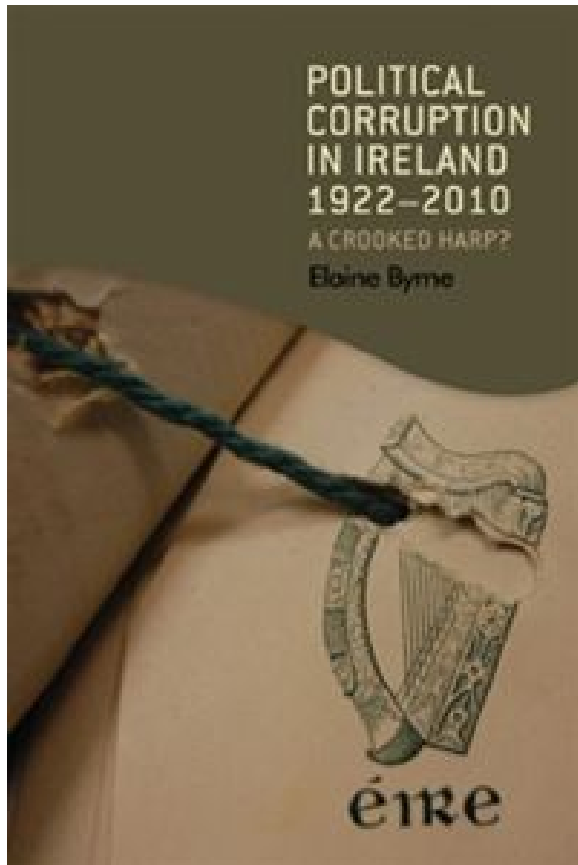


Review: Elaine Byrne , *Political Corruption in Ireland 1922-2010: A Crooked Harp?* , Manchester University Press, 2012.

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Elaine Byrne's *Political Corruption in Ireland 1922-2010: A Crooked Harp?* , Manchester University Press, 2012. €20

This book's release coincided with the publication of the final report of the Mahon tribunal which ran for 15 years. The report, published in March, states that:

Corruption in Irish life was both endemic and systemic. It affected every level of government, from some holders of top ministerial offices to some local councillors, and its existence

was widely known and tolerated.

It recommended banning from public office those convicted of bribery and banning companies engaged in bribery from public tenders for seven years. Anonymous donations over €55 to individuals and over €175 to political parties would be banned (to a maximum €5000 per year in total). While welcome these recommendations do not go anywhere close to far enough.

Byrne's book gives an account of selected cases of political corruption from the founding of the Irish state in 1922 until 'the loss of economic sovereignty' in 2010. The early years are typified as involving post-independence progressive reforms eradicating the British legacy of patronage while affirming a 'positive imperial legacy' of 'democratisation' by the British in advance of independence. This early commitment to ethical administration is exemplified for Byrne in the insistence of the minister for finance, Ernest Blythe, that TDs pay for a restaurant bill of £4 9s 6d incurred during the civil war.

The book proceeds through the subsequent decades outlining examples of politicians investigated for involvement in favouritism (in allocating licences, state contracts, tax breaks etc), fraud, black-marketeering, insider trading (including Archbishop McQuaid), tax-evasion, money-laundering, nepotism and unregulated party funding. The cases are taken from public enquiries and tribunals with detailed accounts of the Beef, Moriarty/McCracken and Flood/Mahon tribunals in later chapters. Byrne contrasts

the early years of protectionist economic policy and economic stagnation and the later years, from the 60s onwards, of economic expansion with the nature and extent of political corruption. The need for housing the increasingly urban population is linked with the planning corruption of the 70s onwards and industrialisation and privatisation with the corrupt networks established between rising 'entrepreneurs' like beef baron Larry Goodman and retailer Ben Dunne with politicians like Fianna Fail's Charles Haughey and Ray Burke or Fine Gael's Michael Lowry.

As Byrne acknowledges: "By its very nature corruption is secretive, complex and generally not of the obliging kind that provides an arsenal of smoking guns", so the true extent of the corruption may never be known, but some of the figures involved are still shocking. The McCracken tribunal "estimated that Haughey received at least £9,106,369 in donations between 1979 and 1996 which the Tribunal calculated as €45 million in contemporary terms." Ben Dunne alone gave Haughey £2,021,292 over the five years 1987-92. The Dunne family received a £22 million tax reduction after Haughey arranged a meeting with the revenue commissioner. Denis O'Brien gave Fine Gael fundraiser Lowry £923,934 from 1996-99 and Ben Dunne gave him £754,469. O'Brien's firm ESAT Digiphone won a mobile phone contract from Lowry's Department which was then sold for £2.3 billion netting O'Brien £289 million. O'Brien's tax exile status in Portugal saved him from paying £55 million in capital gains tax. Albert Reynolds' favouritism towards Larry Goodman ultimately cost the state €27 million in unrecovered export credit and €86 million in EU fines for the fraudulent claims made by Goodman's firm. Between 1987-91 the beef industry made political donations to

Fianna Fail of £297,000, to Fine Gael £138,550 and £20,000 to the PDs. Despite at times portraying the PDs as whistleblowers or a moral balance to Fianna Fail, Byrne notes that at the 1989 general election the relatively new PD party spent £400,000 on their campaign compared to the £50,000 of the long-established Labour Party but no explanation for this discrepancy is offered.

The other shocking thing is of course the almost total lack of consequences for the perpetrators of all this corruption. Only 3 convictions came out of the tribunals; no business people have ever been even charged. As Ray Burke was done for tax fraud and Liam Lawlor for contempt, in fact, no politician was convicted of any corrupt practice even though these were obvious. Bertie Ahern admitted openly to nepotism (appointing friends to state boards) and was evidently involved in money-laundering with his excuses notoriously including that he had won £15,000 betting on horses in England and that other money was a 'dig-out' from friends. Michael Lowry's favouritism to Ben Dunne was described by the Moriarty report as "profoundly corrupt to a degree that was nothing short of breathtaking." More breathtaking was the fact that neither of them ever faced any charges and that this was the one and only time in the 2,395 pages of the interim Moriarty report that any political act was even described as 'corrupt'.

In defence of the tribunals' costs Byrne argues that almost €2.5 billion was recovered by revenue as a result of the tribunals but these were almost entirely due to investigations which Byrne emphasises as important (p.222) but which are not covered in any depth in the book: The Ansbacher tax fraud, DIRT/bogus non-resident accounts, Offshore trusts and Single Premium Insurance Policies. This omission

is a pity because it could have detailed the much wider connections with the tax frauds of the Banks and the Irish rich.

Byrne highlights the economic costs of corruption in lost funding for public services like hospitals, schools and other infrastructure that could have been provided, as well as the political costs of undermining good public policy ('State capture') and the loss of public trust in the political process. She cites research showing the corrupting influence of private interests is lower in countries where there is "access to information, press freedom, citizen participation in decision-making processes, transparent political party financing and civil society monitoring of conflict of interest" (p.136). There is however no discussion of how this might be done and why the Left failed to lead campaigns against corruption at times of 'electoral volatility' is not explored. At the height of Fianna Fail corruption in the late 80s and early 90s, trade union leaders entered 'social partnership' and Labour echoed this politically by going into coalition with Fianna Fail in 1993.

The malign influence of corporate donations on the democratic control of society will not be solved by political party financing becoming 'transparent'. Firstly, for as long as our economic system concentrates wealth and media control in the hands of a few there will be 'undue influence' by the rich and powerful. Attempts to limit funding of elections in the U.S. have been circumvented by the creation of Political Action Committees who attack the opposing candidate. In the U.S. it is estimated that the candidate with the most funds wins the election 95% of the time. Lobbying by commercial interests in the U.S. particularly pharmaceutical and financial firms, amounts to \$2.7 billion a year with over 16,000 lobbyists. Secondly as long as most of the economic decisions

are in the hands of private business interests the scope of political decision-making is hugely restricted. In the book there is also little comparison to the similar experiences of other states and a tendency to particularise the Irish experience and play down the corrupting influence of capitalist development and the coercive role of the state in more general terms. The notion of the capitalist state as a force for good if the corruption could only somehow be removed is uncritically accepted by Byrne throughout.

Two important peculiarities of Irish corruption ignored in the book are the low levels of reported bribery by foreign firms and low levels of petty corruption in demanding facilitative payments by lower level public servants which usually accompany Ireland's type of political corruption. Universal welfare benefits and permanent pensionable jobs reduce corruption as they reduce the possibility or purpose of favouritism and improve the spirit of public service. While Byrne emphasises the moral and not just legal analysis of corruption and the idea of mediated corruption, she largely ignores the selling of Ireland as a low-tax regime for multinationals and the use of Ireland as a tax haven by the national and international rich. In this context the Irish state bribed the multinationals rather than the other way round. Political corruption undermines the democratic principle of control of society by the people as a whole in their own interests. Public sector workers are not complicit in this and neither national nor international capital is an ally. The active involvement of the mass of ordinary workers including both public and private sectors will be necessary to combat the influence of national and international capitalists who are the overwhelming beneficiaries from corruption. The corrupt politicians and bosses will truly fear such a movement.

While Byrne's book is a very useful account of some of the most notorious examples of political corruption it ultimately fails to live up to her own standards in her criticism of previous accounts of corruption: "The focus upon personalised descriptions of corruption incidents and their subsequent politicisation at the expense of

a deeper and broader analysis of why such corruption occurred subdued demands for anti-corruption reform" (p.238). It will need a revolution in social relations between workers and their exploiters to root out the corruption inherent in capitalism that leads to oppression and environmental degradation on an international scale.