Irish public sector workers reject austerity package

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An overwhelming majority of public sector workers have voted to oppose the Croke Park Agreement negotiated between the trade unions and the Fine Gael-Labour coalition in Dublin.

The proposed deal was designed to run over the next three years and cut up to €1 billion from the public sector pay bill. Over €300 million was to be cut each year through longer working hours, slashing overtime and weekend pay, ending pay increments, and redundancies presented as the "redeployment" of workers.

The cuts being sought are in addition to more than €28 billion made since the economic crisis broke out in 2008. It was to replace the previous Croke Park Agreement of 2010, which imposed pay cuts through a no-strike deal enforced by the unions. The savage attacks supported by the political establishment as a whole have been aimed at shifting the burden of the bailout of the banks onto working people, and securing Ireland's re-entry into the bond markets later in 2013.

The vote was a rejection of the attempts by government officials to blackmail workers into accepting the deal with the threat of further cuts, as well as a rejection of the support offered by the trade union bureaucracy for the agreement.

Overall, two thirds of public sector workers voted down the deal.

Members of SIPTU (Services, Industrial, Professional and Technical union) voted against the deal by a margin of 54 percent to 46 percent, even though the leadership of the union called for a yes vote.

Other unions saw much more decisive opposition. In the Irish National Teachers' Organisation, the deal was voted down by almost 70 percent, while in Unite 84 percent opposed it. Even in those unions that voted to back the agreement, opposition was high, such as in the largest public sector union, Impact, where 44 percent opposed it.

Widespread opposition among workers will, however, find no expression through the trade unions. Even as the results were announced, union officials rushed to assure the government that further negotiations could take place. SIPTU President Jack O'Connor advised that the government could introduce a mini-budget to achieve the savings, commenting that he wanted to avoid a "major confrontation" which would be "mutually destructive."

Working people know from bitter experience what such remarks mean in practice. Ireland's trade unions have played an indispensable role since the onset of the economic crisis in forcing through the austerity dictates of the troika and Ireland's ruling elite. No attempts have been made to mobilise workers against the greatest attacks on their living standards since the 1930s. Instead, in 2010, the unions agreed to the first Croke Park Agreement, imposing the no-strike ban on the public sector and giving the government a free hand to cut pay, attack working conditions and reduce the workforce.

The main concern of those like O'Connor who warn of the danger of "unilateral" moves to cut pay is that such a step could be the trigger for a social explosion that would develop out of the control of the unions. The fact that such a large majority opposed the latest deal is a sign of the frustration building up in the working class in the face of the collusion of the unions in the imposition of austerity measures.

The warnings of industrial action made by O'Connor and others if the government pursues legislative action are aimed at pressurising the coalition back to the negotiating table. The government had insisted before the results were known that the outcome was

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essentially irrelevant, since the cuts would be imposed regardless. Public Expenditure Minister Brendan Howlin threatened an across-the-board pay cut of 7 percent if the deal did not pass, which comes on top of average pay cuts of 14 percent and a reduction of the public sector workforce by over 10 percent since 2009.

Other possibilities being considered are the elimination of all allowances, the freezing of pay increments for three years, and the removal of overtime pay. The lowering of the threshold at which core pay cuts begin is also a possibility.

On Tuesday evening, Howlin noted that the government would consider its options on how to proceed. He would be in immediate discussions with officials from the troika of European Union (EU), International Monetary Fund (IMF) and European Central Bank (ECB), which have overseen the implementation of austerity since the bailout for Ireland's banks was agreed in 2010. He declared, "As I've said consistently during this process, a rejection of these proposals does not change the fact--that to conform to our budgetary targets and continue on our path to economic recovery we need to make payroll savings of €300 million this year and €1 billion by 2015."

Taoiseach (Prime Minister) Enda Kenny backed up Howlin in comments in parliament Wednesday, declaring there was "absolute unity of purpose" in the government on the need to impose cuts. Labour leader Eamon Gilmore made comments along similar lines at a press conference, continuing his party's full commitment to implementing the dictates of the financial elite.

The troika will respond to the rejection of the latest austerity package with renewed calls for deeper cuts. The EU's latest assessment warned that any "policy slippages" would result in higher borrowing costs on the markets, which would raise the need for ongoing financial support or a second bailout. Talks have already been arranged with troika representatives this week to decide how to respond to the rejection of Croke Park II.

Concerns were expressed even before the latest votes that the pace of austerity in Ireland was too slow. Earlier this month, Ireland's quarterly review of spending under the bailout programme carried out by the EU Commission raised concerns about "implementation risks". The report described a number of areas in which the troika was unsatisfied with reform progress, including spending on health, job market reforms and the privatization of state enterprises.

As has been the case in Greece, Portugal and most recently Cyprus, the cuts being dictated to Ireland are part of a social counterrevolution taking place across Europe. Attempts by the unions to strike a new bargain under these conditions will achieve nothing for workers other than a repackaging of the same spending cuts.

Workers have shown their determination to fight to oppose the austerity drive of the ruling elite by rejecting the Croke Park II deal. But to be successful, they must break decisively from the union bureaucracy, and take up the fight to build independent action committees to oppose the attacks on pay, working conditions and jobs.

This must be guided politically by a socialist perspective, which counterposes a socialist and internationalist programme to the austerity being dictated by the EU. Workers in Ireland seeking to fight austerity must align themselves with their class brothers and sisters across the continent and wage a struggle for the United Socialist States of Europe.

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