Irish government, employers and unions prepare new attacks on working class

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The new Irish coalition government is preparing a swathe of austerity measures to meet the terms of the 2010 International Monetary Fund/European Union bailout of the banking system.

The Fine Gael/Labour coalition came to power on a wave of revulsion against the outgoing Fianna Fail/Green Party government, but its policies of mass social misery are indistinguishable from its predecessor.

Last month, Enterprise Minister Richard Bruton launched an assault on the wage regulating Joint Labour Committees (JLCs) and Registered Employment Agreement (REAs). Together, the JLC/REAs offer minimal protection to some 200,000 workers in low-paying areas such as security, catering, building and tourism.

These workers face losing a range of premium and overtime payments, and the introduction of drastically lower minimum pay rates. Bruton and the employers' group Ibec pointed to the 30 percent lower pay rates in Northern Ireland as a target, claiming that pay rates should take note of international conditions.

The JLCs, first established in 1946, have been the focus of a sustained assault by employers and are the subject of a case in the High Court launched by the Quick Service Food Alliance that includes chains such as Subway, Burger King, the Bagel Factory and Eddie Rocket's. In all, the group covers as many as 600 outlets. The court case claims that that JLC decisions are unconstitutional. A final judgement is due June 30.

In the face of demands for the JLC/REAs to be abolished, the trade unions have called for them to be directly geared towards increasing productivity. The Irish Congress of Trade Unions and public service union SIPTU have called for the implementation of recommendations made in a Department of Enterprise report. This report's terms of reference were to improve domestic and international competitiveness, while seeking "continued orderly conduct of industrial relations across the sectors".

The report concluded that the JLC/REAs should be retained, but should be more responsive to "changing economic circumstances and labour market conditions". Should the minimum wage be reduced, for example, then JLC/REA agreements should be altered accordingly while "collective bargaining", a euphemism for the police role of the trade union bureaucracy in suppressing the working class, is respected.

Public sector workers are also facing renewed attack. One year after the Croke Park deal, in which the trade unions agreed to ban public sector strikes, and implement huge rationalisations and job losses in return for no wage cuts, further pay cuts and job losses are being floated by the government.

The first annual review of Croke Park laid out the huge scale of pay cuts since 2009, when the total public sector pay bill was €17.5 billion. By the end of 2011 this will have been reduced to €15.7 billion, a cut of 15.5 percent. Since 2008 16,400 workers have left the public sector, of which over 5,300 have left since 2010.

The review hailed job losses worth €289 million last year alone, "non pay savings" of €308 million and the redeployment of "thousands of staff… including across functional boundaries". It proudly announced that despite the huge losses and upheaval, "industrial peace has been maintained across the public sector."

Nevertheless, more was required. The review panel, including leading public sector union leaders such as Shay Cody of Impact and Tom Geraghty of the PSEU executive union, insisted more "urgency and ambition" were necessary to cut costs. The government has promised €1.2 billion in additional cuts by 2014. To this end, “revised work practices, fundamental reform, more shared services, organisational restructuring across the system and greater innovation and flexibility” should be accelerated.

In line with the government’s Programme for Government 2011, between 18,000 and 21,000 additional jobs would be lost.

Minister for Public Expenditure, Labour’s Brendan Howlin, stressed the same point. According to Howlin, “[F]urther significant cuts in expenditure, coupled with further substantial reductions in the numbers employed in the public sector are unavoidable.”

Howlin warned that there was “no likelihood of anybody getting money back in the foreseeable future.”

His comments exposed the lie used by the unions to encourage their members to vote for the deal in 2010that some of pay lost in 2009 could be recouped.

The review gave indications of some of the “redeployments” as panicky and ill-considered moves to plug rapidly emerging holes in provision in one area at the expense of another. For example, 1,000 community welfare workers and 507 staff from other departments were moved into the Department of Social Protection to deal with the huge increase in welfare claims due to rapidly rising unemployment. Seven hundred more are due to be re-assigned to the same department by the end of 2011. Already, 1,000 teachers have been redeployed from one school to another, while staff from various civilian departments found themselves answering incoming phone calls to the police.

In one of its most malignant statistics, the report noted that the Irish Prison service had successfully managed an 11.5 percent increase in the prison population over the period in review. Staff levels, which should have been increased by between 110 and 200, had only increased by 17, saving €8.6 million. The report did not bother to comment on what this sudden increase in imprisonment might mean.

None of this is enough for the employers. Emboldened in their attacks on workers by the trade unions’ suppression of opposition, Brendan Butler of Ibec insisted “far reaching reform is still needed.” He warned that “if this cannot be achieved on a voluntary basis, the government will have to take a different approach.”

The small business federation ISME called for the Croke Park deal to be scrapped because the savings achieved “do not come near the level required.”

Chambers Ireland demanded overtime and shift allowances, pension costs and incremental payments to be cut along with yet more flexibility.

A Social Welfare and Pensions Bill introduced by the previous government is currently going through the Dáil Eireann (parliament). Among its provisions are measures to increase the eligibility age for state pensions from 65 to 66 in 2014, 67 by 2021 and 68 by 2028.

Labour’s minister for social protection, Joan Burton, who opposed the bill when she was in opposition, defended the move, claiming it is based on “the fundamental principle that people need to participate in the workforce for longer and that they need to contribute more.”

Burton refused to offer assurances that social welfare rates would not be cut in the upcoming budget.

In May, 443,400 people claimed unemployment benefits, an unemployment rate of 14.8 percent. Of these, 176,300 were long-term jobless—40 percent of the total. The figures took analysts be surprise, as they were anticipating a reduction on the dole queues due to increased emigration. Most of the new redundancies over the period were from the public sector.