

Workers at Irish state energy firm vote for strike in pensions dispute

Jordan Shilton

27 November 2013

A vote for strike action at Ireland's semi-state Energy Supply Board (ESB), to protest a €1.7 billion black hole in the company's pension scheme, passed by an overwhelming 87.5 percent last week.

There is growing anger over attempts by management to avoid pension liabilities. At the same time, the austerity measures of successive governments since 2008 have reduced the incomes of ESB workers just as with their colleagues in other sectors of the economy.

ESB has been seeking to reform its pension system for some time. Its ability to do so has depended on the support of the trade unions active at the firm. In 2010, the company struck an agreement handling a shortfall in its pension plan of €2 billion by transferring the scheme from a defined benefits plan to a defined contributions plan. The effect of this change was to remove any liability from the company for funding the retirement plans of the workforce, and making workers themselves responsible for the amount paid into their pensions.

The attack on pensions is a critical part of government plans to fully privatise the electricity service. Reports suggested that the pension reform had enabled ESB to return to investment-grade status and attract private funds, whereas it had previously been deemed too risky. In a drive to sell state assets to raise billions to cover Ireland's rising state debt, which remains one of the highest in Europe, the government is also targeting public transport.

Attacks on pensions are not unique to ESB. A pension levy was imposed by the Fine Gael-Labour Party government, and the state pension fund has been raided to provide subsidies to big business and investors under Ireland's bailout.

The trade unions involved at ESB responded to the vote by playing for time, only announcing a potential

date for strike action of December 16 four days after the result was made public. Until then, they have declared themselves open to talks with management in order to seek a resolution to the dispute that averts industrial action. The leader of the ESB Group of Unions, Brendan Ogle of Unite, reassured the firm that the form such action would take was yet to be determined and that it would only require a change in the approach of ESB to its accounting procedure for the €1.7 billion deficit to prevent an escalation of the dispute.

Notwithstanding the unions' attempts to demobilise any resistance among the workforce, employers' organisations have aggressively denounced ESB workers for placing the country's economy at risk in the run-up to Christmas and for threatening the jobs of workers in the retail and food industries. The chief executive of the Restaurants Association of Ireland, Adrian Cummins, asserted that the workers would be "holding the country to ransom" in the event of a strike, while the chief executive of the Dublin Business Improvement District, Richard Guiney, warned that "workers in other fields...need these vital couple of weeks to sustain their own employment into next year."

Such dishonest attacks on ESB workers aim to divide and isolate them from the rest of the working class, blaming them for the dreadful economic crisis in Ireland that has been brought about by more than five years of vicious austerity policies backed by the entire political establishment, the trade unions and big business.

It is this programme of spending cuts and tax increases that has driven up the unemployment rate, forced thousands to leave the country and left many more fearing for their jobs and livelihoods as layoffs mount.

Guiney went on to urge that the Labour Relations Commission (LRC) or the labour court, state-sponsored bodies with records of imposing the demands of big business, step in. His comments amount to an implicit call for the state to compel ESB workers to stay on the job. The government passed authoritarian legislation over the summer with the collaboration of the trade unions granting it the power to unilaterally change the pay and working conditions of state employees.

No genuine resistance to this will come from Ogle and the unions, which were involved in negotiating the deal in 2010 that allowed the company to dump its pension liabilities. A leaked e-mail between ESB management and their auditors from 2011 revealed that had Ogle registered a formal complaint on the pension changes, the pension would have had to be accounted for as a defined benefits scheme. But as Ogle himself acknowledged, no such step was ever taken.

“I can confirm that the Group of Unions never contacted KPMG,” he said. “We viewed this as unnecessary as we were aware that ESB had an obligation to disclose any Group of Unions demand regarding pension funding the further (to the 2010) pension agreement to KPMG.”

In other words, the unions agreed to the implementation of a deal that granted management all of its demands and made no attempt to mount a struggle against the destruction of the pensions of ESB workers.

Ogle works closely with the Republican group Eirigi, formed by a faction that split from Sinn Fein in 2006. At an Eirigi members’ meeting in 2011, he denounced ESB workers as privileged and overpaid, while blaming the working class as a whole for the series of defeats over the preceding three decades—which coincided with the enrichment of a fabulously wealthy elite during the period of Ireland’s Celtic Tiger.

“I’ve got a problem with the people who I represent, who have power because they also have money, and they won’t mind me saying this because I say it to them often enough,” Ogle said of the ESB workforce.

For 25 years, they had been “spoiled” by right-wing governments led by Fiana Fail, he claimed. Such hostility on the part of Ogle to working people is no personal aberration. It is a reflection of the dominant sentiment towards the working class of a layer of privileged and well-paid union bureaucrats whose

upper middle class lifestyles and “labour management” function give them interests far more in common with the ruling class than with the workers they allegedly represent.

The media has joined in with its own denunciations of the workers’ “privileges” at ESB, with reports appearing questioning why workers still receive a discount on their electricity bills when the company is cutting costs.

This campaign of vilification is an indication of the fear within ruling circles that a determined stand by a section of working people would strike a chord with workers in other sectors facing attacks on their jobs and working conditions, triggering a broader movement.

The first step in launching such a struggle by ESB workers must be a break from the rotten union bureaucracy and the formation of a rank-and-file action committee to defend pensions, jobs and working conditions against the attacks of management and the government.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact