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## **Economic and social questions in the English-speaking world**

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<http://johncmullen.blogspot.com>

The  
Economist

## Ireland and Europe

# Upsetting the Apple cart

**Europe's most Europhile country is on the warpath with Brussels over tax**

Sep 10th 2016 | From the print edition

FEW of Europe's economies have had a more miserable decade than Ireland. Since being hit hard by the financial crisis, it has endured nearly ten years of austerity. But on August 30th there was what, at first, looked like good news: the European Commission ordered Ireland to collect €13 billion (\$14.7 billion), a sum almost equal to 6% of annual GDP, in unpaid taxes from Apple, an American tech giant.

Yet instead of dreaming of ways to spend the money, most senior Irish politicians were apoplectic with rage when the ruling was debated in parliament on September 7th. "We will fight it at home and abroad and in the courts," thundered Ireland's finance minister. "This is not a commission finding that stands by a small country," said the *taoiseach* (prime minister). "It cannot be allowed to stand."



Such anti-Brussels views have suddenly become surprisingly common across the Irish establishment. Fianna Fail and Labour unanimously supported the government, led by Fine Gael, in its decision to appeal. “They should write a letter to Europe and tell them to fuck off,” advised Michael O’Leary, the forthright boss of Ryanair, Ireland’s largest indigenous firm.

Mainstream parties appear to be in line with the broader mood. A poll published by Amara Research, a consultancy, on September 5th found just 24% of the Irish public opposed appealing against the commission’s ruling. Those who want to keep the money are mainly Eurosceptics, including Sinn Fein, a nationalist party. They do so more to bash the political mainstream than for any newfound love for the EU, says Brian Hayes, a Fine Gael MEP.

The Irish see little point in dunning Apple for back taxes. The company did pay shockingly little on its profits—just 0.005% in 2014. Yet were Ireland to collect the €13 billion, the EU ruling allows other countries to claim a share if they think Apple’s activities took place on their turf. And the company might well pack up and leave.

Many believe that the EU is using the ruling as a way to attack Ireland’s low corporate tax rate of 12.5%. This regime is important for Ireland’s economic model, says Dan O’Brien, the chief economist of the Institute of International and European Affairs, a Dublin think-tank. Alongside EU membership and friendly business laws, it is how Ireland attracted the foreign cash that transformed a country of poor farmers into a wealthy knowledge economy. Multinationals lured by the low rate provide a fifth of private-sector jobs. They also produce 14% of tax revenues, well above the OECD average of 8%.

A shaky economy urges caution against moves that alienate foreign investors. On September 6th the governor of the central bank said that Ireland is “especially exposed” to “international shocks”. GDP grew by a record 26% in 2015, but that was inflated by multinationals moving in. The domestic economy is expanding at only around 3% a year.

The appeal process will probably take years. Irish politicians are likely to pursue it through the courts to the bitter end. “There’s more at stake for them now than there was during the bail-out negotiations of 2010,” Mr O’Brien says. France and Germany failed to force Ireland to increase its 12.5% rate back then, but their leaders openly say that a common European rate is still their goal. And after Brexit, Ireland’s only big ally in the battle against tax harmonisation, Britain, will disappear from the table.

The Irish have consistently been among the EU’s most Europhile members in polls. But a bitter court battle over Apple’s taxes will sour relations between Dublin and Brussels for years.

From the print edition: Europe

## EUROPE

# A New Irish Rebellion, This Time Against Water Fees

By SUZANNE DALEY MARCH 26, 2015

DUBLIN — Miranda Lumsden, 43, a single mother of four, had never protested against anything before the Irish government introduced new water fees last summer.

But the prospect of yet another bill arriving in the mail made her angry enough to join a cluster of demonstrators outside Dublin's City Hall recently, even as sleet turned their homemade "We Won't Pay" posters soggy.

"I'm scrimping from week to week as it is," said Ms. Lumsden, pulling her jacket closer. "I've only got my bus fare home to last me the rest of the week."

Until now, Ireland was emblematic of German-led austerity policies. Its citizens offered little resistance as their government — grappling with huge debts from the country's failed banks — introduced new taxes and increased old ones, even while laying off workers and cutting health and welfare benefits.

In recent months, however, the Irish have been anything but quiet. The prospect of paying for water, which many see as yet another new tax at a time when the government has assured them that austerity is over, has prompted a series of mass protests across the country, from Dublin to Cork. Many demonstrators say they have no intention of paying the new fees.

About a third of the country's households have simply refused to register with the newly created state authority that is to run the country's water service, though the deadline for doing so has now been extended three times. In some

neighborhoods, workers trying to install meters have been met with angry mobs and forced to flee.

The pushback has been so strong that the government has already lowered its sights somewhat, setting a cap on the water charges, at least for now, and adding a sweetener — 100 euros, equal to about \$110, for households that register.

Still, some experts say that the protests are far from over, reflecting growing fatigue with austerity policies that have taken a toll on most families, even as the economy has recovered to the point that it is the fastest-growing in Europe.

Many expect a widespread refusal to pay when the bills are sent out in April.

“It’s been like watching a dam bursting,” said Paddy Prendiville, the editor of a biweekly political and current affairs magazine, *The Phoenix*. “A defiance that wasn’t there is here now. The water charges have been the final straw for people.”

Anger over austerity policies has already changed the face of politics in Greece, where, after trading power for decades, the center right and left parties recently lost national elections to a leftist party, Syriza. In Spain, the new leftist party Podemos has been ahead in the polls for months, with elections expected later this year.

Here, too, polls indicate that a political shift is brewing. Support has been growing for the anti-austerity left-wing opposition Sinn Fein party and for smaller parties that are, like Syriza in Greece, calling for the renegotiation of terms on loans.

Sinn Fein is the political offshoot of the Irish Republican Army and is headed by Gerry Adams, who has long denied assertions that he was an I.R.A. member or took part in I.R.A. violence.

Sinn Fein is polling at more than 20 percent of the vote, about level with Ireland’s two traditionally dominant parties, Fine Gael and Fianna Fail, and more than twice the votes it got in 2011. Elections must take place by April 2016, but could take place later this year, experts say.

“Things could get very interesting,” Mr. Prendiville said. “Sinn Fein will surely double its seats. No one cares what the I.R.A. did 30 years ago.”

The present Irish government, a coalition of the center-right Fine Gael party and the center-left Labor Party, appears to have been taken by surprise by the depth of resentment over the water charges.

The protesters say they have been paying taxes for water for years and the government is double-billing now.

At first, Prime Minister Enda Kenny's administration sought to install meters and charge citizens by water use. But then the government capped charges and promised that the rates would not change until 2019. For most households, that means paying no more than \$285 a year, officials said.

Alan Kelly, the minister of environment, community and local government, said that creating an authority with a dedicated revenue stream that can sell bonds is the best way to finance the infrastructure work that is needed. He dismisses the protesters as "left wing" or "populists," and he recently suggested they were in "cloud cuckoo land."

But Sarah Murphy, 35, who lives in Ballymun, one of the poorest areas of Dublin, said that her husband has been unable to find work since his business collapsed in 2008. The family, after paying rent and electricity, lives on \$73 a week for five people, she said.

"We are not paying it," she said. "We don't have it."

Ireland's economy has been recovering. It grew by nearly 4.8 percent in 2014, and unemployment fell to about 10 percent from a high of 15 percent. But many experts say the figures are misleading, as the unemployed continue to leave the country and many multinational companies, based in Ireland because of its low corporate tax rate, are recording financial transactions that actually take place elsewhere.

A report by the country's Central Statistics Office that was released in January painted a direr picture of what has happened in Ireland since the crisis began. The most recent figures available show that nearly a third of the population in 2013 was suffering from "enforced deprivation" characterized by a lack of two or more basic requirements for a comfortable standard of living, such as adequate food, heating or a warm winter coat, up from 13.7 percent in 2008, before the financial crisis and the recession.

Confrontations between protesters and water meter installers have resulted in numerous arrests, with five protesters receiving what many considered hefty sentences of 28 to 56 days recently for violating a judge's order to stay more than 20 feet away from the installers before the proceedings were voided on a technicality.

One Socialist Party member of Parliament, Paul Murphy, who was elected in a by-election last October on a pledge of abolishing the water charges, was also arrested, accused of having a role in a protest last November that trapped the deputy prime minister and leader of the Labor Party, Joan Burton, in her car for hours.

The police did not arrive at Mr. Murphy's house until Feb. 9 around 7 a.m., prompting members of his party to suggest that the arrest was more about damaging the movement against water charges than anything else.

Mr. Murphy, still in his pajamas when the police arrived, was given time to get dressed before spending more than eight hours at the police station answering questions. He said he had no idea whether the case against him would proceed.

He said he believes that even households that have registered, many because they were eager to get the €100, will not be paying their bills.

Refusal to pay could bring the project to its knees, Mr. Murphy said. The government cannot automatically take the water charges from people's paychecks, as it can with a tax, though officials have said that those who do not pay could face late charges.

"A lot of people now see the bailouts of the banks as an ongoing crime," Mr. Murphy said. "There is a real sense out there of 'O.K., is there going to be any recovery for us?'"

Douglas Dalby contributed reporting.

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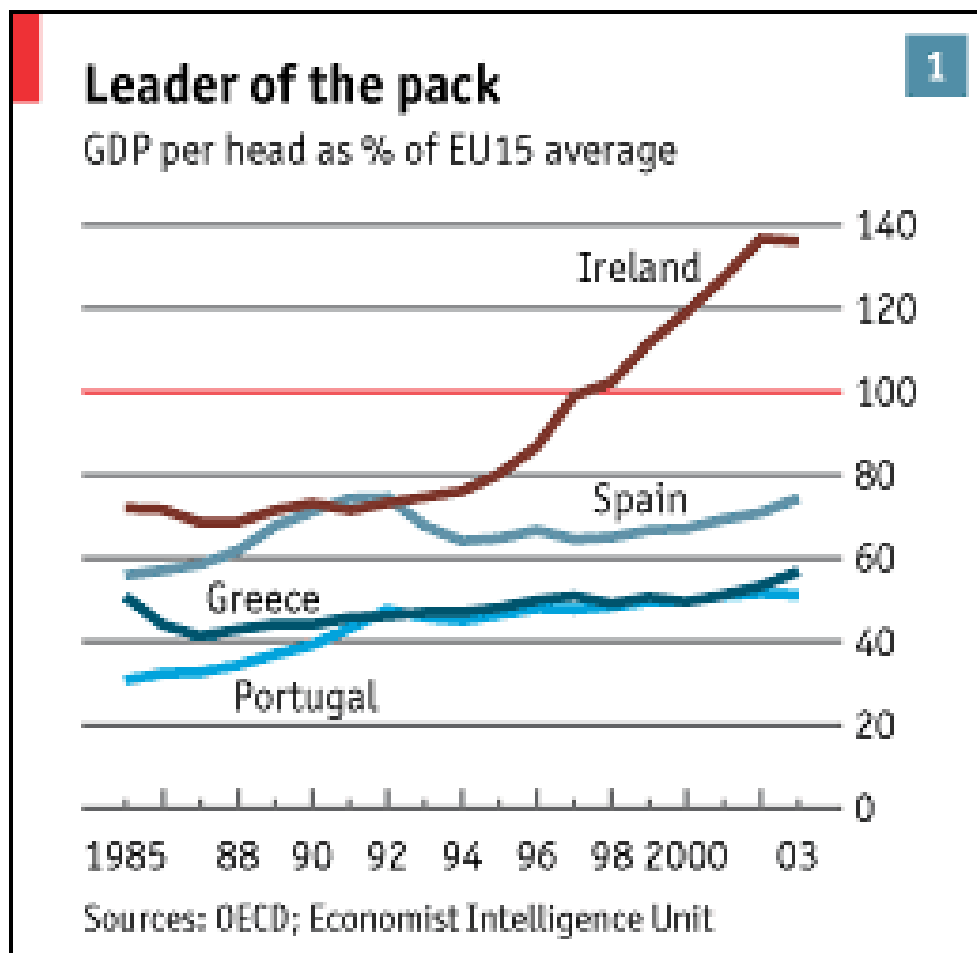
## The luck of the Irish

7

The economic boom that spawned the “Celtic Tiger” has transformed Ireland. But, asks John Peet (interviewed here), can it last?

Oct 14th 2004

SURELY no other country in the rich world has seen its image change so fast. Fifteen years ago Ireland was deemed an economic failure, a country that after years of mismanagement was suffering from an awful cocktail of high unemployment, slow growth, high inflation, heavy taxation and towering public debts. Yet within a few years it had become the “Celtic Tiger”, a rare example of a developed country with a growth record to match East Asia's, as well as enviably low unemployment and inflation, a low tax burden and a tiny public debt.



*The Economist* proved no better than anyone else at predicting this turnaround. Our most recent previous survey of Ireland, “The poorest of the rich”, published in 1988, concluded that the country was heading for catastrophe, mainly because it had tried to erect a welfare state on continental European lines in an economy that was too



poor to support one. Yet only nine years later, in 1997, Ireland featured on *The Economist's* cover as "Europe's shining light" (see [article](#)). It goes to show how remarkable has been the transformation of a sleepy European backwater into a vibrant economy that in some years grew by as much as 10%.

That transformation has made the Irish republic, with just over 4m people, a place of great interest around the globe. Many rich countries, not least Ireland's sclerotic neighbours in western Europe, would love to achieve a similar change of image. The eight central European countries that joined the European Union in May seem fascinated by Ireland. Civil servants and businessmen in Dublin talk wearily of a procession of visitors from such places as Vilnius and Bratislava, anxious to emulate Ireland's leap from one of the EU's poorest members in the 1980s into one of its richest (see chart 1). They all promise that they will make good use of EU money, as Ireland did, and avoid the fate of Greece, which in the 1980s was not far behind Ireland but has since been left standing.

### **Punching above its weight**

The world's interest in Ireland is not confined to its rags-to-riches story. Thanks partly to the Irish diaspora, created by a century and a half of emigration, the country has far more clout than its small population might suggest. It had a notable stint on the United Nations Security Council in 2001-02. And Europeans were impressed by the Irish presidency of the European Union in the first half of this year, which took in not only the eastward expansion of the EU and the choice of a new commission president, but also a deal on a new EU constitutional treaty, brokered by the Irish taoiseach (prime minister), Bertie Ahern. On a less elevated level, the main streets of cities the world over feature "Irish pubs" serving draught Guinness.

Over the border, Northern Ireland, which has a population of 1.7m, offers a valuable case-study in how to resolve an entrenched terrorist problem. The peace process in the province remains partial, bumpy and incomplete (only last month British, Irish and Northern Irish leaders failed yet again to agree on a precise formula for the revival of devolved government in Belfast). Yet ten years of painstaking diplomacy, by both the British and the Irish governments and by politicians and paramilitary leaders on both sides of the sectarian divide in the north, have largely put an end to the violence that for two decades disfigured Northern Ireland. Other countries with intractable terrorist problems might take note.

Peace in Northern Ireland has helped to boost the economy of the whole island. A visitor to Dublin, so lively and cosmopolitan today, would find it hard to believe that only a few decades ago it was gloomy and depressed. In the 1960s Ireland's heavily agricultural economy, almost wholly dependent on exports to Britain, was only just emerging from the misguided protectionism that since the 1930s had been the main

plank of Eamon De Valera's ill-advised economic policy. Ireland had missed out almost entirely on Europe's post-war boom; living standards were stagnating and emigration was in full flow. In 1960 the republic's population was down to around 2.8m, the lowest in two centuries and a pale shadow of the 8m (for the whole island) in 1840, when this was one of the most densely populated countries in Europe. Many wondered if Ireland had a future.

In fact, the 1960s proved something of a turning-point. Corporate tax on foreign multinational companies investing in Ireland was cut to zero in 1957. Belatedly, the country embraced free trade with Britain and, by joining the European Economic Community in 1973, with much of the rest of Europe. The combination of zero corporate taxes, a low-wage economy inside the EEC and a shared language proved a strong lure for American manufacturers. Ireland's long love affair with foreign direct investment (FDI) began in the 1960s. Free secondary education for all arrived in 1967, and after 1973 Irish farmers benefited from Europe's munificent farm subsidies. This promising start, however, was kyboshed by the two oil shocks of the 1970s, and even more by a knuckle-headed policy response. Successive Irish governments sought to offset the cut in living standards imposed by higher oil prices through fiscal and monetary expansion. The result, ultimately, was the high inflation, high unemployment, slow growth and even electoral instability that marred the 1980s. Emigration, especially of graduates, hit new highs. At the start of the third Haughey government in 1987, a grim joke made the rounds: would the last Irishman to leave please turn out the lights? Yet only a few years later the Irish miracle had arrived. What caused it? Can it be replicated? And can it last?

## **Celtic metamorphosis : Is Ireland a model of adjustment through austerity?** The Economist Jan 12th 2013



“CAN’T wait to celebrate” declare posters at Dublin airport with a picture of revellers enjoying fireworks. The marketing of “The Gathering”, a year-long

succession of festivals and feel-good events, is meant to draw the Irish diaspora back to the ancestral island. Some scornfully see this as a mere ploy to squeeze dollars from sentimental foreigners. A stronger criticism is that the Irish clans are scattering once more. Emigration, Ireland's traditional response to its economic woes, has resumed and is even accelerating.

Ballads have long evoked the sorrow of separation. "Many young men of twenty said goodbye," sang The Dubliners in the 1960s. By the 1980s the archetypal emigrant was not just the poor labourer but the frustrated graduate. Then the economic boom of the "Celtic Tiger" years seemed to break the curse. Young men and women could get well-paid jobs at home. Ireland attracted back some of the departed, whose skills and networks acquired abroad fuelled the boom. For the first time Ireland drew in many foreign workers, especially from eastern Europe.

That the Irish are once again on the move is taken as one more indictment of the incompetent political and business caste that wrecked the economy. Radio talk-shows tell bittersweet stories of churches installing webcams so that emigrants (and the elderly at home) can follow services. For all the anger, emigration provides an economic and social safety-valve. It has reduced Ireland's unemployment rate and the burden on the state's overstretched finances. And emigration may help to explain a puzzle of Irish politics: why the Irish people, for all their history of political revolt against British rule, have been less rebellious against austerity than, say, the Greeks.

Other factors are at play, not least the strong electoral mandate in 2011 for the coalition of Fine Gael and Labour led by the prime minister, Enda Kenny; a deal with trade unions to preserve public-sector pay that was controversial but avoided big strikes; and the fact that Sinn Fein, the natural party of protest, seeks respectability after its connection to Northern Ireland's troubles. Still, many in Ireland accuse Mr Kenny of being too subservient, in particular to Germany. The former schoolteacher prefers to capitalise on his image as the good pupil of the euro-zone periphery to secure better terms for Ireland's bail-out. The country, he says, is a "unique and special case".

This is not to draw a parallel with the euro zone's other unique case, Greece, but to stand as its antithesis. If the obstreperous Greeks recently got a softening of their bail-out terms (in essence a partial debt write-off) to avert the threat of "Grexit" from the euro, surely the Irish deserve help to secure their exit from the bail-out and return to markets on schedule at the end of the year. At the start of its six-month rotating presidency of the European Union, Ireland says it wants to lead the euro zone out of crisis-management to the era of recovery.

Ireland has a good claim to being a model of adjustment through austerity and structural reform. After suffering a catastrophic banking and property bust, it has met its deficit-cutting targets. It has recovered much of its export competitiveness. Multinational firms that use Ireland as a low-tax base are investing keenly once more. The Irish economy has been growing, albeit slowly, in contrast with the shrinking in the troubled periphery of the euro zone. And Ireland is regaining market confidence, this week selling €2.5 billion (\$3.3 billion) worth of bonds at a lower interest rate than its bail-out loans.

Yet success is far from assured. The Irish economy is a strange hybrid: the front legs of its export sector may have recovered tigerlike strength, but the hind legs of the domestic economy are more akin to those of a sickly Mediterranean goat. Both parts are vulnerable. As a big exporter Ireland is exposed both to recession in the rest of Europe and to a global slowdown. At home the burden of its collapsed banking sector is a heavy drag on the economy (Ireland's public debt shot up from 25% of GDP in 2007 to about 120% this year, and the budget deficit is still 8% of GDP).

There may be more banking losses if the housing market has not bottomed out, as some fear. In March Ireland must make a €3 billion repayment on expensive promissory notes (a form of IOU) issued to try to save the doomed Anglo Irish Bank, the most cavalier of its banks. By cruel coincidence, this is roughly the same amount that the government has had to cut from the 2013 budget. During his EU presidency Mr Kenny must show fellow Europeans that his government can impartially run EU ministerial business. But to his citizens he must demonstrate that he is seizing the opportunity to press Ireland's case for relief.

### **From debt to equity?**

There are two parts to this. First, Mr Kenny wants an extension in the maturity of the promissory notes. Secondly, he wants the European rescue fund to take over some or all of the government's stake in two surviving Irish banks as part of the emerging banking union. The IMF is supportive, but the ECB has reservations about making concessions on the promissory notes and Germany says it never promised to take over past liabilities of other countries' banks. Some in Europe resent Ireland's free-market ethos, its low-tax strategy and the past recklessness of its banks. The Irish, for their part, resent the fact that they were prevented in late 2010 from imposing losses on senior bondholders of the kind now envisaged in the latest EU proposals for banking union. There is much blame to spread for what went wrong in the past; for every irresponsible borrower there was an irresponsible lender. Yet everybody in the euro zone could do with a confidence boost. If Ireland succeeds, then it is not just the country and its émigrés that will rejoice. All of Europe could celebrate too.

Youtube video "People and Power:  
collapse of the celtic tiger  
(Al Jazheera)  
<https://www.youtube.com/watch?v=Us09wrLlOWI>

Documentary: A short history of Ireland  
<https://www.youtube.com/watch?v=gkI88YF2XKg>

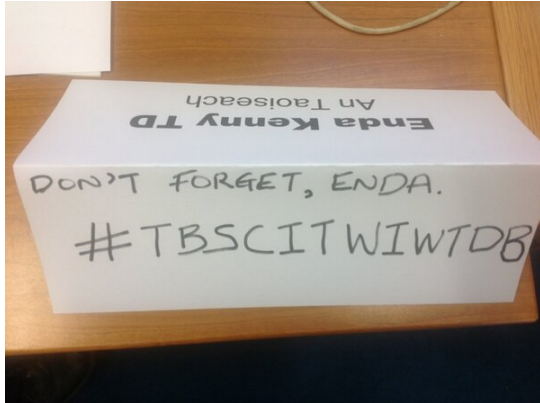
Newspaper: The Irish Times  
online at <http://www.irishtimes.com/>  
Radio online  
<http://www.rte.ie/radiol/>  
Radio online in Gaelic  
<http://www.rte.ie/rnag/>

#### Organizations

Irish trades union congress <http://www.ictu.ie/>  
Fine Gael <http://www.finegael.ie/>  
Fianna Fail <https://www.fiannafail.ie/>

# Ireland - the best small country in the world to exploit workers?

Maeve McGrath



Enda Kenny's mantra may have been 'the best small country in the world in which to do business' but how does it look from a workers perspective

The conditions of workers of all types have changed dramatically over the last few decades - from workers' rights, conditions, legislation, wages and hours. Rights that were once taken for granted are disappearing.

In the North, 32,000 workers are on so called 'zero hour' contracts. This is where the hours an employee works are completely at the discretion of the employer and can in theory vary from no hours at all to full time. In England, approximately 1.4 million are on such contracts. The Scottish Trades Union Congress has estimated that 100,000 are on zero-hours contracts.

There are no official figures for the Republic. According to the trade union Mandate 147,000 workers classify themselves as underemployed. This means they would like to work more hours each week but are not given them. In February, the government announced that the University of Limerick had won a tendering process to conduct a study on the prevalence of zero-hour contracts here. The report is due out this summer. Unfortunately they are using just an

eight hour week as their parameters for a low hour contract.

The Organisation of Working Time Act 1997 ostensibly protects workers from zero hour contracts. In New Zealand, the Workplace Relations Minister, Michael Woodhouse, has indicated that he may ban such contracts. But in Ireland, companies use 15 hour contracts to circumvent the law, as Dunnes Stores do. Approximately 76 percent of their workforce are on these contracts.<sup>1</sup> Furthermore, 98 percent would like increased hours and job security. Overall, since 2009, part time employment in Ireland has increased by more than 25 percent, according to the CSO.

The Irish multinational Greencore is often held up as a shining example of home grown entrepreneurship. Domiciled here, the company pays an effective tax rate of just 1 percent to the Irish State.<sup>2</sup> Noteworthy media incidents involving Greencore include November 2014 when it emerged they went to Hungary to recruit for their Northampton factory. These workers were paid £6.50 an hour to work long hours in very cold, refrigerated environments. The UK's Living Wage Foundation estimates that lowest rate needed to cover the basic costs of living in Britain, outside of London, is £7.85 per hour. Greencore's Chief executive, Patrick Coveney, gets paid 160 times that.<sup>3</sup> Many of their 10,000 UK-based workers are employed on a casual basis. Unions there maintain that Greencore also use agency staff on zero hour contracts.<sup>4</sup>

The effects on workers of zero hour contracts are devastating. They are deprived of long term benefits, such as pension contributions. They have no choice or control over the hours they are given each week. In the

<sup>1</sup>Figure given by Mandate Trade Union on April 10th 2015.

<sup>2</sup>Eoin Burke-Kennedy, 'Greencore pays effective tax rate of just 1% in Ireland', *The Irish Times*, May 20, 2015.

<sup>3</sup>Eoin Burke-Kennedy, 'Greencore accused of exploiting UK staff in row over wages', *The Irish Times*, Dec. 22nd 2014.

<sup>4</sup>Business editorial, 'Cantillon: Miliband's zero-hours pledge may grate with Greencore', *The Irish Times* April 2nd, 2015.

short term, they will not qualify for loans or mortgages. Given the skyrocketing of rents, many people are not earning enough to live on. On a human level, these contracts also have serious effects to people's social lives and family commitments.

## Minimum wage

If that were not enough, the Department of Finance has made a submission to the Low Pay Commission calling for a system whereby the minimum wage - currently €8.65 per hour - can be lowered.<sup>5</sup> This exemption is a continuation of the Europe-wide austerity agenda to further squeeze profits from workers instead of from the real culprits of the economic crash.

In their 2011 election manifesto, the Labour Party announced amid fanfare their plan to save the minimum wage and reverse the Fianna Fáil cuts to it. In the same year, the coalition went on to 'reform' the Joint Labour Committee system and terminated seven of thirteen committees. This meant that wages were no longer set for thousands of low paid workers. This measure affected far more people than 'saving' the minimum wage did.

2011 saw the introduction of the JobBridge scheme whereby social welfare recipients work as interns and get €50 in addition to their dole. Not only does this scheme allow the employer not to pay this €50 but it also allows employers to reduce their PRSI contribution rates. If a welfare recipient refuses to accept a JobBridge internship, the Department of Social Protection can cut their payment. Thus, businesses are getting free labour for up to nine months with no obligation to hire any one of these workers. The original target for these internships was 3,000, but the number grew to 8,500 in 2014.

Some advertised internships include: work as a curator for the Defence Forces in

the Curragh<sup>6</sup>, a mortuary assistant in Sligo<sup>7</sup>, and a full time primary teacher in Athlone.<sup>8</sup>

The government's own Indecon report showed that 59 percent of internships are not completed. Only 19.5 percent of interns got a paid position with the same company immediately after finishing their JobBridge internship.

Dr Mary Murphy of NUI Maynooth recommended in her recent report for Impact's Education Division that the JobBridge scheme be abolished and that a commission should investigate low paid work. She also suggested that employers should make some financial contribution and that interns should receive at least minimum wage for this work, which would equate to €330 for a 39 hour week.

The Gateway initiative is another government scheme to take people off the live register. This project randomly selects dole recipients to work for their local authority. They received €20 on top of their dole payment and can have the entire welfare cut or stopped if they refuse to participate.

In *Austerity: The Demolition of the Welfare State and the Rise of the Zombie Economy*, Kerry- Anne Mendoza notes that:

Article 4 of the European Convention of Human Rights clearly states: 'No-one shall be required to perform forced or compulsory labour.' If the government threatens to withdraw a person's sole lifeline unless they supply their labour, then it can clearly be argued that this labour has been obtained forcibly. The labour is also clearly compulsory.

## Call centres

Call centres are on the rise - especially in Ireland - mainly thanks to a government incentivised scheme of low levels of corporate

<sup>5</sup>Sarah Bardon, 'Cut in minimum wage mooted by Department of Finance', *The Irish Times* on May 14th, 2015.

<sup>6</sup>Advertised on: <http://www.irishmuseums.org/career-post/369>

<sup>7</sup>Advertised on: <http://ie.indeed.com/m/viewjob?jk=5f0ac6333f9a375c&from=serp>

<sup>8</sup>Reported on: <http://www.thejournal.ie/jobbridge-teacher-job-athlone-1011094-Jul2013/>

<sup>9</sup>Samantha Perry, 'Where's the incentive', published November 1st, 2006. [http://www.brainstormmag.co.za/index.php?option=com\\_content&view=article&id=749:wheres-the-incentive](http://www.brainstormmag.co.za/index.php?option=com_content&view=article&id=749:wheres-the-incentive)

tax and the availability of grants. This was such a success that even countries like South Africa and India lost out to Ireland.<sup>9</sup> Many of these employers do not recognise unions. This is a sector which features high levels of staff turnover and extreme compartmentalisation of duties which leads to deskilling of workers. The long term implications of rotating-door employment are not as important to the State as a massaging unemployment figures.. In 2013, Ireland employed 33,000 workers in this sector. It is a natural pull for non- native workers who have foreign language skill. Immigrants are already at risk of exploitation in the labour market.<sup>10</sup>

Creeping casualisation in education has dramatically changed work in the sector.

In England, the University and College Union has reported that 42 percent of staff are on casual contracts - this includes those on zero hour contracts.<sup>11</sup> Warwick University in England has set up a pilot scheme whereby hourly paid academics can be outsourced, and not directly employed by the University in which they teach. This worrying move effectively makes agency workers out of lecturers. They have founded 'Teach Higher' - through their subsidiary the Warwick Employment Group. If successful, this could become a national scheme. 'Uni Temps' already supplies outsourced cleaning, catering and security staff to English universities.<sup>12</sup> Teach Higher are currently advertising outsourced staff for Warwick at a rate of five pounds an hour.<sup>13</sup>

In the United States 70 percent of college educators are contract, or adjunct staff, according to a recent report from the Del-

phi Project.<sup>14</sup> According to an analysis of census data by the University of California, Berkeley's Center for Labor Research and Education, 25 percent of 'part-time college faculty' and their families now receive some sort public assistance, such as Medicaid, the Children's Health Insurance Program, food stamps, cash welfare, or the Earned Income Tax Credit.

Not only does the casualisation of work mean that conditions worsen; but workers' ability to organise and resist has become much more difficult. If staff employed by a university are covered by a national pay agreement, and have balloted for strike action - where does that leave part time tutors and lecturers who are now agency staff?

Teaching staff on temporary or low hour contracts are usually not paid for the time they spend preparing their courses or meeting with students, and have no say in departmental or committee meetings.

Some states in America use Value Added Modeling - a system whereby teachers are rated by comparing student's grades. Experts have been highly critical of this method. In April there was much debate in Iowa over a proposed bill whereby the future of teaching staff would be decided by popular voting.<sup>15</sup> The elected representative proposing it received such a storm of outrage from constituents that they dropped the bill.

It stands to reason that teachers with an aptitude for their work should be promoted. However this highly pressurised and populist method is not going to achieve that. Were a blanket measure introduced, whereby no one earns over €100,000 pa, then the supposedly prestige jobs such as medicine would

<sup>10</sup>There are many studies on this, one such being: Gillian Creese and Brandy Wiebe, 'Survival Employment: Gender and Deskilling among African Immigrants in Canada', *International Migration*, Oct. 2012, vol. 50, Nr. 5, p. 56 - 76.

<sup>11</sup><http://www.ucu.org.uk/7527>

<sup>12</sup>FACE blog post published 3rd April, 2015 on: <https://faceducation.wordpress.com/2015/04/03/warwick-uni-to-outsource-hourly-paid-academics-to-subsidiary/>

<sup>13</sup>Screenshot of job advertisement with wages taken April 8th, 2015. Can be viewed at: [https://twitter.com/zettelstelle/status/585915145945276416?utm\\_source=fb&fb\\_ref=Default&utm\\_content=590962984589090818&utm\\_campaign=John0Brennan2&utm\\_medium=fb](https://twitter.com/zettelstelle/status/585915145945276416?utm_source=fb&fb_ref=Default&utm_content=590962984589090818&utm_campaign=John0Brennan2&utm_medium=fb)

<sup>14</sup>Adrianna Kezar and Daniel Maxey, 'Adapting by Design Creating Faculty Roles and Defining Faculty Work to Ensure an Intentional Future for Colleges and Universities', 2015, p.5. For the full report, see: [https://www.insidehighered.com/sites/default/server\\_files/files/DELPHI%20PROJECT\\_ADAPTINGBYDESIGN\\_EMBARGOED%20%281%29.pdf](https://www.insidehighered.com/sites/default/server_files/files/DELPHI%20PROJECT_ADAPTINGBYDESIGN_EMBARGOED%20%281%29.pdf)

<sup>15</sup>Madeline Will, 'Iowa Legislator Wants to Give Students the Chance to Fire Underwhelming Faculty', published in *The Chronicle of Higher Education*, April 23rd, 2015.



only attract those with a genuine desire to help others.

These new work regimes have affected the intellectual climate in the universities. Terry Eagleton has pointed to the lack of critical studies in modern universities.<sup>16</sup> He finds that ‘the institutions that produced Erasmus and John Milton, Einstein and Monty Python, capitulate to the hard-faced priorities of global capitalism.’ He also highlighted how state grants are disproportionately in favour of the sciences, over the Humanities.

This pressure on lecturers has taken its toll in terms of mental health. For example, Professor Stefan Grimm was found dead last year following a distressing email exchange about funding and his ‘struggling to fulfil the metrics’ required of him at Imperial College, London.

Ireland is close to the bottom when it comes to spending on Higher Education (relative to GDP) across the OECD.<sup>17</sup> Higher Education employs almost 100,000 full time workers - that’s 27 percent of public sector employment.

As part of the attack on the public sector, the education sector has been particularly affected by casualisation. According to the Teachers’ Union of Ireland, 30 percent of teachers have neither full time hours nor a permanent contract. Secondary school teachers will spend an average of eight years on contracts before getting a permanent post. And even then, they will start on a salary that is 10 percent less than others because this government has introduced a two-tier system which openly discriminates against new employees.

However these ‘savings’ are not being made across the board. In 2010, Julien Mercille listed the top earners in education, with Prof. Des Fitzgerald, Vice-president for research at UCD coming in at €263,602 pa. Trinity College Dublin recently advertised that it is looking for a new Director of Human Resources. The new director will be

paid somewhere in the €101,404 to €136,276 per annum range. According to the Irish Times, 60 staff in the education sector are earning more than €150,000. A further 476 earn more than €110,000.

In journalism too casualization has already become the norm.

In what should be a sacred profession in the country that produced some of the world’s most prominent writers, writing too is under threat. The norm is now to trawl the internet for news stories, and generate reports which can pass as having been penned by a human author.<sup>18</sup> If this trend is allowed to continue, we could see Kurt Vonnegut’s nightmarish vision of the future fulfilled. In *Piano Player*, he paints a world where a tyrannical reign of machines have not improved the lot of the working class - only narrowed the options. As he wrote in 1952 ‘Anybody that competes with slaves becomes a slave.’

## Greater exploitation

Why an employer would do this is obvious. It is not to torture people for the sake of it. It is to further squeeze profit out of workers, have less responsibility as regards tax contributions, notice period and redundancy packets, and have fluctuating staff numbers as it suits their business. It also suits them to have varying staff depending on busier periods and market fluctuations. If a company has outsourced a department, should their needs change they do not have to fire employees and pay out redundancy pay - all they need to do is cancel their contract with the other company. Furthermore, if a job has been compartmentalised; then the employer can get away with paying lower wages to the workers executing simpler tasks.

The State is not an innocent bystander in this matter, but is following a definite ideological line. In 1974 Harry Bravermann identified how Taylorism and scientific management of labour, which was resulting in proletarianisation (or deskilling) and loss of au-

<sup>16</sup>Terry Eagleton, ‘The Slow Death of the University’, *The Chronicle Review*, April 6, 2015. <http://chronicle.com/article/The-Slow-Death-of-the/228991/>

<sup>17</sup><http://julienmercille.blogspot.ie/2010/11/top-100-best-paid-in-education-ireland.html>

<sup>18</sup>Steve Lohr, ‘Computer generated articles are gaining traction’, published in *The New York Times*, Sept. 10, 2011.

tonomy of workers.<sup>19</sup> He saw how workers' duties were being divided up, so that instead of a potter gathering clay, forming it, and firing it - these tasks were now allocated to separate workers. This disengages a person's ownership of their labour as they are robbed of their need to plan and organise their own day.

In the 1980's Reagan and Thatcher promoted neoliberal ideology using buzz words like 'flexibility' and 'competitiveness.' Since then, the concept of a secure, pensionable, nine-to-five job has become painted as old fashioned. Instead we are supposed to cherish 'flexible' hours.

Even in countries known for their strong labour rights, the same race to the bottom is occurring. Business lobbyists in France are putting pressure on the governing Socialist Party (PS) to introduce legislation which would rob private sector workers of permanent contracts, and make it easier to make staff redundant. Pierre Gattaz, the head of the Medef business federation, has been promoting these 'shock measures' to 'free up jobs.'<sup>20</sup>

In the last seven years, the Irish State has cut public sector wages by €3 billion per annum. In 2012 the government passed the Industrial Relations Amendment which empowered business to bypass legislation protecting wages in the name of competition. In 1990 there were 2,500 defined benefit pension schemes. Today there are about 800.<sup>21</sup>

The government made much of its defense of Registered Employment Agreements (REA) when bargaining with (semi and fully) public sector workers. In reality REAs are meaningless as the judiciary can deem them unconstitutional, as happened in 2013 with the electrical workers' REA.

<sup>19</sup>Harry Braverman, *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century*, New York, 1974.

<sup>20</sup>Kumaran Ira, 'French bosses' call to end permanent job contracts, facilitate mass layoffs', in *World Socialist Web Site*, April 7th 2015. <https://www.wsws.org/en/articles/2015/04/07/mede-a07.html>

<sup>21</sup>Kieran Allen, 'The Precariat: New Class or Bogus Concept?', *Irish Marxist Review*, vol. 3, no. 9, p. 48.

<sup>22</sup> Rebecca Nathanson, 'NYU, grad student union reach agreement on wage hike, benefits', *Al Jazeera America*, March 10th, 2015. <http://america.aljazeera.com/articles/2015/3/10/nyu-grad-student-union-reach-agreement.html>

## Fightback

17

Both casualization and deskilling leave workers disempowered. The problem is that the measures outlined above achieve what the French sociologist Bourdieu called a 'regime of insecurity.' That is, workers are often left atomised and pessimistic about their ability to fight back.

The solution is simple: organise. Events from our own history, such as the 1913 Lock-out, show that those workers from the most casualised sectors can be the ones that push the labour struggle the furthest - in this example the dockers and carters of Larkin's ITGWU who were day labourers. More recently, strikes by fast food workers in America prove that workers with few rights have no choice but to organise.

'Social partnership', Croke Park and Haddington Road deals have allowed union leaderships, such as that in SIPTU, to implement the austerity agenda. Successive public sector pay deals have been brokered on vague promises to bring in collective bargaining legislation. The only solution is to organise. In England, in February 2015, a national FACE conference (Fighting Against Casualisation in Education), was attended by over 150 casualised academics from across the UK.

Casualisation was a major theme of the Teachers' Union of Ireland (TUI) annual congress this year in Ireland. In a press statement, TUI President Gerry Quinn said: 'Casualisation of the teaching and lecturing professions represents a crisis in Irish education.' But teachers know that they cannot rely on the union leaders to see the fight through to the end. They need to build strong grassroots networks across schools, with politics that are prepared to take on the Labour Party, if they are going to beat back casualisation.

After a year of negotiating and threat-

ening strike action, New York University agreed to terms from the union, called the Graduate Student Organizing Committee.<sup>22</sup> The deal included improved wages, health care, child care and Ph.D tuition remission. In March of this year, 10,000 teaching assistant went on strike in Toronto at two of Canada's largest universities specifically against the 'normalization of precarious contract teaching.'<sup>23</sup> At the same time in France, contract staff and students occupied a garden in the Lyon 2 University to protest the precarious nature of work there, late payment of wages and the fact that staff must pay a registration fee to provide

courses.<sup>24</sup>

There is a growing movement of students occupying their institutions to protest the shift towards running them for profit and a growing lack of democracy - for example in Chile, Québec, California, Amsterdam and Dublin. In March at the University of Amsterdam, staff joined in the initially student-led occupation.

Although neoliberalism presents new obstacles to organising workers' resistance, the fight against casualization may just turn out to be the spark that ignites fightback and organisation.

Irish Marxist Review, 3rd April 2015

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<sup>23</sup>A union official, quoted in a report by Lauren McCauley: 'In Challenge to the System, 10,000 Graduate Teachers Strike Against Toronto Schools' [commondreams.org](http://commondreams.org) on March 10th, 2015.

<sup>24</sup>For more, see:<http://www.tribunedelyon.fr/?actualite%2Fsociete%2F44037-les-vacataires-de-lyon-2-campent-sur-leurs-positions>

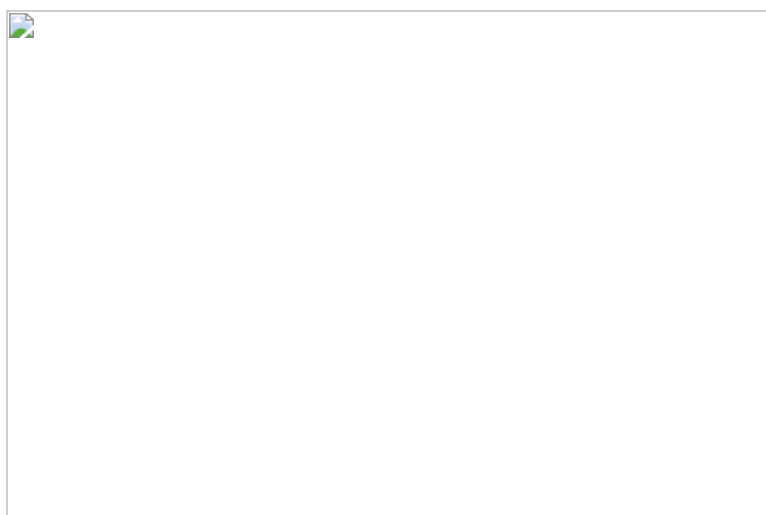
THE STAGGERS 28 JULY 2012

## **Olympic opener: madcap Britishness or "multicultural crap"?**

How Danny Boyle's vision went down.

By Jonathan Derbyshire

Apart from some dyspeptic grumbling on Twitter from Toby Young and a spectacularly ill-judged tweet from Tory MP Aidan Burley ("Thank God the athletes have arrived! Now we can move on from leftie multi-cultural crap"), the reaction to last night's Olympic opening ceremony, directed with astonishing panache and imagination by Danny Boyle, has been almost universally favourable.



*The Olympic flagbearers included Doreen Lawrence. Photo: Getty Images*

Like many observers, former deputy leader of the Labour Party Roy Hattersley, writing in the

*Times* (£), "rejoiced at the tributes paid to the National Health Service" (Boyle's sly paeon to the "nanny state" had a squadron of Mary Poppins ministering to children in NHS beds). "It is no longer the best system of medical care in the world," Hattersley went on, "but it is, after the monarchy, the most popular institution in the country. That is proof of our national compassion and evidence of our collective goodwill. It represents the true spirit of Britain."

The density of historical allusion conjured by Boyle might have struck foreign viewers as mostly incomprehensible, but for the *Telegraph*'s Jim White it was a measure of the director's daring: "Boyle's bravery was to say, never mind if outsiders didn't get half the show's many allusions, enough of us will have done. Which was fair enough. Because after all, we paid for it."



*The Olympic "cauldron", made of dozens of copper petals. Photo: Getty Images*

For Owen Gibson in the *Guardian*, Boyle's "attempt to define Britishness in the opening hour of his Olympic opening ceremony was a madcap, surreal, moving and often confounding affair". His colleague Peter Bradshaw, the paper's film critic, thought this was "Boyle's 3D multimedia masterpiece", while Marina Hyde praised those moments of "subversive lucidity" that so enraged Young and Burley.



And what of the view from abroad? The *New York Times* described the ceremony, not inaccurately, as "weirdly and unabashedly British". *El Pais* in Spain struck a different note, however. Britain, it declared, had "presented itself to the world as it is - a country with more past than future". But France's *Le Monde* was more gracious, noting that the Queen had "embodied the sense of humour of her people" by taking part in a short film with the actor Daniel Craig.

The opening ceremony of the 2012 Olympic Games in London (Photograph: Getty Images)



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Racism in Britain in the 1960s

<https://www.youtube.com/watch?v=XtOY8kLq-IU>

Crimes that shook Britain: Stephen Lawrence

<https://www.youtube.com/watch?v=NMeGTbZBuw4>

The Olympic Opening ceremony

<https://www.youtube.com/watch?v=4As0e4de-rI>

Interview with Diane Abbott, Black candidate for the Labour party leadership

<https://www.youtube.com/watch?v=v77hqOMxHrI>

Websites

Stand Up to UKIP <http://standuptoukip.org/>

Love Music Hate Racism <http://lovemusichateracism.com/>

Newspaper

The Voice, the UK's black newspaper

<http://www.voice-online.co.uk/>

Radio programmes: Black history in the UK

<http://www.bbc.co.uk/1extra/blackhistory/>

## Cameron : My war on multiculturalism

The Independent Feb 5 2011

David Cameron launched a devastating attack today on 30 years of multiculturalism in Britain, warning it is fostering extremist ideology and directly contributing to home-grown Islamic terrorism. Signalling a radical departure from the strategies of previous governments, Mr Cameron said that Britain must adopt a policy of "muscular liberalism" to enforce the values of equality, law and freedom of speech across all parts of society.

He warned Muslim groups that if they fail to endorse women's rights or promote integration, they will lose all government funding. All immigrants to Britain must speak English and schools will be expected to teach the country's common culture. The new policy was outlined today in a speech to an international security conference in Munich and will form the basis of the Government's new anti-terrorism strategy to be published later this year.

But his remarks have already infuriated Muslim groups, as they come on the day of what is expected to be the largest demonstration so far of anti-Muslim sentiment being planned by the English Defence League. They accused Mr Cameron of placing an unfair onus on minority communities to integrate, while failing to emphasise how the wider community can help immigrants feel more welcome in Britain. They suggested his speech was part of a concerted attack on multiculturalism from centre-right European governments and pointed out he was making it in Germany – where Chancellor Angela Merkel recently made a similar attack.

In his speech, Mr Cameron rejected suggestions that a change in Western

foreign policy could stop the Islamic terrorist threat and says Britain needs to tackle the home-grown causes of extremist ideology. "We have failed to provide a vision of society [to young Muslims] to which they feel they want to belong," he said. "We have even tolerated segregated communities behaving in ways that run counter to our values. All this leaves some young Muslims feeling rootless. And the search for something to belong to and believe in can lead them to extremist ideology."

Mr Cameron blamed a doctrine of "state multiculturalism" which encourages different cultures to live separate lives. This, he says, has led to the "failure of some to confront the horrors of forced marriage". But he added it is also the root cause of radicalisation which can lead to terrorism.

"As evidence emerges about the backgrounds of those convicted of terrorist offences, it is clear that many of them were initially influenced by what some have called 'non-violent extremists' and then took those radical beliefs to the next level by embracing violence. This is an indictment of our approach to these issues in the past. And if we are to defeat this threat, I believe it's time to turn the page on the failed policies of the past.

"Instead of ignoring this extremist ideology, we – as governments and societies – have got to confront it. Instead of encouraging people to live apart, we need a clear sense of shared national identity, open to everyone."

Mr Cameron went on to suggest a radically new government approach which Downing Street said would form the basis of a review of the "Prevent Strategy", launched under Labour in 2007. "We need to think much harder about who it's in the public interest to work with," he said. "Some organisations that seek to present themselves as a gateway to the Muslim community are

showered with public money despite doing little to combat extremism. This is like turning to a right-wing fascist party to fight a violent white supremacist movement."

He adds, that in future, only organisations which believe in universal human rights – particularly for women – and promote integration will be supported with public money. "Frankly, we need a lot less of the passive tolerance of recent years and much more active, muscular liberalism," he will say.

But Muslim groups said Mr Cameron's approach was simplistic and would not succeed in tackling extremism. "Communities are not static entities and there are those who see being British as their identity and there are those who do not feel that it is an overriding part of their identity," said Fiyaz Mughal, founder of interfaith group Faith Matters. "Finger-pointing at communities and then cutting social investment into projects is a sure-fire way of causing greater resentment. It blames some communities while his Government slashes social investment."

Inayat Bunglawala, chairman of Muslims4UK, described the speech as "deeply patronising". He said: "The overwhelming majority of UK Muslims are proud to be British and are appalled by the antics of a tiny group of extremists."

In its latest annual survey of immigration attitudes, the German Marshall Fund found that 23 per cent of Britons believed immigration was the country's largest problem. In Canada and the US, where the number of foreign-born people is considerably higher, the figure is closer to 10 per cent.

\* Mohammed Shafiq, chief executive of Muslim youth group The Ramadhan Foundation, said: "The speech by British Prime Minister David Cameron MP fails to tackle the stooge of the fascists EDL and the BNP. Singling out Muslims as he

has done feeds the hysteria and paranoia about Islam and Muslims.

"British Muslims abhor terrorism and extremism and we have worked hard to eradicate this evil from our country but to suggest that we do not sign up to the values of tolerance, respect and freedom is deeply offensive and incorrect.

"Multiculturalism is about understanding each others faiths and cultures whilst being proud of our British citizenship - it would help if politicians stopped pandering to the agenda of the BNP and the fascist EDL.

"On the day we see fascists marching in Luton we have seen no similar condemnation or leadership shown from the Government. Only when we see true action on the fascists will confidence be restored in our politics.

"Politicians should be working to bring communities together not ripping them apart.

"This sort of rhetoric to score cheap political points will damage community relations in the long term and affect our efforts to deal with terrorism and extremism."

Dr Faisal Hanjra, assistant secretary general of the Muslim Council of Britain, described Mr Cameron's speech as "disappointing".

"We were hoping that with the new Government, the coalition, there would be a change of emphasis in terms of counter-terrorism and dealing with the problem at hand," he told BBC Radio 4's Today programme.

He said he supported the Prime Minister's comments about learning



English and the need for a more coherent national identity.

But he went on: "In terms of the approach to tackling terrorism, though, it doesn't seem to be particularly new - it wasn't so long ago that the Labour government was telling Muslim parents to look out for your young children and make sure you tell us if they are becoming radicalised.

"Again, it seems very much that the Muslim community is in the spotlight and being treated as part of the problem rather than part of the solution."

### **Cameron's rules**

#### **What he said**

"Young white men are told, 'The blacks are all criminals. Young Afro-Caribbean men are told, 'The Asian shopkeepers are ripping you off'. Young Muslim men are told, 'The British want to destroy Islam'. The best answer to ignorance like this is a good education. We've got to make sure that people learn English, and we've got to make sure that kids are taught British history properly at school." *29 January 2007*

"We wouldn't be half the country we are without immigration. But you can't have a situation where a country doesn't know – and can't control – who is coming in and out, and who is settling here. The government needs to be in control of the situation." *29 January 2007*

"For too long we've caved in to more extreme elements by hiding under the cloak of cultural sensitivity. For too long we've given in to the loudest voices from each community, without listening to what the majority want. And for too long, we've come to ignore differences – even if they fly in the face of human rights, notions of equality and child

protection – with a hapless shrug of the shoulders, saying, 'It's their culture isn't it? Let them do what they want'." *26 February 2008*

"Whether it's making sure that imams coming over to this country can speak English properly, whether it's making sure we deradicalise our universities, I think we do have to take a range of further steps and I'm going to be working hard to make sure that we do this. Yes, we have got to have the policing in place, yes, we've got to make sure we invest in our intelligence services, yes, we've got to co-operate with other countries. But we've also got to ask why it is that so many young men in our own country get radicalised in this completely unacceptable way." *15 December 2010*

# Time for one-day migrant strike

By Paul Donovan | 1

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New Internationalist, August 2015



King's Cross railway station, London. CGP Grey under a [Creative Commons Licence](#)

*What would make people realize the contributions that migrants make to society? asks **Paul Donovan**.*

Migrants are getting tired of contributing to British society while at the same time being vilified for their very presence in the country. When I talked recently to a migrant worker who has been in this country for 10 years, her growing sense of exasperation and anger quickly became apparent. The 32-year-old Polish woman, Edith (not her real name), was first employed in care homes on the south coast of England. She worked long and hard, picking up other cleaning jobs to help make ends meet. Edith took English reading and writing classes in her own time. Throughout this period she was paying taxes while getting little in return.

She then moved to work as a cleaner at a hotel. A keen worker, she soon advanced to become a supervisor. At the moment she is also studying accountancy at college in her spare time. She hopes that one day she will qualify as an accountant. 'We are here, we contribute, and we pay our taxes. I do not understand why there are these constant attacks on migrants,' said Edith, who is fed up with the situation and believes there should be a migrant strike: 'Then people would know exactly what we do.'

She is not wrong. Migrants have always played a key role in keeping the wheels of British society turning. Some 26% of doctors in the National Health Service (NHS) come from other countries. The NHS regularly poaches nurses from other countries, both within and outside

the European Union. Britain's schools and colleges are packed with teachers from across the world. The transport system has been a ready employer of migrants since the 1950s, when London Transport went out to the West Indies to recruit new employees. The care sector would come to a halt if it weren't for migrant workers. Then there is the catering industry: in many parts of the country, it is unusual not to be served by a migrant worker.

Individuals rail against migrants while at the same time employing Polish workers to put up their extension or loft conversion (the construction industry employs many migrants). The phrase 'double standards' was coined for this scenario. Migration is good for the economy. The government's own Office for Budget Responsibility figures show that net migration of 250,000 per year boosts the annual GDP by 0.5%. This growth means more jobs, higher tax revenues, more funding for schools and hospitals and a lower deficit.

A study by University College London in 2009 that looked at the fiscal impact of the recent migration of eastern European migrants found that they contributed 37% more in taxes than the cost of the public services they consumed. Migrant numbers go up and down, generally according to the wellbeing of the economy. This is because, in the main, they come to work – not, as popular myth would have us believe, to collect benefits.

The population is ageing in Britain, with people living longer. At the same time fertility rates are falling. Not enough children are being born to replace the current population. Today there are 3 people of working age for every 1 over 65. By 2060 the ratio is expected to change to 1:1. Academic David Blake estimates that for the state pension to remain viable, there needs to be 500,000 immigrant workers coming to Britain each year. These migrants are necessary if enough wealth is to be generated to sustain the present ageing population.

Yet despite all these positive elements about migration, the public discourse is dominated by politicians promising to cut the numbers. Indeed, the political discourse has become so distorted that the value and need for migration is rarely raised. The departure point of debate is always the need to cut immigration.

A migrant 1-day strike would make clear just how much those coming from overseas contribute to this country. If all the migrants withdrew their labour for a day, many of the services that people take for granted would grind to a halt. A migrant strike would be one way that this vilified group of people could make their point most powerfully.

The arguments for migration are many and varied. As well as the economic benefits, there is the rich diversity that different races bring to our country. But the way that migration to this country has been managed over the past couple of decades has helped to build many of the present resentments that migrant workers feel. There need to be minimum standards of pay and conditions so that British workers' pay is not undercut. There also needs to be proper public service provision, including house-building, merited by the taxes that migrants pay. Veteran Labour MP Dennis Skinner makes a good point about how, after the Second World War, many migrants settled without problems in Britain from countries like Poland and the Ukraine. There were strong trade unions during those years, and incoming workers became members, so there was no question of them being used as a cheap labour force.

'The key to improving community relations is to guarantee everybody is on a good wage and nobody is undercut,' said Skinner. 'If trade unions were stronger, the friction would be reduced and the gains enormous in terms of harmony between people from various countries.'

So there are many ways that migration can be better managed. This ageing country needs migrants to keep it going. Migrants also add to the diversity and culture of the country. Maybe people need a reminder of all these positive factors – a migrant strike would provide just such a wake-up call.

Stack and deliver

# Urban Ladder's rise shows the potential for online selling in India

The Economist Sep 12th 2015 | BANGALORE | [From the print edition](#)



ASHISH GOEL, a founder of Urban Ladder, an online furniture retailer, is fond of the story of Rose Blumkin, who in 1983 sold a big stake in her furniture store to Warren Buffett, a fellow resident of Omaha, Nebraska. Mr Buffett's deal with "Mrs B" was set out on a single piece of paper, notes Mr Goel with admiration. The term-sheets of the four rounds of capital-raising Urban Ladder has been through in its short life were probably not so simple. Mr Goel is struck by another contrast. The Omaha Furniture Mart that Mrs B started has more floorspace than all of India's registered furniture retailers combined.

Retailing of the bricks-and-mortar sort is a highly fragmented business in India. Only around 2% of the grocery trade, for instance, is carried out in supermarkets with wide aisles and tiled floors. Grocery shopping is mostly done at small family-owned kiosks, known as kiranas, or at kerbside stalls. Small sellers similarly prevail in furniture retailing. Mr Goel reckons the largest supplier accounts for just 0.3-0.4% of the \$25 billion-a-year home-decor market, a category that includes furniture, curtains, rugs and the like. Plots of land for big showrooms are hard to come by in congested India. Furnishing a home is thus an ordeal requiring multiple trips on gridlocked roads to various small retailers.

When Mr Goel bought a home in Bangalore (Bengaluru) he struggled to furnish it. So with Rajiv Srivatsa, he founded Urban Ladder for "people like us" who will pay 40,000 rupees

(\$600) for a good-quality three-seater sofa or 13,000 rupees for a teak-finish television unit, but who cannot find such products.

Urban Ladder began in July 2012 with 35 products. Initially it pledged to supply all over India, by using third-party logistics firms to deliver beyond Bangalore. But after just 40 days it had to backtrack. It had created a good buzz around its local market, where it made its own deliveries, but received complaints elsewhere. The founders realised that they needed to control the quality of the delivery service if their firm was to become a trusted brand. They withdrew delivery from everywhere but Bangalore and, two weeks later, opened satellite depots in Mumbai and Delhi.

These days, Urban Ladder offers 3,500 products, mostly own-brand goods made by others. It delivers to 18 cities, a figure that will soon rise to 30. Ensuring there are enough goods in stock is a headache. Furniture is bulky and comes in odd shapes, so it needs a lot more storage space than the smartphones and T-shirts that are the stock-in-trade of many other e-tailers. Sales are growing so quickly that it is hard to forecast how much space is needed, says Kaustabh Chakraborty, head of operations. Last September the firm took out a year-long lease on a bigger warehouse on the outskirts of Bangalore. At first it required only 60% of the floorspace but soon filled all of it. In February it annexed a nearby warehouse.

In the centre of the main building, a 30-strong team checks outgoing goods, touching up paintwork or filling gaps in the woodwork. The firm has a second main depot close to Jodhpur, a furniture-making hub in India's north. Mr Chakraborty aims to hold an average of three months' sales in stock and trucks goods between depots to balance the inventory. He is scoping out new premises. "It takes two months to find space and four months to fill it," he says.

India's furniture market itself is becoming more crowded. IKEA of Sweden recently acquired land in Hyderabad for a bricks-and-mortar store, its first in the country. Urban Ladder's close online rival is Pepperfry, founded in 2012 by two former eBay executives, which recently raised \$100m of fresh capital. There are some smaller online specialists, such as Iqrup + Ritz, an outfit near Delhi that sells high-end furniture with an average price of 100,000 rupees. It has a "studio" showroom, with a limited range on display, to give customers a feel for the quality of its wares. Urban Ladder also lets customers see before they buy: more than half of its shipments are paid for on delivery; customers can inspect them first, and turn them away if dissatisfied.

Old-timers sniff at the hype around e-commerce in India. There are pots of venture-capital cash chasing deals. The rivalry between Flipkart and Snapdeal, the two best-known general e-tailers, is daily fodder for the business press. Yet the hoopla is in part justified. Half of India is aged 27 or less. Such consumers should take to shopping by smartphone more readily than in most places. And India's bitty retail industry starves shoppers of recognised names they can trust. Selling online is a way to build a retail brand quickly in a place where there are still far too few of them. That goes for furniture as much as anything else.

*Correction: the spelling of the name of Rajiv Srivatsa, one of Urban Ladder's founders, has been corrected since this article was published.*

[From the print edition:](#)



Like manna from heaven

## How a torrent of money from workers abroad reshapes an economy

The Economist Sep 5th 2015 | [From the print edition](#)

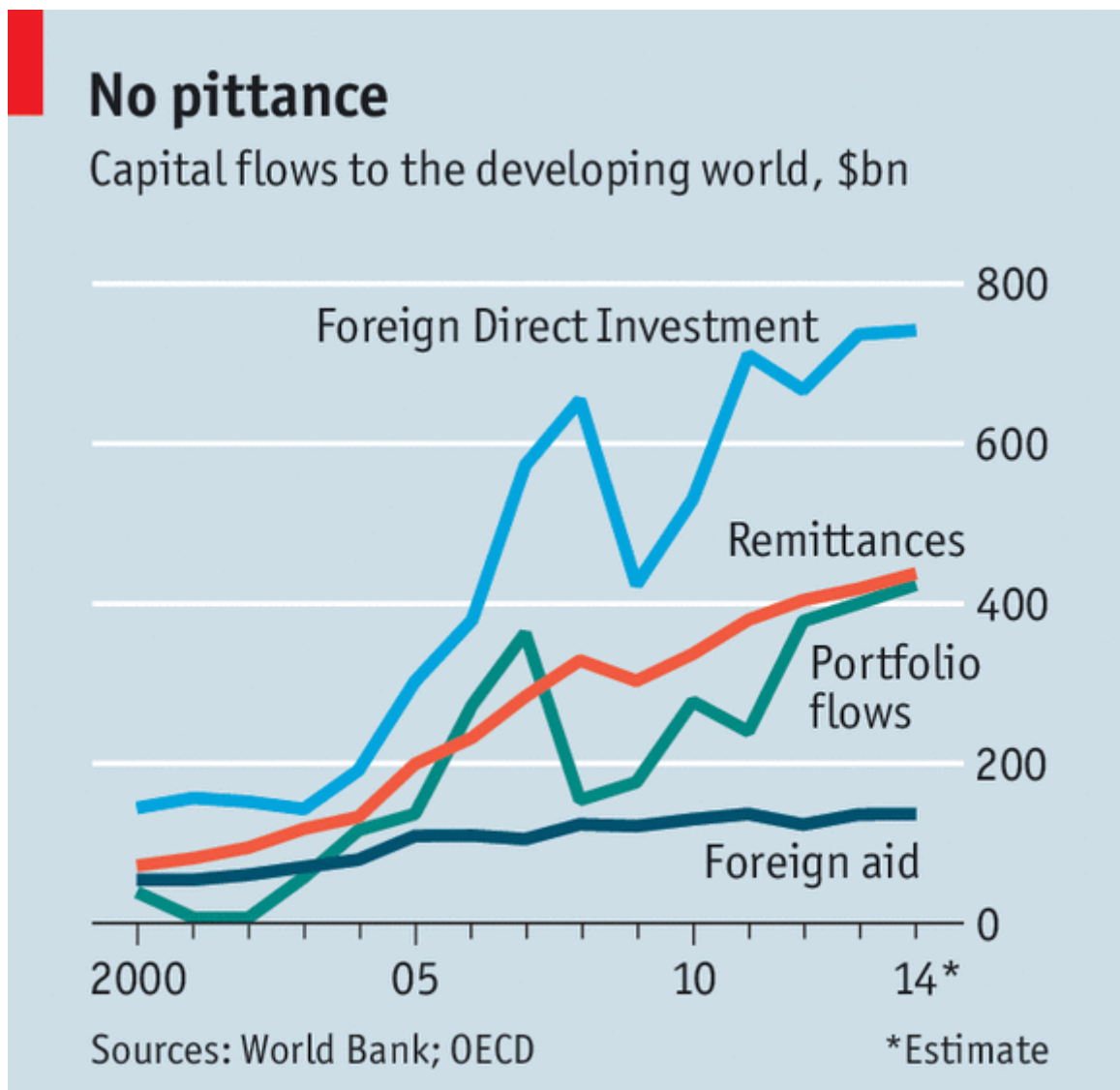


From Arabia with love

“GULF house”, says Dinesh Kumar every few seconds, gesturing out of the window of a car as it drives through Vennicode, in south-west India. His commentary is hardly necessary. The new houses, built with money sent home by people working in Dubai, Oman and other Gulf countries, flash like gold teeth in this backwater village surrounded by coconut palms. Vennicode has a brand new private school, too, as well as huge advertisements for jewellery shops and much more traffic than its narrow roads can handle. It is a tribute to emigration.

Last year India received \$70 billion in remittances—more than any other country in the world. The state of Kerala, where Vennicode is located, got far more than its fair share. A comprehensive household survey organised by Irudaya Rajan of the Centre for Development Studies, a local academic institution, finds that 2.4m Keralites were living and working overseas in 2014. The money they send home is equivalent to fully 36% of the state’s domestic product. “For all practical purposes, it’s a remittance economy,” says C.P. John of the state government.

Economic migration has become so widespread that global remittances are now worth more than twice as much as foreign aid (see chart). Many countries depend on them: remittances are worth 10% of the Philippines’ GDP and 42% of Tajikistan’s. But Kerala has been hooked on remittances longer than most. It shows how they can reshape an economy.



Economist.com

The most obvious effect, evidenced by the fancy houses of Vennicode, is to make a place richer. Kerala was already one of the better-off states in India when mass migration to the Gulf began, in the 1970s. It is now about 50% wealthier per head than the national average. Migrants are disproportionately Muslim and well-educated; their families have done best. The poorest have mostly stayed put. Partly as a result, Kerala is now one of the most unequal states in India—rather embarrassingly, given its socialist political traditions.

Mr Rajan's survey shows that households are much more likely to own refrigerators and the like if a family member works abroad. Above all, though, remittances are spent on new homes. Saji Thomas of Heera, a construction firm, says that about 70% of his customers are emigrants or returned emigrants. Some move their ageing parents out of the countryside and into new high-rise flats close to good hospitals. Partly as a result, Kerala has become India's fastest-urbanising large state. In 2001, 74% of Keralites lived in rural areas. By 2011 the proportion had fallen to 52%.

Something similar is happening in Nepal, where remittances have risen quickly and now amount to 29% of the economy. The Kathmandu metropolitan area is growing by about 4% a

year—faster than almost any other large city in South Asia. Even though agricultural wages are rising, rural Nepal is losing workers. <sup>31</sup>

When money flows from abroad, people not surprisingly stop working back-breaking jobs. This shift is especially beneficial for children. During the Asian financial crisis in 1997-98, the Philippine peso collapsed, increasing the value of remittances to that country. Dean Yang of the University of Michigan has shown that families responded by pulling their children out of jobs and sending them back to school. Girls benefited more than boys. Western Union, a giant money-transfer firm, reckons 30% of the money that flows through its system is spent on education.

As the supply of willing workers diminishes, wages rise. Mr Thomas reckons that construction costs in Kerala are 20-25% higher than elsewhere, mostly because labour is so expensive. This imbalance has encouraged a large internal migration. Many of Mr Thomas's builders are from Bengal and Orissa, in north-east India, though Keralites still do skilled jobs such as installing air conditioning.

It is oddly hard to work out how emigration affects a country's long-term economic prospects. Data are patchy: an apparent global surge in remittances since the 1990s is mostly the result of better reporting. And it is hard to separate cause from effect. When a country's economy slumps, emigrants might well send more money home, making it seem as though the payments have caused the problem.

In Kerala, some suspect that remittances have fostered complacency; at the least, they have opened an embarrassing gap between the state's wealth and the vigour of its businesses. Mr John looks enviously at nearby Karnataka and Tamil Nadu, with their factories and IT office parks, and asks why Kerala has been unable to provide more jobs for ambitious young people.

With its lovely climate and educated populace, Kerala might have created a leading university, but has not. Some believe there might be a future in medical tourism: perhaps Gulf Arabs have become so accustomed to Keralites that they will travel to the state for treatment.

Still, the biggest danger posed by remittances is that they may dry up. Gulf countries are always talking about pushing migrants out of skilled jobs to make way for natives. And Keralan migrants face rising competition from compatriots from the north and Nepalis, among others. The states of Bihar and Uttar Pradesh now export more people, at least as measured by India's border authorities, though Kerala still sends a greater share of its population.

That might not be the end of it, though. Keralans are a coastal, outward-looking people, seemingly addicted to migration. They were pioneers in the Gulf and ought to be able to find new destinations with even better prospects. Mr John has a child in Britain; the promised land is America.

[From the print edition](#)



# The good, bad and ugly on Indian Independence Day

New Internationalist 14 August 2015 By [Mari Marcel Thekaekara](#) | [6](#)

4 32



First stamp issued by India after independence. by India Post

*Stories of altruism and protest are reasons for hope, writes **Mari Marcel Thekaekara**.*

It's Indian Independence Day on Saturday 15 August. Although this raises many questions as to what Independence means to the poor and wretched of our country, I will desist from the usual gloom and doom. Everyone needs to celebrate. And there is always a good story to gladden the heart, if you look around.

I found a lovely one in our local paper, *The Hindu*. A group of early-morning walkers (all Indian cities have them – mostly older folk walking determinedly to fight diabetes, high blood pressure, heart disease and/or obesity) discovered 2 village women in search of a college, at 6.30am. The young girl, Swati, had scored high marks in her final exams and had come in search of university admission. Her mother, Thangaponnu, was a shepherd. Unfortunately they'd come to the wrong city, reaching Chennai instead of Coimbatore. Both had a university named 'Anna' after a revered Tamil leader. The walkers' group – Twalkers, they call themselves – taken by the tenacity and courage of the 2 women, bought them tickets on the next flight to Coimbatore. One brought them breakfast, another booked the plane tickets, and a third telephoned the Coimbatore University Registrar to ask him to hold the admission interview for Swati. Everyone pooled money to pay the fare, a little more than \$156. Swati got her college seat. It was a heart-warming way to start the day.

There is, of course, ‘The Good, the Bad and the Ugly’. But even on the worst day I am flooded with news of people pushing forward, fighting to save the environment, for women’s rights, child rights, *Adivasi* and dalit rights and human rights in general.

Currently, the women of Tamil Nadu are demanding prohibition of alcohol in our state. For all the nay-sayers, the fact is women would not risk life and limb to converge on Chennai, our state capital, demanding an end to government-sponsored liquor shops unless they were in a pretty desperate place. Cane-wielding police reportedly lashed out at anti-alcohol protesters, mostly students. Political parties, predictably, jumped on the bandwagon to demand an end to alcohol. The state was shut down for an entire day. The women may yet get their way. They've done it before. They want an end to alcohol abuse, which has taken domestic violence against women and children to new heights.

Elsewhere, all over India, people are vociferously protesting the new wave of ‘development’ at any cost. In Goa, in Orissa, in forests around the country, environmental groups are fighting the corporatization of our country.

It’s not merely protests and negativity. Young people are turning their backs on the rat race and opting out. They are choosing change in the belief that they can make a difference. They are growing organic food, joining environmental battles, fighting for freedom of expression and against oppression. This takes a lot of courage, given the pressure on them to conform to modern-day ‘cool’ standards of owning the most sophisticated gadgets, weekend getaways, masses of money, eating at ‘Master chef’ Michelin-standard restaurants. Back to basics and simplicity is a pretty hard battle to win.

It’s not the majority of young people, obviously. Yet significant numbers want something better for themselves and their children. And though it’s currently a mere trickle, a drop in the ocean of globalization, the trickle *has definitely started*. Who knows, perhaps the tide will turn. And the pessimists will be confounded. After all, when all is said and done, what else have we got to hang our hopes on?

[Permalink](#) | Published on August 14, 2015 by [Mari Marcel Thekaekara](#) | [6](#)

Youtube videos

Call centres in Delhi

<https://www.youtube.com/watch?v=FqTF3BoVYis>

Modern history documentary: India 1984

[https://www.youtube.com/watch?v=Z4A7\\_45J6DQ](https://www.youtube.com/watch?v=Z4A7_45J6DQ)

The history behind India's railways

<https://www.youtube.com/watch?v=vXM1srdQLjk>

The Great Moghuls : history of medieval India

[https://www.youtube.com/watch?v=TFdt\\_4VbQ\\_M](https://www.youtube.com/watch?v=TFdt_4VbQ_M)

Frankly speaking with Narendra Modi during

election campaign <https://www.youtube.com/watch?v=JIjMGNwStt0>

Newspaper

<http://timesofindia.indiatimes.com/>

**PASSAGE ONE : Ireland**

A)

« Nous avons un objectif, faire annuler cette loi. » Après des années d'austérité, des dizaines de milliers d'Irlandais ont manifesté samedi 21 mars à Dublin pour dénoncer la décision du gouvernement de facturer l'eau du robinet, jusqu'alors gratuite.

Ce rassemblement, dernier d'une série qui a réuni jusqu'à plusieurs dizaines de milliers de personnes depuis septembre, a fortement mobilisé. Si la police irlandaise s'est refusée à donner un chiffre de participation, les organisateurs ont estimé le nombre de manifestants à 80 000 tandis que la chaîne de télévision RTE a évoqué 30 000 à 40 000 personnes dans les rues de la capitale irlandaise.

Les premières factures, pour le premier trimestre de l'année, doivent arriver dans les boîtes aux lettres des Irlandais le mois prochain. Pour le gouvernement, cela permettra d'introduire la « clarté et l'accessibilité » dans la tarification de l'eau.

Mais pour Deirdre, une manifestante originaire de Dublin, il s'agit surtout d'une mesure d'austérité de trop alors que le pays compte plus de 10 % de chômeurs et que le retour de la croissance économique, qui s'élevait à 4,8 % en 2014, tarde à se faire sentir pour une grande partie de la population.

B)

« Ce n'est pas juste au sujet de l'eau, que nous payons déjà avec nos impôts. Il s'agit aussi des coupes dans les retraites, de l'impôt foncier. J'ai encore la chance d'avoir mon emploi, mais il n'y a pas eu de hausse de salaire depuis six ans, tandis que les nouvelles taxes, elles, se sont multipliées. »

Appels à ne pas payer

Parmi les manifestants, nombreux étaient ceux qui brandissaient des drapeaux aux couleurs du parti d'opposition et anti-austérité Sinn Féin. D'autres arboraient un drapeau grec, évocation du mouvement Syriza, ou soutenaient l'Alliance anti-austérité, qui s'inspire du mouvement désormais à la tête de la Grèce. La députée du Parti socialiste Ruth Coppinger a appelé la foule à ne pas payer.« D'ici dix jours, chaque famille dans ce pays va recevoir sa facture. Le seul moyen d'obtenir la suppression de cet impôt est de ne pas payer en masse. »

Dublin s'était engagé à introduire cette taxe sur l'eau dans le cadre du plan d'aide financière du Fonds monétaire international et de l'Union européenne adopté en

2010 pour sauver son économie de la faillite. En novembre, le gouvernement avait fait marche arrière sur certains points, réduisant notamment le montant de la facture réclamée aux foyers irlandais (qui sera comprise entre 60 et 160 euros) et renonçant à les faire payer au mètre cube consommé. Mais il refuse d'abandonner sa réforme qui doit mettre fin à une exception au sein de l'UE, qui remonte à 1997.

## **PASSAGE TWO : Multiculturalism in the UK**

Des maires qui envoient des cartes de vœux le jour de l'Aïd El Kebir, une administration qui traduit ses documents officiels dans les langues de ses minorités... Inimaginable dans l'Hexagone, ce « management de la diversité » prévaut pourtant dans un de nos pays voisins depuis plusieurs décennies déjà. Lequel ? Le Royaume-Uni bien sûr ! En effet, dès les années 60, le pays de Shakespeare s'est doté d'un arsenal législatif de taille favorisant la promotion des pluralismes identitaires\*. « *Une politique multiculturaliste qui ne s'est pas développée sous l'œil bienveillant des autorités rappelle Danièle Joly, professeur émérite à l'université de Warwick, Au contraire, elle s'est forgée à coup de luttes politiques menées par les populations issues du Commonwealth, Noirs des Caraïbes et Indiens en tête* ». Un activisme élevé au sein des minorités boosté, après la seconde guerre mondiale, par un formidable coup de pouce : l'accès de facto à la citoyenneté britannique pour toutes les ex-populations coloniales. Un dispositif propre à l'histoire migratoire d'outre-manche, et auquel ne pourront se prévaloir, à la même époque, les immigrés français. « *Ainsi, en disposant du droit de vote, ces nouveaux arrivants ont pu s'imposer comme des citoyens à part entière et s'investir notamment dans la vie politique* » souligne Danièle Joly en indiquant qu'en 2005 le taux de participation électorale des musulmans au Royaume-Uni dépassait 70 %, contre 60 % pour les Britanniques de souche.

Extrait de « Minoriterres »

<https://territoiresetsocietes.wordpress.com/2014/09/27/royaume-uni-le-multiculturalisme-en-question/>

## **PASSAGE THREE : Writing about statistics**

On confirme la reprise du marché immobilier, avec des ventes en forte hausse au troisième trimestre. Les ventes de logements anciens en Ile de France ont bondi de 25% par rapport à la même période de 2014. Fin septembre, 753 000 ventes ont été enregistrées en France sur les douze derniers mois, soit une hausse de 4,2 % sur un an. La performance annuelle sera cependant inférieure de 5 % à celle des belles années, de 1999 à 2007, en raison d'un premier trimestre difficile.

Dans Paris, le prix moyen du mètre carré se renchérit lentement, de +0,7 % par rapport au trimestre précédent, et a donc franchi la barre des 8 000 euros. En petite couronne, l'activité est aussi soutenue, avec +23 % de ventes par rapport au troisième trimestre 2014, mais les prix restent sages : en moyenne, les logements partent à 4 300 euros le

mètre carré. En grande couronne, le nombre de ventes signées a augmenté de 28 % sur un an.

#### **PASSAGE FOUR : India doing business with foreign companies**

Pour améliorer l'attractivité indienne, le gouvernement simplifie certaines procédures et relève les seuils d'investissements étrangers autorisés dans plusieurs secteurs. Les étrangers pourront détenir jusqu'à 100 % du capital d'une entreprise dans l'aérien, la défense et le commerce de produits agroalimentaires, à condition d'obtenir le feu vert du gouvernement. L'acquisition de distributeurs de chaînes de télévision, qu'elles soient diffusées par câble, satellite ou téléphone portable, pourra, en revanche, se faire sans cet aval.

Assouplir les règles

Apple sera le grand bénéficiaire de ces mesures. Le géant californien tente depuis des mois de renforcer sa présence dans un pays où les ventes de smartphones enregistrent la croissance la plus élevée du monde. Son PDG, Tim Cook, s'était même rendu à Delhi, en mai, pour convaincre M. Modi d'assouplir les règles encadrant l'ouverture d'enseignes à marque unique. Il aura finalement eu gain de cause, mais en partie seulement.

(Extrait *Le Monde*)

#### **PASSAGE FOUR : Social tensions in India**

Grâce au système des quotas dont elle bénéficie dans l'administration et l'enseignement supérieur, la caste des dalits accède plus facilement à Internet et s'empare des réseaux sociaux pour défendre ses droits.

En Inde, la caste des intouchables, aujourd'hui communément appelés dalits, entend bien utiliser tous les moyens à sa disposition pour ne plus se faire marcher sur les pieds. *“Les dalits montrent leurs muscles sur Twitter, le site de microblogging leur sert de chien de garde pour dénoncer la violence et le sectarisme dont ils sont l'objet de la part des hautes castes”*,

*“Si la grande majorité des dalits sont des fermiers sans terre, trop pauvres pour posséder un smartphone ou accéder à Internet, le système des quotas a permis à certains d'entre eux de constituer une classe moyenne de fonctionnaires, médecins, ingénieurs et hommes politiques qui font aujourd'hui entendre leur voix”*, fait remarquer *The Washington Post*.

Pour les hautes castes, Twitter est un outil comme un autre mais, pour les dalits, le réseau pourrait permettre de *“faire la révolution”*. Plus de 22 millions d'Indiens utilisent déjà Twitter, indique le journal, mais la récente floraison de hashtags tels que [#DalitLivesMatter](#) ou [#DalitWomenFight](#) montre que le phénomène n'en est qu'à ses débuts.