Irish airport workers latest to strike over pensions

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Last week, workers at Ireland's three main airports and Aer Lingus ground staff voted overwhelmingly for strike action in protest against a massive shortfall in their pension scheme.

Members of the Services, Industrial, Professional and Technical Union (SIPTU) at Dublin, Cork and Shannon airports all voted by more than 80 percent for strike action, and by more than 70 percent to halt their contributions to the pension fund until the dispute is resolved. SIPTU members at Aer Lingus followed suit a day later.

The Irish Airlines Superannuation Scheme (IASS) is in deficit by around €780 million ($1.07 billion) and the trustees, in collaboration with the employers and the government, are seeking to offload the funding crisis onto working people. The latest proposal from the trustees suggests slashing entitlements by 20 percent for workers yet to retire, and takes the unprecedented step of cutting pensions for former workers already in receipt of them.

This latter move has been made possible by recent government legislation overturning a ban on reducing payments to retirees. It marked the beginning of a major offensive by the Fine Gael-Labour government against the pension entitlements of working people, led by Social Protection Minister Joan Burton of the Labour Party.

In December, the government gave its full backing to a vicious witch-hunt of workers at the Energy Supply Board (ESB), who had threatened strike action over a massive €1.7 billion deficit in the company pension scheme. Less than three months later, airport workers face the same threat.

The pension crisis is a direct result of the multi-billion-euro bailout of Ireland's bankrupt financial sector and the agreement struck between Dublin and the troika of lenders in the European Union, European Central Bank and International Monetary Fund to place the full burden of this onto working people through the implementation of devastating austerity.

From a total bailout package of €85 billion agreed in November 2010, 20 percent, or €17.5 billion, came from a raid on the state pension fund. As well as flowing into the coffers of the failed banks, these funds were used by the government to offer tax breaks and other incentives for big business to hire workers on low-wage contracts, rather than providing for the retirement of working people.

The virtual exhaustion of the state pension fund was accompanied by an assault on private pension provision by major firms. Abandoning previous commitments to defined benefit schemes, which calculated workers' pension entitlements based on their final salary, they have enforced defined contribution models meaning the calculation of a worker's pension is based on average pay over their entire career. A total of 40 cases are currently being considered by the Labour Relations Commission where companies are implementing such pension changes.

As significant as the current attacks are, much worse is being prepared. Aware of the huge deficits in private pensions due to years of underfunding from employers, the Society of Actuaries in Ireland called recently for the government to implement mandatory private pension enrolment to shift the burden of the shortfall even more directly onto the working class. Under this proposal, it would be made compulsory for workers to contribute to their employer's private pension scheme. The SAI also suggests introducing individual pension accounts, a move designed to make individual workers solely responsible for their pension provision and reduce the obligation on the state and employers.

Having risen to 66 this year, the state pension age is to reach 68 by 2028. According to evidence presented to a parliamentary committee recently, this will make Ireland the country with the highest retirement age in Europe.

Taken together with the sharp drop in wages since the crisis broke out, which in some areas have been as much as 20 percent, and the more than €30 billion of public spending cuts imposed since 2008, the undermining of pension rights is a further stage in the social counter-revolution led by the Irish ruling elite.

The airport unions present the €780 million shortfall as merely a problem for the IASS that has emerged due to management intransigence. Much like the unions involved in the ESB dispute, their overriding aim is to utilise the threat of strike action to force the pension trustees and companies involved to negotiate a deal with them.

As SIPTU pension’s spokesman Dermot O’loughlin commented in a press release, “It is the view of the Pensions Committee that this situation has come about as a consequence of the intransigence and procrastination of the Trustees of the Scheme, the Regulatory Authority and the company which has forced the membership into this very serious position.”

True to form, SIPTU has separated its members by location so that united action even among airport workers can be averted. Thus it was announced that SIPTU members at Shannon airport would take industrial action on March 4, stopping work for just four hours. If management refused to negotiate, further action would be considered in the following days, the union claimed.

The delay in calling out Aer Lingus workers has been justified by SIPTU with the need to consult with the other unions involved. So far there is no announcement of dates for action at Cork or Dublin.

The refusal of SIPTU to lead a genuine struggle against the destruction of pensions should come as no surprise. Since the onset of the economic crisis, the union bureaucracy has acted as a police force for the ruling class, preventing the emergence of any working class opposition.

At the same time, union leaders have participated fully in the discussion and implementation of some of the most vicious austerity measures, including the Croke Park Agreement, which contained a four-year strike ban for public sector workers, pay cuts and redundancies, and the Haddington Road Agreement, which intensified the cuts still further.

At numerous companies they have repeatedly sold out the workers seeking to defend their jobs, wages and pensions, such as at Waterford Glass in 2009, Aer Lingus in 2011, Vita Cortex in 2012, Bus Eireann and Dublin Bus in 2013, and most recently at ESB in December.