Even if one takes a very basic example of the supply of bread and there are detailed demographic data concerning the number of people, young and old, sick and disabled, and where they live etc in order to make centralised decisions about supply, are they to be given a choice between white and brown bread, rye and

wholemeal, and so on? It is obvious that it is not really feasible to do this without a market indicating demand and then trying to match supply to it.

This calls for constructive competition in the context of the sectoral liaison among firms alluded to above. In other words, to repeat and emphasise the point, there could be active communications in order to avoid duplication and superfluity. Yet competition would remain to offer people a choice among meaningfully different versions of the same product with a view to them personally deciding which best suits their needs and desires. This could be seen as amounting to **consumer democracy** thus completing democratic fulfilment.

In the absence of significant markets, communist regimes became notorious for their chronic deficiencies on the supply side. Empty shelves almost became a symbol of the Soviet model. Although this was also due to sheer bad organisation and lack of incentives at basic production level, both in the agricultural and non-agricultural sectors. There was of course also the lack of economic democracy.

(Some people have said that the immediately foregoing amounts to what they call 'market socialism' or the 'socialist market', but we do not think that this is an accurate description of the economic democracy promoted here. What is really being referred to by the terms quoted is part of the social democratic model whereby there is not a completely 'free' market but a capitalism qualified by the likes of the competition authorities, and so on, already mentioned. It might also be said here that what one is talking about with 'economic democracy' is a 'mixed economy'. But every economy is a mixed economy. There is no such thing as pure capitalism or pure socialism. The only question is about the nature of the mix.)

The Agricultural Sector

So far, we have been addressing the situation in the services and industrial sectors, but the economic picture needs to be completed by examining the agricultural sector.

In overall employment terms, services account for 77%, industries 18% and agricultural activities 5%. A total of 270,000 own or work on farms with an average size of 33 hectares and 99.6% of farms are family concerns. Agricultural labourers constitute 17,200 of the agricultural work force or 6.3%. That category has been greatly diminished over the years by agricultural technology. On each of the few farms concerned, such labourers would be very small in number. Therefore, it seems clear that democratically dealing with the sector would point to an approach here of the nature outlined above regarding below-threshold enterprises in the services and industrial sectors. Consequentially, legal provisions would require to be scrutinised in order to ensure that they offer no less security than obtains for operatives in SMEs.

The State

All of this should take place in the context of State enactments and planning, of a macro and micro economic nature, which can be decisional in regard to framework rules about what ought to be developed, produced and how, according to estimates of need and desire.

That is in the context of a State pursuing progressive taxes in order to provide adequate infrastructure (particularly public facilities), grants, incentives, social services, equitable redistribution and welfare.

The State could also initiate its own particular product and service enterprises, in addition to those arising from entrepreneurs and co-operatives, thus giving rise to

an overall four-pronged approach to economic expansion, i.e. State initiatives, individual enterprises, co-operatives, and FDI.

Ideology & Culture

The struggle for a socialist society is not just an economic and political one. It must be an ideological and cultural one as well. The Establishment maintains itself not only through political strength and economic dominance, but also through ideological and cultural methods. For example, the ideology of liberal democracy is presented as the be-all and end-all of freedom. Among other things, we are told that everybody has the right of free speech and to promote a free press. But who owns the 'free press' and who has the means to sustain it? In mass communications, liberal democracy is promoted as political fulfilment and made to appear simply as 'common sense' in social culture.

The struggle for a socialist society is not just one of making and achieving political and economic demands. It is also an intellectual and mental one of developing a counter ideology and a counter culture which enable people to discern their true interests and thus be motivated to seek to realise them. (The writings of Antonio Gramsci went a long way to opening up this perspective.) This is especially the case today in the era of mass media. In terms of resources, a new, cheap and powerful medium has become available in recent decades for ideological and cultural struggle, namely the internet. This is being used by the elite, but it is also being successfully utilised by those who do not have the wealth of the elite, but who are opposed to it. Reaction can be tweeted but, likewise, revolution.

An important objective to likewise develop and promote is that of **epistemocracy** (knowledge-power). People's knowledge and critical faculties must be cultivated to a high degree which, among other things, enables them to see through sophisticated propaganda and manipulation. It is on that basis that political involvement and voting should rest. Of course, an epistemocracy cannot just entail implementation in the context of current social realities, otherwise one would end up with a franchise limited to a certain level of education! Rather is the aim to ensure that all citizens have access to free primary, secondary and tertiary education of a minimum standard *and be required to avail of it* - therefore, just as one now has compulsory primary and, to a certain extent (to age 16), secondary education, there should also be compulsory full secondary and third-level engagement. In other words, democracy (people-power) and epistemocracy (knowledge-power) should be made to converge.

Socialist Democracy

If, in search of an appropriate form of neo-socialism, one were to take, as described above, national democracy, liberal democracy, social democracy, local democracy, and economic democracy together, one could sum up the model in question as a socialist democracy (with consumer democracy and epistemocracy implicit in it). Achieving a socialist democracy will require a political party committed to taking State power and implementing all necessary governmental and societal measures and policies. Economic democracy, as conceived of here, is therefore not a substitute for party organisation, mass and electoral struggle and achievement of government, unlike in some portrayals of it.

Insofar as the foregoing might be regarded as a particular model of socialist democracy, it could be designated *mehalism*.³

FURTHER NOTE ON TRADE UNION DECLINE

Particularly in the Seventies, technological unemployment (i.e. due to automation) accelerated in manufacturing industry. There was also a loss of such jobs arising from a shift to low-wage production in the 'Third World' (e.g. shirt-making etc); however, it has been argued that, even if there had not been the latter, further automation would have taken place instead domestically. The Eighties then saw the intensification of digital unemployment, which was really the extension of automation to the services sector (e.g. automatic self-service in banks). Again, there was also a shift to low-wage labour supply in Asian countries facilitated by enhanced electronic communications; also again, if the latter had not occurred, more intensive automation may have just been introduced in Europe. At the same time, automation can also lead to the creation of new skilled jobs for robot management etc; however, this is far from offsetting job loss in absolute terms. The simple fact is that, although the unemployed are entitled to remain in unions, for obvious reasons, they tend not to and union power has thus declined as a result of all these developments. In addition, there has been the computerised trend more recently towards home-working and often modern-day piece rates, which has exacerbated union decline.

While there has been speculation about the advance of Labour in the 'Third World', thus diminishing its cost advantage, and leading on to some reindustrialisation in the 'West', as mentioned in the main text, this may not mean a significant restoration of employment, but rather the kind of more intensive automation alluded to in the preceding paragraph.

It also has to be said that the onset of National Wage Agreements in 1970, followed by the 'social partnership' agreements of the 80s, which addressed social and taxation policies as well as pay, saw the development of a relationship between the unions, employers and government which some have described as to some extent corporatist. During the later 70s, I myself, as a senior advisor to the largest trade union of the time (ITGWU), once heard its Vice-President say after a national agreement had been concluded: "We don't need the Labour Party anymore." On another occasion, the top advisor to the Taoiseach of the day told me that, when he had been outlining the national agreements concerned to a counterpart of his on a visit from Britain, he had received the comment: "Smacks of corporatism, old boy." All this doesn't necessarily mean that the situation was such, but it does signal that the trade union movement should always be wary of getting too close to the establishment, both materially and psychologically, and end up neglecting the consolidation of its base.

³ From the Irish word *meitheal* meaning a co-operative community effort; thus also *meithealachas* (*mehalism*).