

not the language Obama trades in. When the cerebral Obama inveighs against "fat-cat bankers", the phrase doesn't trip off his tongue. He's a community organiser, not a rabble-rouser. And he must know that populism, generally speaking, has been the refuge for losers in American politics.

Smart presidents don't confront the populists head-on; they defang them by giving them some of what they want. After FDR launched the New Deal — and John Dingell's father helped to write the Glass-Steagall law separating commercial from investment banking — the nation slowly recovered and Roosevelt's personal popularity soared.

In recent weeks, Obama has tried to mollify both populist camps. To satisfy the left, he announced a \$100 billion

bottom line: there can be such a thing as smart populism. (As Treasury Secretary Timothy Geithner recently said: "Just because (ideas) seem populist doesn't mean they're not the right thing to do.") Here's a Newsweek guide to smart populism in the Age of Obama. If implemented correctly, these proposals would not only help to bring the US out of recession; they could also begin to fix the deeper problems in the economy. The general principles: replace policies that pander to corporations with ones that help people, give companies incentives to be better citizens, finance government operations more equitably, and stop socialising losses and privatising gains.

■ Slash Wall Street compensation and

simply isn't enough. Every time there's a renegotiation of terms, the banks earn another fee — and the rate of new defaults after a year under the programme is as high as 75%.

It's time to reconsider writing down principal on the mortgages, and for those who are seriously underwater, letting bankruptcy judges reduce the amount of mortgage owed. This would give indigent mortgage holders the right to work through debts over several years under Chapter 13 of the bankruptcy code.

■ Crack down on market manipulation that is driving up the cost of basic commodities. Everyone's focused on mortgage debt. But one reason people can't pay it on time is the high cost of oil, gas and food. The actual physical

idea of a tax on financial trading, which was floated many years ago by Nobel Prize winning economist James Tobin — no radical populist. Meanwhile, a plan has been proposed to boost hiring by exempting companies that bring on workers who have been unemployed for at least two months from the 6.2% Social Security payroll tax for the rest of the year.

■ More broadly, come up with a more rational, more progressive set of national tax policies. Returning much of the tax code to the state it was in the 1990s — higher estate taxes, higher taxes on capital gains and dividends, higher taxes on the highest income brackets — is a necessary move.

This guide is hardly a cure-all for what ails America, but most populists

(giving labour the right to organise and bargain collectively). "Roosevelt went through very much the same kind of uprising of anger in 1934 as Obama is experiencing," says Brinkley, but ultimately FDR managed to "out-flank" it. Obama's got a more recalcitrant Congress to deal with, Brinkley notes, but he still has three more years (at least) to recover from a crisis that's far less serious.

If the president can manage to get ahead of the populist sentiment, rather than merely chase it as he's currently doing, he will begin to fulfill the hopes and expectations he raised in his campaign, and which now seem so deflated.

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# No excuse for poverty in Europe

**T**HIS year is an opportunity for the Government and the European Union to send out a powerful and ambitious message that poverty has no place in modern Europe.

For the 80 million men, women and children who still live in poverty in the EU, the 2010 year can offer hope and the chance of a better future.

As we emerge from a socially and economically tumultuous decade, it is understandable that many people look towards national and European politics with a sense of scepticism and detachment. An economic model that provided so much certainty has fallen into crisis, suddenly and brutally demonstrating the vagaries of the market in everyday lives; unemployment, cuts to services, debt and hardship.

At a national level, the year 2010 can play an important role in tackling the destructive legacy of the economic crash, as well as addressing structural social problems such as long-term unemployment and exclusion. To determine how best to engage with these issues, it is useful to examine what has been achieved in the fight against poverty and social exclusion so far.

Recent data shows that successive Irish governments, in cooperation with the European Union, have made considerable progress in tackling poverty. Relative poverty has decreased year on year and now stands at 14.4%, down from 21% in 2001. Significantly, consistent poverty has been reduced to 4.2%, and the Government is now within touching

**Ireland used to play its part in furthering social justice and equality in Europe. But recent decisions at home do not augur well, at a time of greatest need, writes Anna Visser**

distance of its stated objective of reducing consistent poverty to between 2% and 4% by 2012 and eliminating it entirely by 2016.

It should be recognised that these hard-fought gains have had real and tangible benefits for many thousands of men, women and children across the state; lifting them out of poverty and providing the opportunity of a better life.

However, it is now clear that these gains are not secure. Rather than representing any kind of deep-seated commitment to building a fairer, sustainable and more equal economic and social model, it is becoming apparent that social supports were premised on Charlie McCreevy's belief that "when I have it, I spend it".

Now that we no longer "have it", Ireland needs to learn from the mis-

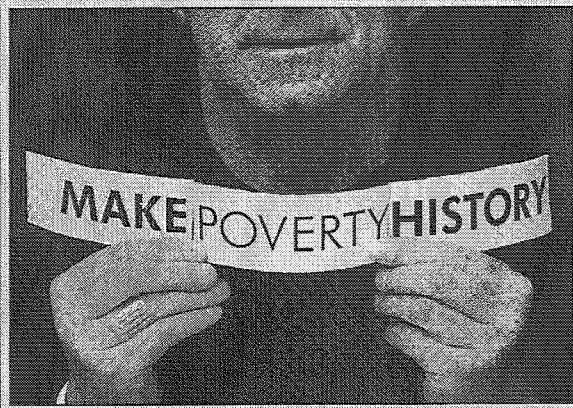
takes of the past, and articulate a sustainable and people-focused vision for the future. The 2010 European Year for Combating Poverty and Social Exclusion represents a major opportunity to develop a vision of a better Ireland contribute to the development of a EU that can make a decisive impact on poverty at home and globally.

While a social focus has not always come naturally to the EU, Ireland has a strong and commendable track record in contributing to a more progressive European social agenda. Ireland was a key player in the development of robust European equality legislation and our representatives have had a substantial impact in progressing social objectives within the EU.

Similarly, the social clause in the Lisbon Treaty was negotiated during the last Irish presidency of the EU in 2004. Ireland's participation in Europe has generated positive and progressive social outcomes, for us as well as our neighbours, such as gender equality in the workplace and stronger anti-discrimination legislation. In recent years however, the Irish state and its negotiators have not always played the same positive role as their predecessors in promoting the EU's social agenda.

Ireland's lukewarm commitment to that agenda is reflected even more starkly in its decision-making at home. The Government is committed to supporting the '2010 Year' and has allocated time and resources to developing a national programme.

Despite that apparent commitment, decisions made in the last 18 months — the downgrading of the community development programme, the



2010 is the European Year for Combating Poverty and Social Exclusion, yet community development and the Combat Poverty Agency have been cut here.

closure of the Combat Poverty Agency, reductions in benefits for vulnerable people — will seriously damage the state's capacity to tackle poverty and social exclusion at the very time it is most urgently needed.

The social and economic fortunes of Ireland and the EU are bound together. The year 2010 will see the negotiation and adoption of a new Lisbon Strategy, a common programme for all member states and a roadmap for our collective recovery over the next 10 years.

Ireland has a major opportunity to

lead the way in calling for an ambitious new agenda that prioritises people, society and quality of life ahead of profits, property and the market. We will spend many years examining the lessons of the past, but 2010 is a chance to set out a powerful and progressive vision for the future, one that has the potential to unite people in a common project to create fairer, sustainable, more equal societies in Ireland and across the European Union.

● Anna Visser is the director of the European Anti-Poverty Network Ireland.

Opinion Editorial on the 2010 Year for Combating Poverty and Social Exclusion by the Director of EAPN Ireland Anna Visser. The Op-Ed appeared in this morning's (05/02/10) edition of the Irish Examiner to coincide with the launch of the Government's programme for the 2010 year.