Irish union leaders shut down public sector strike with below-inflation deal

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Ireland's trade union leaders have shut down a powerful strike movement of public sector workers. At about 3.30am on Wednesday at the Workplace Relations Commission (WRC) in Dublin, they agreed a sellout pay deal with the Fianna Fáil–Fine Gael coalition of Taoiseach (prime minister) Micheál Martin.

The deal covers more than 400,000 workers, but before a single worker had read a line of it the Public Services Committee (PSC) of the Irish Congress of Trade Unions (ICTU) called off the national public sector strike set for Thursday. The PSC is chaired by Fórsa General Secretary Kevin Callinan, who recommended suspending all industrial action, including work-to-rules, while ballots are held over the next month.

Prior to the sellout, workers had shown their determination to fight in overwhelming industrial action ballots and a national walkout on October 14—the largest public sector stoppage since 2009. In preparation for Thursday, some 50,000 members of Fórsa, the largest union in the public sector, had already registered to attend rallies in eight towns and cities, 20,000 of them in Dublin.

The strike would have coincided with the European Political Community summit in Dublin, attended by around 50 leaders including British Prime Minister Andy Burnham and Ukrainian President Volodymyr Zelensky. Ireland is hosting the summit as holder of the European Union's rotating Council presidency until the end of the year.

The purpose of the WRC talks was to agree a mechanism for imposing a settlement. The panel's joint statement agreed that if talks reached an impasse it would "put forward a means of resolution which should be accepted by the parties." When the WRC declared an impasse on October 31, the issues went to a Government-Appointed Group.

The group was chaired by Kevin Foley, chair of the WRC and a former Labour Court chairman, appointed by the government last year to head a forum on cutting business costs. Its proposal, which the union leaders accepted, became the basis of the deal.

After the unions rejected 6.75 percent plus 1 percent for local bargaining, the government raised its offer against a deadline set by the summit. A senior government source told the *Irish Examiner* on Monday, "If we don't have a deal by Wednesday morning, it might be too late."

The deal runs for 33 months, from July 2026 to March 2029, at a cost of €5.2 billion spread over five budgets. Spun as a 10.75 percent deal, it provides just 9.75 percent in eight general increases over almost three years. The other 1 percent is a local bargaining payment "linked to ongoing change," which need not benefit all staff equally.

That is not even 4 percent a year, and no more than the previous three year agreement—which expired in June—and gave 10.25 percent over 30 months.

For 2026, workers get a single paltry 2 percent rise, backdated to September. This is amid a raging cost-of-living crisis, which has sparked mass strikes and protests in Ireland and across Europe. As the deal was announced, consumer price inflation in Ireland hit 4.3 percent in October, the highest since December 2023, according to the Central Statistics Office (CSO).

Housing, water, electricity, gas and other fuels rose 10.7 percent over the year, and transport 9 percent. Home heating oil is up more than 74 percent and mortgage costs 10.8 percent. Over the past five years, rents have risen 36.1 percent and electricity, gas and other fuels 63.7 percent (CSO).

With 4.3 percent inflation, the deal is already a real-terms pay cut, to deepen as prices rise. Nothing in it restores the 5 to 7 percent by which, as the unions themselves said, pay has fallen behind inflation since 2021.

A "severe" scenario in the government's own Budget 2027 forecasts, summarised by the National Treasury Management Agency, assumes oil at $150 a barrel amid the US-Israeli war against Iran. It states that "Under this scenario, inflation is projected to rise to 5.0% in 2027."

Referring to a "review clause", the SIPTU union's Deputy General Secretary Adrian Kane said the deal covers "exceptional measures or events that weren't foreseen." But this guarantees workers nothing. Public Expenditure

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Minister Jack Chambers told the *Irish Examiner* that the government can in fact invoke it to cut pay if there is a "significant contraction" in the economy. "I think government needs that protection as well," he said.

The union leaders are selling the deal as a victory for the lowest paid, with the government claiming that starting pay for a cleaner will rise by 18.3 percent. But the last agreement raised pay for the lowest paid by just over 17 percent, according to the *Irish Times*—about 6.5 percent a year, against about 6.3 percent a year under this deal.

Critically, the government got what it wanted on productivity. According to the *Irish Times*, the deal includes "co-operation with the integration of AI and changed work practices." The 1 percent local bargaining payment is "linked to ongoing change." Kane boasted of "good agreements" on AI, hybrid working and procurement.

Public Expenditure Minister Chambers—who has already set up a Public Spending Efficiency Taskforce to "extensively scrutinise day to day public spending"—enthused that the deal "reinforces the commitment to ongoing reform and modernisation across the public service, supporting innovation, digital transformation and greater flexibility in how services are delivered."

Tánaiste (deputy prime minister) and Finance Minister Simon Harris hailed the agreement for securing "ongoing productivity gains in the public service" and "industrial relations stability in Ireland." Fórsa's Callinan said the deal "opens a way for Government and unions to work together."

Chambers called the deal "fiscally sustainable" following last month's budget that handed out €1.65 billion to the most affluent in tax cuts—including cutting capital gains tax from 33 to 31 percent.

The budget proved that the money is there for militarism and the wealthy, not for public sector workers. Military spending will rise to around €1.6 billion next year, up almost 9 percent. As well as its involvement in the EU mission training Ukrainian soldiers—despite Ireland not being a NATO member—the Martin government is buying French armoured vehicles in what the *Irish Times* called "the biggest investment in Army equipment in the history of the State."

Callinan claimed to the *Irish Examiner* that he did not think the deal would be "a hard sell" to members, while warning RTÉ that he did not expect a landslide.

This was in recognition of workers' immediate palpable anger at the standing down of the strike and the shoddy deal. Hundreds denounced the deal on social media, with a number saying they would revoke their union membership in disgust.

One wrote that the strike was called off "Right when a strike would have made a big impact on the gov and shown how unhappy their own workers are." Another said the unions "have agreed a baked in 5-10% pay cut, factoring in the last 5 years."

Another wrote, "I'll be voting no on this. It doesn't even match expected inflation… My health insurance is going up 200 [euros] this year, a basic light shop that would have cost me 30-40 is now over 50."

A worker considering leaving their union wrote, "I have been raised and believed my entire life that workers united are what will protect us but I've never seen such spineless work here. Bottlers."

Another said, "My union can go fuck itself, have been paying them for 25 years and I'm done once this is over".

Another stated: "Insanely bad deal. The union should be fucking destroyed for fuckin the workers over."

The deal is so bad that SIPTU's executive has yet to decide whether to even recommend it to its 75,000 members, with leader Kane saying it was "up to our democratic processes now." But what transpired makes a mockery of any pretence of democracy. Kane revealed that "every union who was at that meeting" agreed to suspend the strike.

The *World Socialist Web Site* warned on October 21, when the PSC suspended a second strike, due that day, that the union leaders sanctioned the first strike only as "a safety valve for anger from below," and that the suspension was "preparation for betrayal."

Opposition to the deal must now be mobilized and a mass rejection of the deal organized. Workers need rank-and-file committees in every school, hospital and office, with leaders trusted to fight for the livelihoods of public sector workers, not well-paid bureaucrats whose only expertise is in selling out pay and conditions.

A No vote must be the starting point for a struggle the union apparatus will not lead. Workers must demand full restoration of lost earnings, pay that keeps pace with inflation and no productivity trade-offs, linking up through the International Workers Alliance of Rank-and-File Committees with workers across Europe.

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