Irish government presses ahead with public sector attacks

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The Fine Gael-Labour coalition government has outlined the next stage of its reform plans for the public sector, which will see further job cuts, rationalisations and the elimination of essential social services upon which many rely.

Announcing the plan, which is to run until 2016, Minister for Public Expenditure and Reform Brendan Howlin celebrated the government's performance so far. "There is no comparison anywhere in Europe with what we have done," he boasted, "where we downsized numbers by 10 percent or 30,000 and reduced [expenditure] by almost 18 percent and maintained industrial peace at the same time."

Industrial "peace" has only been possible due to the collaboration by the trade unions with the ruling class in forcing through vicious austerity measures on working people. Since 2010, the public sector unions have maintained a strike ban, first under the Croke Park and now the Haddington Road agreements, allowing the government to slash wages, cut jobs and shut down services. The total package of austerity measures imposed by the current government and its Fianna Fail-Green Party predecessor is more than 20 percent of Irish economic output.

The crucial support of the unions in this was acknowledged explicitly by junior Finance Minister Brian Hayes, who presented the latest reform proposals together with Howlin. "There is no other country in Western Europe that has gone through the scale of that reduction in a circumstance where we have effectively had industrial peace, and I recognise the role of the public-sector unions in recognising the scale of the challenge that we face," he commented.

Much more is to come. The coalition has committed to imposing austerity measures until 2020. Irish state debt remains among the highest in Europe at around 125 percent of GDP.

The second stage of the public service reform plan includes the €1 billion ($1.36 billion) to be saved under the Haddington Road Agreement over the next two years. Howlin described this as a "key enabler" of the reform project, adding that the union agreement would allow for 15 million additional working hours in the public sector.

Further savings will be sought through outsourcing the delivery of public services to private companies, particularly in the social welfare system, merging services to cut costs and personnel, and closing down entire agencies. Howlin noted that on this latter point, 46 out of 48 state agencies previously selected for closure had been done away with already.

Major cuts are to be made in the health system, although it is already on the verge of collapse. A recent *Irish Times* article complained bitterly that 50 percent of government spending went on maintaining hospitals and their services, adding, "Recessionary times are excellent opportunities for reappraisal of service delivery as the efficiency and cost effectiveness of services come under considerable scrutiny."

While there is full confidence of the unwavering loyalty of the trade unions to the continuation of these measures, fears are mounting within ruling circles over whether the bureaucracy can maintain its grip over the workers.

It took the unions over six months to enforce the acceptance of Haddington Road among all of its members, with one of the teaching unions only agreeing just before Christmas as a result. At Dublin Bus, workers rejected the recommendations of the unions and were only compelled by the intervention of a government-appointed arbitrator to return to work under much worse conditions.

Over 2,000 workers at Marks and Spencer shops across Ireland went on strike in early December when the company unilaterally shut down their pension scheme, cut the Sunday and Public Holiday premium, and eliminated the Christmas bonus. On December 20 the Mandate trade union and SIPTU called off a second strike when they urged workers to accept a Labour Relations Commission recommendation that would allow the unions “access to financial information from the company to assist with negotiations on a management cost-cutting plan.”

Sections of the ruling elite are beginning to discuss the need for alternative ways to deal with opposition among workers.

The first stage of The Critical Utilities (Security of Supply) Bill 2013 was introduced in the Senate, Ireland’s upper house of parliament, on December 11 by Senator Feargal Quinn, and sponsored by senators David Norris and Sean D. Barrett. The bill proposes the imposition of fines, indictments and prison terms for going on strike in what are referred to as “critical areas” such as electricity and water supply.

The bill coincided with plans by Energy Supply Board (ESB) workers to strike on December 16 against the destruction of the pensions of ESB workers. The ruling elite and the establishment media turned on the ESB workers with pseudo-moralistic outbursts concerning older people not having a power supply over the Christmas period. Faced with overwhelming anger by workers at ESB, and an 85 percent strike vote, organisations such as IBEC, the Irish employers’ organisation, denounced ESB workers for “holding the country to ransom.”

In the event, the unions were able to reach a sell-out deal with employers to avert the strike.

If adopted, the bill would make it a criminal offence for workers to engage in industrial action that causes “an interruption to the supply of a critical utility,” or “to induce an employee of a critical utility to do anything which directly or indirectly causes an interruption or stoppage to the supply of a critical utility.” The punishment for such behaviour can be 12 months imprisonment and, on indictment, a fine of €250,000, or five years imprisonment and a fine of €50,000.

Quinn is former owner of the Superquinn supermarket chain and is one of Ireland’s richest capitalists. He made over €350 million when he sold his chain to property developers in 2009. A large chunk of the money was invested in multibillion-dollar private equity deals by the Quinn family. Quinn made it clear in his senate speech that he is seeking the same laws that ban the right to strike and criminalise workers in other European countries, citing Greece as a particular example.

He commented, “We have had good labour relations in recent years. However, my concern is that there is a degree of complacency.”

The bill was sponsored in the senate by former independent presidential candidate David Norris, who had been hailed only three weeks previously as one of the main speakers at the Socialist Workers Party’s Marxism 2013 event.

There are some within ruling circles who are wary about attacking workers so openly, preferring instead to rely on the trade unions to enforce austerity policies without opposition. Pat Rabbitte, minister for energy in the Fine Gael/Labour government, remarked that antistrike legislation was not needed, stating, “Provisions in negotiated agreements for ‘no strike’ clauses can work well; however, statutory provisions that include criminal sanctions are an entirely different matter…The industrial relations machinery of the state works exceptionally effectively.”

Rabbitte is correct to identify the deals between the government and the trade unions as having worked “exceptionally effectively”—for the very rich. While almost three quarters of a million people in employment are “at risk of poverty,” the number of Irish billionaires has doubled since the economic crash.