



# A Better Fairer Way

Biennial Delegate Conference | 2012  
City Hotel, Derry 17th-18th April 2012

STRONGER TOGETHER



# CONGRESS

Irish Congress of Trade Unions  
Northern Ireland Committee



## Membership of the Northern Ireland Committee 2010-12

<b>Chairperson</b>	Ms A Hall-Callaghan	UTU
<b>Vice-Chairperson</b>	Ms P Dooley	UNISON
<b>Members</b>	K Smyth	INTO*
	E McCann	Derry Trades Council**
	Ms P Dooley	UNISON
	J Pollock	UNITE
	L Huston	CWU
	M Langhammer	ATL
	B Lawn	PCS
	E Coy	GMB
	E McGlone	UNITE
	Ms P McKeown	UNISON
	K McKinney	SIPTU
	Ms M Morgan	NIPSA
	S Searson	NASUWT
	K Smyth	USDAW
	T Trainor	UNITE
	G Hanna	IBOA
	B Campfield	NIPSA
<b>Ex-Officio</b>	J O'Connor	President ICTU (July 09 to 2011)
	E McGlone	President ICTU (July 11 to 2013)
	D Begg	General Secretary ICTU
	P Bunting	Asst. General Secretary

\*From February 2012, K Smyth was substituted by G Murphy

\*\*From March 2011 Mr McCann was substituted, by Mr L Gallagher.

### Attendance At Meetings

At the time of preparing this report 20 meetings were held during the 2010-12 period. The following is the attendance record of the NIC members:

L Huston	14	K McKinney	13		
B Campfield	18	M Langhammer	14	M Morgan	17
E McCann	7	L Gallagher	6	S Searson	18
P Dooley	17	B Lawn	16	Kieran Smyth	19
J Pollock	14	E McGlone	17	T Trainor	17
A Hall-Callaghan	17	P McKeown	16	Kevin Smyth	15
G Murphy	2	G Hanna	13	E Coy	13





*Thompsons are proud to work  
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March for the Alternative image © Rod Leon



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## Who we Are

- OCN NI is the leading credit based Awarding Organisation in Northern Ireland, providing learning accreditation in Northern Ireland since 1995.
- OCN NI is the only Northern Ireland based independent national awarding organisation providing qualifications across different learning sectors.
- OCN NI operates within a Social Enterprise Model and receives no grant aid income.

## What we do

***'We're an education charity working with the community, with people and with business. We're an awarding body creating qualifications that enable communities, business and people to grow and develop. We make a difference- we are the change we want to be - the diversity of learning'***

- OCN NI works with and supports learners across Northern Ireland and in the Republic of Ireland. We provide a range of learning and development support strategies and services across the business, community, education and government sectors.
- We support the development of in house, business & community learning and development programmes and provide a framework of customised qualifications as well as national qualifications.
- OCN NI delivers a range of nationally recognised QCF qualifications focused on learning needs in Northern Ireland. In 2010/11 OCN NI registered over 29,000 learners.
- OCN NI is the only Northern Ireland based, independent national awarding organisation providing qualifications across different learning sectors. An awarding body in Northern Ireland focused on learners in Northern Ireland & the Republic of Ireland.

### **OCN Northern Ireland**

1st Floor, Unit 17  
Pilots View  
18 Heron Road  
Sydenham Business Park  
Belfast  
BT3 9LE

Tel: 028 9046 3990

Fax: 028 9046 0573

**[ocnni.org.uk](http://ocnni.org.uk)**





# Section A

## Introduction





## Section A Introduction

### A1 Introduction

**Peter Bunting**  
Assistant General Secretary, ICTU

This report to the 2012 Biennial Delegate Conference outlines the main activities of the Northern Ireland Committee since 2010. These have been dominated by a campaign of resistance to the austerity cuts imposed by the UK's coalition government of Conservatives and Liberal Democrats.

The NIC has been well served by the committed and efficient leadership of the Chair, Avril Hall-Callaghan of the UTU, and she has been well served by the dedicated commitment of her vice-chair Pamela Dooley and all the Committee members who have their own constituents to serve in their daily duties.

We, as the largest civil society organisation in Northern Ireland represent more humanity and greater interests than the loud voices speaking for business and minority interest groups seeking to maintain a flawed economic system.

The trade unions of Northern Ireland have taken on this responsibility at all levels. We have engaged with elected representatives at all levels, from local councils to the NI Assembly and Executive and Westminster, in many forums set up to address the economic crisis, the most substantial of which is the Cross Sector Advisory Forum, as well as at the restored Bi-Lateral Forum with the First Minister and Deputy First Minister.

We are engaging in a process of education for our members and 'opinion formers' on the causes of the recession and the likely consequences to the greater number of people of the flawed designs of the consistent Conservatives and the (neo) Liberal Democrats. Major publications on the mythologies of the pro-cuts propaganda and on the case against cutting the rate of Corporation Tax have been widely distributed and discussed.

Richard Murphy of Tax Research UK and author of *Pot of Gold or Fool's Gold* has been interviewed many times and has provided

necessary balance to a 'debate' which was tilted from the start by media organisations and accountancy firms with substantial vested interests in cutting Corporation Tax.

We have engaged with the public across the airways and the internet and on the streets as well. Tens of thousands of leaflets, pamphlets, newsletters, posters and articles have been produced and distributed. Websites and social media have been utilised and dozens of public meetings and seminars have been organised, the largest of which was the Peoples' Congress, held in Belfast in February 2011. Pickets, protests, marches and rallies have featured in every major town and city. Trades Councils have been revitalised and reinvigorated and the Congress Youth Committee have been models of diligence and commitment. Cooperation between unions is at an all-time high, as the scale of the threat we face can only be faced down by collective action.

The political realities we confront have led to stronger alliances with our colleagues across these islands, with constant cooperation with the TUC's of England, Scotland and Wales, utilising the structure of the Trade Union Council of the Isles to pressurise the devolved governments and the Westminster regime.

The fruits of this reinvigorated relationship included the huge rally in London on March 26, 2011 and October 2010's unprecedented joint statement on the UK economy by the First Ministers and Finance Ministers of Wales, Scotland and Northern Ireland, which sent a blunt message to Downing Street: "These cuts are too fast and too deep" and will do "lasting damage to the economy and the fabric of our public services."

On October 23, 2010, on a freezing and wet Saturday, at least 15,000 people thronged the centre of Belfast in its largest political demonstration since before the Iraq war. Nine towns and cities held simultaneous rallies, one month after Derry and Belfast rallied alongside their ETUC brothers and sisters across Europe on September 29. Another large rally was held on 26<sup>th</sup> March 2011 to support the TUC's rally in London.

Eugene McGlone & John Corey



What was notable was the level of support from workers in the public and private sectors, but also workers who are not in unions. Every political party had representatives at the rally and these cross-political expressions of support have become the norm at subsequent trade union events.

The Northern Ireland Committee also supported a number of significant industrial actions across the public sector in the summer and autumn of 2011. The Public and Commercial Services (PCS) union led strike action on 30 June over pensions and services. On 5 October, we witnessed the first whole service strike across the Health and Education sectors in 30 years when UNISON members came out against austerity policies.

This mass support from all ranks in all sectors of the Trade Union Movement was emphatically shown on 30<sup>th</sup> November 2011, when almost every public servant (apart from those in the emergency services) went on strike over threats to their terms and conditions, and in particular their pensions.

The highlight of this day of the most widespread strike action ever seen in Northern Ireland was a mass rally which filled the streets around Belfast City Hall. There could have been no clearer message to the government at Stormont and at Westminster that the working people of Northern Ireland refuse to be the sacrificial lambs on the altar of neo-liberal austerity.

Making arguments for a more prosperous future are meaningless without also arguing for a peaceful future. Thousands gathered at the trade union rally for peace on 6<sup>th</sup> April 2011, held at the precise time of the funeral of Ronan Kerr. It was attended by thousands whose quiet dignity said more than all the loud condemnations or obscene 'justifications' about the intense human tragedy suffered by the family of a brave 25-year old public servant.

Later the same day, the same stage hosted a rally jointly organised by education workers and students' unions to denounce the government's vandalism of our colleges and universities, and the opportunities of every able child to attend them. That is the politics which matters to the vast majority of people.

The campaign against cuts will succeed if the public believe that there is a more compelling alternative to the drumbeat of austerity from the Tories, their Liberal enablers and their sponsors in the corporate press. Part of that alternative narrative must include a healthier society as well as safe workplaces with secure jobs.

That is why Congress and its affiliates campaigned assiduously for an inclusive and meaningful Bill of Rights and why we oppose the fascist BNP on our streets, in our workplaces or on the airwaves. Working for a better society means supporting those individuals and communities challenging sectarianism as well as

Bob Gourley pictured with Arthur Scargill



lobbying for a comprehensive government strategy for a shared future. That is why we were so disappointed with the NI Executive's timid proposals on Cohesion, Sharing and Integration (CSI), but remain engaged with those who take the many small steps required to eradicate sectarianism, not least the Trades Councils, who have publicly faced down violent groups and the consequences of their crimes.

Safer streets and secure workplaces complement each other. Congress President Eugene McGlone led Congress representations to the Department of Employment & Learning to ensure that changes to the system of resolving workplace disputes were more fair and efficient for all parties. Further representation was made to ensure that employees were adequately represented at the Industrial Tribunal and on Fair Employment Tribunal Panels.

I look forward to this BDC, which will be instrumental in defining out destiny not only over the next two years, but for many more. If we have learnt anything from the experience of the past five years, it is that the future may be unpredictable, but it is rarely dull. Let us hope for an invigorating series of debates and ideas which will embolden and enlighten our progress in the years ahead.

## A2 Obituaries

The Committee records with regret the death of a number of colleagues who would be well known to delegates.



### Frank Bunting

Northern Secretary of the INTO, elected several times to the NIC and formerly education officer with Congress.

The General Secretary of the INTO, Sheila Nunan, led teacher

tributes to Mr Bunting praising his long and distinguished service to the INTO and to the wider trade union movement: "Frank led many significant campaigns for educational investment

and improvement. His commitment to teachers, education and the trade union movement is widely recognised and admired," she said.

"Under his leadership the union developed successfully as one of the authoritative voices in the world of education. He was a progressive leader, anxious to solve problems and seek improvements. He also fearlessly challenged injustices and wrongs whenever and wherever he saw them."

### Bobby Gourley

USDAW Regional Secretary for 23 years and earlier, active with the engineering union AEUW, eventually becoming convenor at the ICI plant in Carrickfergus. Bobby was a long-time activist for peace and the unity of workers, and during the Ulster Workers' Council strike in 1974 joined the then TUC leader Len Murray in the 'back to work' march to Belfast Shipyard.

Bobby also served on the ICTU Executive Committee and was chair of the NI Committee of the ICTU in 2003 when he spoke at the rally held after the murders of a catholic teenager, Gerald Lawlor, and a protestant worker, David Caldwell. Addressing several thousand people in front of Belfast City Hall, Bob said:

"The evil purveyors of bigotry have declared war on us all and wished to ensure that the legacy of hatred continued. Sectarianism kills all of us and we must all fight against sectarianism at every opportunity - in our workplaces, societies, clubs, as well as in our immediate and extended families."

### John Freeman

former ICTU President and Regional Secretary of the then Amalgamated Transport and General Workers Union, now UNITE.

### Jonathan Stevenson

former publicity officer with NIPSA.


### Andrew Boyd

trade union educator and historian (NUJ)

### Gerry McCullough

(Unison)





# Section B

## Conference Resolutions

## Section B Conference Resolutions

### B1 Introduction

The June 2010 meeting of the Northern Ireland Committee gave consideration to a paper containing recommendations for progressing resolutions adopted at the April 2010 BDC.

As in previous years, the NIC has pursued a wide range of actions in relation to the Resolutions. The following provides a broad outline of the actions taken. More detail is contained in the body of the Report.

### B2 Resolutions

#### **Resolution 1**                      **The Economy**

Congress raised these issues with OFMDFM and DETI ministers and officials, and in numerous public statements, publications and rallies. Defending jobs and services and promoting alternatives to austerity has formed the central part of the NIC's work.

#### **Motion 2**                              **Programme for Government**

This motion was remitted.

#### **Resolution 3**                      **Tax Fairness**

Congress has regularly lobbied and made public interventions linking the connection between tax fairness and a fairer economy, most notably in its publication of Pot of Gold or Fools Gold, co-produced with the TUC. Further action was pursued through the Trade Union Council of the Isles.

#### **Resolution 4**                      **Manufacturing**

The importance of quality jobs in manufacturing has been a core congress demand in discussions on revitalising the private sector and the wider economy, for example by proposing to DETI and the LRA that an Early Intervention Unit be established to forestall redundancies. This work was also followed up by the Jobs & Services Committee.

#### **Motion 5:**                              **People's Charter**

This motion was withdrawn.

#### **Resolutions 6**                      **People's Charter**

The core demands of the People's Charter have been outlined in various fora, including the NIC's 10-point plan. The People's Congress, which strove to bring together trade union activists and community activists was held at the King's Hall in February 2011. This is an ongoing agenda, especially with the new Welfare Act.

#### **Resolution 7-11**                      **Protecting Jobs & Services**

These Resolutions were acted upon with numerous publications and several major rallies, as well as several meetings with all political parties before and after the NI Assembly elections. The Congress Jobs and Services committee played a key part in mobilising trade union activists for this campaign.

#### **Resolution 12**                      **Local Government**

This matter was being pursued with Trade Unions until the effective suspension of the RPA. The suspension of this part of the RPA meant that little developed on this matter, but a watching brief is being maintained.

**Resolution 13**                      **Oppose Privatisation**

The spirit of this Resolution lies at the heart of NIC activity. The NIC and the Secretariat have pursued this issue with vigour. Work has developed with community activists on both regional and local campaigns.

**Resolution 14 & 15**                      **Water Charges**

This Coalition Against Water Charges continues as an active campaigning group. A full report on the Coalition's activities can be read in the report.

**Resolution 16**                      **Public Transport Reform**

This Resolution and its contents were communicated with meetings with the ministers for Regional Development. It was further progressed by the Transport Group of Unions.

**Resolutions 17**                      **Community & Voluntary Sector**

The issues covered by this resolution have been covered above and work continues on forging alliances with the community sector.

**Resolution 18-20**                      **Bill of Rights**

This issue has been raised with ministers from Stormont and Westminster, including the two shadow Secretaries of State. It has also been raised at senior levels of government in Dublin and Washington DC. A comprehensive Bill of Rights remains a core Congress demand.

**Resolution 21 & 22**                      **Support Retired Workers & Care for the Elderly**

Affiliates have been fully engaged in this area. The congress RWC is a core part of the Age Sector Platform and older people's concerns have been raised as part of the anti-cuts campaign.

**Resolutions 23**                      **Child Trafficking**

Congress was centrally involved in a major conference on trafficking. See the Equality section of this report for details.

**Resolution 24**                      **Anti-Racism**

The secretariat and trades councils were central in efforts to keep racists off the streets. The congress Migrant Workers unit produced numerous anti-racist publications well as daily representation of migrant workers facing exploitation.

**Resolution 25**                      **Palestine**

The campaigning work of the Trade Union Friends of Palestine continues and is supported by Congress and affiliates.

**Resolutions 26, 27, 29 & 30**                      **Education Cuts & Casualisation**

These motions were progressed by the Education Trade Union Group.

**Motion 26**

This motion was remitted.

**Resolution 31**                      **Union Learning Fund**

The NIC has continued to work with the Department for Employment and Learning on this issue. A full report is contained in the Education section of this report.



**Resolution 32 & 33****Public Sector Pensions**

Representations were made to the Ministers and official, and in the public domain. This issue was at the forefront of the public sector strike on 20 November 2011.

**Resolution 34 & 35****Employment Rights – Redundancy & Recognition**

These resolutions were the basic of meetings and consultations with DEL, the LRA and the Industrial Court.

**Resolution 36****Wages in Private Care Sector**

This issue was progressed by the trade unions in this sector.

**Resolution 37****EU Labour Law**

The NIC has referred this issue to the ICTU Executive Council.

**Resolutions 38****Seafarers**

The NIC has referred this issue to the ICTU Executive Council and the Trade Union council of the Isles.

**Resolution 39****Private Security**

Representations were made to the responsible Department following consultation with unions engaged in the sector.

**Resolution 40****Bullying and Harassment**

IBOA made reference to this issue in that it was becoming a factor in its own sector and that representation had been made to management. The NIC recommended that a letter be forwarded to OFMDFM.

**Resolution 41****Licencing of Clubs**

Representations were made to the responsible Department in co-ordination with Equity for a change in the legislation.

**Resolution 42 & 43****ICTU Commission**

This motion was developed by the Executive Council in consultation with the NIC and affiliates, and a report was delivered to the 2011 BDC. Work is ongoing.

**Motion 44****ICTU Campaign**

The spirit of this motion was progressed by the NIC and affiliates.

**Motion 45****Support to the Arts**

The motion was progressed by the Arts and Culture committee

**Motion 46 & 47****Broadcasting**

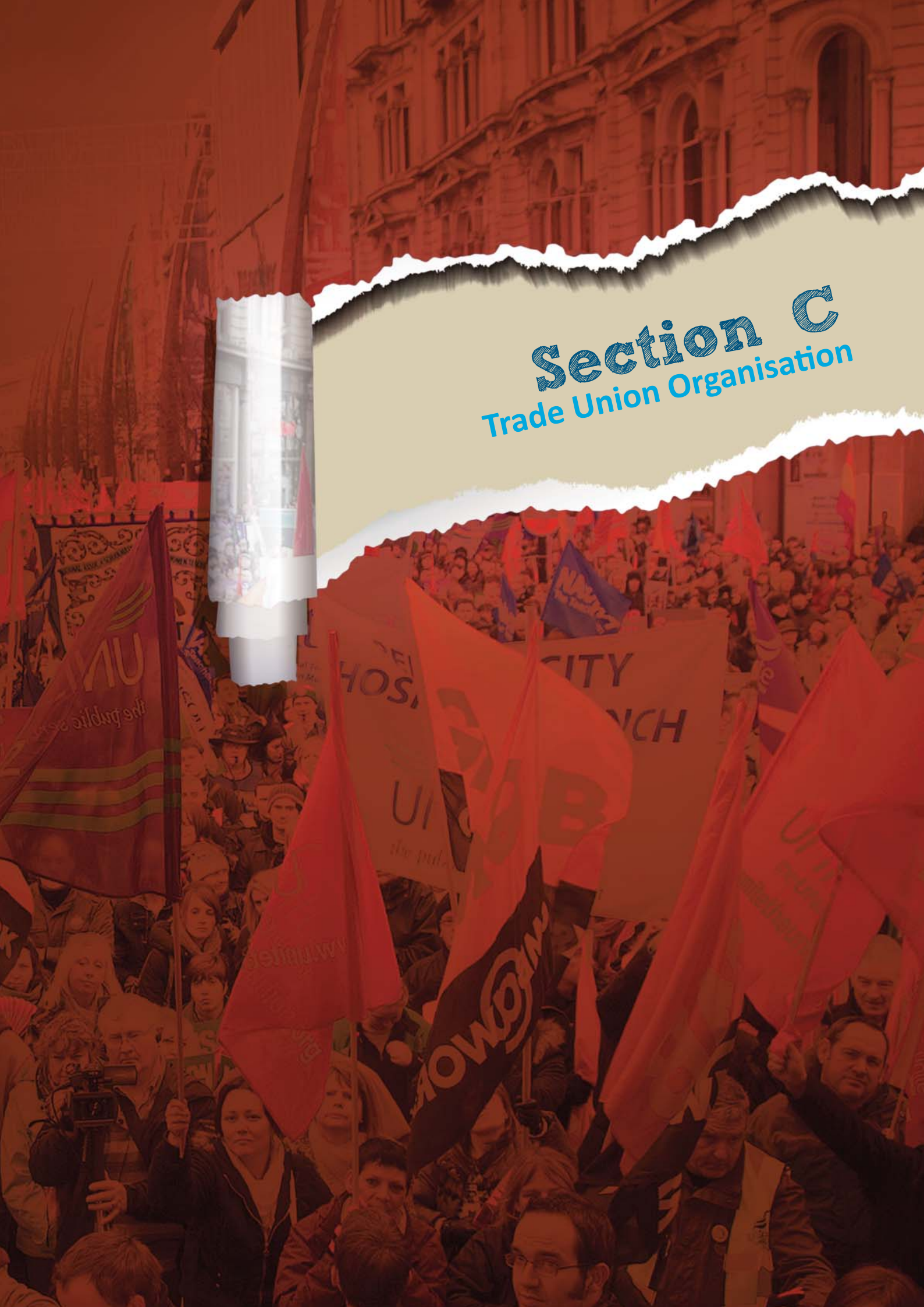
The motion was progressed by the Arts and Culture committee and while in dispute, BBC workers were supported by affiliates and trades councils.

**Motion 48****Asbestos in School Buildings**

The motion was progressed by the Education Trade Unions and the Health & Safety Committee.

**Motion 49****Ban Cage Fighting**

The motion was remitted.



# Section C

Trade Union Organisation



ICTU Presidents,  
Eugene McGlone  
and Jack O'Connor



## Section C Trade Union Organisation

### C1 Officers of the Northern Ireland Committee 2010-12

At its meeting held in May 2010, the Committee elected the following Officers:

**Chairperson:** Avril Hall-Callaghan (UTU)  
**Vice-Chairperson:** Pamela Dooley (Unison)

### C2 Staff

The following refers to the staff in the Northern Ireland Office during 2010-12, some of whom have moved on to other employment or retirement:

Assistant General Secretary  
Industrial Relations  
Education, Training & Lifelong Learning  
Equality & Social Affairs  
Communications  
Project Officers

Peter Bunting  
Tom Gillen  
Clare Moore  
Pauline Buchanan  
John O'Farrell  
Kevin Doherty  
Kasia Garbal  
Gillian Belch  
Laura Neill  
Jacqui McGonagle  
Eileen Gorman

Administrative Staff



Rally Against the Cuts 26th March 2011





*Fat Cats gather to harvest our pensions at the Strike and Rally November 2011*

### C3 Women's Committee

The work of the Women's Committee is contained in Section G of this report, along with the other equality committees.

### C4 Youth Committee

In January 2011 the Youth Committee decided to conduct a review of its Strategic Plan originally created by the YC in 2008. The YC decided this was necessary as the continual growth of the YC meant we had many new delegates who wanted to be involved in activity planning for the committee.

Our strategic review was facilitated by Trademark and resulted in the YC amending our mission statement and helped us plan our activities for the coming year. Our mission statement is as follows;



*Youth Committee at 2011 BDC*

*ICTU Youth Committee exists to organise and promote youth activism, dialogue and education, through raising awareness and campaigning around young people's issues in the workplace, the trade union movement and wider society.*

Since then the Youth Committee have worked hard towards achieving this mission statement. We have continued to grow with increasing numbers of young trade unionists attending from a variety of unions and trade councils.



#### Campaigning

The Youth Committee attended numerous events, rallies and demonstrations throughout the last two years to protest at job loses, attacks on services and in solidarity with striking workers. We were well represented at the Pride marches in both Belfast and Derry/Londonderry and at the May Day Parade in Belfast.

In particular the YC played an important role in the ICTU's continuing campaign against the budget cuts. The YC now send delegates to the People, Jobs and Services Campaign Committee and have begun to build links with the Students Unions.

As part of this campaign the YC has produced a number of leaflets on a range of issues including Pensions and Industrial Action and these have been distributed at public events such as the St. Patrick's Day Parade and Culture Night in Belfast. On which note, we are now also actively involved in the campaign to continue the Arts and Culture events in Cathedral Quarter.

YC members also represented the committee at protests against the BNP and participated in the organising of the Carnival for Sexual Rights and Freedom and helped to facilitate unorganised workers into a union.

The YC have also become more involved with solidarity work attending the Trade Union Friends of Palestine and raising awareness of the plight of the Cuban 5. In September 2011 the YC organised a successful protest outside the US Consulate in Belfast to mark 13 years since their unjust imprisonment.

### **Education and Training**

The Youth Committee continue to invite a number of guest speakers to our monthly meetings to debate with and educate our delegates on current issues. Speakers have come from a wide range of organisations including; Human Rights Consortium / NI Bill of Rights; Red Roof Productions; Trade Union Friends of Palestine; Consensus Participation and Inclusion Project and the Fellowship of Messines Association.

NIC-ICTU Youth were also able to send observers to the ICTU BDC in Killarney and the NIPSA Conference which provided an opportunity for our delegates to see how policy making is conducted by the trade union movement. We also sent delegates to the Scottish TUC Youth Conference and developed links with the STUC Youth Committee.

The YC has continued to work closely with, and be supported by Trademark with several YC delegates receiving the Advanced Trade Union Leadership Award. In October 2011 we organised a Weekend Political School facilitated by Trademark which looked into the debt crisis, the economy and its impact on young people and also sent delegates to the CWU Young Peoples Seminar to help bring our experience to the proceedings.

YC members also attended ICTU's Media Training Event which led to a number of YC members making contributions in the main stream media on why it was important to support public services and why the public should support public servants taking action to maintain them.

### **Looking Forward**

Since the last conference the young people on the Youth Committee have worked extremely hard to establish a vibrant and dynamic forum in which to discuss and campaign on issues in a positive way that is important to them and all young workers.

The YC has made significant progress in developing our communications and raising our profile within the movement and beyond. Our website [www.ictuyouth.com](http://www.ictuyouth.com) is kept up-to-date and provides resources and information alongside our Facebook group.

We intend to build on this in the coming months and years to help make a better world for all young people. Meanwhile, please enjoy the second edition of our magazine 'The Spark' that will be provided during conference.

## C5 Global Solidarity

Funding from the UK Department of Foreign & International Development ended in 2008 for the position of a NI-based Global Solidarity Officer. The Global Solidarity Officer based in Dublin has taken over the role played excellently by Neil Alldred, who is presently working at the UNESCO Centre of the University of Ulster.

However, there are international issues which trade unions in NI have been involved in raising public awareness, notably human trafficking, the human rights situation in Columbia and the political and humanitarian crisis afflicting the Palestinians.

Trade Union Friends of Palestine (TUFPP) hold formal meetings on a monthly basis in Belfast with the aim of promoting the implementation of ICTU solidarity policy on Palestine. TUFPP also has a broader network of trade union activists who contribute to the work of TUFPP by organising within their affiliate organisation and their local areas. A number of affiliates support the work of TUFPP by financial donations and are formally represented at meetings. TUFPP distributes frequent reports and articles on the situation in Palestine and on developments in the Palestinian civil society Boycott, Divestment and Sanctions (BDS) campaign. TUFPP has continued to work closely with Congress, and with the Congress Global Solidarity Officer, in addressing issues of Israeli human rights violations, injustice and in the implementation of ICTU policy, particularly regarding support for the BDS campaign. TUFPP have promoted a trade union-led boycott campaign strategy, and with the sponsorship of a number of unions and trades councils have produced a Boycott Israeli Apartheid poster and postcards which have also been distributed internationally. TUFPP have produced a number of leaflets and briefing documents on Palestine including a widely circulated and detailed analysis of Histadrut.

TUFPP have also organised a number of meetings on Palestine to increase awareness of the situation and to promote ICTU policy. TUFPP supports affiliates in the drafting of conference motions and in the implementation of their own policies. We have made a range of materials available for delegates at ICTU BDC and have organised fringe meetings at ICTU BDC addressed by Palestinian representatives. We have established a close working relationship with the recently formed Palestinian Trade Union Coalition for BDS, which encompasses all the main Palestinian trade union bodies including the PGFTU.

## C6 Trades Council Consultative Committee

Trades Union Councils (TUCs) bring together union activists and members to work and campaign around issues affecting working people in their local workplaces and communities. They have been the backbone of, and at times the instigators of, many trade union campaigns that have sought to unite trade unions and communities behind common issues.

*Ballymena Trades Council leafleting*







Strike and Rally 2011

The early effects in NI of the Coalition Government's 'austerity measures' and the trade union based campaign of resistance have resulted in a growth in trades councils.

Ballymena and Antrim, East Down, and Lisburn trades union councils have been recently re-established and the Causeway Trades Union Council is the latest welcome addition covering the Coleraine, Ballymoney and Moyle council areas. They have joined nine other long established TUCs in Belfast, Craigavon, Derry, Fermanagh, Newry, North Down and Ards, Mid Ulster, Omagh, and Strabane.

TUCs come together at the Trades Councils Consultative Committee (TCCC) to share information and initiatives, and to develop and co-ordinate joint campaigns. There is also an All Island Trades Councils Consultative Committee which provides a discussion and planning forum for representatives from all trades councils North and South.



Belfast TC with banner

Over the last two years TUCs have been particularly active in organising local protests in response to the impact of public service cuts, working with local trade union branches and community organisations, as well as public representatives. The TUCs have been instrumental in alerting local communities to the scale and social and economic consequences of the cuts and raising awareness that there is an alternative to the Government's neo liberal agenda with the aim of mobilising mass public opposition. A seminar in Belfast addressed by trade union speakers from Britain, the Republic of Ireland and Greece gave trades council delegates a global perspective on the effects on working people of the current crisis of capitalism and provided an opportunity to consider alternative responses.

As well as continuing to oppose the consequences of public spending cuts locally on health services, education provision and unemployment a key priority that TUCs are engaging with now involves highlighting the dangers contained in the Welfare Reform Bill.

Other issues TUCs have been involved with include, providing solidarity to workers engaged in industrial action, supporting trade union recruitment campaigns, engaging with local media, working with migrant communities, raising awareness of the social and economic deprivation particularly in the North West, supporting local community initiatives such as the 'Pink Ladies' campaign in Derry, holding public meetings with political representatives in the run up to the last election in Newry, having the Minister for Education

address a public meeting in Craigavon, organising protests against a visit by the BNP leadership to Belfast, publicising international human rights abuses such as in Palestine, and opposing costly wars prosecuted by the Government without public support.



Unfortunately TUCs have also had to continue to organise protests in response to paramilitary violence in NI.

To maintain and develop this work the TCCC appeals to unions to ensure that they affiliate to, and encourage their members and activists to engage with trades councils in their local areas.

## C7 Retired Workers' Committee

The Retired Workers' Committee continues to forge ahead with an ambitious agenda under the chairpersonship of Margaret Galloway. The Committee is actively represented on the National Pensioners Parliament at a regional and UK-wide level, and its members are also active in many different arenas, including the Age Sector Platform.

Work is ongoing with the RWC from the Republic on a number of joint strategic initiatives and issues, and a North-South meeting of the two Retried Workers' committees was hosted in Liberty Hall by Congress President Jack O'Connor in November 2010. The RWC were highly active in campaigns on Water Charges, the state pension and the 'Can't Eat and Eat' campaign.

Since the summer of 2009, the RWC has been centrally involved with the UK-wide campaign for a decent state pension, initiated by the National Pensioners' Convention. This is particularly important for this region as far more pensioners here are solely dependent upon the state pension – almost twice the UK average.

The RWC and its members were central to the planning and success of The Great Pensions Debate, organised through the Age Sector Platform and held in the Long Gallery at Parliament Buildings on 11th October 2010. This event saw MLAs from all Stormont Assembly outline their policies on eradicating pensioner poverty and be questioned by the expert witnesses from several pensioners organisations.

RWC members also lobby actively on a UK level through the National Pensioners Convention, attending its annual conference and participating in its annual lobby of Westminster. This has included liaising with MPs in advance and in 2010 and 2011 arrangements were made for focused lobbying of all NI MPs who were at Westminster so that they could understand the specific impact of UK-wide policies on local pensioners. The RWC was involved with the Age Sector Platform in campaigning during the UK general election, producing a Pensioners' Manifesto which demanded:



Joe Mathews takes notes at Stormont



*The Retired Workers' Battlebus at Stormont*

- A basic state pension set above the official poverty level (estimated at £165 per week in 2009), which is linked to the higher of earnings or prices, and paid alongside other existing concessions, to provide some financial security for all
- Increase the winter fuel grant in line with energy prices
- Provide improved access to social and long-term care to maintain dignity in advanced years.
- End discrimination where it adversely affects the opportunities, goods and services available to older people.

*RWC Chair Margaret Galloway and fans at the DUP conference*

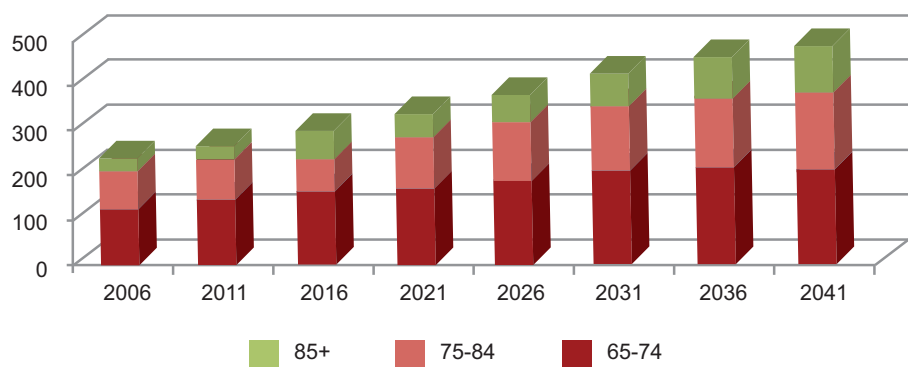
This campaign has met some success and support from all NI MPs, and the RWC continue to campaign for the rights and welfare of older people in Northern Ireland. They were also central in the planning and delivery of the first ever NI Pensioners' Parliament, which passed a series of motions which form the core of the work programme of the Age Sector Platform. The Pensioners' Parliament was hosted in the Senate Chamber in Stormont in the summer of 2011 and will be repeated annually.

Since the last BDC, Retired Workers have gained the right to speak to a motion on older people's affairs at the all-Ireland Congress and the NI BDC, and both committees met and closely collaborated on the wording of the motion passed at the 2011 all-Ireland BDC. The motion was put to conference by the Executive Council and was spoken to and supported by speakers from both RWCs. Margaret Galloway addressed the Congress on behalf of the NI RWC, and other retired members spoke as full delegates of their union.

This unique right ensures that retirement from the place of work does not mean an end to involvement in the trade union movement. For example, Retired Members were very active in the broad trade union campaign to defend public sector pensions, and were important in countering the myths about 'gold plated' pensions. This intergenerational activity demonstrates the value of active retired members sections within the affiliated unions.

The RWC is also working closely with the ICTU Youth Committee on shared projects, such as the World of Work exhibition which ran in Belfast's Golden Thread Gallery as part of the 2011 May Festival. The fruits of this labour can be seen in the hour-long DVD produced as part of the World of Work project, which includes interviews with many stalwarts of the movement looking back on their working lives and the importance of the trade union movement to them.





NI projected rise in older population 2006-2041 (thousands)

## C8 May Festival

In 2011, Congress was pleased to have been one of the projects selected for funding from the Peace II funded City of Festivals Fund.

This extremely competitive funding round was designed to fund large scale iconic festivals such as the May Day Festival.

The project was led by ICTU in partnership with the Workers Education Association and also had partnerships with the following organisations:

- Golden Thread Gallery
- Shared History Interpretive Project
- The Hubb Community organisation
- Love Music Hate Racism.

The project started in October 2010 running workshops which explored issues of diversity in the workplace through digital photography. The workshops discussed how we view diversity and how it might be reflected through creative methods.

Trade union members attended some 20 workshops between October 2010 and April 2011 and these workshops culminated in an exhibition of photographs in the Golden Thread Gallery, Belfast.

The funding from BCC also funded a wide range of other activities including:

- Walking tours of Labour Belfast
- Walking Tours of the Docks and Sailortown
- Cross Community football matches and community days
- A poetry day run by the ICTU Women's Committee
- The May Day Festival in Writers Square.

A series of creative writing workshops also formed part of the project and the writing was published alongside the photos in a publication. This was also launched in the Golden Thread Gallery and copies are available from the ICTU office.



Larkin Returns to City Hall in 2010



*Different but the same*

## C9 Culture and Arts Committee

The Culture and Arts Committee is pleased to see the positive developments in both the film and television production industries in Northern Ireland and hope that this continues to grow.

However the committee also understands that for many working within this sector, it can be a difficult industry characterised by long periods of unemployment. There are reports from affiliates of grave concerns about how people are being employed within the industry. Despite having industry standard contracts, there appears to be a drift away from employers using these. The Committee met with the Minister for Culture, Arts and Leisure to discuss these issues during this period.



*Walking at a standstill*

## C10 Trademark

Trademark was established in late 2001 by a committed group of activists from the community/voluntary and trade union sectors. It carries on the work of Counteract in the changing circumstances of Northern Ireland.

Trademark is an official partner of the Irish Congress of Trade Unions.

Trademark has an express responsibility in dealing with sectarianism and the new challenges of racism and fascism; this unit whilst delivering political education and conducting research and policy development maintains its roots in intervention and political action.

Trademark has also been active in challenging the pro-austerity consensus among economic commentators, many of whom are employees of financial institutions, yet are treated by many media outlets as impartial experts. The establishment of the Centre for Progressive Economics, the publication of a new journal, *Social Justice*, and the successful organisation of the inaugural Betty Sinclair Winter School in November 2011 are all auspicious developments. Just as racism and sectarianism can be challenged through clear thought and honest discussion, so can the imposed consensus on the economy, and on alternatives to current government policy.

It is therefore clear that those of us committed to social justice cannot do so in a social and political vacuum. The defence of rights and the promotion of equality must recognize that sectarianism and narrow identity politics prevents the emergence of strong trade unions and broad left politics; we must not assume that this can be achieved without practical and concerted efforts to challenge sectarianism at all levels and in all communities. The political process is not simply a transition from violence to peace or from a democratic deficit to greater participative democracy; the social and economic transition which ensures a just and sustainable resolution to this conflict must face up to the challenge of addressing sectarianism.

*Trademark are:*  
 Joe Law  
 Dr. Stephen Nolan  
 Alice McLarnon  
 Kellie O'Dowd  
 Mel Corry

[www.trademarkbelfast.com](http://www.trademarkbelfast.com)

## C11 Union Post

Launched in February 2009, The Union Post has quickly become Ireland's foremost trade union publication.

Published by Brazier Media in association with the Irish Congress of Trade Unions, the online magazine has built up an extensive and growing readership across the island, keeping trade union officials and members briefed each month on developments in the industrial, political, legislative and economic fields as well as on campaigns, meetings and conferences.

Last year, it also played a significant role in galvanising support for Congress's Better & Fairer Way campaign – with numerous editions of the magazine reporting the unprecedented mobilisation of popular resistance to the government's cuts agenda.

Apart from The Union Post's digital edition – at [www.ictuni.org](http://www.ictuni.org) – the magazine also features as a pdf download on more than 15 other trade union websites, including SIPTU, Mandate, CWU, NIPSA, UNITE, UNISON, TSSA, PSEU, PCS, CPSU, INMO, INTO, NUJ, UTU, NIC-ICTU and ASTI.





The magazine is emailed to each of Congress's 55 constituent unions and 33 Trades Councils where it is then forwarded to officials. It is also emailed to thousands of media contacts and trade union activists across Ireland and beyond as well as hundreds of political parties, charities, international trade union organisations, statutory bodies and government departments.

Feedback from unions and individuals suggests the magazine is then forwarded to tens of thousands of other contacts, making it the most widely read trade union publication on the island.

## C12 – A Call for Action

At the Congress Biennial Delegate Conference in July 2009, a motion was passed calling for a Commission to be established to review trade union organisation in Ireland, including structures and procedures, with the objective of optimising effectiveness through co-ordination of resources in the best interests of working people and their families. The Commission was established in April 2010 and reported to the 2011 ICTU BDC in Killarney.

The members of the Commission are Mr David Begg, Mr Jack O Connor, Mr Peter McLoone, Mr Eugene McGlone, Ms Patricia McKeown, Ms Avril Hall-Callaghan, Mr Philip Bowyer, Mr Philip Jennings, Sally Anne Kinahan and Peter Bunting. Mr Liam Berney from the Congress Secretariat acted as Secretary to the Commission.

Conference adopted the Report of the Commission in full, including analysis, conclusions and recommendations. At the outset, it highlighted the necessity of urgency and determination to make significant changes in the coming twelve months.

Following BDC 2011 the ICTU Executive Council adapted an ambitious Action Programme the advance the key recommendations agreed at the 2011 BDC.

The Action Plan prioritised the development of a new strategic plan for the trade Union Movement which offers people an alternative to the severe free-market approach which has imploded in recent times. The Strategic plan is to reflect an 'All Island' outlook and will become the platform for our political, industrial and organising strategy for the medium-term. The plan is to be developed under the direction of the General Secretary, with a target date for completion of June 2012 for agreement by a special delegate conference in November 2012.

The Commission of the Union also identified the key objective of increasing the level of density of trade unions in the Republic of Ireland and in Northern Ireland in terms of numbers of members and quality of union organisation.

We Executive Council committed itself to this objective as the absolute priority and ultimate criterion for every decision and every activity undertaken by the trade union movement. To this end, seven Sectoral Organising Groups were established in Northern Ireland charged with producing reports not later than Summer 2012 on the extent of union organisation and the potential to strengthen union presence across critical economic sectors. The groups and their chairs established in Northern Ireland are:



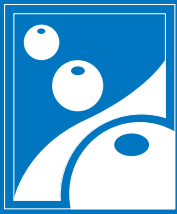
Education Sector	-	Avril Hall-Callaghan
Public Services	-	Brian Campfield/Maria Morgan
Health Sector	-	Patricia McKeown
Community Sector	-	Pamela Dooley
Services/Commerce/Construction Sections	-	Peter Bunting/Eamonn Coy
Manufacturing Sector	-	Jackie Pollock
Transport Sector	-	David McMurray

Education and training provision is another priority addressed in the Action Plan with a view of putting in place a trade union learning facility to re-assert the values of social solidarity and an alternative vision of society based on them: potentially leading to the establishment of an All Island Workers' College.

Similarly, the need for a strategic communications policy which addresses the scale of activity required to connect with union members, unorganised workers and civil society generally is being taken forward by the Communications Group set up by the Executive Council.

The Commission Report was very clear in stating that 'there is a need to consolidate capacity to attain critical scale, eliminate duplication and to achieve real focus on the essential tasks which face the movement'. This is being addressed through the recently established Resources Task Group, the first task of which is to conduct a survey among unions to identify the extent of the resources and resourcing of unions on the Island and to establish the potential for greater synergies across the movement.

The commission of the Union recognised the level of change required would necessitate fundamental changes to the constitution and rules of Congress. A special delegate conference will take place in November 2012 to debate and decide upon the exact nature of the changes to be implemented.



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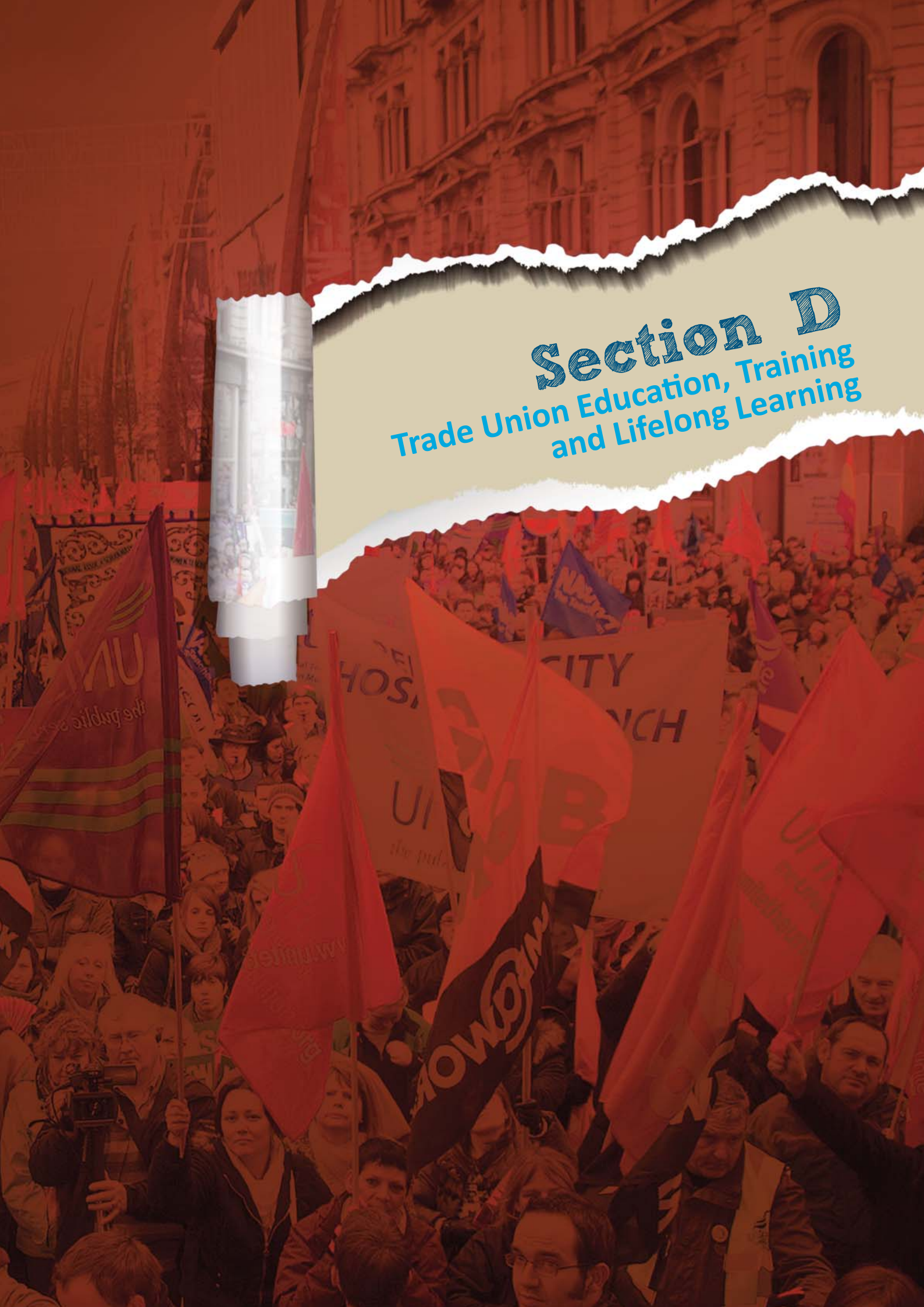
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# Section D

Trade Union Education, Training  
and Lifelong Learning

## Section D Trade Union Education, Training and Lifelong Learning

### D1 The Trade Union Education Programme

The NIC ICTU Education and Training Programme was part of a UK wide test and trial of the QCF programme led by the TUC along with the STUC and the Wales TUC. Our programme is now mapped over to the Qualifications and Credit Framework which means that as well as gaining important accreditation, trade union reps undertaking courses also have the opportunity to gain nationally recognised qualifications.

The ICTU programme also offers Representatives to undertake progression through a range of pathways including:

- Union Reps Pathway
- Safety reps Pathway
- Union Learning Reps Pathway
- Trade Unions Today Pathway.

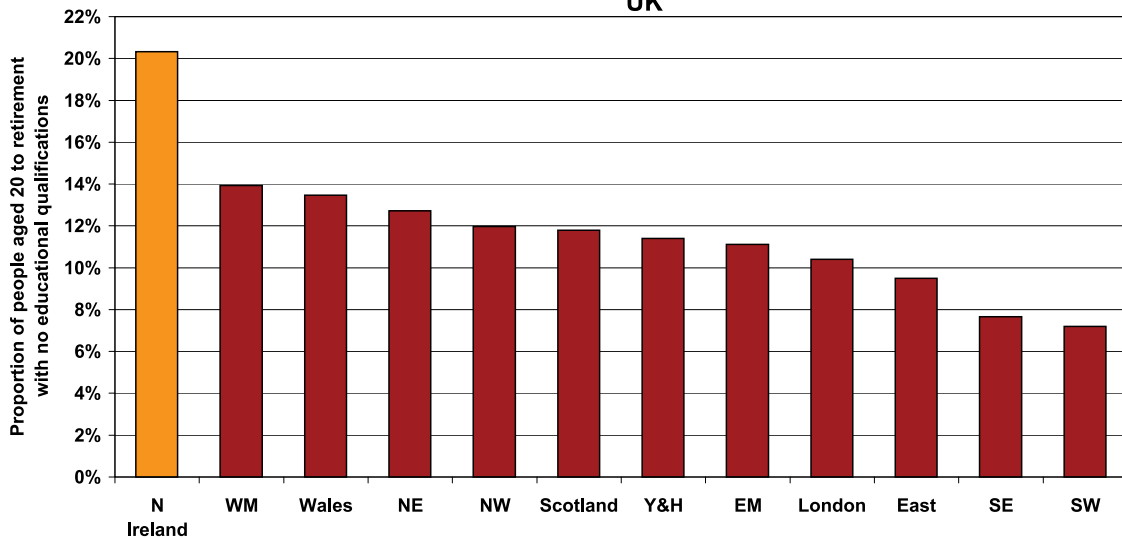
These qualifications take the form of

- Awards (which are short courses)
- Certificates (longer courses such as 10 day programmes)
- Diplomas (those courses run over a year such as the Diploma in Occupational Health and Safety and the Diploma in Employment Law)



Trade Union Reps enjoying a Union Learning Rep course March 2012

#### The proportion of the working-age population without any educational qualifications is much higher in Northern Ireland than in the rest of the UK



Source: Labour Force Survey, ONS; the data is the average for 2008 to 2010; UK; updated Mar 2011

*DEL Minister launches new partnership along with NIC ICTU Chairperson; ICTU AGS and NWRC Director.*



### Partnerships

The ICTU established a new partnership with the North West Regional College (NWRC). The NWRC now provides all of ICTU's trade union education with bases in Belfast and the North West. The NWRC can provide in other locations by arrangement.

ICTU worked closely with the NWRC to set up a pool of experienced trade union education tutors who deliver a range of important courses.

The partnership between ICTU and NWRC was formally launched by the Minister for Employment and Learning on 25<sup>th</sup> January 2012.

In his speech the Minister paid tribute to the vital role that trade union representatives play in the workplace. He also acknowledged that well trained reps can positively contribute to industrial relations. This message was reinforced by a series of union representatives who spoke about the importance of trade union education in supporting them to carry out their role in the workplace.

### Rights to time off

In the last BDC report, it was reported that Representatives were experiencing difficulties getting time off to attend accredited courses. Regrettably, this continues to be the norm with many reps being denied time off because of so-called 'business needs'.

Well trained representatives are essential to effective unions and elected representatives have the right, protected by legislation, to have time off to get trained in order to carry out their trade union role. These rights have been secured by trade unions and we should continue to ensure that they are protected.

The Department for Employment and Learning consulted on new rights to grant employees the right to request time off to train. This is an important facility not only for trade union representatives but for all working people. The current position is that the legislative framework for the right to request time to train is included in the Employment (No. 2) Bill. However the Department has indicated that the right itself will not be activated until an assessment has been made that the prevailing economic conditions are sufficiently favourable.

Congress continues to press for full introduction of this right.

## D2 Lifelong learning

The International Year of Lifelong Learning, launched in 1996, had two main objectives – the skills agenda and learning for social inclusion. Over a decade on, however, with drastic cuts in the adult education sector and a continuing emphasis on driving funding towards accredited learning, there is a broad consensus that learning for social inclusion has largely been lost.

As one commentator has noted

*'This means that Northern Ireland's vibrant and diverse culture of adult and community education, which was such a sustaining force in the dark days of the Troubles, is now to be replaced by a truncated form of provision'*

*(Nolan, Paul. Adult Learning in Northern Ireland: an Overview of Current Policies and Practices, NIACE 2007).*



NIPSA members graduate at the BMC ceremony



### Forum for Adult Learning NI

Building on the Inquiry into Adult Learning which was launched by the National Institute for Adult and Continuing Education, a number of organisations (EGSA, WEA, ICTU, UCU, Colleges NI, NICVA, RCN, WRDA, OU) came together in 2010 to form the Forum for Adult Learning NI (FALNI).

FALNI has developed a manifesto which says:

*Having access to learning is a basic right. In times of economic downturn more than ever it is important to maintain and indeed increase such access, particularly for those experiencing multiple disadvantage. In addition to equipping people for employment, adult learning:*

- *improves community inclusion and cohesion*
- *increases civic engagement (including voting)*
- *supports children's learning*
- *increases capacity to live full and independent lives*
- *and contributes to the economy through the nurturing of entrepreneurship and innovation.*

To date FALNI has:

- Engaged with DEL committee
- Facilitated a meeting of the DEL committee and organised community engagement
- Commissioned research on the scope and nature of adult learning in Northern Ireland
- Co-ordinated an event for Adult Learner's Week 2012 in the Long Gallery, Stormont.

FALNI has also responded to various consultations including the Widening Participation Consultation and the proposals to dissolve DEL.



Members of FALNI meet with the DEL Committee at Stormont.

Robert Thornton winner of the Trade Union Learner of the Year, 2011 receiving his award.



### D3 Union Learning

The Union Learning programme in Northern Ireland continues to flourish and the Department for Employment and Learning confirmed that a further period of funding from 2011 - 2014 would be available under the Union Learning Fund.

Applications were sought and successful projects were:

CWU                      UNITE                      BFAWU                      UCATT                      USDAW                      UNISON  
TSSA                      PCS/NIPSA                      IBOA                      RCN

ULF projects continue to engage with union members in the workplace, offering learning such as English and Maths as well as information communication technology. As well as engaging adults back into education, union learning is also a way of engaging people with the union. Union Learning Reps are key to this work. Congress continues to train and support Union Learning Reps to work within their workplaces and unions to promote the value to learning.

#### Essential Skills Awards

The Department for Employment and Learning continues to organise the annual Essential Skills Awards with a special category for trade union learners.

Congress is delighted that every year sees high quality nominations from essential skills tutors representing the hard work that trade union learners put into courses.

Union Learning Fund Projects are supported by monthly Project Officer meetings and by regular monitoring meetings.

#### ULR Development Conference

In March 2012, a successful conference of Union Learning Representatives was held in Belfast, at which over 60 ULRs discussed the challenges ahead and focused their discussions on reaching the 'hard to reach' work colleagues who would benefit from additional skills. The highlight of the event was a keynote speech from the UK's ULR of the year 2011 Jonathan Waterhouse (USDAW), who works at McVities in Manchester and has been very successful in attracting migrant workers into Union Learn programmes.



The UK's Union Learning Rep of the Year Jonathan Waterhouse with USDAW ULRs at a conference in Belfast.



Learning at Work Week 2010, Irwins bakery, Portadown



USDAW learners (and ULRs) Maura and Lynn celebrate

### Open University

The partnership with the Open University continues and the Education Officer regularly meets with OU staff to examine opportunities for trade union members. The OU's Widening Participation Manager regularly visits Union Learning Rep courses to outline what the OU can offer in terms of progression and support. One of the key benefits that the OU can offer is support with fees for adults who have a low income.

#### The case for lifelong learning

Research shows that for every 100,000 women enrolled in adult learning in the UK an estimated 116-134 cancers could be prevented because of greater take-up of cervical smear tests.

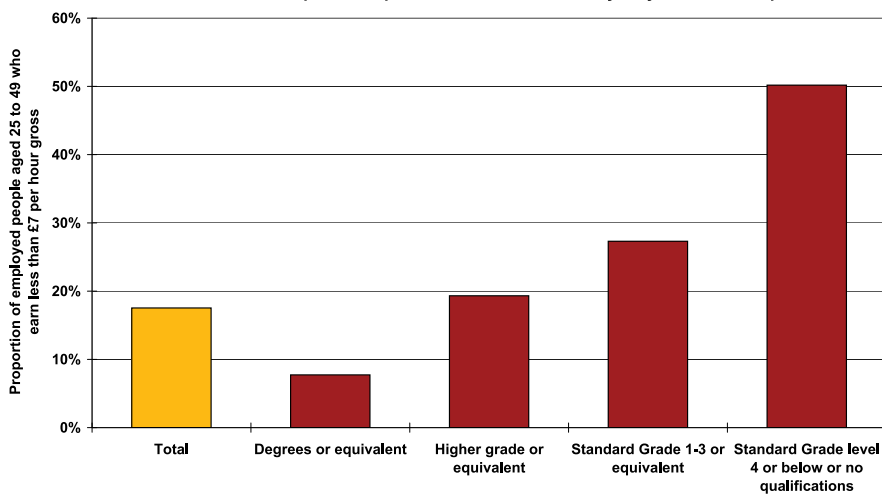
Taking part in adult education is associated with a greater likelihood of voting

Male workers who undertook work related training in mid career (age 33-42) experienced 4-5% higher wage growth over the period 1991-2000, compared to similar workers who did not undertake any training

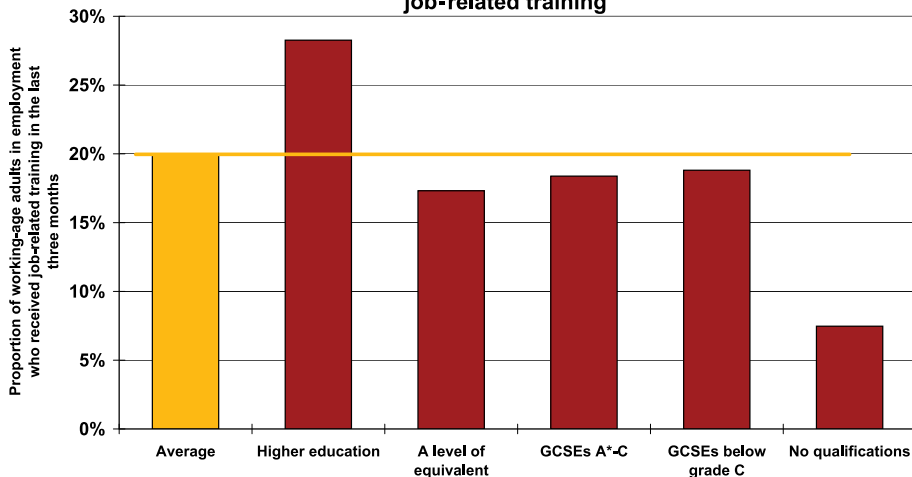
Findings suggest that adult literacy programmes help poor people to raise their income, and that they compared positively to the returns of primary school education

Workplace training results in reductions in energy use and carbon emissions.

The lower a person's qualifications, the more likely they are to be low paid



People with no qualifications are much less likely to receive any job-related training







# Section E

## Political & Economic Report

## Section E Political & Economic Report

### E1 Introduction/Overview

The period between 2007 – 2011 saw our devolved government complete its first ever full term of office. Although the administration was not always fully functioning, nonetheless it held out the promise of political stability for the citizens of Northern Ireland.

Since the return of the NI Executive in March 2011, we are seeing signs of better working relationships. However it will probably not be until after the 4 year term of the current Assembly finishes that we see the full out workings of developing political stability.

However, this progress could be seriously undermined by the economic instability being created by the UK governments' policies of 'expansionary fiscal contraction'. By late 2010 the NI Executive was hit by the decision of the UK Government to slash the block grant by 4 billion over 4 years.

The challenges facing the trade union movement under a Conservative-led coalition in Westminster are both serious and broad. The policies adopted by the Liberal Democrats and the Tories are deeply inimical to the interests of working people and are driven by neoliberal ideology and cynical electoral considerations.

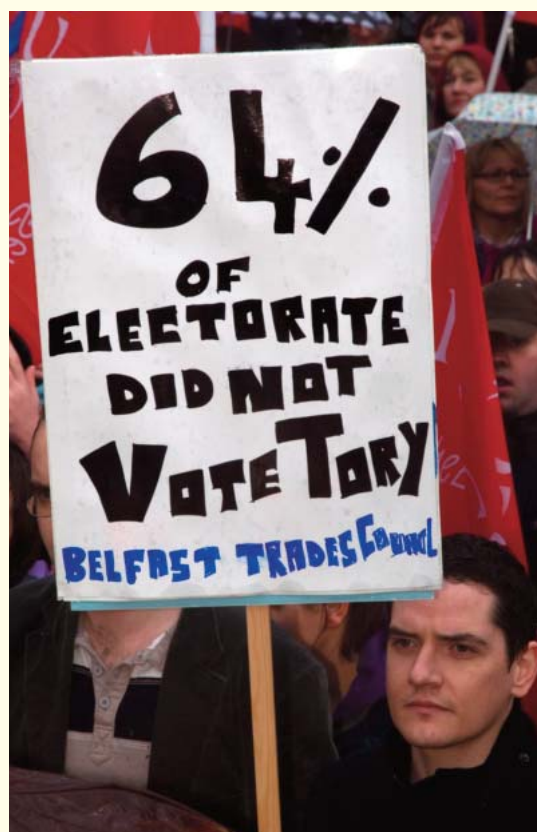
What the Tories and their LibDem enablers have in their sights is what their strategists call 'Labour's Client State', public sector workers and an attachment to the idea of public services. By stripping the state of resources and demoralising its workforce, they plan to 'hollow out' the welfare state just as the Thatcher government attacked the skilled working classes through de-industrialisation in the 1980s.

This is where the reality of cuts meets the rhetoric of the 'Big Society' – the outsourcing of public services to private sector companies and underfunded voluntary organisations, the fracturing of state education through 'free schools' and the socialisation of private gambling debts, a state of play deftly summarised by Polly Toynbee:

"The price of everything was laid out, but not the value of anything about to be destroyed."

How can we grasp the opportunity arising from the discrediting of neoliberal economic theory to the benefit of the people we represent, workers in the unorganised sectors, and those workers deemed unemployed or 'economically inactive'? How can we seize the opportunity to ensure that workers, their families and the marginalised take their rightful place in the democratic life of Northern Ireland and beyond?

The Draft Budget 2011-2015 was inauspicious. Indeed, the Minister of Finance, Sammy Wilson, seemed to relish confronting the unions as much as implementing £4 billion in reductions in the bloc grant from Westminster over the next four years. With no election in sight for at least three years, the temptation may be there to 'think the unthinkable', which invariably translates into 'impose the unspeakable'. After nearly a year waiting for the draft Programme for Government, what emerged from the NI Executive was a confused mishmash. The full Congress responses to the budget, the PfG and the Economic and Investment Strategies are published at the end of this section, as is the NIC-ICTU response to the consultation on devolving Corporation Tax, the cutting of which is supposed to be the salvation of the local economy.



*Indeed!*





If so, the closet neoliberals will have the full backing of the NI Secretary of State, Owen Paterson. Previous Secretaries of State used to express their “passion for peace.” In a time of relative calm, this scion of the Tory establishment never misses the opportunity to tell us that “cutting corporation tax is crucial to shaping the economy.” Literally any opportunity. Only good manners prevented us from loudly castigating him for linking, less than a day after the murder of Police Officer Ronan Kerr, the case for cutting Corporation Tax to the safety of citizens. The Belfast Telegraph reported his remarks thus:

*The radicalisation of teenagers could not be countered just by policing and had also to be tackled economically, added Mr Paterson. Citing moves to cut corporation tax in the province, he said it was a crucial part of the Government’s strategy to boost the province’s economy to the extent that even its most deprived areas benefited.*

*“With this political stability, we have a wonderful opportunity to really crack on and galvanise the economy.*

*“My hope then is the rising tide of prosperity is completely colour-blind, it will wash into every one of those estates where there are sadly disaffected unemployed young people and they will all be lifted by it.”*

This is the mindset we are dealing with. It is stubborn, self-righteous and wrong.

The story of the last two years and the trade union response are dealt with in this section.

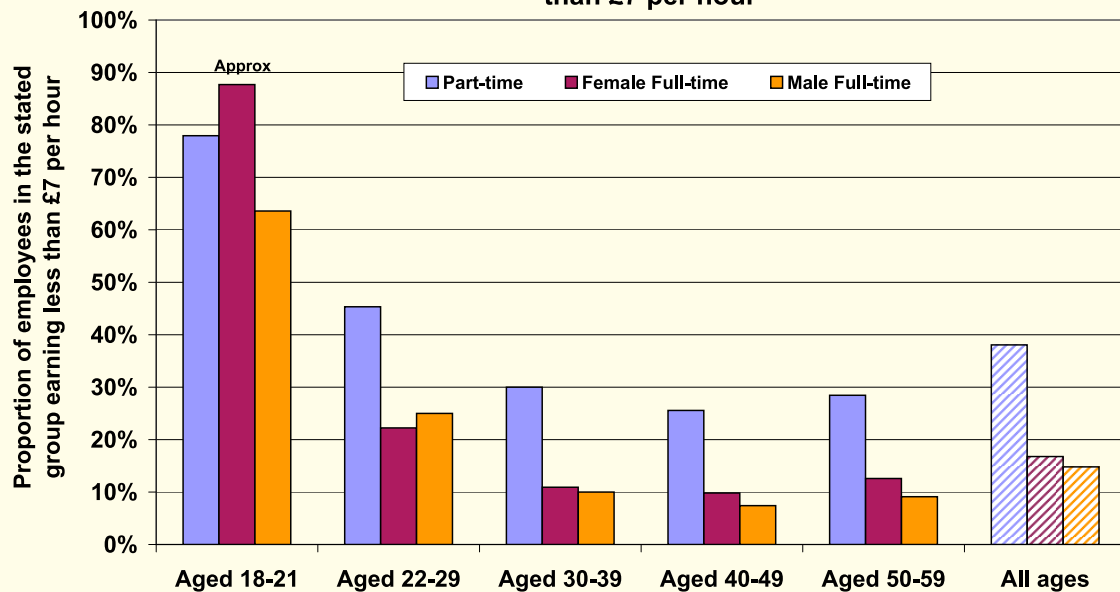
## E2 Northern Ireland’s Double Dip

The recession never ended here in NI, despite better news across the UK from late 2009, but even that was knocked back after George Osborne’s emergency budget in June 2010. There were immediate cuts in capital spending, which had severe effects on the private sector.

It is not commonly realised just how important public procurement is to the NI private sector. In February 2010, the Committee of Finance & Personnel issued a report which outlined the scale of public procurement and its importance to the wider economy. The Executive spends 25% of its total budget on buying services from the private sector - £2.4 Billion. “Government contracts include catering, transport, banking, construction, printing, telecoms, ICT (hardware), travel, vehicle maintenance, advertising, stationery, furniture/office equipment supply, security, messenger services, economic/research consultancy, staff recruitment” and other services. In addition, “the NI public procurement market also includes an estimated spend of £300m per annum on local government purchasing. In terms of the all-island context, the combined procurement market is worth around €19 billion (£15.2 billion).” Add on the services and goods purchased by government agencies



### At all ages, at least a quarter of part-time employees are paid less than £7 per hour



Source: Annual Survey of Hours and Earnings 2010, DETI; updated Dec 2010

and the policing, prisons and security services, and the total annual public procurement exceeds £3 billion.

Remember those figures next time you hear some 'independent economist' blab on about how the public sector is a drag upon the entrepreneurial spirit of the private sector. Also bear this in mind. Across the UK, the public sector spends more on the private sector (£175 Billion) than it does on its 'pampered' workforce. In short, if the private sector has a bad dose of the 'flu at present, enormous cuts in public spending will give it full-blown pneumonia. Back in the 1980's Labour's Denis Healey famously described Mrs Thatcher's economic ideology as "Sado-Monetarism." Business groups and bank economists who are screaming for austerity measures to slash the government's deficit in order to please the bond markets are acting like masochists. Cutting Corporation Tax is not an alternative. Nor is designating NI as a 'special economic area' if it means cutting welfare payments and diminishing public servant's wages to 'match' the average pay across the private sector. The real pay gap is between private sector workers here and the rest of the UK, and cuts in public sector wages will only hurt the retail and financial sectors even more. In a recession, you invest. The alternative to investment risks stagnation and a lost decade or even longer.

Half of the 60,000 on the Live Register are jobless for more than a year, and two other factors are increasing the danger of long-term unemployment. Those who have lost their jobs in the past 30 months are less skilled. Only 4% of claimants have degrees, and the suggestion is that troubled firms are 'hoarding' their skilled workers and disposing of their lower skilled workers.

For those workers, getting a foot back on the ladder is getting more difficult. According to DETI figures, there are nine claimants per job vacancy, compared to two per vacancy in April 2008. If you add to those 60,000, the 45,000 of the 'economically inactive' who want to work, then we have an unhealthy competition for limited resources.

In October, George Osborne revealed his masterplan. The second paragraph of HM Treasury's *Spending Review 2010* document opens with the pithy sentence: "The Spending Review makes choices." It is, by far, the most honest statement in the entire 104-page screed. The coalition government cut over £18 Billion from benefit claimants. The investment banks

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and hedge funds which caused the crisis pay up two-and-a-half Billion. However, these same banks will get back hundreds of millions through cuts in Corporation Tax over the next two years. Coincidentally, the major donors to the Tory election campaign were investment banks and hedge funds.

The 'bedrock' of our economy, the SME sector, was less than impressed. "Large companies can take these cuts in their stride," said Stephen Alambritis of the Federation of Small Businesses. "The city will reward them with a higher share price if they reduce their workforce." On the other hand, "Some small firms rely on public-sector contracts for 50 to 60 per cent of their turnover. If the cuts are swingeing and overnight, these companies will be lost to the UK economy forever."

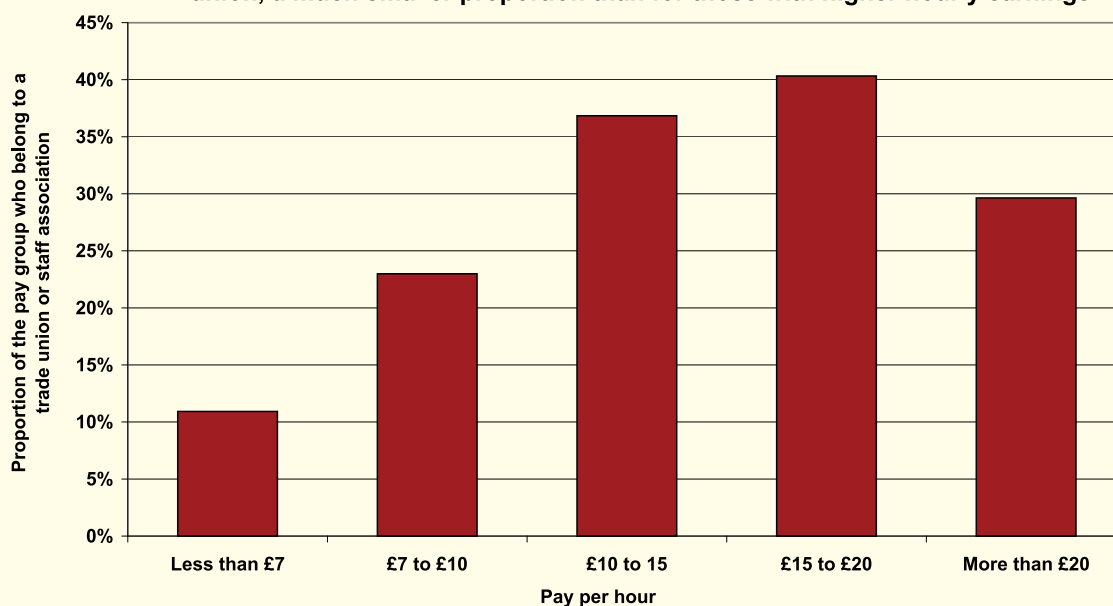
It is notable that the FSB in Northern Ireland were reluctant to follow the advice offered by the local CBI. Small businesses here are only too aware that one in three private sector businesses in Northern Ireland depend upon contracts from

the public sector. Every year, the state which the CBI feels obliged to slash and shrink buys services and goods from the Northern Ireland private sector worth £3 Billion. Nor are our local small businesses likely to profit from the privatisation of state assets at knock-down prices, when it is difficult enough for them to get modest loans or overdraft facilities from the banks (who are members of the CBI).

Also unimpressed with the CBI/IoD Axis of Austerity are the Construction Employers' Federation, who published a ten-point plan which was distinctly Keynesian. The last hope for this sector was that the government would honour its commitments made at the time of the St Andrews' Agreement to the Investment Strategy. The Secretary of State told the unions that he would honour the commitment, but Osborne seems not to have noticed. Our local private sector is being undermined at each turn, not least by their main political mouthpiece. Which begs the question; how is the private sector going to fill the hole in the labour market with over 700,000 public sector jobs facing the axe across the UK?

At the time, the holder of the Nobel prize for Economics, Christopher Pissarides of the London

**Only one in nine workers earning less than £7 an hour belong to a trade union, a much smaller proportion than for those with higher hourly earnings**



Source: Labour Force Survey, 2010 Quarter 4, ONS; UK; updated Mar 2011



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School of Economic pointed out. “The situation is not so grave; there is no big risk premium of government debt as in Greece and Spain.” Yet lesser economists repeat the mantra. On Radio Ulster’s Sunday Sequence, PWC (NI) Chief Economist Esmond Bernie was asked about the morality of a plan which lays the burden of the deficit onto the least deserving and those least able to withstand the pain – the poor, the ill, young people, women and ordinary working families. Three times he addressed the question. Three times he chanted that “we face a Greek-style crisis” without these measures and that There Is No Alternative.

The Spending Review makes choices. Democracy is about choices. Here are some:

- This is the most unequal country in Europe. If we imposed a mere 2 per cent wealth tax on the richest ten per cent, we could raise £78 Billion in a single year.
- If we had a Robin Hood tax on speculation and the excesses of investment banks and hedge funds, we could raise billions more, and at the same time we would reduce the rewards for reckless gambling.
- If we employed enough tax inspectors with the same political backing to pursue tax cheats as we have for chasing benefit fraud, then we could raise £123 Billion per year in

taxes which are evaded, avoided or, unbelievably, not collected.

Vodafone made a deal on taxes that saved them £6 Billion. You can call that tax efficiency, or you can call it a political choice. 2008’s Nobel laureate has no doubts. “The real reason has a lot to do with ideology,” wrote Paul Krugman. “The Tories are using the deficit as an excuse to downsize the welfare state.”

**Tax and Spend**

The proportion of cuts to taxes by which the UK Coalition plan to address the deficit is three to one. This says something about their priorities. Aside from the now obvious fact that the poorest are more ‘in it together’ than the wealthiest, (as the former do not have the luxury of opting out of public services), the plan is based on the firm belief that companies and corporations have fewer social obligations than the rest of us. One of Gideon ‘George’ Osborne’s first acts as Chancellor was to partially reverse rises in National Insurance – but only for employers’ and not employees’ contributions.

Similarly, the bank ‘levy’ will be restored to its ‘rightful’ owners within a couple of years through cuts in Corporation Tax. Even the slightest ‘interference’ with the financial sector unleashes





ICTU President Eugene McGlone addresses rally Oct 2010

loud cries of pain from the City and threats to slink off to some tax haven such as Dublin. The unbelievable mess the Republic is in over its public finances is a direct result of the same thinking which dominates the UK Coalition. Namely, that there are interests which are too big to regulate, to tax, or to fail.

A similar mistake is being made in the UK. The recent scandal over the Vodafone deal with HM Revenue & Customs which saved the corporation a reputed £6 Billion has highlighted the 'light touch' going on within the state's revenue collectors.

Morale among HMRC staff is abysmal and angry with how the workforce (and the public) are being treated, with 30,000 let go in recent years and plans to remove another 13,000. Research by the PCS trade union has shown the huge cost benefit of hiring more tax inspectors. The result is the Tax Gap of £120 Billion, a staggering amount of money which is evaded, avoided or simply uncollected. Many fatuous commentators start (and end) their arguments with comparisons between 'UK PLC' and a private company, but which firm would simply shrug off £25 billion in 'bad debts'? That is the amount uncollected each year.

Somewhere in the madness of neoliberalism, it was decreed or remembered that companies have absolutely no social obligations at all. When a major company which everybody knows, such as Boots the Chemist, relocates its taxable HQ to Zug in Switzerland, there are very few outraged headlines about over £100 million being taken annually from the taxpayer. Contrast that with the coverage showered on benefit cheats, who cost

the Exchequer £1.1 Billion. That's a lot of flat-screen TVs, but it pales into comparison with £70 Billion of tax evasion and £25 Billion of tax avoided by those too big to contribute their share.

Since when was it OK for the interests of shareholders to always trump the interests of the public as a whole? What is being fostered is a large scale version of the attitude of smugglers along the border, where tax is regarded as theft. This is a common view in America, and we risk at our peril the spread of the same noxious ideology here. We are forgetting the reasons for taxation:

1. *Raising revenue* (cash for hospitals and aircraft carriers)
2. *Redistributing income and wealth* (taxation can be progressive, or regressive, and has played a significant role in the fortunes of the very rich in recent years)
3. *Repricing undesirable and desirable goods and services* (Ciggies and booze, but also Vat-free newspapers)
4. *Raising representation* (Through universal services, taxes and benefits – where we are all in it together)
5. *Reorganising the economy* (Good things like the Barnett Formula; Bad ideas like cutting Corporation Tax in Northern Ireland)

Taxation has a deeper purpose than grabbing cash from the unwary. More than the pageantry of history or the glitter of Royal Weddings or even the X-Factor; more even than football; Tax really is the glue which binds us. The less of it there is, or the more unfair the system becomes, the less we are all in this together.



## JOINT DECLARATION FROM THE DEVOLVED ADMINISTRATIONS

There is now less than a fortnight until the publication of the UK's Comprehensive Spending Review and the Scottish Government, Northern Ireland Executive and Welsh Assembly Government wait with considerable apprehension to learn of the consequences for our respective budgets.

While we recognise that a credible budget strategy is vital in returning the public finances to a sustainable footing and maintaining the confidence of the wider community including the financial markets, it is essential that we do not put the recovery at risk. We are concerned however that the UK Government's spending plans may do just that.

The Institute for Fiscal Studies estimates that the spending plans outlined in the June Emergency Budget represent the deepest and most sustained cuts to public services since at least the end of the Second World War. We all believe these cuts are too fast and too deep, consistent with views expressed at the recent Finance Ministers' Quadrilateral.

The proposals to cut public spending to such an extent run the risk of stalling any recovery. Private sector demand remains fragile and access to finance continues to be constrained. The current plans for fiscal consolidation could therefore have a significant and lasting negative impact on the economy, including people's jobs, which would undermine the very efforts to address the UK's fiscal position. We believe that promoting economic growth is the best way to restore the health of our public finances and this must be our overriding priority.

Only when there is clear evidence that the recovery is well established, and can be sustained, should significant fiscal tightening be implemented. Frontloading the cuts into the next two years is entirely the wrong approach for the economy and the vital public services upon which so many people depend. We therefore urge that the spending cuts are scaled back and phased in over a longer time period. Failure to do so runs the risk of doing lasting damage to the economy and the fabric of our public services. This does not preclude the setting out of a clear plan for consolidation which promotes confidence and guarantees financial sustainability but simply that the focus at this stage must be on securing the recovery.

**Rt. Hon. Alex Salmond MSP**  
First Minister of Scotland

**Nicola Sturgeon MSP**  
Deputy First Minister of Scotland

**John Swinney MSP**  
Cabinet Secretary for Finance  
and Sustainable Growth

**Rt. Hon. Peter Robinson MLA**  
First Minister of Northern Ireland

**Martin McGuinness MP MLA**  
Deputy First Minister  
of Northern Ireland

**Sammy Wilson MP MLA**  
Minister for Finance and Personnel

**Rt. Hon. Carwyn Jones AM**  
First Minister of Wales

**Ieuan Wyn Jones AM**  
Deputy First Minister & Minister  
for the Economy and Transport



Veteran activist Sean Morrissey marches on...

### The Devolved Governments Response

In October 2010, the Minister for Finance and Personnel and his colleagues in Wales and Scotland, joined by their respective First Ministers and Deputy First Ministers, said in an historic Joint Statement that the cuts were “too fast and too deep”, that the UK Government’s plans are “entirely the wrong approach for the economy” and that the cuts will do “lasting damage to the economy and the fabric of our public services.” (See full statement overleaf)

The trade union movement across these islands has forcefully argued for policies based on investment. We still hold firm in the belief that “promoting economic growth is the best way to restore the health of our public finances and this must be our overriding priority,” in the words of the Joint Statement.

The Draft Budget issued over Xmas 2010 held little of the promise of the Joint Statement. The Finance Minister’s assertion that “this Draft Budget continues to prioritise the economy, provides a degree of protection to the health service and seeks to assist the most disadvantaged in our society” rings quite hollow as the details of cuts and constraints emerged from each devolved department.

The budget for 2011-2015 admitted that its contents depended upon the whims and wisdom of the Chancellor, a point reiterated a year later when the Programme for government finally emerged. Many could well ask what was the point of 13 years of hard talks and meaningful

compromises between the political forces in Northern Ireland.

This is not a trivial point. There are remnants of politics as it used to be played out, preaching dissent and practicing mayhem. Since Justice and Policing was devolved, their costs have also landed on the shoulders of the NI Executive. The Department of Justice is the third most expensive department, totalling 12% of the entire budget. Serious unrest or other, unthinkable but plausible, scenarios, will have a fiscal consequence for the NI Executive which did not arise heretofore. Don’t think that lesson is being missed by people with the mentality of “the worse, the better.”

Nor did it help that the public consultation of the Draft Budget was a farce. Public input to the consultation was truncated and legally dubious. We then had an election with most of the possibilities of the next PfG already determined by this four-year plan.

The structural weaknesses of the NI economy have been cruelly exposed by the recession, and it is absurd to assert that a private sector which is too small and extremely fragile can take the reins of a ‘rebalanced’ economy, and create stable and sustainable employment.

In many ways the public sector *is* the backbone of the economy of Northern Ireland.

Irresponsible cutting at that base will undermine the foundations of any economic recovery, and could plunge Northern Ireland into an economic trough from which it will take decades to recover.

### Lost Generation

By March 2011, unemployment in Northern Ireland had officially passed the 60,000 mark. Of those, over 30% were under 25. After years of platitudes from politicians of all persuasions and nationalities tell us that “the children were our future”, this is the peace dividend granted to the young.

Northern Ireland has the best educated young workers in the UK. 44% attend or have attained third-level education, compared to a UK average of 34%. However, the options for those starting



out in the world of work are bleaker than during the worst periods of the 'troubles'. Student debt has spiralled in recent years, with graduates owing an average of £20,000 before they collect their first pay cheque. This is the background to the fears of proposals to (at least) double college fees.

Where do they start working? There has been a de facto recruitment freeze in the civil service and teaching, and skilled work in the private sector is a diminishing prospect with the crash in construction, huge job losses in the financial sector and the continuing decline in manufacturing. For those who do not emigrate, staying in Northern Ireland means working at a level well below your education. What this means in practice is that there are fully qualified teachers working in call centres, accountants serving coffee and historians selling cheap Chinese clothing. Their skills are mobile. Their departure is our loss.

The government's monthly statistics tell this story. While fewer than 5% of those who have 'signed-on' in the past year have degrees, over 65% have fewer than 5 GCSEs or no qualifications at all. If the highly qualified young are forced to work at levels well below their skill sets (and income expectation), then the under qualified are being forced out of the labour market completely. Many end up on training programmes such as Training for Success and Steps to Work, but their prospects for getting paid work are receding. While in training, many can improve their literacy and numeracy skills, but other avenues for educational advancement are closing, not least is the abolition of the Educational Maintenance Allowance, a modest payment of £30 per week for disadvantaged teenagers to remain in school up to A-level.

'Entry-level' jobs have traditionally been in the sectors of the economy which have been hardest hit – construction, retail and services. The preponderance of smaller businesses means that the young have been the first to be laid off and find it hardest to find other work. The private sector is facing more difficulties as government contracts are under threat from cutbacks. One-third of all private sector businesses depend wholly or partly upon public procurement. It is estimated that

15,000 private sector jobs are under threat. Other services are facing further squeezes as wage freezes and inflation eat into consumer spending.

The recession is compounding the errors committed during the boom years before 2008. Very few young workers in the private sector have any pension provision, and despite a sharp decline, owning a home is still prohibitively expensive, especially for those on or below the private sector average income of £23,000. After the crash, banks stopped lending mortgages at an affordable rate, and so a generation is emerging which is markedly worse off than its elders – and they realise that.

A similar picture is emerging in the public sector, with younger workers facing worse pension plans and huge uncertainty with the threats of 30,000 redundancies in the next three years as £4 Billion is taken out of the NI Executive's budget. The public sector has been the provider of most graduate jobs, which is the main reason why average earnings are higher than in the private sector, but what will happen to the lives of the nurses, teachers and administrators who have indebted themselves hugely by investing in what were regarded as tickets to the middle class? They have kept their end of the social contract with society, and now society has reneged on the deal.

The NI Assembly which has completed its term deserves praise for staying the course. The institutions are firmly settled in and the priorities are economic, as they ought to be, in the 'post-Troubles' era. However, for the 'post-Troubles' generation, this is not how we ought to be investing in the future.

### **No Confidence**

The economy of Northern Ireland has stagnated. A look at the Monthly Labour Market Report can reveal a narrative of where we are as a functional economy, that is, an economy fit for its citizens. If we examine how sectors of the economy are performing, we find that employment in construction has declined by 13,000 since December 2007, to 33,530, that Services peaked in June 2008 and have fallen by 8,000 to 576,480.

As far as the eye can see...







*Next for the cuts*

Overall, private sector employment has fallen by 32,000 since its peak at March 2008, to 480,730 in March 2011. The big falls were all over the period mid-2008 to mid-2009. Since then, there has been a slowing down in the decline. The private sector recession bottomed out, but has not shown much sign of the recovery seen in other UK regions.

The public sector employed 222,940 workers in March 2011, 3,600 down from December 2009, around the time of a recruitment freeze across the sector. The decline is due largely to 'natural wastage', a term more suited to eugenics than to human resources. The problems lie ahead. Because if we look at who has become unemployed, we see that two-thirds are from occupations which require basic education and skills, and that those higher up the food chain 'signing on' are distinct by their rarity. Only 1.9% were 'managers' and 2.3% were 'professionals'. Noticeably, the second largest cohort of the unemployed were 'skilled tradespersons' (16.6%), following in the footsteps of those on 'elementary occupations' (31.6%).

Those skilled workers would have worked in manufacturing, a sector whose plight we can no longer cheer about. Despite the welcome news about increased orders and jobs in Bombardier, whose intelligent use of tax credits and EU grants for Research & Development show a sense of openness and innovation lacking across much of the private sector, a harrowing picture has emerged. Manufacturing jobs stand at 74% of the 2001 level, a drop of 25,000. Globalisation has seen the decimation of clothing, textiles and computer and electronics jobs to Asia. Slight increases have occurred in skilled metalwork, pharmacy and repairs, but they are, in short order, threatened by the rise of India and Brazil.

A salutary tale is told in the dramatic decline in clothing on the overall structure of manufacturing jobs; from 14.6% in 2001 to 3.7% now. Those jobs are now in China and Vietnam. The lesson is that skills and specialisation are more necessary than ever. An educated workforce is essential, bolstered by management with the foresight and initiative to invest in research and innovation and export-led strategies.

The timidity of the private sector is not serving us well. A better example is Ulster Carpets, who saw the writing on the wall on the fashion for laminate floors and diversified into hotels and casinos and cruise ships. Most of the woven cloth stepped over by gamblers and hopefuls in Las Vegas is crafted in Portadown, because they spotted an alternative to their 'traditional route'. They noticed a demand for luxury for tourists and they could get their huge rolls of carpet across the Atlantic six weeks faster than their Chinese competitors. And they made all the internal changes necessary in full consultation with their workplace union.

But the overall picture is sobering. Most NI enterprises are too small to compete internationally and are, bluntly, in the wrong fields. Only 1.8% of local businesses are in Information & Communications, a quarter of the UK average, and 6.9% are in Science & Tech, compared with 15.4% across the UK. There is too little value added and too few opportunities for bright graduates to gain experience in business before starting up their own firms. The outlets for the clever and ambitious are emigration or the public sector, but the rules of the game are changing there too. New public servants are expected to work longer for less money with little permanence. The worst aspects of the private sector are being unleashed into the public realm.



We have seen the results of such 'efficiencies' in the Private Finance Initiative. It has recently emerged that equity transactions in PFI operations are generating huge profits – 66% in the health sector, and 55% in criminal justice. And guess what? 90 of the largest PFI operations are now in tax havens, so the taxpayer is being robbed again, and again, and again.

Will Hutton's report on pay inequalities within the public sector is scathing of the attitudes of many at the very top, who justify their huge salaries by comparing their tasks with being corporate CEOs. And who can blame them? But it ought to be remembered that public sector 'fat cats' make up only one per cent of the top 1%. The Institute for Fiscal Studies reports that last year incomes among the top 1% grew at the fastest rate in a decade. According to the *Sunday Times* Rich List, the top 1,000 are £60.2 billion better off this year than in 2010, bringing their collective wealth close to the record pre-recession levels. A report from the High Pay Commission reveals that FTSE 100 chief executives are on average paid £4.2m annually, or 145 times the median wage.

Meanwhile, the wages of the less blessed are being ground down. NI private sector wages have reached a new low of 81% of the UK average private sector wage. In the past year, median private sector wages increased by 0.6%. What that means is that those at the top got the cream, those at the bottom got the sour milk and the 'median' shifted slightly. Public sector wages increased by 2% (UK: 3%) which has the unintended bonus of slightly narrowing the gender pay gap. Part-time workers, on the other hand, had a 6% contraction in their wages, mostly due to reduced hours.

#### **Unprogressive Pensions**

Reformers are running amok among all of our services; hospitals, the military, policing, prisons, universities, welfare, schools (in England, so far) and pensions. All amounts to the slicing and dicing of the state, and this becomes clearer when one examines the other side of 'reform', namely that pertaining to the private sector.

The 'bonfire of the quangos' is not really about saving taxpayers' money. It is about 'freeing up' business from 'red tape'. The turmoil in the Eurozone is encouraging Tory EU-phobes to demand the 'repatriation' of certain sovereign powers (Human rights, working time), invariably those which protect those at the bottom of the heap. It explains the Prime Minister's bizarre inclusion of 'Health & Safety' as being among the demons which lay at the root causes of the summer riots.

While taxes on consumers and workers are increasing, corporate taxation is being lowered, while further corporate welfare is flowing via stealthy privatisation and the Big Society.

These reforms are urgent, we are told, and must be imposed quickly. Pensions are a particular source of angst, and the 'solution' is to raise the pension age and reduce the income for public sector pensioners. The main 'justification' for this panic is Lord Hutton's report from June 2011. Or does it?

Francis Maude was the Minister wheeled out for BBC Radio 4's Today programme\*, where his mantra-like answers were interrupted at one stage by an exasperated Evan Davis:

**ED:** Have you read the report?

**FM:** Yes, of course I've read the report.

**ED:** Can you tell us why does it show the cost falling over the decades in terms of the proportion of GDP going to public sector pension recipients? Just explain why it's going down, because if you've read the report you will know the answer.

**FM:** The answer is that the expenditure on pensions by the taxpayer has increased by a third.

**ED:** Why is it going down? In his report, the big picture is it's going down. Why is that? Just explain to the public why the cost is going down.

**FM:** Well, the cost to the taxpayer is going up. That's the point.

Except it isn't. That's the point. Evan Davis got to the point when he asked Maude:

**ED:** I'm going to read you a line and ask you whether you think the account you've given is the same as the one he gives. "There have been significant reforms to public sector pension schemes over the last decade. Some of these changes have reduced projected benefit payments" – blah, blah, blah – "Projected benefit payments fall gradually to around 1.4% of GDP after peaking in 2010-11 at 1.9%." That's just saying it's not unaffordable, we don't want to afford it. It's cheaper. It's going to be 25% cheaper in the next few decades in terms of the burden on GDP than it is at the moment.

**FM:** What he's saying is that long-term reform is needed.

**ED:** Absolutely. For different reasons.

**FM:** The point is, there's been widespread pension reform across the economy. People in the private sector have seen old, defined benefit schemes disappear. What John Hutton has said – and we've totally agreed with – is we do not want to see a race to the bottom.

But a race to the bottom is exactly what is on offer. One of the greatest scandals of modern Britain is the fleecing and abandonment of private sector pensions, says Civitas, a Tory think-tank in a savage report called *You're on Your Own*, which concludes with the recommendation that free markets are "great for vegetables, less so for pensions."

The government is making choices about just about every thing it does which makes lives better, or at least more bearable, and choosing one way: "We don't want to afford it."

There is, of course, one area of governmental responsibility for which 'reform' can be placed on the long finger, until well into next parliament, or the one after that. The banks are to have another

eight years of unregulated gambling with unlimited stakes, underwritten by all taxpayers.

### The Delayed Programme for Government

The NI Executive finally issued their draft Programme for Government in late 2011, with a free gift of an Economic Strategy, both exuding a soft Keynesianism to soften the sharp edges of the Chancellor's Austerity mania, known as Plan A.

Then the Chancellor knocked out his Autumn Statement. If the PfG represents Plan B-minus, the latest bad news from Gideon Osborne was Plan A-plus, and the promise that this will take at least six years rather than four. Plan A is not working, apart from the first part, about shrinking the state. The rest, that the deficit would be addressed and that a rejuvenated private sector would transform social workers into skilled exporters of hi-tech trinkets and thus 'rebalance' the economy, is actually heading for zero growth and debt reaching 95% of GDP. This was the response from Fitch Ratings: "The capacity of UK public finances to absorb adverse economic and financial shocks that would result in yet higher public debt while retaining its 'AAA' status has largely been exhausted."

In order to evaluate the worth of the PfG and the Economic Strategy, we must understand the context in which it will operate and the political fact that we as a region are as sovereign as Greece or Italy. All we can do is tinker with the details. We are under the *diktat* of the treasury, and the only real manner in which the NI Assembly can challenge that is with the combined moral force of a coalition of all three devolved administrations and as many English councils as we can muster.

For example, promises to 'promote' 25,000 new jobs should take into account the 80,000 young people who will leave school over the four year period of the PfG. Plans to 'achieve' £300 million in new Foreign Direct Investment and a further £300 million in Research & Development are actually quite close to what was achieved since the last PfG.

In fact, most of the few solid commitments with dates and numbers are actually very modest. The rest is worthy but vague, and would actually be



almost radical if implemented, such as the direct connection between public health and infrastructure, the emphasis on improving and evolving skills, and supporting social clauses on public procurement. Privatisation or PFI goes unmentioned and the public sector is seen as the clear driver to rejuvenate the private sector, the precise strategic opposite to Plan A. The Keynesianism is, however, to be paid for through neoliberal methods – cutting Corporation Tax and business rates and scrapping Air Taxes.

As a response to Plan A, it lacks more than ideological coherence. It requires a political strategy, as outlined above. The severity of the Autumn Statement makes this clear. Take the tiny sliver of capital spending announced (mostly for Tory districts). This is to be paid by cutting the value of Working Family Tax Credits, Gordon Brown's great legacy to the working poor. The Tories hate this, and most middle-class liberals don't notice its importance, but it has helped lift over two million children out of poverty. Meanwhile, Cameron and Osborne are off Batting for Britain at EU summits, ensuring that the UK's worst employers will be freed of the shackles of the Working Time Directive and the unreformed, unregulated and unpunished investment bankers can be unworried by an EU-wide Financial Transaction Tax.

The new threat to NI is regional pay for the public sector. The only way is down and a ten percent

cut in the public sector pay bill would mean over £500 million less demand for the local private sector. Add to that another £500 million from Welfare 'Reform', £50 million from state pensions changing from RPI to CPI, a *de facto* 15% cut in public sector pay through freezes and a 1% increase, stagnant private sector pay, plus another 30,000 unemployed on top of the 110,000 already looking for work in NI and you have the frame in which the PfG must operate. It is not, to put it mildly, an adequate response.

### E3 Trade union movement in Northern Ireland

The fact is that, difficult as times are in Northern Ireland, things would be far worse if the trade union movement were not prepared to challenge those who tried to forge a consensus for a neoliberal economy. If we were not doing our job, defending our members and all workers, unionised and non-unionised, then we could be safely ignored. The fact is that what we say has a resonance with the public because we have been right more times than the opposition.

We can get thousands of people to demonstrate peacefully against the unfairness of imposed austerity and for a meaningful alternative which vested interests pretend does not exist. Through force of argument, we have undermined plots and



plans to privatise water, and to cut Corporation Tax, but our greatest challenge is the ideological assault on publicly owned and accountable services under cover of tacking the deficit.

Numbers on the streets are impressive, but that is a tactic, not a strategy. The reason why the Tories and their enablers in the Liberal Democrats and in Stormont are attacking trade unions is that we constitute the real opposition to the cult of austerity. Our leaflets are widely read and our arguments are taken seriously by the public, despite the concerted campaign of marginalisation and ridicule by elements in the press whose own morality has been exposed (without the aid of phone-hacking).

This Tory government and its spear-carriers, cheerleaders and bagmen are engaged in a radical project to dismantle what remains of what used to be called the Post-War Settlement. For 30 years, the economy flourished as its aim was not growth at all costs, not 'shareholder value', but to stabilise and civilise society. Was it perfect? No. But the Welfare State, Free Education, Universal Benefits, Progressive Taxes, Social Mobility were all assumptions that depended upon believing that the economy was to serve society, not the other way around. Strong Trade Unions were part of that equation. All of those assumptions have been undermined and partially destroyed over the neo-liberal era, and the proponents of the ideology which almost destroyed the world economy in 2008 are determined to save their versions of the economy, even if it wrecks society.

## E4 Two Tier Workforce

The NIC has continued to make representations to OFM/DFM in regard to the outstanding code of practice in relation to the two tier workforce.

This code of practice is designed to cover both the employment and pension rights of workers in the public sector and those transferring as a result of public private partnerships. The CBI and the Equality Commission have now given a

response on the draft code to OFM/DFM and the Head of the NI Civil Service has stated that this issue is now before Ministers and should be promulgated shortly.

## E5 Review of Public Administration

The Central Joint Forum has continued to meet on a less regular basis since the 2010 BDC. A number of agreements have been reached in regard to the rights of workers and much progress has been made in the health sector but the future arrangements for education remain uncertain. The Education and Skills Authority has still not been established and the Minister for Education has extended the life of the Education and Library Boards. Commissioners continue to cover the affairs of one of the five Boards.

There is a significant degree of uncertainty about how many Local Authorities will be established, due to the difficulties in agreeing the boundaries for such authorities.

## E6 Education Trade union group

The Education Trade Union Group meets every month to discuss issues of importance within the education sector.

In this period, the group has met regularly with the Ministers for Education and Employment and Learning as well as meeting with DE and DEL Officials.

Key issues for the committee have included:

- Schools budget
- Reorganisation of schools and associated implications for the workforce
- Tuition Fees for Higher Education
- Further and Higher Education Budget
- Education and Skills Authority
- Industrial issues such as pensions/workload etc.

Chairperson of the ETUG is Seamus Searson, NASUWT and Vice Chair is Paddy Mackel, NIPSA.

## E7 Health services committee

The Health Services committee was reconstituted in this period. Anne Speed, UNISON was elected Chairperson and Kevin McAdam, UNITE was elected Vice Chair.

The Committee has given evidence at the Health Committee on implications of austerity cuts and the review of the health sector; has met with the Minister for Health as well as other Departmental Officials.

Work Priorities for the Committee were agreed as:

### Health policy

- Analysing and responding to health policy. Formulating health policy for NIC ICTU.
- Distilling key policies for dissemination to the trade union movement

### Lobbying

- Ministers and Department
- MLAs
- Departmental committee
- Other key stakeholders

### Developing Strategic alliances

- Within the TU movement
- Within community organisations.

## E8 Bi-lateral Forum

The Bi-Lateral forum has been re-established and meetings have been occurring regularly since autumn 2010 and most meetings were productive, covering a range of economic and social issues. A highlight was the First Minister, Deputy First Minister and Finance Minister signing the joint statement with their Scottish and Welsh equivalents protesting the Westminster government's austerity policies. The NIC was moved to object to remarks made by the First Minister to the CBI on the same day as a Bi-Lateral Forum Meeting in September 2011.

## E9 Jobs & Services Committee

Committee is designed to coordinate joint action between public and private sectors and the wider community and has held a number of meetings since the 2010 BDC, playing a crucial role in bringing together activists from unions, trades councils and student and community activists. It is a very useful means of developing new campaign ideas and ascertaining the scale of the cuts across widely carrying sectors of society.

The Jobs and Services Committee played a key role in mobilising ahead of the anti-cuts rallies in 2010 and 2011, as well as the public sector strikes of autumn 2011. The J&SC continues to feed into the discussions of the NIC and the wider trade union movement.

## E10 The Coalition against Water Charges.

The Coalition against Water Charges continued to meet regularly over the last two years maintaining an active and successful campaign against the threat of privatisation of water services and against the introduction of separate household water charges in Northern Ireland.

John Corey continued in the role of Coalition Chairperson and membership included representatives of trade unions, Trades Councils, community organisations and political parties. Coalition representatives met twice with the Regional Development Minister Mr Conor Murphy to discuss both water charges and future NI Water. The Coalition supported the Minister's policy statements to the NI Assembly that:

- ***Northern Ireland's water and sewerage services should be delivered by a body clearly within the public service***
- ***that the body should not be set up to introduce separate water charges and not set up to be privatised.***

The Coalition made representations as well directly to the Assembly Regional Development Committee advocating support for the above policies.

However in the run up to the May 2011 NI Assembly elections the issues of water charges and NI Water governance remained highly contentious with prominent media coverage. There were frequent calls from some quarters for separate household water charges to be introduced - the Coalition issued press statements on a number of occasions rebutting such calls.

The difficulties with current governance arrangements for NI Water were highlighted in two major developments - first when the Minister decided to sack the Chairperson and other Non-Executive Board members over alleged breaches of contract procedures and second a crises engendered by service failures during the 2010/2011 Winter Freeze/Thaw.

On the latter issue in February 2011 the Coalition met with the Utility Regulator Oversight Committee appointed to examine NI Water's handling of the Winter Freeze/Thaw service failures. The Coalition also made direct representations to the separate Review Team appointed by the First Minister/deputy First Minister to consider the role and responsibilities of the Minister and Department. The Coalition's primary concern was to ensure that these reviews did not lead to any recommendations to privatise NI Water and/or introduce water charges. The subsequent review reports did not comment on either of the issues.

In February 2011 the Coalition submitted a response to the NI Executive's Draft 2011-2015 Budget proposals strongly welcoming the decision to continue to defer the introduction of domestic water charges for the Budget period 2011-15. However the Coalition raised strong concerns that the decision on deferring water charges was presented solely in terms of the current economic downturn and the financial pressure on households.

By the time the NI Assembly was dissolved for the May 2011 elections the future status for NI Water remained unresolved. A Draft Bill to implement short term changes to clarify governance arrangements was not progressed after the Assembly Regional Development Committee voted against the Bill proceeding under the accelerated passage procedure.

The Coalition contacted political parties prior to the Assembly elections in May 2011 seeking confirmation of their support for the following pledges

- ***no separate household water charges***
- ***NI water would not be privatised, would always be publicly owned and accountable to the people and NI Assembly***

The Coalition subsequently prepared and circulated a leaflet recording the responses of the main political parties. The outcome was that the DUP and Sinn Fein ( the majority parties in the NI Executive) pledged to block water charges for the lifetime of the next Assembly. The SDLP also opposed water charges and metering but the Ulster Unionists Party gave no pledge saying only there should be a debate of the issue. The Alliance Party supported water charges and metering. On the issue of future governance the DUP and Sinn Fein called for ongoing reform while the SDLP and Alliance Party called for mutualisation.

In November 2011 the NI Executive published the Draft Programme for Government 2011-2015. This confirmed the Executive's policy that there would be no additional water charges for the period of the Programme for Government. The Coalition submitted a formal response to the Department welcoming this decision in line with the political parties' manifesto commitments to the electorate.

The Coalition was continuing to give consideration to possible options for change to the current governance arrangements for NI Water in order to ensure the body remained fully within the public service and accountable to the Minister and NI Assembly.



## E11 Detailed ICTU economic responses

### NIC.ICTU Response to the NI Executive Draft Budget 2011-2015

#### 1. INTRODUCTION

- 1.1 Congress is the central body for trade unions in Northern Ireland. In our submission to the Draft Budget 2008-2011 we welcomed that:

*'our comments on the Programme for Government covering the period 2008-2011 will be received by a local administration'.*

We must regret the fact that the local administration, elected by and accountable to the people of Northern Ireland, is so constrained by the mistaken and ideological policy of the UK Coalition Government, which is removing £4 Billion from the block grant to NI over the next four years.

- 1.2 Congress represents 34 trade unions in Northern Ireland. These unions are engaged in representing over 230,000 workers who are employed in the full range of economic and social activity in our society. These members also cover all of the S75 categories and currently over 50% of union membership are women. It is also important to say that Congress has given particular attention to the needs of disabled workers and has continued to work closely with the relevant Government departments to promote both educational and job opportunities for this element of the labour market.

Congress has also worked with all sections of civil society in attempting to mitigate the worst of the recession and to play its part in the development of a growing and dynamic economy, not least in the green New Deal Group.

Congress has successfully interacted with government at all levels, meeting with ministers and officials and submitting realistic proposals for the development of our economy and making the case for protecting and enhancing public services in an inclusive and shared society.

Notwithstanding the above interaction with elected representatives and civil society, Congress has been obliged to express our firm opposition to the austerity agenda being imposed by the Westminster government. We have organised public rallies and demonstrations across Northern Ireland and have endeavoured to inform the broad public and opinion formers of the case against cuts.

This submission in response to the Draft Budget 2011-2015 ought to be understood in the context of the trade union campaign against the UK Government's economic policy. Our colleagues in the NIC-ICTU's affiliated trade unions are submitting responses to the Draft Budget 2011-2015, each focusing on their areas of expertise. This response from the NI Committee of the Irish Congress of Trade Unions is presented in the context of the detailed responses by our affiliates and is intended to be complementary to those submissions.

## DRAFT BUDGET 2011 - 2015

### 2. BUDGET

2.1 Congress notes that this budget is set against some of the most stringent public expenditure constraints for a considerable period of time. The “economic landscape” has indeed “changed dramatically since the Executive last presented a multi-year budget”. We are in full agreement with the Minister for Finance and Personnel when he states such truisms, although his passive choice of a verb should be challenged: The economy *has been* changed, not by forces of nature, nor by a series of unfortunate accidents, but by a combination of misguided policies and deep structural flaws in the global, national and regional economies.

2.2 The fiscal crisis we are in is the product of a global system of finance which was allowed to become too big to fail and which was passively and actively encouraged by policy makers in the world’s dominant economies, not least successive governments of the United Kingdom. These errors were identified at the time by some of the world’s leading economists and commentators who warned about the politics of deregulation and globalisation, but these critical voices were marginalised by supporters of Rational Choice Theory who believed that the Market would provide the solutions for all mankind.

Unfortunately, these same theorists have not learnt the virtues of humility and are busily rewriting history, stating that the root of the crisis is Sovereign Debt and not the failures of private capital. This myth has been bought wholesale by the Chancellor George Osborne and his colleagues in the UK Cabinet, and the ‘solutions’ they are peddling for the UK are now being imposed upon the devolved regions and nations of the UK.

2.3 Congress fully agreed with the Minister for Finance and Personnel when he and his colleagues in Wales and Scotland, joined by their respective First Ministers and Deputy First Ministers, said in an historic Joint Statement in October 2010 that the cuts were “too fast and too deep”, that the UK Government’s plans are “entirely the wrong approach for the economy” and that the cuts will do “lasting damage to the economy and the fabric of our public services.” The Joint Statement directly challenges those with vested interests who claim that ‘there is no alternative’.

There clearly are alternatives, based on a realistic understanding of the entire economy of the UK, the regions of England as much as the Devolved Administrations. The trade union movement across these islands has forcefully argued for policies based on investment and we have made our case to our locally elected Administrations in Scotland, Wales and Northern Ireland. That is why we still hold firm in the belief that “promoting economic growth is the best way to restore the health of our public finances and this must be our overriding priority,” in the words of the Joint Statement.

The Draft Budget, as presented last December holds little of the promise of the Joint Statement. The Minister’s assertion that “this Draft Budget continues to prioritise the economy, provides a degree of protection to the health service and seeks to assist the most disadvantaged in our society” rings quite hollow as the slim details emerge from each devolved department.

2.4 In para 1.2, the “emerging Draft Programme for Government” and the “Investment Strategy for Northern Ireland” are cited as government initiatives with which the Draft Budget is consistent.

As the PfG is not expected to see the light of day until after the NI Assembly elections in May, it is hard to evaluate any consistency, unless the Draft Budget *is* the PfG, regardless of the choices made by the electorate in Northern Ireland next May.

- 2.5 If the PfG states, de facto if not de jure, that its contents depend upon the whims and wisdom of the Chancellor, then many will ask what was the point of 13 years of hard talks and meaningful compromises between the political forces in Northern Ireland.

This is not a trivial point. There are remnants of politics as it used to be played out, preaching dissent and practicing mayhem. Since Justice and Policing was devolved, their costs have also landed on the shoulders of the NI Executive. The Department of Justice is the third most expensive department, totalling 12% of the entire budget. Serious unrest or other, unthinkable but plausible, scenarios, will have a fiscal consequence for the NI Executive which did not arise heretofore. Don't think that lesson is being missed by people with the mentality of "the worse, the better."

- 2.6 Nor does it help that the public consultation of the Draft Budget was a farce.

Our colleagues in the trade union Unison have detailed the failures in the process of public consultation on the Draft Budget. EQIAs have effectively been sidelined and the Equality implications for groups most likely to be adversely affected by the cuts have not even begun to be teased out, let alone addressed.

- 2.7 Submissions from the Equality Commission and the Committee for the Administration of Justice (CAJ) have added further detail on the procedural flaws in the consultation process, and the Law Centre NI has published a substantial work of analysis carried out by the Institute of Fiscal Studies which clearly demonstrates that austerity measures imposed in Northern Ireland will be very bleak indeed, and will severely impact on the economy as a whole.

- 2.8 Devolution of political power to the people of Northern Ireland was supposed to create structures of governance which would be 'closer' to the voters and therefore more accountable to their needs. The clear implication being that the people would have their say on matters of high public importance. The truncated consultation period was bad enough, but it was also combined with an absence of information. There was little or no consistency in the presentations issued by the individual departments in what could be generously described as a haphazard manner. The Draft Budget came too late and said too little.

- 2.9 Para 1.8 makes the excuse that "in a strategic document such as this, it is not possible to provide a completely disaggregated level of detail to allow views to be taken on individual departmental programmes or projects." Why not? Members of Parliament know and understand that the annual announcement of the UK Budget is largely theatre, and that the details lie in what is known as the 'Blue Book', usually issued in the immediate aftermath of the Chancellor's speech to the House of Commons. Leaving out the details does not make the devils go away.

- 2.10 Placing responsibility for such data and detail onto individual departments seems to be either shifting the blame for unpopular decisions onto the individual ministers, or a failure of the basic principles of collective cabinet responsibility. Either way, this is a recipe for division which bodes ill for the effective functioning of the Executive. It also makes it more difficult for the NI Executive to make a strong collective case to the UK Treasury against the cuts being imposed from above.



Devolution of *blame*, from the Prime Minister, to the Chancellor of the Exchequer, to First Minister and Deputy First Minister, to Minister for Finance and Personnel, to individual Executive Ministers, to local councils, agencies and trusts, is not the vision of devolution negotiated and approved by all of the political parties on the NI Executive.

- 2.11 The Draft Budget provides some salient and useful Economic and Social Context. It points out the strategic and structural weaknesses in the economy of Northern Ireland. It also points out the extent of the ‘fiscal consolidation’, or ‘cuts’, being imposed on Northern Ireland – 8% of Resource DEL and 40% of Capital DEL.
- 2.12 Para 2.7 does what Para 1.2 does: It promises some degree of enlightenment in a document from the UK Coalition Government. The promised paper on rebalancing the local economy, which was due for publication by the end of 2010, has yet to appear, and its fate, like the other papers mentioned above, may depend upon this Draft Budget. It is extremely unlikely that a proposal to radically alter taxation in Northern Ireland could be made without severely affecting a four-year economic plan.

A cut in Corporation Tax, as envisioned by its supporters (including the Secretary of State for Northern Ireland), would mean an unavoidable reduction in the Block Grant of between £200 Million and £300 Million annually, or the equivalent of the entire cutback in Current DEL for 2011-12 (£238 million). All that additional pain and stress on the system and upon individuals for a proposal whose fiercest promoters concede may not produce a single additional job.

- 2.13 Instead of waiting for Strategic Documents, we ought to examine the facts of Northern Ireland as evidenced by subsequent paragraphs.

Para 2.9 admits that “little progress was made in improving relative living standards” between 2000 and 2009, despite a ‘boom’ period in employment. The ‘boom’ was based upon short-term fixes, a property bubble and growth in low-paid jobs in the service sector. FDI concentrated upon such service jobs while the long-term decline in manufacturing was not addressed adequately.

These structural weaknesses have become apparent during the downturn. Para 2.10 illustrates the Changes in Sectoral Output, with marked declines in construction, mining, manufacturing, hotels & restaurants, and especially business services & finance. The collapse of the construction sector has been hugely important, given that it once employed one-in-seven of all employees. The demise of the mortgage market has clearly impacted upon financial services and the fall in property prices has impacted upon the confidence of consumers, who no longer feel able to afford such luxuries as trips to a restaurant.

- 2.14 Employment has fallen to the levels of 2005, while little has been done to increase the amount of people classified as ‘Economically Inactive’. All of this illustrates the weaknesses of the private sector, which throughout the ‘boom’ remained too small and vulnerable to shocks such as the crash of 2008. Even apparently sustainable jobs in manufacturing were dependent upon construction, as detailed in Para 2.23
- 2.15 Para 2.27 then points out the next stage in what could mean a decline in the private sector economy which will make a mockery of the UK Coalition’s hope that the private sector can ‘step in’ to replace the planned cuts in an estimated 30,000 public sector jobs in Northern Ireland, with an additional 10-15,000 private service sector jobs under threat. Public procurement is worth over £3 Billion every year, according to figures compiled by the Committee for Finance and Personnel.

Para 2.28 compares the UK figure of 39.8% of total output which originates in the public sector, with the NI figure of 62.6%.

Para 2.29 observes that half of total construction sector output depends upon public sector capital expenditure. This budget is about to be cut by 40% over the next four years, while property prices continue to decline.

- 2.16 It is hard to disagree with the analysis in Para 2.31. It is even harder to ascertain how we are to improve skills, promote enterprise, innovation and R&D and invest in economic infrastructure, given the policy choices being made in Westminster.

The facts of the economy make a mockery of the 'challenge' outlined in Para 2.30. Austerity measures point in one direction. The economy will not grow. It will shrink.

- 2.17 The structural weaknesses of the NI economy have been cruelly exposed by the recession, and it is absurd to assert that a private sector which is too small and extremely fragile can take the reins of a 'rebalanced' economy, and create stable and sustainable employment.

In many ways, and despite the ideological bluster of the very people whose theories about Rational Choices created the crisis, the public sector *is* the backbone of the economy of Northern Ireland. Irresponsible cutting at that base will undermine the foundations of any economic recovery, and could plunge Northern Ireland into an economic trough from which it will take decades to recover.

- 2.18 This is an obvious observation once one looks at the limited data supplied. The economy of Northern Ireland is in no position to be anyone's experiment, and that is true politically as well. The Conservative –led coalition government has no right to impose such a radical plan upon a region of the UK which has elected not a single MP from either party in that coalition. The NI Executive has a role in defending the people who elected them to represent their interests. It has failed to do so. In that regard, it too shall bear the responsibility for these unnecessary and ideological cuts.

- 2.19 Funding and revenue raising proposals are limited by the terms of the devolution settlement. This is a mixed blessing, as revenue can be cut as much as raised, and indeed was with real-terms cuts in the regional and business rates, with an additional cut for the wealthiest homeowners through the £400,000 capital cap on domestic rates, equating to an annual £5 million subsidy to 5000 householders living in the most valuable homes. If the freedom to alter taxes had been in the gift of the NI Executive, then it is entirely plausible that Corporation Tax would have been cut already, with the deleterious consequences outlined above.

Para 3.22 proposes increases in regional rates in line with inflation. Congress recommends that the increases in the baseline be set at the level which it would have been if the freeze on rates had not been introduced in 2008. A similar approach would be recommended to Business Rates (Para 3.23), as the principal beneficiaries tend not to be small businesses, but their landlords. Congress would agree with the 30% liability for manufacturing rates (Para 3.24), given the vulnerability of the sector and the fact that manufacturing sites tend to be larger, and thus proportionally more significant contributors to the public purse by way of rates.

- 2.20 Para 3.30 continues the deferral of household water charges. There is justice in this, but sooner rather than later, the Executive is going to have to resolve this issue. Congress agrees with the Coalition Against Water Charges that the public's contribution towards the costs of water and sewerage services should continue through the regional rates system. In this context we believe the NI Executive must reconsider the current regional rates policies.
- 2.21 Congress agrees with the proposal to tax plastic bags, and use the proceeds to contribute to a Green New Deal (as is clearly implied). However, we are dismayed that the estimated £4 million to the Green New Deal is the total contribution to an initiative which has substantial support from trade unions, environmental groups and a wide range of business organisations, not least the construction and manufacturing sectors. Inadequate investment in these renewable technologies at this time will mean that Northern Ireland will possibly miss out on the enormous potential of this sector as the global economy recovers.
- 2.22 Para 3.31 refers to a Ministerial Budget Review Group, established in June 2010, whose remit was to examine revenue raising proposals, among a "wide range of strategic issues. However, as with other bodies referred to in Paras 2.7 and 2.1, there are no useful suggestions just yet, but if any arise, "they will be factored into the final Budget allocations." We await with interest these proposals.
- 2.23 Congress welcomes the decision to give more commercial power to Belfast Port, however, it is difficult to find justification for the claim that £800 million could be raised annually.
- 2.24 Para 3.28 call for "savings through improvements in efficiency rather than reductions to services." This implies that there is still large amounts of 'waste' in the system, despite consistent savings targets over recent years and a de facto recruitment freeze in many departments. The point has been reached where services are the only option for cuts in the prevailing circumstances. The most 'expensive' departments are so costly because they employ skilled and dedicated people who provide essential services to the public, in Health, Education and Policing. In order to effectively interact with the 'frontline' (ie, the public), these workers depend upon 'backroom' services. There is little or no 'fat' to cut.
- 2.25 Para 3.33 attempts to reign in public sector pay, but regrets that it cannot, as pay awards for most public sector workers are determined by national agreements. However, its power to vary the incomes of the NICS (Para 3.34) is questionable in terms of actual savings. On the contrary, this cut (at a time of RPI inflation reaching 5%) will result in less consumer spending on private sector services.
- 2.26 Congress welcomes the decision to support savers in the Presbyterian Mutual Society, in line with similar government action which protected depositors in other financial institutions. However, we are concerned about the decision to devolve responsibility for bailing out savers in the PMS through the Reinvestment and Reform Initiative, rather than through the UK Treasury. It is like expecting Newcastle City Council to cover the cost of bailing out Northern Rock, or the Scottish Executive to carry the losses of the Royal Bank of Scotland, because its corporate headquarters are in Edinburgh. This imposition, announced by the Chancellor, means that access to the RRI (already limited to £200 million per annum) by the NI Executive has been further curtailed.



- 2.27 Para 3.50 refers to the Green New Deal as being “ambitious”. It is unfortunate that the Draft Budget is not as ambitious with an allocation of £4 Million per annum. This is unfortunate, given the wide support for the GND Business Plan from trade unions and employers, and the expertise exercised in constructing a plan which could leverage 72% of its funding from the private sector on the basis of state support of 28%. This public investment would be more than regained though reduced unemployment benefits and increased tax revenues. Given the economic analysis referred to above, demonstrating the severity of the downturn in the manufacturing and construction sectors, an opportunity for developing our economy as much as our infrastructure is in danger of being sidelined into a pilot scheme.

### 3. Summary

Congress believes that the Draft Budget is unworkable. Already, analysis of the Draft Budget by PWC, commissioned by NIVCA, has demonstrated that at least two major departments are basing their spending plans on deficit financing. The discordant and irregular responses from the 12 NI Executive departments demonstrate a lack of common purpose on the economy and imply political positioning ahead of the NI Assembly election in May.

Public input to the consultation has been truncated and legally dubious. Given the squeezed timescale (between the CSR and the onset of the Assembly election), perhaps a one year budget, as agreed by the Government of Scotland, would have been preferable. As it is, we are going to have an election with most of the possibilities of the next PfG already determined by this four-year plan.

The plan which really matters, of course, is not being set in Stormont, but in Westminster. The plan being espoused by the UK Coalition Government will almost certainly not work, even in its own narrow ideological terms. The impact of this plan on the economy and society of Northern Ireland will be with us for decades.

It is time for a Plan B, and it is time for the devolved governments to argue forcefully with the Westminster authorities for a better and a fairer way.

## Submission on the HM Treasury Review on Rebalancing the Northern Ireland Economy

### Introduction

1. As an organisation representing 250,000 employees in Northern Ireland (NI), Congress welcomes the opportunity to present its views on the review of Corporation Tax (CT) policy in NI, and to explore the options for 'rebalancing' the economy of NI.
2. Congress has an acute interest in this Consultation for two reasons. First we believe that in the interests of our members a fair balance on shouldering the burden of public expenditure has to be struck between the individual citizen and the corporate player. Secondly in the interests of the community as a whole, tax and other incentives must be designed to enhance progress towards agreed economic and social aims.
3. There is a question about the understanding of what is meant by "re-balancing the economy", because merely transferring economic activity between the public and private sectors raises only slightly – if at all - economic growth and better jobs. This point seems to be recognised in paragraph 1.15 of the Treasury paper. This paragraph makes it clear that the rebalancing the economy is the means of achieving the aim "of increasing economic growth overall, rather than redistributing growth between regions and countries". Redistribution between the public and private sectors is not consistent with the aim of growing the NI economy as a whole.
4. Paragraph 2.8 of the Treasury paper says as follows:

*"A large public sector can crowd out the private sector, for example through distorting the labour market and high levels of public sector asset holding. Northern Ireland has high levels of public sector wages compared to the private sector."*

Congress resists this view. It implies that public sector jobs are not as good as private-sector jobs, it assumes that Northern Ireland cannot sell the benefit of its expertise in the administration of public services and in the skills required for public sector to the rest of the UK, which has always been the reason why jobs have been relocated to Northern Ireland. There is also absolutely no evidence of crowding out of the private sector when there is unemployment and there has been persistent unemployment in the Northern Ireland economy. Crowding out only happens when all resources are utilised and that is something that Northern Ireland can only dream about. In other words, there is no reason to get rid of public sector jobs or to run down pay rates in them simply to encourage the private sector when there is already sufficient capacity available for the private sector to create all the jobs it needs. Paragraph 2.9 confirms that capacity is available whilst paragraph 2.10 also makes clear that the apparent low productivity has nothing to do with actual rates of productivity, but is because the mix of activity in Northern Ireland is different from the rest of the UK. It may, therefore, be that actual productivity rates for the particular mix of employment activity undertaken in Northern Ireland is very high, as may be indicated by the comparison with Wales and North East England.

5. We all (that is the UK Treasury, the NI Executive and all stakeholders) must trenchantly resist the views of those like the chairperson of the Economic Advisory Group, Kate Barker, that **"there would be no mechanism put in place to stop companies retaining the savings or paying them**

**back to shareholders as dividends, rather than reinvesting in the economy”.** (Belfast Telegraph, 17th May 2011). At a time of financial stringency, it would be morally and fiscally irresponsible to deliver a free lunch to wealthy shareholders or company directors who would face no obligation to create a single extra job.

6. There is a consensus that the aims of economic policy for Northern Ireland, in line with the Lisbon Strategy for the whole European Union (EU), are to achieve better growth and better employment. Our lower productivity compared with other regions of the UK and Europe has been identified as a major barrier to fulfilling this aim. There is also a large measure of consensus that there are two key factors to closing the productivity gap. In this analysis, we do not differ from the genuine consensus which we share with HM Treasury and every other stakeholder. However, we dissent from the manufactured ‘consensus’ that the ‘game changer’ in addressing the shortcomings of the NI economy is a reduction of the rate of Corporation Tax to 12.5%.
7. First we need to improve the structure of our economy so that we have more jobs in higher valued-added sectors, such as knowledge-based industries. Secondly we have to upgrade the skills of both those in the labour market and those who are economically inactive. The proposals set out in this paper are geared to achieving these two objectives. Measures targeted on these objectives will be more effective than a scatter-gun approach, which will carry a lot of deadweight and consequential inefficiency.
8. We propose to approach the Consultation by addressing the key areas outlined in paragraph 1.16 of the consultation paper. Congress will address each of the headings and will do so diligently and under the assumption that the government will treat this submission with the respect it deserves. We apologise for any offence taken if the preceding statement implies that our submission will not be fully considered, but this is being written against the backdrop of the quite unprecedented antics of the Secretary of State, Owen Patterson, who is explicitly on the side of those in favour of a cut in CT and is urging supporters to send as many pro-cut submissions to this consultation. The fact remains that the NI Committee of the ICTU is the democratic voice of its affiliate trade unions and their members. Any attempt to make an equivalence between the views of an employer or a company director and the thousands of trade union members across private and public sectors would amount to a new definition of gerrymandering. This debate has been distorted from its inception by misinformation, political expediency and undeclared conflicts of interest. One expects such an august institution as HM Treasury to resist being swamped by pleas for tax cuts or pressure from Government Ministers who have surely crossed an ethical line when they use the NIO’s resources to call for lobbying his own government: -

“George Osborne has already announced reductions to the main and small business rates of UK Corporation Tax. That will help every firm in Northern Ireland. Yet given our need to boost the private sector I believe we need to go further... Business men and women, civic leaders and indeed newspapers have to tell the Chancellor what they have been telling me for years, that this is an idea whose time has come...

“The consultation on Corporation Tax runs up to 24 June. I urge everyone to respond positively to the consultation document sending a crystal clear message.

“We want this to happen.”

<http://www.nio.gov.uk/cutting-corporation-tax-is-crucial-to-shaping-economy/media-detail.htm?newsID=17737>



9. We note Paragraph 1.21 which is a proposal to establish “a high level consultation group to consider the issues raised in this paper, involving representatives from the private sector and others in Northern Ireland”. We assume that Congress will be invited to bid for a place on this group, as the largest civil society organisation on the island of Ireland, and that it will not be a predictable mouthpiece for private sector employers with a vested interest in a reduced rate of CT. Further, it should not be assumed that all of the private sector are in favour. Several prominent business leaders are opposed to such a move. So far as we are aware, no-one has asked the opinions of private sector employees, although their bosses have been regularly polled on this matter.
10. While it may be understandable that business would like to have its taxes cut, equally the same can be said of the individual taxpayer. However the important consideration is whether a reduction in personal taxes or in business taxes will create more jobs. In our current situation where our continuing economic difficulty is down in some measure to a decline in domestic demand, it is at least arguable that stimulating domestic consumption by cutting personal taxes would have a more direct effect on economic activity and job creation, than cutting business taxes. Indeed, it could be argued that a policy of job creation based upon social need, rather than market forces, would result in greater provision of public services where need has been demonstrated, such as Mental Health services. Therefore the NI Assembly might consider taking up the offer made to the Scottish Assembly for power to vary income tax bands by 10p.
11. Treasury need to inject absolute clarity in the debate as to how much a cut in Corporation Tax rates will impact upon the block grant. Too many estimates are circulating and more certainty is required. Table 4.A suggest the cost could be £270million by year 5. Table 4.B suggests £225million. ‘Sources close to the Chancellor during his recent visit to NI, suggested £385million. Other costs which require estimation are unspecified, not least the additional administrative burden for businesses operating in both NI and GB. Either way, job losses could result.

#### Effect of corporation tax on investment

12. Congress believes that the question of the effect of tax on business should be put in the context of international surveys, which show that the UK is not over-burdened with business taxes in comparison with other states. One such survey is the Ernest and Young Annual Investment Monitor, which confirms that in 2006 the UK’s position as the most attractive destination for inward investment had been maintained. This is backed up by more recent research by Price Waterhouse Coopers, in their *Game Changer or Game Over* report of January 2011, which demonstrates that the UK, including Northern Ireland, had the sixteenth most business-friendly regime of 182 countries, despite having a higher corporation tax rate than many other countries. The PWC report notes that: “with around three percent of the UK population, Northern Ireland secured 10.3 percent of new FDI employee jobs, as compared to its long-term average of 7.4 percent.” The same report further notes that “there is some evidence that low CT is of limited value in stimulating an indigenous, small-firms economy (such as Northern Ireland’s): ...‘low CT rates are relevant where businesses are already profitable, but not relevant to the growth of emerging companies’...” The footnote to the quotation adds an observation about “deadweight effect of a reduction in rates”, meaning that “utilities and banks and long established manufacturers could take a lot of windfall gain to their profits” and that no differentiation can be made, “due to EU rules to prevent discrimination between sectors.” This concern was noted by the House of Commons Select Committee on NI report of April 2011, but is summarily dismissed as “rough justice”, a remarkably blasé approach for legislators to take.

13. Evidence specific to NI that Congress draws attention to is that the Bank of Ireland has estimated that only 750 businesses in NI actually pay corporation tax at the current top rate of 26%, which will be reduced to 23% by 2014. In contrast almost 50,000 businesses have benefited from the lower corporation tax rate of 20% for smaller businesses, but this has not stimulated significant economic development. Moreover some of the 750 businesses that pay corporation tax at the 26% rate and are at the forefront of the campaign to reduce CT are financial institutions, newspapers, etc., which may well pocket a reduction in tax and contribute no additional return in terms of economic development. When asked by the NI Select Committee on 10th November 2010 if cutting CT would guarantee anything like the 45,000 jobs which the CBI predicted would follow, its NI chair Terence Brannigan was obliged to admit that “there is no guarantee and it would be totally misleading of me to sit here and say that I could guarantee you. I couldn’t guarantee you anything.” (HC 558-ii, Q110)
14. A feature of the campaign for reducing the rate of CT is forecasting the impact on employment should such a tax cut occur. The first such forecast was presented in the 2006 paper from the Industrial Task Force (often and erroneously referred to as being from ERINI, the then independent economic research vehicle to the NI Government), which predicted that an additional 5,000 new jobs per annum would result in a cut from reducing CT from its then rate of 30% to 12.5%. From the perspective of 2011, it is easy to mock the upbeat predictions of the boom period, but that has not prevented subsequent pro-cut proselytisers from making predictions. The 2010 report from the Economic Reform Group suggest that 80-90,000 new jobs would be created in the 20 years after reducing CT to 12.5%. Based on the same evidence and methodology (itself created by the TaxPayers Alliance as part of its proposals to dramatically reduce CT across the entire UK), the CBI plumped for the same figure, using a formula that “a 1% reduction in corporation tax brings a 1% increase in employment”, as Mr Terence Brannigan told the NI Select Committee. When pressed, however, Mr Brannigan conceded that he “couldn’t guarantee you anything”, as noted in the previous paragraph.
15. Another attempt at predicting the creation of new jobs was made by the Economic Advisory Group, which provides “independent advice to the DETI minister,” Ms Arlene Foster. The EAG predicted 58,000 new jobs by 2030, based on CT being reduced to 12.5% by 2014. “This represents an average of over 4,500 jobs per year in the longer term, throughout the economy, peaking at 5,800 per annum by 2030.” However, the full EAG report includes both higher and lower scenarios, of 69,000 and 47,500 new jobs.
16. While noting the more cautious estimates of the EAG, it should be further and especially noted that the three reports referred to (the EAG, the Industrial Task Force and ERGNI) all use the same methodology and the same company to ‘run the numbers’. That company is Oxford Economics, whose Director of Regional Services, Neil Gibson, “was instrumental in building the Corporation tax model underpinning the ERINI study and has constructed a wide range of forecast and analytical models relating to current policy debates”, according to the ERGNI website (<http://www.ergni.org/about.php>). Mr Gibson is rightly described by the ERGNI website as having “particular experience in developing forecast models, delivering evidence based policy advice and providing thought leadership on issues facing regional and sub-regional economies”, and there is no suggestion here that his character or his ability as an economist is under any question. However, it should be noted that the three most important reports arguing the case for reducing CT in NI all use the same methodology and the expertise of the same company and the same economist. While understandable from the more polemical reports from ERGNI and the Industrial Task Force, it is surprising that the EAG would rely upon the same source for independent and impartial analysis. The fact remains that Mr Gibson is a member of ERGNI,

which is a campaigning organisation, which “take(s) the view that reduced corporation tax is the best way to ensure a rapid acceleration in investment and productivity.” This is no criticism of Mr Gibson or his colleagues in ERGNI. It is, however, an issue of legitimate public concern that a publicly-funded body, which provides “independent advice to the DETI minister”, should use without comment or caveat the skills of Mr Gibson, without an attempt to ‘balance’ the situation by utilising the skills of other economists who may hold a contrary view to Mr Gibson.

17. It is notable that the analysis provided by HM Treasury on the issue does not attempt to predict the effect on employment following a reduction in the rate of CT. This is wise. As noted in paragraph 4.28 of the Treasury paper, “estimating long term job creation with accuracy is extremely difficult”.

HM Treasury have, however, carried out estimates as to the loss to HMRC of CT revenues, and the knock-on effect on the annual block grant to NI. HM Treasury estimate that the total tax effect will be between £230-285 million per annum by year 5 of the changed tax regime. However, estimates vary wildly, with ERGNI concluding much lower losses for HM Treasury and a ‘break even point’ as early as “Year 7 or 8”. This optimistic estimate can be explained by ERGNI’s reluctance to include additional costs should some companies engage in profit-shifting or tax-motivated incorporation. The Varney report of 2007 estimated that losses to the Treasury could be as high as £300 million, and it is assumed that the slightly lower estimates made in 2010 by HM Treasury takes into account the decline in CT revenues as a result of the recession.

18. There remains real uncertainty to this matter, which can only be resolved by HM treasury itself. Congress agrees with the recommendation of the NI Select Committee that “The Treasury urgently needs to set up a system which can accurately assess how much corporation tax is collected in Northern Ireland. (Paragraph 66).” Congress further agrees with the NI Select Committee that “The Northern Ireland Executive needs to know how much corporation tax is raised in Northern Ireland, how the corresponding reduction in the block grant will be calculated, including how the block grant is readjusted in retrospect, and how this is likely to impact upon the total block grant and public expenditure planning now and in the future. (Paragraph 68),” and “the UK Government clarify whether any mechanism can be devised that allows HM Treasury to return to Northern Ireland a share of the revenue raised that is not corporation tax if receipts from other taxes are reasonably clearly related to changes in the corporation tax rate (Paragraph 75).”
19. This implies that “other taxes” would include income tax and NIC. HM Treasury accept that the changed (and hopefully improved) economic situation would impact on VAT and excise duties collected. “If this proposal was carried through, revenue raised in Northern Ireland would be collected by HMRC on a UK wide basis, then reimbursed to the Northern Ireland Executive, according to some pre-agreed formula between Northern Ireland and HM Treasury necessitating another layer of administration. The Secretary of State expressed doubt that this would work, and there are likely to be questions about how any such mechanism would conform to the third criterion of the Azores judgment relating to financial responsibility” (Paragraph 74).
20. Regardless of the doubts of the Secretary of State, the NI Select Committee are right to request that mechanisms for mitigating the cut in the block grant should be explored and that any proposed cut in CT should not be viewed in isolation when it comes to meeting the legal requirements of the Azores ruling.

There are separate implications of the Azores ruling which ought to be considered, and these will be explored later in this submission.



21. HM Treasury have echoed the concerns about 'Brass Plating' originally raised by the Varney report of 2007. It estimates Tax-motivated incorporation to reach £50 million annually by Year 5 and a £25-35 million yearly net cost to GB from Profit-shifting. It is not difficult to see where such concerns arise when one looks at the most recent listing of NI's biggest businesses, in the Belfast Telegraph's Top 100 Companies. Of the top ten, six are headquartered in GB: Tesco; Asda; Royal Mail; Four Seasons Healthcare; Sainsbury's and Dunbia. The next ten companies include Marks & Spencer, BT, HBOS and Alliance Boots. While we must assume that none of these companies presently intend to take undue advantage of the opportunities which would arise, each has both motive and means to do so. Indeed, there are difficult-to-confirm reports that some GB-based companies have already incorporated themselves as NI-based operations in the clear expectation of a reduction of CT in NI.
22. Legally, there is a limited amount which can be done about this, nor is it a pressing concern for advocates for cutting CT. A solution of sorts would be a 'headcount test', as suggested by the Holtham Commission, or greater devolved powers of tax administration (whose extra costs would have to be met by the NI Executive). Richard Murphy, author of the TUC/ICTU paper *Pot of Gold or Fools Gold?*, comments: "The rest of the UK would then need to put up massive tax barriers to trade with Northern Ireland to prevent artificial tax abuse by companies really located in England, Scotland or Wales, That would be enormously harmful in terms of administrative burden to doing trade with Northern Ireland."
23. This additional cost would be a substantial burden to the SMEs which comprise 95% of Northern Ireland's existing private sector businesses, but would be perfectly manageable to large companies such as those listed in the Belfast Telegraph's Top 100 companies. Other enterprises which would profit from this scenario would be accountancy firms. Already there is substantial accountancy expertise in conducting business across the land border with the Republic of Ireland. One such is Michael Hall of Ernst & Young, who "has a particular specialism in advising companies which operate in the UK and Republic of Ireland on cross border tax issues", according to his short biography on the ERGNI website (<http://www.ergni.org/about.php>). Another member of the ERGNI pressure group is Eamonn Donaghy of KPMG, who "provides tax advisory services to some of Northern Ireland's largest businesses and regularly provides advice to multinational organisations making inward investments into the North" (<http://www.ergni.org/about.php>).
24. Moving on to the uptake of tax credits Congress is obliged to highlight the research commissioned by the Department for Enterprise Trade and Investment on the case for a higher rate of Research and Development (R&D) tax credit in NI. This research carried out by Professor R. Harris of Glasgow University showed that the uptake of the available tax credits for R&D in NI was surprisingly low. The efficacy of grants over tax concessions in securing economic aims is highlighted by paragraph 4.96 of the Treasury paper. This paragraph suggests that direct grants are a more effective way of achieving an increased level of investment in training than a training tax credit, although some EU states, such as France and Belgium, go for the latter.
25. The considered opinion of Congress is that the effect of tax on business decision making can be exaggerated, particularly in accounting for the success of the ROI economy. What is needed is a policy mix. Elements for this policy mix are proposed in the final section of this submission.
26. Paragraph 4.11 of the HM Treasury paper sagely notes that "it is necessary to be cautious in assuming that a lower corporation tax rate would have the same effect in Northern Ireland as it had in the Republic." The first point to be made ought to be the underlying assumption of most

of the pro-cut papers that CT at 12.5% was the cornerstone of the ‘Celtic Tiger’. The comparison with the ROI overlooks the undoubted contribution which the various partnership programmes, agreed between the trade unions, employers and governments stretching back over 20 years, have made to the success of the ROI economy.

27. Other factors, which have also been overlooked, leading to the success of the ROI economy, include the availability of a workforce skilled in modern needs, the support for research and development and investment in public infrastructure. These are acknowledged in the PWC report, which adds that the three most crucial factors were long term trends and policy decisions around Geography (an English-speaking EU member), Education and finally Leadership and Consensus from the late 1950s until the collapse of Social Partnership in 2009.
28. The experience of the ROI has not been consistent when it comes to tax incentives. Between 1956 and 1980 the ROI had a zero rate of corporation tax on manufactured exports, but according to Charlie McCreevy, the former European Union Commissioner for the Internal Market and former Irish Finance Minister, it did not generate any conspicuous economic success. On another occasion Charlie McCreevy is reported to have said, “You won’t have economic success solely by taxation”.
29. A prime consideration, that is also passed over is the fact that the current rate of corporation tax in the ROI was introduced only eight years ago and after its economy began to take off in the early 1990s. In the ROI employment started growing to an unprecedented extent in 1989 when the rate of corporation tax was 47%. High GNP growth rates for the ROI began in 1994 when the rate of corporation tax was 40%. Immediately prior to 2003 there was a special low rate of 10% for exports and a higher general rate of 28%. Clearly the gestation period of the so-called “Celtic Tiger” was beyond the framework of the current corporation tax regime in the ROI.
30. As noted in Paragraph 4.78, trading profits in the Republic of Ireland are taxed at 12.5% whilst non-trading profits are taxed at 25%. This distinction should be replicated especially as, according to Paragraph 4.80, “around 25% of CT receipts are from non-trading income. If this were not replicated, then the purported point of the exercise, job creation, would certainly not benefit.
31. *In Pot of Gold or Fools Gold?*, Richard Murphy adds a further consideration based upon his expertise as a Chartered Accountant and a Tax Campaigner. He notes the folly of attempting to emulate the ‘achievement’ of the Republic of Ireland in terms of tax competition. Murphy notes seven key aspects of Ireland’s ‘success’ which could not and should not be copied by any part of the UK. They are:
  - The use and abuse of the International Financial Services Centre (IFSC);
  - Membership of the Eurozone;
  - Irish rules on the taxation of subsidiary companies;
  - Irish rules on the taxation of dividends;
  - Irish rules on ‘thin capitalisation’;
  - Ireland’s network of double tax agreements;
  - The availability of corporate secrecy in Ireland;
  - The Irish Revenue’s willingness to turn a ‘blind eye’.

The full text of *Pot of Gold or Fools Gold?* is added to this submission as Appendix 1, where more detail is offered. In short summary, he argues that FDI reached a peak in 2003, the year in which the blanket 12.5% rate was introduced,



Richard Murphy, author of  
*Pot of Gold or Fools Gold*

and declined thereafter. However, Portfolio investment into the IFSC mushroomed. The section on the Republic of Ireland concludes:

The core issue is a simple one, expressed in a formula that explain how much tax is collected in any tax system, which is:

$$\text{Tax collected} = \text{Tax rate} \times \text{income subject to tax}$$

32. The proposal that has been made to reduce the corporation tax rate for Northern Ireland to 12.5% concentrates solely on the tax rate element of this equation. The reality is that whilst this is the totem that attracts business to Ireland the matters described in this section – many of which reduce the income subject to tax in Ireland - are at least as important to those companies that are seeking a location for their foreign direct investment. Northern Ireland cannot replicate these advantages for the reasons noted. As such tax collected in Northern Ireland will be higher than tax collected in the Republic of Ireland on identical operations.
33. As such two important conclusions can be drawn. The first is that it is wrong to claim that Ireland's growth has been solely dependent on its low tax rate. That is simply not true. Many other factors relating to tax and other issues have also been just as, if not more, important. Second, Northern Ireland cannot compete with the Republic by simply offering a 12.5% tax rate because that by itself will simply not be enough for it to create a level playing field within the island of Ireland.
34. A third important conclusion can then be drawn. If, as is the case for example for Google in Ireland, the Republic actually offers the chance to pay almost no tax at all then no tax rate that Northern Ireland can offer can out-do the offering that the Republic currently makes available. Put another way, Northern Ireland cannot compete with the Republic of Ireland on tax and win: that is just not possible.
35. The UK Treasury is introducing a number of targeted measures such as increasing SME's tax credits for R&D expenditure and a 10% rate for income from patents (Paragraph 4.86). The range of these targeted measures undermines the case for an overall reduction in the rate of CT.

### Section 75 and Human Rights Considerations

36. 'Paying' for a cut in corporation Tax with a cut in the block grant can lead to one of two things: either less public spending or raising revenue from elsewhere. The first of these two options should be avoided primarily for two reasons. A reduction in public spending either directly by the public sector or through the private sector would be likely to impact more severely on the less advantaged in the community and possibly have adverse Section 75 repercussions. Recent research carried out by the Institute for Fiscal Studies on behalf of the Law Centre NI has already notified the Government and the public that the austerity measures of the UK coalition government are disproportionately affecting the poorest. Under Section 75 of the Northern Ireland Act 1998, there is a statutory requirement for Equality Impact Assessments of legislation pertinent to NI. Secondly, in the current economic circumstances it is likely to deflate more than ever consumer confidence, which will dampen further domestic consumption and thereby intensify our economic difficulties.



37. A further consideration which ought to be made is the Human Rights and Equality implications of cutting CT and paying for the cut by a reduction in the block grant to Northern Ireland. The NI Human Rights Commission:
- Draws attention to relevant human rights obligations the state has accepted, such as those under the UN International Covenant on Economic, Social and Cultural Rights (ICESCR), which are relevant to questions of human rights revenue-spending (budget) analysis;
  - Sets out its view that if there were no secondary benefits a cut in Corporation Tax to 12.5% would be retrogressive in human rights terms due to a significant shift (an estimated £200-300 million) in the revenue burden away from the profits of companies, which would have to be recovered through either levying additional charges or taxes in NI and/or by significant cuts to NI public spending with consequent job losses and cuts to public services.
  - Draws attention to the difficulties at present in assessing accurately the short and long-term secondary impacts of a cut in Corporation Tax and the Commission's view that, given the significant risk involved to economic and social rights, the Northern Ireland administration should first satisfy itself there is a compelling evidence base of secondary benefits (additional employment with the consequent raising of living standards and tax revenues etc) before such a cut in Corporation Tax is implemented.
  - Draws attention (in relation to the proposal to take forward future planning by 'establishing a high-level consultation group', which would be made up of 'representatives of the private sector' and 'others') to the social partnership model underlying the European Social Charter which, involves equal representation of employers' organisations and trade unions in the context of matters where there are competing interests and therefore diverging views.

This submission is also available on the Commission's website at: (resources/submissions to consultations/2011)

[http://www.nihrc.org/index.php?page=subresources&category\\_id=26&from=0&resources\\_id=146&search\\_content=&Itemid=61](http://www.nihrc.org/index.php?page=subresources&category_id=26&from=0&resources_id=146&search_content=&Itemid=61)

### National and international context

38. If the NI Assembly is minded to take power to set the rate of corporation tax for NI, it must also ensure that it takes powers to widen the revenue raising options open to it, so that it can take measures to compensate for the loss of revenue arising from a reduced rate of corporation tax. The targets for raising compensatory revenue should be along the lines identified by the Minister for Finance and Personnel, Sammy Wilson. According to the *Belfast Telegraph* of 10 February 2011 he wants to reduce the cost of lowering corporation tax by targeting tax breaks on firms meeting aims for investment, job creation and training.
39. This point is reinforced by paragraph 4.7 of the Treasury paper. It identifies "skills in the workforce" as one of the non-tax factors determining investment levels. There are indications that during an economic crisis companies do less training and such training as they do provide is concentrated on core competences and company specific needs to the detriment of transferable skills. It is therefore important to ensure that training is directed at upgrading transferable skills, which make the economy more competitive.

40. Returning to the Finance Minister remarks, referred to above, he said, "A flat rate reduction in corporation tax everybody gets, even companies who won't invest another penny, don't employ an extra person, don't put tuppence into R & D and don't develop markets." In the USA it was argued that a tax holiday on foreign earnings would create jobs and generally help the economy. However an analysis of such a holiday in 2004 by a team, which included a member of the Council of Economic Advisers of George W. Bush, found that for every extra \$1 of foreign profits American firms brought home, payments to shareholders went up by 60 to 92%. For businesses, which do not deliver increased research, development and innovation, more and better jobs and opportunities for upgrading skills, a cut in corporation tax would be a windfall. We are therefore opposed to the views of those like the chairperson of the Economic Advisory Group, Kate Barker, that "there would be no mechanism put in place to stop companies retaining the savings or paying them back to shareholders as dividends, rather than reinvesting in the economy".
41. If lower corporation tax cannot be targeted as outlined by the Finance Minister, then windfalls should be subject to special taxes. For example the financial sector needs to make a fair contribution to public finances. At the moment the financial sector is exempt from VAT. In the case of Barclay's *The Economist* said in February 2011 that "Compared with its level of activity in the country (UK), the bank's tax bill looks paltry". Consequently there should be a financial transaction tax (FTT), as advocated by the European Commission at global level. The FTT itself should be targeted at non-traditional banking.
42. Businesses outside the financial sector given windfalls should have any reliefs from business rates withdrawn unless they implement measures to improve the energy efficiency of their plant or machinery, or to combat climate change or to contribute to urban re-generation possibly through Business Improvement Districts, which have been legislated for in all other regions of the UK and in the Irish Republic. The cap on rates for expensive domestic properties could also be lifted to raise revenue.
43. The scope for varying national insurance contributions (NIC) in NI has been stymied by the announcement of the UK government that there will be a temporary holiday for new businesses for 3 years. Outside London, the East and the South East new businesses will be exempt from up to £5,000 of employer NIC for each of the first 10 employees hired. According to the Treasury paper up to 15,000 businesses in NI could benefit from this scheme. Such a targeted scheme could be more effective than an across the board cut in corporation tax, but any extension of this concession would be likely to break the EU state aid rules (paragraph 4.98). In any event it would be essential to assess the impact of the concession before extending it.
44. An "all-island economy" would undoubtedly enhance NI's economic growth rate. The advantages are detailed in the Comprehensive Study on the All-island Economy commissioned by the UK and ROI Governments. Congress stresses energy, transport, R&D and higher and further education and health as sectors contributing significantly to the performance of the NI economy. Brief comments are offered of each of these sectors in the paragraphs that follow.
45. In the energy sector an all-island market would provide both greater security of supply and more competitive prices, owing to greater economies of scale. For these reasons we support in principle the Single Electricity Market (SEM), but we have grave doubts about whether the current model can deliver the goals of better security and keener prices. We also welcome the All-island Energy Framework Programme, especially the all-island approach to energy research. The benefits of such an approach are outlined in paragraph 32 below.

46. An integrated transport infrastructure would be more efficient and cost effective and thus provide the environment for greater economic growth. For example Northern ports have the capacity for more RoRo traffic, while the Southern ports have spare capacity for LoLo traffic. These complementary capacities should be developed in mutually beneficial ways.
47. R&D is important for the all-island approach, because it would be easier to achieve the critical mass and enhance collaboration across the research community. Allied to this is the need in NI to accentuate technological education. Such a development could have particular significance for the North West of Ireland.
48. Co-operation on health on a cross-border basis would enable both jurisdictions to share the burden of specialist expertise, equipment and facilities, such as the planned cancer unit at Altnagelvin Hospital in Londonderry.

#### Other drivers that improve the business environment

49. To up skill our population of working age we need the assistance of more highly qualified specialists for enhanced training and development. To attract these specialists on a short stay and long stay basis we should offer them allowances to facilitate their mobility and their employers in NI should be offered employment grants or whole or partial exemption from employers' national insurance contributions. With clever marketing such a scheme could bring NI some return for the heavy investment of NI public funds in students who study for third level qualifications outside NI and who tend to deploy their acquired skills outside NI.
50. The NI Skills Strategy should be reviewed so that it realises fully the opportunities created by the type of scheme outlined in the preceding paragraph. In particular the grants or national insurance exemptions should be available for organisations, which run special programmes to raise the skills up to NVQ level 3 of employees, the unemployed and the economically inactive.
51. To realise our objective of higher paid jobs we must raise our efforts to create more research and development (R&D) activities. Therefore organisations, which engage in R & D activities or employ those with the high quality skills essential for R&D work, should be paid employment grants or given whole or partial exemption from employers' national insurance contributions. This proposal would be especially important in building up the skill base and capability in a variety of areas, such as energy research.
52. As part of the policy mix active use should be made of the EU rule which allows R & D aid to match state aid granted by a competitor outside the EU.
53. To scale up the effectiveness of the proposals set out in the preceding paragraphs there should be a system of certificates for accrediting R & D activities for the purpose of grants or other incentives. This streamlining of the scheme would increase its attractiveness, particularly for those in small and medium-sized enterprises, which can be inhibited from participating in R & D.
54. There should be more use of research foundations, possibly modelled on the North American approach. These foundations should harness the contributions not only of the universities and other higher and further education institutions, but also those of the public sector, the private sector and the trade unions. By channelling resources through foundations, tax incentives could be maximised. Consequentially the impact of every pound allocated to R & D could be boosted.



55. Some research foundations should operate on a cross-border basis in order to achieve critical mass, to promote collaboration across the research community and to take full advantage of the incentives available under EU laws and programmes. In furtherance of the last aim favourable consideration should be given to locating foundations in cross-border areas. The attractiveness to business of a single access point to the R & D capacity of the whole island should not be underrated.
56. To ensure that the results of R & D are not left on the shelf there should be a means of delivering technology transfer. Cross-border technology transfer partnerships should also be created to develop R & D into tradeable goods and services. Partnerships should attract a tax regime similar to that for research foundations.
57. Research and development almost always takes place in clusters e.g. in locations like Silicon Valley in the USA, around Cambridge in the East of England, Galway/Sligo in the west of Ireland. This is true of all industrial activity. They tend to cluster in this way, and this is a recognised economic phenomena. It is even why the city of London is so successful. It is not because that there is one good bank; the presence of many banks makes each bank better (the criteria that they select for assessment). There is no reason, apart from political will, that such a concentration of Research & Development could not happen in Northern Ireland.

## NIC.ICTU Response to 'Draft Programme for Government 2011-2015'; Economic Strategy 2011-2015; and Draft Investment Strategy For Northern Ireland 2011-2021.

### 1. INTRODUCTION

- 1.1 Congress is the central body for trade unions in Northern Ireland.
- 1.2 Congress represents 34 trade unions in Northern Ireland. These unions are engaged in representing over 215,000 workers who are employed in the full range of economic and social activity in our society. These members also cover all of the S75 categories and currently over 50% of union membership are women. It is also important to say that Congress has given particular attention to the needs of disabled workers and has continued to work closely with the relevant Government departments to promote both educational and job opportunities for this element of the labour market.
- 1.3 Congress has also recognised its responsibilities in regard to migrant workers and the need to protect their rights as they join the labour force. As the Programme for Government rolls out we shall be engaging with Government to ensure that the rights of all workers are protected and enhanced. Notwithstanding the absence from the PfG of any mention of a Bill of Rights for NI, the trade union movement will continue its campaign for the completion, agreement and implementation of an essential part of the architecture of the 1998 Agreement.
- 1.4 Government will be aware that there now exists a Memorandum of Understanding between the NIC and Government. This Understanding is underpinned by the Bi-lateral Forum. Congress believes that this mechanism affords both partners the opportunity to work together to secure economic progress and equality in the new Northern Ireland.
- 1.5 Congress notes the principles outlined in the Programme for Government by the Executive. As in previous years, we would have welcomed a specific reference to trade unions in the need for partnership as mentioned in the principles. Trade unions will look forward to working in partnership to achieve the strategic priorities mentioned by the Executive and we endorse the over-arching aim under this section of the Programme. In endorsing the principles we strongly believe that they would have been enhanced if direct reference and importance had been stressed on the specific issue of equality. It is regrettable that such mention is downplayed to a 'bit comment' under the section dealing with strategic priorities.

### RESPONSE TO THE DRAFT PROGRAMME FOR GOVERNMENT 2011-2015

- 1.6 When examining the draft programme for government, and accompanying documents it is impossible to avoid the fact that this is a second order economic document. The real financial and fiscal decisions for Northern Ireland have already been decided as a subset of the Westminster government's deficit reduction plan. Yet the programme still lacks the ambition to tackle the immense economic challenge that faces Northern Ireland.
- 1.7 *A matter of scale*  
There are many aspects of this programme to be welcomed from an economic point of view. Focusing on research and development in FDI and supporting university start-ups and new

creative industries which are export-led are welcome commitments. Continued investments in health and education infrastructure are equally important. The draft programme contains many worthwhile initiatives and projects, but we have to set this aspirational document in the context of the greater fiscal adjustment in United Kingdom. This is a matter of scale effects. The block grant to Northern Ireland will be cut by at least £4 billion<sup>1</sup> over the next 4 years. What we have to ask ourselves in response to this document is whether the level of investment proposed will be of a magnitude that can counteract the excessively contractionary fiscal adjustment already decided in Westminster.

## 2. PROGRAMME FOR GOVERNMENT - PRIORITIES

### 2.1 GROWING A SUSTAINABLE ECONOMY AND INVESTING IN THE FUTURE

Congress welcomes the importance given to driving the economy forward in an integrated and coherent fashion. In particular we support the imperative that:

*‘Economic growth and wealth creation is achieved in a way that is both fair and sustainable if we are to meet the needs of today as well as those of the future’*

We fully support the creation of a ‘highly skilled and flexible workforce and employment growth’. In our view, the creation of wealth must be closely linked to the creation of more jobs and increased skill levels. Congress supports the need to create highly skilled and highly paid employment. It is essential that our private sector is grown by the creation of new and innovative employment. Transferring jobs from the public to the private sector is not an answer to the problems of poverty and low pay.

Congress welcomes the stated targets of “promoting” 25,000 new jobs with most above the present private sector wage. That said, we note with concern the increasing disparity between private sector average wages in NI and the rest of the UK, not to mention the gulf between the private and public sectors in wages, terms and conditions. It should be stated here that a key distinction among workers who receive higher wages is their tendency to be in a trade union.

**2.2** It needs to be added that the commitment to promote 25,000 jobs will not satisfy the anticipated demand over the next four years. The Office of Budget Responsibility presently estimates that 710,000 public sector jobs could go as a result of the Chancellor’s austerity programme. If extrapolated proportionally across the UK, this works out at 26,000 public sector jobs being lost to Northern Ireland. Even if measures are taken to alleviate the worst effects of HMG policies, a substantial number of public servants can expect to lose their jobs and look for alternative employment in a private sector which is under-performing in adequate wage levels or in actual job creation. According to the most recent Labour Market Report, there were 4,000 fewer public sector employees in September 2011 than in September in 2010.

**2.3** It should also be noted that an average of just over 20,000 school leavers will enter the labour market each year, potentially adding to the existing crisis of youth unemployment and a growing cohort of under 25s not in employment, education or training. A further knock-on effect of public sector jobs being lost is the decreased demand in the consumer economy, thus creating collateral job losses in the private sector. Rather than ‘picking up the slack’ of the economy as ‘confidence’ returns, the private sector in NI will be too weak to look after its existing labour

force, let alone expand to cover the losses from the public sector. This is a prime example of the fallacy described by the Nobel laureate Paul Krugman<sup>ii</sup> as “the confidence fairy.”

- 2.4 Of course, the main new ‘stimulus’ to be made to the private sector is the NI Executive and the NI Secretary of State’s desire to get the power to cut Corporation Tax devolved to the NI Executive. Congress objects to this as we firmly believe that this will not work, despite the loud and usually misleading claims made about this ‘game changing’ experiment producing a vaguely calculated increase in jobs. Our rationale is well known and has been published in the document *Pot of Gold or Fool’s Gold*<sup>iii</sup>, available from [www.ictuni.org](http://www.ictuni.org)
- 2.5 The latest blow of the campaign to devolve the power to adjust Corporation Tax came from the Institute for Fiscal Studies, whose *Green Budget*<sup>iv</sup> (Feb 2012) raised a concern which has not been raised before, but has implications for the aims of Priority 5, Efficient Government: “There are some compelling reasons to maintain a single rate of corporation tax across the UK: it is administratively much simpler and cheaper and reduces the potential for harmful tax competition, which could reduce revenues of all administrations within the UK.” This additional administrative burden should be added to the reduction in the block grant. Perhaps this was on the mind of the Finance Minister when he told the NI Assembly on 7th February 2012: “there are very good economic reasons for not seeking that kind of devolution. Do not forget that the devolution of tax-raising powers would lumber Northern Ireland with all the uncertainty of that tax revenue. If things go well, we benefit from increased tax revenues, but if things go badly, we suffer from a reduction in tax revenues. If we were trying to plan any kind of public spending programme, having that kind of uncertainty built in would make life very difficult. That is one of the reasons why it is important not to build in that uncertainty through the mass devolution of a whole range of taxes to Northern Ireland.”
- 2.6 It should also be remembered that the timescale for introducing cuts in Corporation Tax, even if approved tomorrow, would take several years to achieve. As even the most fervent supporters of cutting CT concede, there would be a time-lag of several further years of lower net revenues (and thus, a lower block grant) before the miraculous impact on wealth-and-work-creation, which, to reiterate, Congress firmly believes to be a pipe dream as reckless as the belief that property prices would never decline.
- 2.7 This is clearly recognised in the PfG itself, as it makes no claims for the impact on employment or investment as a result of cutting CT.
- 2.8 Those economic ‘commitments’ which are made are extremely modest. For example, there is no pledge to ‘create’ new jobs, merely to “support the promotion of 25,000 new jobs” – a double qualifier.
- 2.9 Likewise, the commitment to ‘secure’ £300 million of FDI is a lower figure than that achieved between 2008-11, according to Invest NI. It should be noted that, while Invest NI are open to criticism on several fronts, and that they are not solely responsible for all Foreign Investment into NI, this region with less than 3% of the UK population received over 7% of total UK FDI. This is a considerable achievement and, without slipping into complacency, deserves due recognition. It is an achievement that can be built upon and improved, and that is why the target figure of £300 million appears cautious. The issue for NI, based on recent experience of FDI, is the quality and permanence of this investment.



- 2.10** Another cautious figure is the commitment to achieve £300 million by business in Research & Development. It is right and proper for the PfG to set due importance to increasing NI's rate of R&D, as we are still lagging well behind the target set out last decade in the Lisbon Agenda of achieving 2.4% of GDP. That said, according to DFP figures released on 9th November 2011<sup>vi</sup>, "Total business R&D expenditure in 2010 was £344.0m, up £20.3m (6%) in cash terms on the previous year." As with the above figure on FDI, this was achieved in the middle of a severe downturn, and given that the PfG was being drafted before the chancellor's autumn statement, during a period when the official 'line' from the Treasury was that the UK economy would be on the path to recovery by 2014/15, this seems a very cautious target.
- 2.11** There are other worthwhile targets and commitment under Priority One, such as increasing visitor numbers, assistance to the SME sector, developing the site at the Maze/Long Kesh and the 'One Plan' for L'Derry, while ensuring the success of that city's 2013 City of Culture celebrations and the events surrounding the centenary of the launch of the Titanic, and investment in social enterprises which leads to the creation of new employment rather than displacing existing services provided by the public sector. It should also be noted that future tourism is imperilled by the present cuts in arts and heritage, as our vibrant arts scene attracts young 'backpackers' who may spend little now, but will return in the years ahead on more high-spending vacations. Also, it should be noted that the young artists and musicians who require support and nurturing now will include the tourists attractions of the future.
- 2.12** There are also important targets for increasing educational achievement and a strategic plan for the Agri-Food sector, a part of the economy which has had a 'better' recession than most sectors. Allied to both is the requirement to upskill the working age population. The legacy of the shortfalls of the education system is severe, particularly for people of working age – there are estimates that up to 25% of people aged 45-64 are functionally illiterate<sup>vii</sup>. If we are serious about competing for tourism and investment, this must be treated as a part of our infrastructure which demands attention and action, as this Priority area recognises the importance of investment in public health.
- 2.13** Commitment on the regional rate, small business rate relief and air passenger duty underline the lack of meaningful fiscal powers possessed by the NI Executive. As noted in para 2.5 above, there are mixed feelings within the Executive itself as to the desirability about further devolved taxation powers. That said, we support the reduction and eventual elimination of Air Passenger Duty, as the income from this tax is obviously less than the loss to the wider economy if the sole direct air link to North America were to cease. The effectiveness of this tax cut can be easily measured, and hopefully will lead to commercial competition on the direct route to the US.
- 2.14** We support the extension of Small Business Rate Relief, but we oppose maintaining the freeze of the regional rate, for the same reason that we oppose the 'rate cap' on domestic properties'. This is a regressive measure, disproportionately favouring the better-off at the expense of middle income households.

### 3. CREATING OPPORTUNITIES, TACKLING DISADVANTAGE AND IMPROVING HEALTH AND WELLBEING

- 3.1** This new direction in Government thinking makes some commitment in principle to developing a programme of public health, but it fails to address the systemic change needed to government and public decision-making structures and the key issue of resource allocation to support a genuine public health system. This is a repeat of the mistakes of the past which has led to the current failure to effectively address health inequalities. Consideration should be made for the recent Marmot Report which has yet again underscored the nature, extent and damage done by health inequalities to all in our society.
- 3.2** Delivering 8,000 social and affordable homes will be addressing a real demand for families and individuals who are excluded from the 'property ladder', while recognising that there are people who do not wish or need to be burdened with mortgages. This also represents a boost for the construction sector. The only problem is that there is far greater demand than can be satisfied with 8,000 housing units, while ensuring that policies of Targeting Social Need are conformed with.
- 3.3** Ensuring thermal efficiency in Housing Executive Stock is laudable, but is not a substitute for the Green New Deal. This issue is addressed in the commentary and conclusion section of this NIC-ICTU submission.
- 3.4** The pledge to invest £80 million in the new Social Investment Fund represents a good start. Despite the modest amount (considering the scale of the disadvantage it purports to address), the SIF should be welcomed as an important first step. We would gladly welcome a new Childcare strategy which is responsive to need and is affordable, and a new Child Poverty Action Plan, which has firm targets and the resources necessary to meet them. Likewise, firm targets and adequate resources are required for meaningful action on age discrimination and rural isolation compliance with the UN Convention of the Rights of People with Disabilities and a new service for Victims and Survivors of the Conflict.
- 3.5** As with our remarks on Priority One, we welcome the commitment to supporting people into employment. Youth unemployment is a real societal concern. The question must be asked however: How can we 'support 114,000 people into employment' when we already have the same number looking for work? (the total on the Live Register, plus the total of the 'economically inactive' who 'want a job').
- 3.6** We welcome the pledges not to increase student fees or introduce household water charges, and endorse the separate consultation response from the Coalition Against Water Charges. We welcome pledges to alleviate hardship caused by HMG's plans for Welfare 'Reform', invest in programmes to tackle obesity and long-term chronic conditions, but recognise that any viable strategic approach would require resources which are unlikely to become available due to austerity policies. This is a prime example of the long-term economic cost being stored up by these policies as, in the long run, lack of action on obesity and other issues will end up with greater financial costs in the end.

## **4. PROTECTING OUR PEOPLE, THE ENVIRONMENT AND CREATING SAFER COMMUNITIES.**

- 4.1** Congress welcomes the recognition of the need to support a high quality life for those who live and work in Northern Ireland. We endorse the links between a healthy environment and a thriving economy as a means to achieve this. We support the need to move to renewable sources of energy and the contribution that such a development can make to reducing our carbon footprint and job creation.
- 4.2** We would have hoped that the new Police, Prison and Fire Training College would be completed, by 2015, as it would be a boost for the construction sector as well as a vital addition to the sense of security felt by all citizens.
- 4.3** The responsibilities of the recently devolved Department of Justice are an important confidence-building measure for all citizens, and the commitments which are under its remit are as vital as those dealing with education, public health or the economy.

## **5. BUILDING A STRONG AND SHARED COMMUNITY**

- 5.1** Congress supports the aim of building a genuinely shared society, with equality and human rights at its core.
- 5.2** High-profile sporting events are fine short-term boosts to the general sense of well-being, but the hard work of cementing cohesion, sharing and integration is slow and demanding of time and resources, and yet cannot be dismissed or be allowed slip down the list of priorities for the public. While it is often difficult to see the dividends of spending on CSI, the costs to the image of NI and its economy when community relations collapse and images of rioting (or worse) are broadcast on world-wide media are incalculable. Considering the cost of inaction, it is alarming to note the lack of urgent action to move forward the CSI strategy.

## **6. DELIVERING HIGH QUALITY AND EFFICIENT PUBLIC SERVICES**

- 6.1** Congress supports the need for high quality and efficient public services and, like the Executive, we believe that these services should provide a world class service to our community. Currently our affiliates are working closely with Government and its agencies in a wide range of activities designed to achieve this goal. It is, and remains our view, that public services are best when provided by the public sector. There is evidence that when public services have been privatised, standards have declined and the public suffer a net welfare loss.
- 6.2** The implementation of the Review of Public Administration has been characterised by long negotiations and shifting policy priorities and pledges to finally establish the 11 council model and the Education and Skills Authority are welcome.
- 6.3** We welcome social clauses in public procurement and we especially welcome the absence of references to the discredited methods and rank profiteering of the Private Finance Initiative model. The development of social clauses in public procurement was promised as a consequence of the Policy on Equality and Sustainability in Public Procurement. Congress was a full member of the working group that produced the guidance. We now wish to be a part of the process developing the specific clauses.

- 6.4 The Trade Union Movement is in favour of public services which are effective and efficient. We accept that there is always room for improvement in all workplaces, especially those which serve the taxpayer. In return, we are sure that the NI Executive recognises that the trade unions have a vital role in ensuring that public services are managed and delivered in a fair and efficient manner. Research from both universities<sup>viii</sup> and government<sup>ix</sup> departments have repeatedly shown that workplaces which are unionised are fairer, safer and more efficient with time and money than those which are not. The same research shows that taxpayers, customers and clients benefit from unionised service providers. The establishment of the Bi-lateral forum between the NIC-ICTU and OFMDFM and its smooth running thus far demonstrates the importance of having a respectful and honest relationship between all of the social partners. It is in that spirit, that we submit our remaining comments on the PfG, and the Economic and Investment strategies.

## 7. NI EXECUTIVE ECONOMIC STRATEGY

### Priorities for Sustainable Growth and Prosperity Draft Response to Consultative Paper

- 7.1 This part responds to the first phase of the Economic Strategy consultation launched in January 2011, as it sought to establish the framework for the current Economic strategy. For the benefit of the NIC-ICTU response to 'Priorities for Sustainable Growth and Prosperity', we will utilise the format of the questions outlined in the relevant consultation section of the DETI website, beginning with *Questions 1 & 2*.
- 7.2 The challenges facing the NI economy over the next few years will depend largely on whether economic recovery takes root. The contraction of the UK economy in the last quarter of 2010 and the difficulties being experienced over the same period by the economy of the Irish Republic must be taken into account. Therefore our economic strategy should be framed on the basis that the period of static or low growth may be sustained.
- 7.3 The question of when the NI economy will enter the recovery stage is bedevilled by the cuts in public funding. Unfortunately paragraph 2.16 of the consultation focuses on the wrong statistic – employment in the public sector as compared with the private sector. Far more important is the proportion of GDP that is dependent on public funds. At over 70% it is the highest of any region of the UK and both the private and public sectors are dependent on it, although this figure is not unduly high compared with other UK regions such as the North-East of England and Wales. This level of contribution is worrying for the longer term, but in the shorter term the challenge is the cuts in public funds and in welfare benefits imposed by the UK Government. They will have a direct adverse effect on employment in both the public and private sectors, plus the delivery of public services. Moreover all the evidence of the past is the NI private sector has been unable to create jobs to match losses in the public sector.
- 7.4 Comparing the levels of employment in the public and private sectors is misleading, because the size of the public sector is dictated by the size of the population and its key characteristics. Among these characteristics are the distribution between the working population and the dependent population of the young and the old, the general level of morbidity and the rate of economic inactivity. On this basis the numbers employed in the public sector in NI are on a par with other depressed regions of the UK.



- 7.5** We agree with paragraph 2.15 of the consultation that the goals of increasing the employment rate and improving labour productivity are still imperatives. The higher level of economic inactivity in NI acts as a burden on our economy and makes us less productive per head of the total population.
- 7.6** The imperative in paragraph 2.19 of the consultation that “everyone in society benefits from economic growth – particularly the most vulnerable” has our wholehearted endorsement. To put it another way growth is not an end in itself, but must bear fruit both in terms of the equitable distribution of improved prosperity and in jobs which are well-paid, sustainable and are above the decency threshold.
- 7.7** One of the key issues, high-lighted in the ‘Key Actions’ of para 5.47 is to ensure that NI achieves the best possible outcome into Regional Aid ceilings after 2013. The NI Executive cannot leave this to the UK Government and should utilise the networks of goodwill which NI has, such as our MEPs, the (under-resourced) NI Representation Office in Brussels, the European Economic and Social Committee and the Committee of the Regions, and NI civil society. This aid is essential for the objectives of Para 5.103, ensuring that NI has a strong research base to attract Foreign Direct Investment. Congress believes that this R&D centred approach would create greater dividends than a very risky gamble on cutting Corporation Tax (a strategy which would undermine the goodwill we hold in many EU capitals).

## **8. Questions 3 & 4**

- 8.1** We welcome the research, which is being carried out on whether there are other regions that have been economically more successful and the commitment to make this research publicly available. However we would have preferred more information on the reasons for choosing certain regions for research and a public debate on the choice of international comparators.
- 8.2** While the Irish Republic (ROI), Finland and Sweden are obvious choices, with the latter two being innovation leaders in the EU Innovation Scorecard, the choice of Estonia is less clear. On the one hand Estonia has a high unemployment rate and is marginally below the EU average in innovation being behind the UK and ROI in this criterion. On the other hand it has the highest growth rate in the EU and is ranked the 12th most competitive country in the world by the World Economic Forum. Admittedly monitoring Estonia’s considerable use of the European Regional Development Fund to fund its “Innovation Voucher Grant Scheme” may provide some pointers. The success of the German economy, with a growth rate in 2010 faster than most other advanced economies and with unemployment at its lowest level since 1992, merits investigation.
- 8.3** As Singapore and New Zealand do not enjoy the benefits and disadvantages of being part of a much wider economic group, the validity of comparisons with them is uncertain. The innovation rates of the so-called BRIC countries (Brazil, Russia, India and China) may be worthy of further examination. Without wishing to prejudge the outcome of the research we have noted that the Organisation for Economic Co-operation and Development has queried the assumption that growth is concentrated in the highly developed regions of the EU. The evidence suggests that strong performance occurs in all types of regions.
- 8.4** In so far as it may be possible to generalise from the experience of other regions it seems that policy co-ordination is a prerequisite for success. For that reason we agree with the collaborative

approach proposed in paragraph 3.4 of the consultation. A key consideration is the exploitation of research by the business sector because it appears that the innovation gap lies primarily in the private sector. Furthermore innovation should not be interpreted narrowly as the more successful businesses sweat their assets more effectively. Employees on the “shop floor” are critical to this process. Harnessing this expertise is essential for successful innovation.

- 8.5** *Question 5.* Throughout the consultation there is considerable emphasis on rebalancing the economy. The construction that we attach to this phrase is that given by the Minister in her foreword, namely moving “the economy towards higher value-added private sector activity”. We do not interpret this phrase as transferring activity from the public sector to the private sector, because this merely shifts the place of the activity and does not add to overall economic activity. Such transfers do not live up to the vision in paragraph 3.8 of the consultation. In broad terms we accept the vision in paragraph 3.8 of the consultation, but we are surprised that there is no overt mention of the “greening” of the economy. It should be an aim in terms of both new or different jobs being generated by the green economy itself and the “greening” of existing jobs, e.g. in the construction industry moving towards more efficient buildings, plant and infrastructure. The vision should also reflect the aims of the Green New Deal and the commitment to reduce greenhouse gases. Our endorsement of the vision is qualified by the remarks in paragraphs 9.1 to 9.2 below on the need to sustain domestic demand and to re-orientate our approach to global markets.

## **9. Question 6.**

- 9.1** For the longer term the focus proposed in paragraph 2.17 of the consultation on export-led economic growth is correct, but it overlooks the shorter term problem of the decline in domestic consumption. This decline is fed by a lack of confidence, which, in turn, is driven by tax rises and cuts in public funding, job losses and fear of unemployment, all of which contribute to shrinking demand. In order to reach a critical mass businesses, especially the SMEs that prevail in NI, are often dependent on the domestic market. Maintaining domestic demand will be difficult in the situation where the Governor of the Bank of England noted in January 2010 that real wages had experienced the sharpest reduction since the 1920s. Careful consideration does therefore need to be given to measures which impact on consumer confidence.
- 9.2** The focus on export-led growth raises the question of the direction of that focus. The US economy is struggling, whereas those of the BRIC countries are forging ahead. A case therefore exists for focusing our export efforts more on the latter and less on the former. Paragraph 2.19 of the consultation stresses rightly the necessity for growth to be sustainable. Concentrating on expanding world markets is more likely to achieve sustainability. Such a concentration should also minimise the likelihood of businesses requiring repeated injections of public funds and meet the aspiration of self-sustainability expressed in paragraph 3.17 of the consultation.

## **10. Questions 7 - 12**

- 10.1** While the themes set out in paragraph 3.12 of the consultation are appropriate, they are not sufficient. To them should be added the reduction in greenhouse gases and the associated Green New Deal and the reduction in poverty and social exclusion in line with paragraph 2.19 of the consultation. For each of the themes targets should be set, otherwise the economic vision will not be achieved.

- 10.2** The remark in paragraph 3.13 of the consultation that the themes do not stand alone is most important, because they must be linked to the over-arching economic strategy espoused in paragraph 1.5 of the consultation.
- 10.3** The emphasis in paragraph 3.14 of the consultation on employment in the shorter term is essential. In this context the contribution, which the public procurement can make should not be overlooked. The principle behind the initiative referred to in paragraph 3.15 of the consultation of attaching social objectives to public contracts should be developed further. For instance all public contracts, including those between Invest NI and businesses, should contain clauses to help the long term unemployed and the economically inactive. We return to this issue below.
- 10.4** Of the utmost importance is the statement in paragraph 3.17 of the consultation that NI should not become “locked into an economy characterised by volume, low-value added activity”. This point was well made by Professor Richard Barnett when he chaired the Independent Review of Economic Policy<sup>x</sup>, stating that Northern Ireland had been competing for FDI with Bangalore – and losing. This is a litmus test, which must be applied to all proposals for the use of public funds.

## 11. Questions 13 & 14

- 11.1** In supporting the cross-cutting theme in paragraph 3.20 of the consultation of tackling disadvantage and poverty, we believe that it will also contribute to rebuilding the economy by sustaining domestic consumption, which we point out above, is critical to our economy.
- 11.2** For the theme of tackling disadvantage and poverty to be meaningful the policy initiatives suggested in paragraph 21 are indispensable. For this reason and also to capture the significance of environmental considerations we suggest that the use of public procurement should become another cross-cutting theme.

A further cross-cutting theme would be to maximise the benefits of being part of the EU. Among other things this would call for more use of: -

- The European Regional Development Fund for innovation initiatives,
- The European Investment Bank for infrastructure projects,
- The European Globalisation Adjustment Fund for measures related to the employment theme of the economic strategy and
- The EU Framework Programme for Research, which was made more attractive to SMEs in January 2011.

All cross-cutting themes should have targets as suggested for rebalancing themes above.

## 12. Question 15

- 12.1** There is a need for a broader assessment of the economic benefits of public expenditure, which may not be overtly related to economic affairs. Health and social services, education and policing and justice account for 72% of the expenditure under the control of the NI Executive, but each of these 3 areas contribute directly or indirectly to our competitiveness. The health and social services reduce our morbidity and raise our employability. Education also improves our employability, while providing the bedrock for enhancing our skills. Policing and justice contribute materially to the quality of life and to a stable social environment, which are among the top five factors in the Ernst and Young Attractiveness Survey 2011<sup>xi</sup>. Furthermore expenditure on social welfare helps to maintain domestic demand.

### 13. Question 16 & 17

- 13.1** As a movement built up from the grassroots and having the biggest mass organisation in NI with over 215,000 members, we welcome the recognition in paragraph 4.2 of the consultation of the crucial role the trade unions should play in developing and delivering the economic strategy. Although paragraph 4.2 of the consultation identifies the requirement for co-ordinated contributions from all stakeholders, including the trade unions, no mechanism is proposed for achieving this aim. If contributions are to be co-ordinated and the goals of the economic strategy are to be realised, it follows automatically that a mechanism is essential.

### 14. Question 18

- 14.1** We approve of the identification in paragraph 4.10 of the consultation that a key element is widening and deepening our skills base. In our view it is particularly important to encourage apprenticeships and other schemes, which are geared to manufacturing industry. Therefore careers information, advice and guidance must be given more resources and expertise to raise “young peoples’ aspirations” (paragraph 4.11 of the consultation) in the direction of manufacturing and tradable services.
- 14.2** Developing our infrastructure is key to rebalancing our economy as recognised in paragraph 4.13 of the consultation. In the Ernst and Young (E&Y) UK Attractiveness Survey telecommunications emerged as first in importance. Consequently efforts already taken to improve the availability, quality and uptake of broadband should be reinforced.
- 14.3** Transport and logistics also features highly in the E&Y Attractiveness Survey. We do therefore support the highlighting of transport infrastructure in paragraph 4.13 of the consultation. Measures, such as growing the use of public transport, are needed to ensure more resource efficient transport and the de-carbonising of transport.
- 14.4** Paragraph 4.13 of the consultation also mentions energy infrastructure. We share the view expressed in the Ministerial Foreword to the Strategic Energy Framework for NI that “Without reliable and affordable energy economies and communities will cease to function.” Both the energy infrastructure and the regulatory regime need to be modernised in the context of an industry dominated by a few players, so that they drive down the cost of energy, provide better security of supply of electricity and gas and facilitate the greater use of renewables. In the longer term our Single Electricity Market should be integrated within a British Isles and European wholesale electricity market. Given the obligation referred to in paragraph 3.20 of the consultation of tackling poverty, the issue of affordability must address fuel poverty, which has a higher incidence in NI.
- 14.5** While regeneration rates a mention in paragraph 4.13 of the consultation, the wider question of the adequate provision of social housing needs to be factored in. Such a move would help alleviate the experiences of employees in the construction industry, in addition to supporting domestic demand.
- 14.6** Initiatives aimed at tourism are mentioned in paragraph 4.11 of the consultation. Some aspects of tourism are characterised by lower paid jobs, but the action proposed under PSA 1 – which is to be renewed (paragraph 2.15 of the consultation) – is to promote jobs with salaries above the private sector median or to increase the value added in the relevant sector. Consequently any tourism projects should meet the requirements of PSA1 and the litmus test mentioned in paragraph 10.4 above.



## 15. Question 19

- 15.1** The aim set out in paragraph 4.17 of the consultation of offering “accessible job opportunities, particularly for those in areas of economic disadvantage” is laudable. However the current policy of Invest NI that 70% of new FDI projects should locate within 10 miles of an area of economic disadvantage is unequal to the task. because such projects attract staff from a wide catchment area and crowd out those from disadvantaged areas. A more specific requirement should be stipulated in all Invest NI contracts to ensure that they employ a proportion of staff from disadvantaged areas.

## 16. Questions 20 & 21

- 16.1** In the list of strategies given in paragraph 4.19 of the consultation we are surprised that the Strategic Energy Framework is omitted, especially since the ETI Minister has said that “energy issues are pivotal to economic growth”. In addition the Minister has said that other documents that are listed in the consultation relate to energy goals, e.g. the Regional Development Strategy and Sustainable Development Strategy.
- 16.2** The Strategic Energy Framework has highlighted the potential for NI to become a leader in “the research, design, manufacture and deployment of renewable energy and energy efficient technologies”. As a result this is a sector which should have a high priority.
- 16.3** Of the strategies listed we consider that priority should be given to those relating to skill improvement, such as “Essential Skills for Living” and “FE Means Business”. The vital importance of primary education should be taken into account as it provides the foundation, upon which further and higher education, training and development can be built.
- 16.4** Given the emphasis put on poverty in various parts of the consultation the anti-poverty strategy should be at the upper end of the priority list. As housing is a critical element in tackling poverty, social housing should be at the top of Investment Strategy for NI. This should also play a key part in the Investment Strategy
- 16.5** As the world population grows and as worldwide living standards rise the demand for high quality food will increase. Therefore our agri-food industry should be a priority, along with developing our skills in this sector, through the likes of the College of Agriculture. Food and Rural Enterprises.

## 17. BUILDING A BETTER FUTURE: INVESTMENT STRATEGY 2008-2018

### 17.1 Social & Economic Investment

Congress agrees that the programme for strategic investment was essential for Northern Ireland, given the years of under-investment under Direct Rule. We welcome the more integrated and holistic view of investment inherent in this document and the PfG. The health and skills of our citizens are as vital to the infrastructure as good roads and fast broadband.

- 17.2** We welcome social clauses in public procurement and we especially welcome the absence of references to the discredited methods and rank profiteering of the Private Finance Initiative model. Indeed, we have argued for years that the Strategic Investment programme was a real opportunity to tackle long-term and youth unemployment through apprenticeships and retraining. It is unfortunate that such progressive thinking that the SIB now embraces was not in evidence during the period of more generous public investment.
- 17.3** While the term social contract covers a multitude of areas, all of which we welcome, we are limiting our response to the clauses offering protection of people working for companies or organisations who are funded from the public purse. In this regard we trust that the provision of a social clause into public procurement contracts will ensure these contracts contain ‘a threshold of decency clause’ in relation to terms and conditions of employment for any organisation employing staff and securing government funding, will provide organisations with a level playing field to compete for Government contracts based solely upon the quality of service they provide. We also seek that these clauses be reviewed periodically by representatives of the Government Departments issuing public procurement contracts, the employer’s organisations and the trade union representatives through a formularised agreed process.
- 17.4** The SIB document mentions the legal obligations of the NI Executive to meet certain EU requirements on the environment, water quality, carbon emissions, etc. What is strangely absent is acknowledgement of the continuing funding we are receiving from the EU, notably the European Social Fund and the European Regional Development Fund. These are significant contributors to our physical and social infrastructure. It could be added that our ‘soft’ infrastructure, of political and social inclusion, has benefitted significantly from three rounds of EUSSB (‘Peace’) funding. The EU’s commitment to NI ought to be addressed more publicly, if only for the self-interested reason that government officials are presently preparing for fresh negotiations for renewal of all of the above streams of EU funding.
- 17.5** It is also of note that there is little mention of sources of EU funding from which NI has not benefitted, such as the European Investment Bank or the European Globalisation Adjustment Fund. Further arguments for engagement with these potential benefactors are outlined in the final comments and conclusions of this NIC-ICTU submission.
- 17.6** The introduction to the SIB documents states: “The decision of the coalition government at Westminster to cut public spending means that there will be less money than we had anticipated.” This is the elephant in the room - the cut of 42% of capital DEL between 2011 and 2015. There is a blithe absence of the urgency this has created. Of every sector of the local economy and labour market, none has been hardest hit than construction. Private sector developments are almost totally stilled, leaving public sector-led projects as the main source of stimulus for that sector. The scale of this cut severely constrains meaningful investment, let alone being in a position to fill the ‘gap’ left by the collapse of private sector investment.
- 17.7** We have to conclude that the absence of the SIB’s championing of PFI/PPPs is that the credit crunch did for the model after years of prescient objections from academics, campaigners and trade unions. The more recent conclusions of the House of Commons Treasury Select Committee<sup>xiii</sup> may, finally and fatally, mean the end of the PFI model.
- 17.8** However, we must question closely the vague comments made under the section ‘Alternative Funding Options’. After some patronising comments about social enterprises and existing private sector management of existing civil infrastructure, a list of examples is produced which includes

services which were initially in the public sector, or whose continuation depends upon public funding, such as “airports, energy interconnectors, community pharmacies, opticians, GP surgeries, childcare centres.” These are services whose capital and/or current income originate in state funding. This investment strategy also needs to be careful about the disposal of state assets (especially during a property slump) and the ‘commercialisation’ of other state assets. Past mistakes where the public takes the risk while the commercial ‘benefits’ accrue into private hands must be carefully avoided.

- 17.9** Perhaps the above explains why this document spends more time and prose retelling of past achievements than outlining concrete plans for the medium term. However, since this document was published in November 2011, facts have emerged which question the validity of many of the assumptions of the fiscal environment. The appendix assumes funding which will not now happen, such as £400 million from the Irish government for the A5/A8 upgrade and the assumption that the NI block grant will increase by 2.7% annually from 2015/16. The Chancellor’s autumn statement of 29th November 2011 confirmed the predictions of, among others, the trade union movement across the UK, when he stated that ‘austerity’ will be a feature of the UK economy until at least 2017.
- 17.10** The SIB document looks nice and makes impressive claims. But the fact remains that capital investment is curtailed by the cuts and that the infrastructure of NI will take many more years to ‘catch up’ with most modern economies. As a result, we will attract less investment and accumulate more health, educational and societal problems.

## **18. COMMENTARY & CONCLUSIONS**

- 18.1** The effect of cuts in public sector jobs and wage packets is already well known and compounded by the recent data compiled by the TUC which shows that Northern Ireland will be the worst hit of all UK regions. The direct effect that this will have on the economy is calculable and sizable. It is perhaps more instructive to look at the effects that this programme of cuts will have on the private sector in Northern Ireland

## **19. The Private Sector**

- 19.1** The accompanying investment strategy for this programme sets out capital spending in the context of the preceding years, and on the face of it this year’s figure seems only a slight decrease on recent years. But this isn’t the full picture. One of the main outcomes of a credit crunch is a severe contraction in private sector investment, when there is a deficit in private sector investment increased public sector investment is required not only to maintain growth potential in the economy but also make up for the gap left by the retrenched private sector. Government investment does not “crowd out” private investment, this is a myth. As private sector contracts, government spending is needed to make up the difference until such time as the private sector has deleveraged itself and can re-enter a growth phase.
- 19.2** Capital and investment spending in targeted stimulus packages is needed to maintain growth potential of the economy. But the large public deficits we see today are not a product of these stimulus packages. In the US the stimulus package which prevented that economy from descending into depression amounted to no less than 6% of GDP and less than a fifth of the deficit over 3 years. Even so the current hysteria over large fiscal deficits is certainly not based on sound economic footing either. As Martin Wolf in the Financial Times<sup>xiii</sup> points out large fiscal

deficits are necessary in a recession to allow the private sector to de-leverage. While there is a need to be prudent, borrowing in a time of economic recession is the equivalent of taking a bet on the economy. Governments borrow from investors (foreign and domestic) in order to assure growth of the economy in the future, the only way this is financially viable is if the government believes that the economy will grow in the future at a rate that exceeds the interest rate that they pay to investors. Quite simply if a government doesn't believe this, why would anybody else, so fiscal retrenchment by government then feeds into an already retrenched private sector adding to this spiral of contraction.

## 20. Context

- 20.1 Cuts to public sector numbers will have a drastic and disproportionate effect on the Northern Ireland economy. Yet more crucially the private sector in Northern Ireland stands no chance of being able “to take up the slack” if this is the level of investment envisaged. We have already set out at the beginning of this response our continuing opposition to the abhorrent policies of austerity of the Westminster government. We also understand that the Executive has a defined budget and while it can protest against cuts imposed by Westminster in reality it may have no means of preventing them. Even allowing for that, this document shows a lack of ambition that is startling when one considers the challenge that lies ahead. One of the most striking figures in that the executive only aims to promote an extra 25,000 jobs over the next three years, this will barely even cover the estimated 26,000 jobs to be lost in the public sector alone. In light of the ideological fiscal decisions taken for Northern Ireland in Westminster, the executive must utilise all other investment opportunities available to it.
- 20.2 For one example there was no mention of the Green New Deal in the programme for government, and no “big ideas” to counteract the cuts or stimulate the economy. The programme for government reinforces the fixation of the executive with corporation tax rate as a silver bullet for growth in the economy, however this is misplaced. The comparisons with this policy in the Republic of Ireland are outdated and mostly inaccurate. The world economy is much changed since corporation tax was lowered in the Republic, and there were many other factors that induced FDI in the republic that could be easily and less expensively replicated in Northern Ireland.

## 21. Still other options

- 21.1 Looking beyond the role of Westminster, the role for government investment in the economy is not necessarily limited. As noted earlier, the latest government investment strategy will actually represent a decrease over previous years that will be felt more acutely owing to reduced private sector investment. That said there are many areas and specific initiatives where the Executive can take action in coordinating increased investment. This would be to go beyond agencies like Invest NI, whose contribution to the economy is sizable but dwarfed by the current requirements. It is also questionable whether many private finance initiatives or partnerships headed by the SIB ever represented a good deal to the Northern Ireland taxpayer. Even within the forecast constraints of government capital, we must find a way of harnessing private capital in ways which represent good value for money and a genuine partnership with the private sector. There are also existing funds within government that are intended for investment but are being held up by either political impasse or inertia. Additional international and European investment funding has been all but ignored in these documents. It is well known that organisations like the European Investment Bank are actively seeking projects in countries or regions where they feel they will get the most added-value.



## 22. The Green New Deal

- 22.1 Of the existing investment funds that currently have government commitment the Green New Deal is the most startling omission from the programme for government. Not only because it is only seeking a £72 million commitment from executive over the next 3 years but also because it initiates activity within the construction sector, the sector of the economy most damaged by the financial and housing collapse. This initiative represents an opportunity to reduce energy use, thereby reducing carbon emissions and household bills, but also gives employment opportunity to a skilled workforce ready and waiting to work. The contribution from the executive is accompanied by loans of up to £181 million from financial institutions to be paid back from grants to households. The 2011-15 budget included an allocation of £12 million for the Green New Deal and a proposal for a pilot project in the Newry-Mourne area has already been submitted. However as the Northern Ireland Green New Deal's Budget submission notes, this initial investment is not of a scale large enough to affect real stimulus to the broader economy but will none the less provide a pilot project on which further projects can be modelled.
- 22.2 The Northern Ireland committee of ICTU has been a consistent supporter of the Green New Deal and joins a long list of groups including the CBI and Friends of the Earth. Congress has called for the creation of a scheme to retro-fit the 117,100 public housing stock in Northern Ireland. Like most other projects the vast majority of the investment would be self-financing with tenants repaying the cost over a time through lower energy bills. It could also be expected that the saving in energy bills over time would exceed the repayment of loans thereby boosting household income.
- 22.3 It is important to note that when evaluating these projects it is easy to identify costs, it is not always possible to estimate total benefits from the investment. In a paper which outlines a cost benefit analysis structure for domestic energy efficiency projects, (Clinch and Healy 2000) point to a number of important benefits that are often overlooked. Immediately we can identify environmental and financial benefits arising from lower energy usage and bills. The paper also points out that even these benefits cannot always be calculated exactly, energy savings rely on an agreed forecast or projection of energy prices. Given the current volatility in oil and gas prices the cost of energy could spiral while the cost of repaying loans for retrofitting is fixed, thus the potential savings to the household could grow significantly over time.
- 22.4 The paper also raises questions about fuel poverty. With home insulation schemes the energy bill is often not reduced exactly by the amount of energy saved. This arises in lower socio-economic groups where people would already be living in cold damp conditions because they cannot afford the cost of heating to a sufficient level. In this case they will not alter the energy they consume but instead they will enjoy a warm house. However in this situation the benefit does not vanish, it is merely transferred. We can see the benefit in decreased illness, and a reduction in subsequent drug and hospitalisation costs. We can also see the benefit in the reduction of sick and restricted-activity days. There have also been further studies that show a warm and comfortable home has a positive impact on reported psychological distress, anxiety, depression etc. A reduction in mortality associated with cold weather can also be calculated as a benefit, but attaching a statistical value to a life saved is a controversial topic even for economists.
- 22.5 The point of this exposition is to show that even before we take account of the wider benefits to the economy that a project like this might bring, the economic benefits of the investment should stand alone and that is why it is important that a full picture is presented. The boost to the

construction sector and the wider economy is, if you like, an added bonus. It is also worth mentioning that as Northern Ireland has a 99%<sup>xiv</sup> dependency on imported fossil fuel, the energy bill saving portion that accrues to the householder is money spent on imports diverted back into the Northern Ireland economy.

## 23. Small but mighty

- 23.1 There are many other projects and enterprises that maybe small in scale but when taken together their total is greater than the sum of the parts. Many organisations can put forward these suggestions but it is the job of government to instigate these initiatives and coordinate them with broader policies. At a time when confidence in the private sector is at an all-time low, and “economic outlook” reported as the number 1 constraint on business<sup>xv</sup>, the government has an obligation to lead the way. Already we can see some signs of this in the investment plan launched by Belfast City Council. This ambitious and forward looking programme shows that the Council recognizes the potential of the city and is willing to put its money where its mouth is. There will obviously be benefits to the city and the wider region from investment, direct and indirect employment but moreover it is the confidence boost that this will give to firms and companies in Belfast who may have been holding back on planned investment in the light of uncertain times. In a fraught economic situation, private investors are always wary of being the first-mover, and this is the reason governments involve themselves in economic recovery. They have a moral obligation to act in the best interests of the economy and society and they are best placed to coordinate and lead an economic recovery.
- 23.2 Congress has already warmly welcomed Belfast City Councils initiative and has proposed further ideas to stimulate growth in the local economy. One such project involves attracting large international conferences to Belfast. The plan would be to offer grants for large conferences coming to Belfast, i.e. a grant that would cover the rent of the waterfront hall. The fund would be paid for by a £1 per room levy on weekday nights, Monday-Thursday. Using the DETI Hotel, Bed & Breakfast and Guesthouse Occupancy Survey<sup>xvi</sup> with 2010 figures we estimate that this could amass up to £897,413. When we consider that the Waterfront hall’s main auditorium holds up to 2,223 people, a conference with two thousand delegates equals 2000 hotel nights, meals and general spend from delegates. By offering grants as an inducement we can allow Belfast to market itself as a conference city, building up expertise and market clout in the sector. A report for the business and tourism partnership in October of last year<sup>xvii</sup> found that less than 3% of European conferences are held within the UK. It also states that while London, Edinburgh, Glasgow, Liverpool and Manchester have been able to gain more conferences through proactive bidding, lack of a subvention has held them back from their international counterparts. Belfast, Derry and the cities of Northern Ireland cannot wait for the Westminster Government to realise this comparative disadvantage. We must take the initiative for Northern Ireland.

## 24. Other capital investment

- 24.1 Looking at further investment, there are alternative options to direct government investment in projects and infrastructure. The use of PFI and PPP in Northern Ireland in the recent past and the outcomes for the tax payer has been well documented in the past. In a 2008 report<sup>xviii</sup>, Alison Pollock of Edinburgh University (now of Queen Mary) pointed out that in Northern Ireland PFI and PPP routes were often favoured over traditional financing even when long-term costs were higher. It was also seen as a way of rebalancing the economy even though PFI usually favoured large international consortia over indigenous private firms. Also the supposed efficiency gains from PFI never materialised due to the “excessive profitability of the contracts for investors”.

## 25. Alternative models

- 25.1 However the turbulent history of private-public finance in Northern Ireland should not deter us from examining more equitable and fairer ways of harnessing private capital for investment. In a situation where government investment is capped, we need to look at other avenues to achieve increased investment. The Scottish government<sup>xix</sup> faces similar constraints to Northern Ireland in this regard and they acknowledge the need for increased government investment and have set about designing more nuanced ways of using private capital. One method known as the NPD model or Non-Profit distributing model avoids the problems of excessive profitability by capping the profits to the private sector and instead directing surpluses back in favour of the public sector. This model is best utilised in revenue funded investment, where there is long-term demand and limited technological change. Another model is the Regulatory Asset Model where there is a commitment to retrieve the sunk cost associated with an investment by a regulated monopoly. For instance rather than having water charges introduced with no discernible improvement as was proposed pre 2007, a scheme like this would see NI water make a significant investment in water infrastructure throughout Northern Ireland and the Executive would commit to allowing charges in the future to recoup this investment. In this situation households can see that a charge or levy they pay is directly linked to an improvement in the service they receive and a long term investment in infrastructure is achieved.
- 25.2 Another popular initiative has been the Tax Incremental Finance model. This allows limited borrowing by local authorities which are then repaid through increases in non-domestic rate revenues. A version of this is what is being proposed Belfast City Council, with the exception that their plan includes a below inflation rise in non – domestic rates, but it is highly likely that revenues will increase owing to increased business creation arising from the investment. These models are not perfect and as we have seen in the past any scheme where private finance is utilised in the public sector must be monitored closely, but at a time when there is no funding available for the traditional public procurement route, all options must be considered.

## 26. Europe

- 26.1 Another way to fund increased investment in infrastructure is to look at sources of European funding. The European Investment Bank is actively seeking projects, particularly investment in Europe's energy infrastructure. This represents an opportunity to attract capital investment outside of the block grant. Northern Ireland is already in receipt of funds under the 2007-2013 funding program for the ERDF, ESF and the EFF, but the EIB represents a natural funding partner for either local government borrowing or existing executive investment funds. The Scottish government has highlighted the role that this funding can play in stimulating economic activity especially when it is looking at similar reductions in capital spending from Westminster over the next 5 years. With this in mind they have frontloaded these projects so that the Scottish economy can be best insulated from the contractionary cuts over the next few years. Why schedule out or delay capital investment and projects over 3-5 year timeframe if the damage to the economy is being done at the moment? A stimulus is at its most effective at the bottom of a cycle. If we bring forward major infrastructure and public investment we will see the rewards in jobs immediately and the resulting increase in tax revenues would be pivotal in arguing for more investment from Westminster in the years ahead. A recent report in the UN World Economic Situation and Prospects<sup>xx</sup> noted that emerging market economies China, South Korea and Russia provided front-loaded fiscal stimulus at rates well above other OECD countries. The front-loading maximised the stimulatory effect which then allowed countries to redirect public finances to a

sustainable trajectory without the need for debilitating austerity. The paper also points out that most OECD countries had not yet exhausted the fiscal space for stimulus and for many the switch to austerity was far too pre-emptive.

## 27. Up to the task?

27.1 In responding to these documents, Congress wants to reiterate its continuing opposition to the fiscal policy of the UK government and the disproportionate effect that this will have on the Northern Ireland Economy. However we believe that even if we cannot stem the tide of this current wave of austerity there are still options available to the Executive to save the Northern Ireland economy from years of stagnation and a generation lost to unemployment. The job of government in Northern Ireland must not be dishing out slices of an ever shrinking cake. There has to be innovative thinking and new ideas of a magnitude to match the challenge of the years ahead. While much is to be welcomed in these documents, it is regrettable that the ambition and vision of these plans diminishes in the light of economic reality.

- i [http://www.northernireland.gov.uk/revised\\_budget\\_-\\_website\\_version.pdf](http://www.northernireland.gov.uk/revised_budget_-_website_version.pdf)
- ii [http://www.nytimes.com/2012/01/30/opinion/krugman-the-austerity-debacle.html?\\_r=1&partner=rssnyt&emc=rss](http://www.nytimes.com/2012/01/30/opinion/krugman-the-austerity-debacle.html?_r=1&partner=rssnyt&emc=rss)
- iii <http://www.ictuni.org/?module=datalistdetail&itemid=b89f8009-2479-4da4-830d-7a570bc06047>
- iv <http://www.ifs.org.uk/budgets/gb2012/12chap10.pdf>
- v <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-11-12/07-February-2012/>
- vi [http://www.detini.gov.uk/spr\\_2010\\_r\\_d\\_november\\_2011.pdf](http://www.detini.gov.uk/spr_2010_r_d_november_2011.pdf)
- vii <http://www.poverty.org.uk/i59/index.shtml?2>
- viii <http://www.wers2004.info/>
- ix <http://www.bis.gov.uk/files/file42158.pdf>
- x [http://www.detini.gov.uk/independent\\_review\\_of\\_economic\\_policy-2.pdf](http://www.detini.gov.uk/independent_review_of_economic_policy-2.pdf)
- xi [http://www.ey.com/Publication/vwLUAssets/2011\\_UK\\_Attractiveness\\_Survey/\\$FILE/2011\\_UK\\_Attractiveness\\_Survey.pdf](http://www.ey.com/Publication/vwLUAssets/2011_UK_Attractiveness_Survey/$FILE/2011_UK_Attractiveness_Survey.pdf)
- xii <http://www.parliament.uk/business/committees/committees-a-z/commons-select/treasury-committee/news/pfi-report/>
- xiii <http://www.ft.com/cms/s/0/9cbe577a-d872-11e0-8f0a-00144feabdc0.html#axzz1jdS7KaWx>
- xiv <http://www.irishtimes.com/newspaper/ireland/2008/1004/1222959350453.html>
- xv [http://www.detini.gov.uk/january\\_2012\\_economic\\_commentary-2.pdf](http://www.detini.gov.uk/january_2012_economic_commentary-2.pdf)
- xvi [http://www.detini.gov.uk/annual\\_publication\\_2010\\_final.pdf](http://www.detini.gov.uk/annual_publication_2010_final.pdf)
- xvii <http://www.businesstourismpartnership.com/pubs/BVEP%20subvention%20report%20final3.pdf>
- xviii <http://www.nipsa.org.uk/Docs/Campaigns/Public-Service/PFI-PPP-20Booklet-2012-08.aspx>
- xix <http://www.scotland.gov.uk/Publications/2011/12/05141922/3>
- xx [http://www.un.org/en/development/desa/policy/wesp/wesp\\_archive/2011wesp\\_bg\\_paper\\_aizenman.pdf](http://www.un.org/en/development/desa/policy/wesp/wesp_archive/2011wesp_bg_paper_aizenman.pdf)





# Section F

## Migrant Workers



# Trademark

TRAINING & RESEARCH



## 'Working for social justice'

Trademark is a social justice co-operative established in 2001 by a committed group of activists from the community and voluntary, public and trade union sectors and is an official partner of the Irish Congress of Trade Unions. Our key areas of work includes the delivery of training, research and evaluation on a range of related themes including equality and good relations, peace & reconciliation human rights, trade

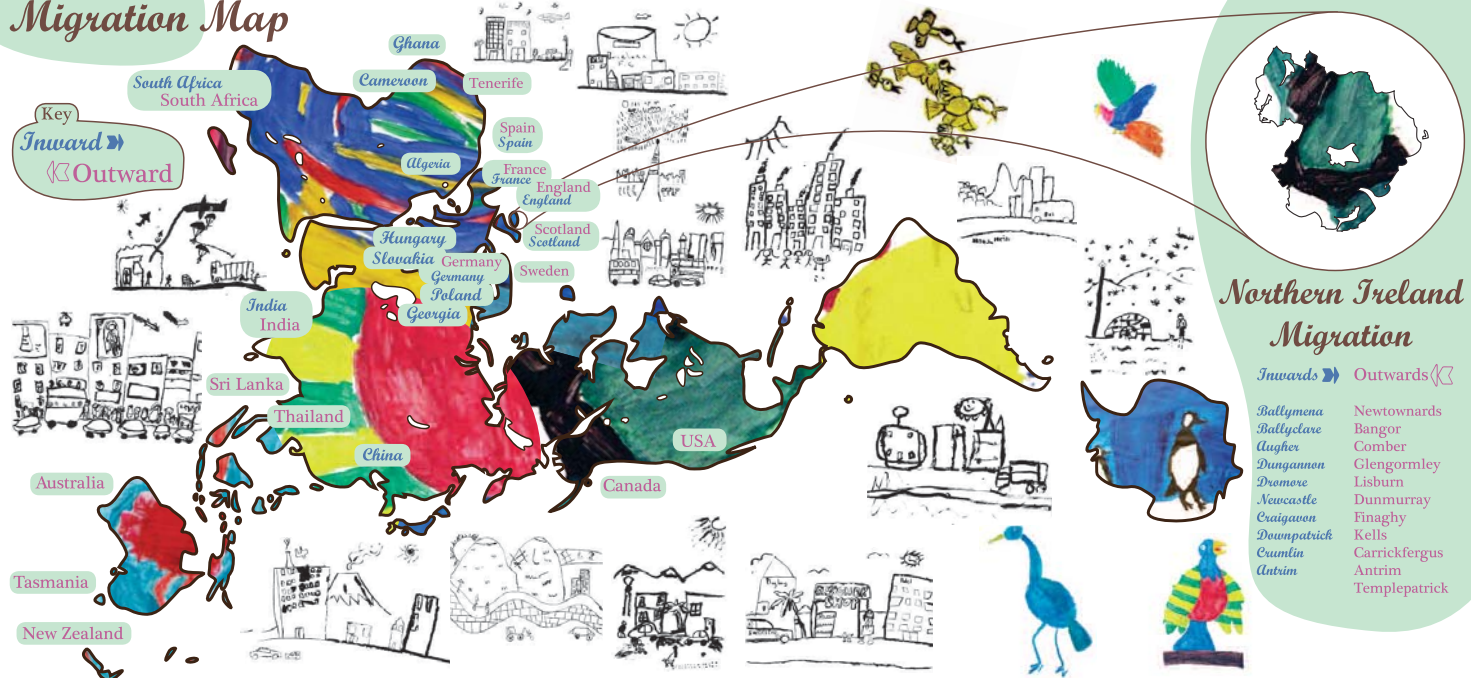
union education and political economy. Trademark also provides workplace and parades mediation, facilitation, strategic planning, workplace representation for non-unionised workers and project and event management. Our professional and experienced team have an excellent reputation across a range of sectors bringing skill,



A small sample of our work is showcased below. For further details on all Trademark's activities please see our website [www.trademarkbelfast.com](http://www.trademarkbelfast.com) or find us on **facebook**. 'trademark belfast'



# Migration Map



## Northern Ireland Migration

Inwards ➤ Outwards ⇐

- |             |               |
|-------------|---------------|
| Ballymena   | Newtownards   |
| Ballyclare  | Bangor        |
| Aughier     | Comber        |
| Dungannon   | Glengormley   |
| Drumore     | Lisburn       |
| Newcastle   | Dunmurry      |
| Craigavon   | Finaghy       |
| Downpatrick | Kells         |
| Crumlin     | Carrickfergus |
| Antrim      | Antrim        |
|             | Templepatrick |

## Section F Migrant Workers

### F1 Introduction

The world economic downturn was bound to have an impact on migration. The consequences for migrants in developed countries worldwide included job losses, the erosion of wages and working conditions, the risk of discrimination and xenophobia as migrants are mistakenly perceived as 'taking the jobs of local workers', decline in remittances, development of more restrictive immigration policies and an increase in irregular migration and people trafficking. Also, perceptions of migration and broad recognition of the positive contributions that migrants make to societies have regrettably regressed in most migrant-receiving countries.

As Director General of International Organisation for Migration (IOM), William Lacy Swing has commented "As job markets in the developed world have contracted, a perception has emerged of migrants as the unwanted flotsam and jetsam of globalization, a reserve army of surplus labour that can be jettisoned or rehired with the ebb and flow of the global economy". The IOM has also emphasised the need for governments in developed countries to develop appropriate policies in order to support migrants to "weather the storm".

Unfortunately, in recent years migration has been pushed up the political agenda, and governments frequently take action intended to protect employment opportunities for their own nationals. Migrant workers have been especially vulnerable to the global economic storms that were created by the financial crisis.

Labour migration around the world is often used as a central aspect of economic policy; however governments rarely view migration in the context of development, social cohesion, equality, human rights and workers rights. In the difficult economic climate, it is ever so important for trade unions to focus on the rights and protections for migrant workers in a struggle for a fair and equitable society.

### F2 Migration in Northern Ireland

The large scale migration to Northern Ireland has exposed new generations to significantly greater diversity than ever before, but has also introduced new social challenges and tensions, which are perhaps even more pronounced in the context of a society emerging from conflict.

According to the latest data released by Northern Ireland Statistics and Research Agency (NISRA) migration continued to fall in the last three years. This in contrast to the years between 2004 and 2008 when there was marked population growth due to migration – when a net total of 32,000 people were added to the population. By 2008–09, however, immigration produced only 2,100 extra residents. In 2009/10 the overall impact of migration on the total number of people living in Northern Ireland was zero.

When the unemployment was at a record low, both the United Kingdom and Ireland have witnessed a rapid turnover of workers from the eight Eastern European countries that joined the European Union in 2004, particularly Poland.

However, of the 1.4 million A8 workers who had come to the United Kingdom between May 2004 and March 2009, almost half had returned by the end of 2008 — a result of contractions in the UK and Irish economies at a time of growing opportunities in Poland.

Confronted with the most severe economic crisis in decades and rising unemployment, the UK has attempted to suppress the inflow of migrants, encourage their departure, and protect labour markets for native-born workers. The UK Home Office has strengthened the resident labour market test for immigrants in high-demand occupations such as civil engineers and nurses.

There is a plan to use each shortage occupation list to trigger skills reviews that focus on up-skilling resident workers for these occupations, which will make the UK less dependent on migration in the future. The Home Office tightened the criteria against which highly skilled migrants seeking entry to the United Kingdom are judged, raising the minimum qualifications and salary required for highly skilled immigrants to a master's degree and a minimum £20,000 salary.

### F3 Migrant workers and the downturn

Migrant workers are more likely to be adversely affected by the economic crisis. They are vulnerable for a number of reasons, such as low local-language skills and limited educational credentials. In most cases, they are more likely to be fired first and they tend to have higher unemployment rates than their native counterparts. Also, many of them are concentrated in sectors that are more sensitive to business-cycle fluctuations such as construction, wholesale, export-oriented manufacturing, and hospitality. In turn, those employed in health and education will be affected by cuts in public spending. Migrant workers also tend to have contingent work contracts and arrangements, such as temporary, seasonal, and unauthorised employment. Also, the discrimination and exploitation they face can be exacerbated.

In times of worsening economic situation, migrants are expected to return home, however return migration often depends on a complex interplay of the economic, social, and political conditions in migrant-source countries than simply on job prospects in countries of destination. In Northern Ireland, it seems that some migrants, especially single men, have been returning home but many families have settled here. Also, there are new opportunities as other economies develop, and the decline in the value of sterling makes the UK a less attractive place to work.

The crisis has led to increased hostility and violence against migrants. In the face of growing economic insecurity, immigrants become likely scapegoats. The Centre of Migration Policy and Society has reported on rising hostility against Polish immigrants in the United Kingdom, particularly in small towns, places without much history of immigration and where the resources for coping with migrants are insufficient. Similarly, Amnesty International has reported on rising xenophobia as a result of diminished resources and competition for jobs, housing, and social services.

### F4 Agency Workers Directive

As many migrant workers work through recruitment agencies the transposition of the Agency Workers Directive in NI is a matter of concern for the Unit. Most agency workers in Northern Ireland are low-skilled, vulnerable workers who accept work through an agency by necessity and through lack of an alternative. They do not opt to deprive themselves of employment rights without any benefit in return. They are simply the second-class citizens of the employment sphere.

The short-term solution of agency work has been turned into a permanent condition for many, especially vulnerable workers. The MWSU is aware of many agency workers employed by an agency for years, all this time working for minimum wage, long, unsocial hours, with no promotion or training opportunities offered to them.





The UK has the highest proportion of agency workers in Europe. The Agency Workers Directive which came into force in NI on 5<sup>th</sup> December 2011 gives agency workers the same rights as directly employed workers after 12 week qualifying period. Although we welcome the introduction of more protection for this most vulnerable category of workers, we had argued that all rights should be guaranteed from day one.

We are concerned that the anti-avoidance measures proposed are not sufficient to deter a deliberate attempt to avoid applying equal treatment to agency workers. It is anticipated that hirers will move towards greater use of short-term working (under twelve weeks), thus creating even more insecurity for these workers. Additionally, we have already received signals that some agencies are retrospectively trying to use what is known as “Swedish derogation” in order to avoid paying their workers the same pay as directly employed workers. The Unit is going to monitor the situation and notify the Department for Employment and Learning of any breaches of the legislation.

## **F5 Migrant Workers Support Unit (MWSU)**

The MWSU has been in existence since 2007 when ICTU identified the need for a migrant workers support service from the practical experience accumulated by trade unions, the work of Employment Industrial Relations Service and Robbie McVeigh’s research *Migrant Workers and their Families in Northern Ireland*.

The Unit’s aim is to pursue the implementation of Congress policies by working towards the elimination of racism, discrimination, exploitation and barriers in accessing services for migrant workers. The Unit has both strategic responsibilities of policy development through linking with relevant stakeholders and trade unions, coordinating role of establishing a network of employment rights clinics in cooperation with Trades Councils, trade unions and migrant support organisations and mapping and collating information on migrant workers as well as fieldwork duties of organising seminars and information sessions.

## **F6 ‘A Shared Workplace, A Shared Future’ Project**

The new addition to MWSU, ‘A Shared Workplace, A Shared Future’ project is a comprehensive approach for developing and disseminating new ways of delivering integrated and representative mechanisms for migrant workers and their families rooted in the principles of equality and social justice.

This project, in existence since 2009 complements the ongoing work of the Unit in providing representation for migrant workers, a crucial service in ensuring access to employment rights and equality.

The Project also involved development of strategic partnerships, accredited training, outreach programmes and research aiming at building the capacity of the trade union movement to ensure the inclusion and participation of migrant workers.

The training side of the Project aimed to combat discrimination and inequality experienced by migrant workers by building the capacity of the trade union movement to make informed and equality-proofed policy decisions that ensure the inclusion and participation of migrant workers. The training for trade union activists, including those in border counties, specifically looked at attitudes and perception of the role and impact of migrant workers, the need to challenge xenophobia and racism in the workplace, a greater understanding of employment and welfare rights of migrant workers and increasing skills and capacity in dealing with conflict in the workplace.

## F7 Employment Rights Centre in Belfast

Because of great demand for advice and representation, the ICTU Belfast office is now operating as permanent Migrant Workers Employment Rights Centre. In the last two years, the Unit has dealt with over 700 clients through a combination of advice centre, outreach clinics and information sessions.

From this initial contact, migrant workers can join the trade union organisation thus benefiting from its services and increased protection in their employment and building positive relations with other workers which will also impact on attitudes and behaviours beyond the workplace. The Unit has also been successful in supporting individual migrant workers in organising their entire workplaces.

The MWSU identified that a number of statutory organisations and NGOs, e.g. the LRA, Equality Commission, CAB, provided limited advice on specific parts of employment rights to migrant workers. However none of these bodies could provide the level of specialist advice available from ICTU or representation in the workplace. Given the very complicated nature of employment legislation, even for those whose first language is English, the advice offered outside of ICTU is mainly general in nature and it is difficult, if not impossible, for the

unrepresented migrant worker to translate it into the practical experience of their workplace. This situation leaves migrant workers more vulnerable to exploitation in the workplace.

The centre has dealt with almost 200 cases of exploitation and mistreatment of migrant workers and represented 105 clients in dealing with employers. The centre also runs a dedicated telephone line, which in the last two years received over 400 enquiries from mainly new Eastern European migrants.

Majority of clients come from Eastern Europe, particularly Poland and Slovakia, however in total 23 nationalities were represented, including countries: Canada; Czech Republic; Egypt; Estonia; France; Germany; India; Latvia; Lebanon; Lithuania; Malaysia; Nepal; Nigeria; Philippines; Poland; Portugal; Romania; Russia; Slovakia; Spain; Sudan; Switzerland; and Zimbabwe.

Main issues which required intervention from the Unit were dismissal, outstanding pay, disciplinary procedure, redundancy and holiday entitlement. In many cases, there was alleged race discrimination or less favourable treatment on the grounds of race. Some employees were dismissed or made redundant in contravention of the statutory rights to fair selection criteria, notification, or consultation. In some instances disciplinary procedure was evoked to dismiss an employee instead of conducting proper redundancy process.

The number of clients contacting the Unit does not necessarily reflect the impact our work on migrant workers. It is generally true that when one migrant worker is helped in a given workplace, others benefit as well, either through better working conditions, or through getting more confidence in approaching their employer and pursuing grievances.

Migrant workers who used our service and who took part in the evaluation at the end of the project stated that one of the reasons for their turning for assistance to the project was that employers would not have engaged with them when they were not represented. Letters often

went unanswered and their complaints (for example, of racial harassment in the workplace) were not taken seriously by their employers. Provision of representation clearly made a difference to the outcomes for the individuals represented by the project. Some reported a marked improvement in their workplace, following their cases being resolved with the employer.

Some also stated that workers in particular businesses were encouraged to organise Trade Unions branches and/or join Trade Union branches recognised by their employer after their cases were resolved. Some referred to changes that they were able to negotiate because of this to working conditions and working practices, improving the overall situation on the company level. In this respect, the representation part of the project clearly shows the potential to have a multiplying effect in relation to improving the working situation of those who have not necessarily been in direct contact with the ICTU project workers.

#### Case Study

*Marzena Kopowska was employed by Mac's Quality Foods in Dunmurry from September 2006 until July 2008. She contacted the Unit in 2008 complaining of sex harassment and race discrimination in the workplace. The Migrant Workers Support Unit represented her at a grievance meeting with her employer and subsequently supported her in lodging the case to the Industrial Tribunal. The Tribunal found she was sexually harassed by a Polish co-worker and racially discriminated against by a local employee of the firm. She was also sworn at in Polish by a manager who was from Northern Ireland and made to perform unpleasant tasks that workers from Northern Ireland did not have to do. In a case which received wide publicity, Marzena received a compensation award of £50,000, which sends a clear message to employers that mistreatment of most vulnerable workers cannot be tolerated.*

## F8 BME Trade Union Leadership Training

Recognising the crucial role of active engagement of migrant workers into trade union structures, we organised a residential BME Trade Union Leadership Training with aimed at building their capacity to participate in the trade union movement and to promote trade unions. The training was also structured to encourage contributions from the participants that will assist the trade union movement to make informed and equality-proofed policy decisions ensuring greater participation of migrant workers.

The sessions were attended by trade union activists from a variety of national backgrounds. The material discussed at the sessions was largely based around historical and economic background to changes in working practices, environments and the rise of the Trade Union movement which provided a background for discussion of racism, sectarianism and discrimination.

## F9 Not Just for the Birds Project

The MWSU has been involved in a joint initiative between Golden Thread Gallery and the Greater Village Regeneration Trust exploring the cultural and industrial history of the Village and Sandy



Row areas of Belfast. Focusing on shared history but also reflecting on recent demographic changes in the area, the project used the arts to explore this change and its impact on the future of the local community. A book documenting the experiences of residents in the area as well as examining local and international context of migration has been published.

## F10 Race Equality Month

The Race Equality Month campaign has developed from the Anti-Racist Workplace Week initiative which the Equality Commission has been running since 2004. The main focus of the month is to raise awareness around race equality and to encourage employers and others to develop strategies to achieve equality of opportunity for both employees and customers/service users in our culturally diverse society.

As part of its contribution NIC ICTU in partnership with the Equality Commission organised a series of events which aimed to promote equality and diversity in the workplace as well as better understanding of workers' rights, including the right to join a trade union. A number of events were organised throughout Northern Ireland, with support from local councils, Trades Councils and ethnic minorities support centres in various localities including Belfast, Ballymena, Derry and Newry.

Unfortunately, the Equality Commission in September 2011 announced their decision to stop calendar-based campaigns, including Race Equality Month and Travellers Focus Week. It is a matter of concern to us, firstly because of lack of consultation and secondly in terms of providing platforms for us and other partners to highlight continuing issues of discrimination and to promote good race relations.

## F11 Involvement with stakeholders

The NIC continues to actively support the work of government departments in tackling the

problems affecting migrant workers. We are represented on DEL's Migrant Workers Thematic Subgroup and Racial Equality Panel which has been established to support and drive forward the work of the Racial Equality Forum.

The *Racial Equality Strategy 2005-2010* welcomed minority communities, including migrants, to Northern Ireland and sought to end racism, tackle discrimination and barriers to opportunity and improve inclusion and participation to create a sense of belonging. At the time of writing of this report (March 2012) there is still no sign of the new Racial Equality Strategy. The new strategy needs to address all manifestations of racial discrimination and underrepresentation of minority ethnic people in all areas in the labour market as well as political and public life and include an action plan with commitment from relevant government departments.

Another important concern to organisations supporting BME communities is the allocation of funding through Ethnic Minority Development Fund (EMDF). Core funding is only allocated for one year, which makes long-term planning difficult. The delay in opening the fund for applications in 2012 means that many organisations have no option but to make their staff redundant. OFMDFM must ensure that funding is allocated on at least three-yearly basis so that essential services for migrant communities are not put at risk.

## F12 Partnerships with migrant organisations

The Migrant Workers Unit has formed important partnerships with both regional and local migrant support organisations, among others, Northern Ireland Council for Ethnic Minorities, South Tyrone Empowerment Programme, Chinese Welfare Association, Ballymena Inter-Ethnic Forum, Multicultural Resource Centre, Polish Association Northern Ireland, Newry Ethnic Minorities Support Centre, Lisburn Old Warren Partnership, Craigavon Intercultural Programme



and Seeds. A number of events have been organised in partnership with these organisations, such as training and information sessions and clinics. Regular referral and support mechanisms have been developed with these organisations with the aim of supporting migrant workers in workplace problems.

The Unit has become one of the key partners of the newly established Belfast Migrant Centre, which is a partnership among NICEM, Unison and Polish Association. It provides a one-stop shop for foreign nationals seeking advice in relation to all aspects of living in NI, including benefits, doctor registration, financial advice and support for victims of racial harassment. The MWSU supports the centre with our expertise on employment issues.

## F13 Publications

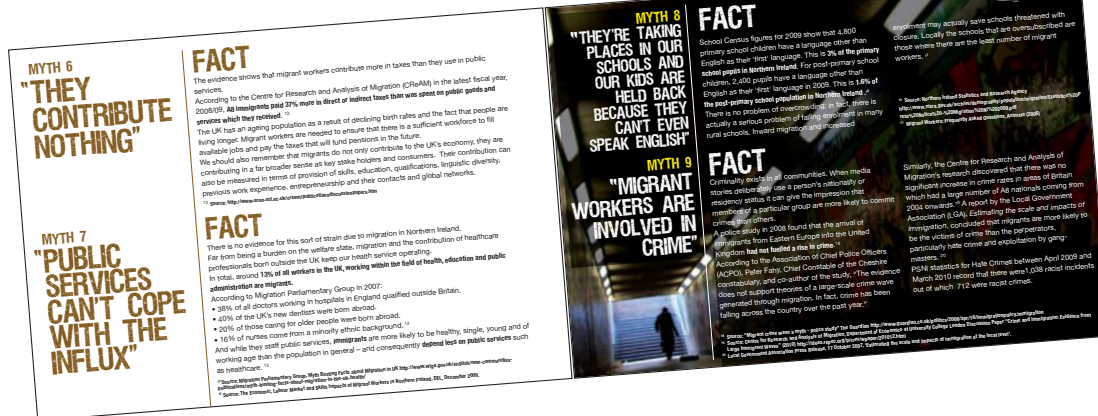
### Towards a Strategy for the Inclusion of Migrant Workers in Trade Unions

This publication by the Irish Congress of Trade Unions aims to develop a strategic approach within Congress to the inclusion of black and minority ethnic members. The MWSU contributed to the research showcasing the work of the Unit as an example of good practice of trade union engagement with migrant workers. The Report was launched in October 2011. The representative of the Unit spoke at the launch about the important role the trade unions play in organising and supporting migrant workers.

### "I'm not a Racist, but..."

The other aspects of the Shared Workplace Shared Future project included facilitating relationships between migrant and indigenous workers by directly addressing issues of trust, prejudice and intolerance through training trade union activists. A training resource "I'm not a Racist, but...: Exposing the Common Myths which can Fuel Racist Attitudes towards Migrant Workers" is a leaflet challenging the myths and stereotypes surrounding common perceptions around migration and the social and economic impact of migrant workers.

In response to the great demand for the publication, the MWSU developed an extended, handbook version. These publications have been used as an educational resource in the context of training programmes for shop stewards, distributed at trade union conferences, committees and other events and made available to organisations working in the BME sector.



# EQUALITY LAW - THE LEVELING IMPACT OF EU LAW

In this short article we will show some of the ways in which EU equality law can influence our domestic equality laws and might be relied on to remove apparent differences between them.

The main EU equality laws which seek to ban discrimination in employment are the Equal Treatment Directive (Recast), the Racial Equality Directive and the Framework Employment Directive.

The domestic equality laws which presently apply in each region and which seek to ban discrimination in employment are -

Northern Ireland	Republic of Ireland	Great Britain
<p><b>Equal Pay Act (NI) 1970</b></p> <p><b>Sex Discrimination (NI) Order 1976</b></p> <p><b>Fair Employment &amp; Treatment (NI) Order 1998</b></p> <p><b>Disability Discrimination Act 1995</b></p> <p><b>Race Relations (NI) Order 1997</b></p> <p><b>Employment Equality (Sexual Orientation) Regulations (NI) 2003</b></p> <p><b>Employment Equality (Age) Regulations (NI) 2006</b></p>	<p><b>Employment Equality Acts 1998 to 2011 *</b></p> <p>* The 1998 Act is the main statute, but it must be read together with several later laws, especially the Equality Act 2004, which made important amendments to it</p> <p>Equality Act 2010</p>	<p><b>Equality Act 2010</b></p>

**The relationship between EU law and domestic laws**  
 Domestic laws are the main channels through which EU legal rights are passed on to the citizens of each Member State. Domestic laws do not have to follow EU law to the letter, but they should reflect it in substance and should be interpreted by tribunals and courts accordingly. Lack of space prevents us from exploring all of the implications of this, but the following examples will illustrate the possibilities-

**Gender reassignment:**

EU law bans discrimination on this ground. The domestic laws in Northern Ireland and Great Britain did not initially ban this type of discrimination when they were first enacted, but were later amended so as to bring them into line with EU law. However, even now, the law in the Republic of Ireland does not explicitly ban this type of discrimination. However, it is generally accepted that the “gender ground” in the Republic’s law must be interpreted, in line with EU law, as banning gender reassignment discrimination. This principle was recently followed, for example, by the Equality Tribunal in the case of Hannon -v- First Direct Logistics Limited [2011].

**Compulsory retirement ages:**

EU law bans age discrimination, including the setting of compulsory retirement ages where these cannot be objectively justified. The laws in Northern Ireland and Great Britain now explicitly follow EU law in this regard, although only since April 2011 when they were amended to bring them into line. By contrast, in the Republic, a provision in the Employment Equality Acts (i.e. section 34)

purports to allow employers to set compulsory retirement ages without needing to objectively justify this. Thus, the Republic’s law is out-of-step with EU law on this point. This gap has been recognised by the Equality Tribunal, which has ruled that EU law prevails over the section 34 exception and that employers in the Republic cannot lawfully set compulsory retirement ages without being able to objectively justify them (see the case of Saunders – v- CHC Ireland Ltd [2011]).

**The Equality Commission for Northern Ireland**

The Equality Commission has a wide range of duties and responsibilities. One of these is to keep Northern Ireland’s domestic equality laws under review. EU law is an important template in our toolkit when it comes to doing this. There are currently a number of areas where we believe legislative reform to be both necessary and desirable. Detailed papers on our proposals are available on our website at [www.equalityni.org](http://www.equalityni.org).

We also make appropriate references to EU law and its relationship to domestic law in the various training programmes that we run for employers and trade unions, for example in our PETAL programme. PETAL (i.e. Progressive Equality Training and Learning) is a partnership initiative between the Commission and the Irish Congress of Trade Unions that aims to develop greater awareness and expertise of equality law, policy and best practice amongst trade unionists. Now in its second year, the programme continues to grow and we are currently looking at how best to meet your needs in 2012/13.



**For further information, please contact us at**  
 Address: 7/9 Shaftesbury Square, Belfast, Northern Ireland, BT2 7DP  
 Telephone: 028 9089 0890  
 E-mail: [information@equalityni.org](mailto:information@equalityni.org)  
 Website: [www.equalityni.org](http://www.equalityni.org)





# Section G

## Equality and Human Rights

## Section G Equality and Human Rights

### G1 Introduction

It has been a challenging time since we last came together for our Conference in 2010.

We continue to be engulfed by the economic crisis and its devastating impact on workers. Women and men all over the world share a strong feeling of injustice, the injustice of a system that serves the interests of a few and leaves ever growing numbers out in the cold. Any hopes of a window of opportunity in 2008 when the absurdity of the financial system came to light, have since faded as nearly four years later, the paradigm remains the same and workers are asked to pay the bill and trade unions with those who seek alternative economic and social policies are considered a nuisance to the Government programme.

Two years into this term of government, their plan at this point was for the economy to be steaming ahead, unemployment to be falling, exports to be booming, and for a sharply lower deficit to be funding tax cuts before the next election.

Young people are disillusioned and disadvantaged groups, as usual, suffer most. **Always the last to find work, always the first to lose it.** They are the biggest losers of the cuts in public services and social provisions. In the Global Report on Equality at Work 2011, the International Labour Office (ILO) noted that in spite of continuous positive advances in anti-discrimination legislation, the global economic and social crisis has led to a higher risk of discrimination against certain groups such as migrant labour.

“Economically adverse times are a breeding ground for discrimination at work and in society more broadly. We see this with the rise of populist solutions”, said ILO Director-General Juan Somavia, adding that “this threatens painstaking achievements of several decades”. The report, entitled “**Equality at work: The continuing challenge**”, cites equality bodies which receive increased numbers of complaints,

showing that workplace discrimination has become more varied, and discrimination on multiple grounds is becoming the rule rather than the exception.

A report for International Women’s Day (2011) by the International Trade Union Confederation shows the second wave of the global crisis is hurting Women. Women are facing higher unemployment, underemployment and reduced working hours as a second wave of the global economic crisis impacts female employment. The report, ‘**Living With Economic Insecurity: Women in Precarious Work**’ shows that while the initial impact of the crisis was equally detrimental to men and women, increasing numbers of women are now either losing their jobs or being forced into more precarious, temporary, and informal forms of work. Globally the official unemployment rate for women of 7% masks a harsher reality, with a massive increase in the numbers of “working poor”, those, mainly women, whose jobs do not provide enough to meet basic needs. The TUC is also highlighting the disproportionate effect that the global economic crisis has had on women all over the world. It has affected women in the developed world very differently to how it has affected women in developing countries, but in the north and the south it is women who are bearing the brunt. We heard stories from women all around Ireland at our Women’s seminar in Cork in 2011 which bore witness to these facts. ‘Bearing the brunt, leading the response: Women and the global economic crisis’, a collection of stories, articles and case studies from individuals, unions and NGOs provides inspiring reading.

We cannot but be inspired by the struggles of workers from all around the globe and hope that this conference reinvigorates all of our efforts to actively pursue rights in society, in our workplaces and within our trade unions.

The following is a report on the work of Congress and the Equality Committees in pursuit of our objectives for a fairer and more equal society – **A Better Fairer Way** - since we last met.



## G2 Welfare Reform

In the autumn of 2011 Congress responded to consultations on Passported Benefits Under Universal Credit and The NI Welfare Reform Bill 2011 – and Welfare Reform Equality Impact Assessment. This was supplemented with a meeting with the Committee for Social Development on Welfare Reform. The comprehensive reports and documents are available on [www.ictuni.org](http://www.ictuni.org).

Congress advocates -

- A Social Security system that ensures everyone has a decent standard of living free from poverty;
- A Social Security system based on need not moral judgements;
- To end low pay and poverty wages which push people into the benefits system;
- A better and fairer way for all.

The Welfare Reform Bill does nothing for the most vulnerable in society and will lead to further deprivation for those in most need if it is implemented.

It was against this background tens of thousands of women public sector workers across Northern Ireland and hundreds of thousands across the UK took part in the largest action in a generation on November 30.

Teachers, nurses, classroom assistants, their friends and families joined civil servants and local authority workers to brave the cold, stand on picket lines and attend rallies during the day of action on pensions.

In her speech, health worker Stephanie Greenwood said: “We will not stand by while the millionaires steal our futures. We will not be accepting so called pension reform and we will not accept health and education cuts.”

Calling on local politicians to “get a backbone”, she added: “Remember how we voted you in. Remember there is no such thing as a safe seat. You will not rely on traditional patterns for much

longer.” If you are not prepared to defend the Welfare State, and the National Health Service we will ...”

Teacher Mary Cahillane told the crowd: “We want to teach, we want to educate our pupils but we want to do it for a living wage and for the pension that we were promised. “We don’t want to work until we are 68. If I am working until I am 68, it won’t be a case of the pupils forgetting their homework, it will be a case of me forgetting that I gave it to them!”

## G3 BILL OF RIGHTS

The Congress Equality Committees all held special meetings on the consultation on the Bill of Rights. As well as the committees, Congress also held a major seminar on the issue which was attended by over one hundred participants. Congress affiliates also encouraged their own networks and members to become involved in the Human Rights Consortium campaign.

Despite the campaign being a success and clear messages being sent to Government, we still have no Bill of Rights. Discussions are ongoing with the Human Rights Consortium on a continuing campaign. Congress organised a series of consultative events in response to the Government recommendations on the Bill of Rights. A report of those consultations is available on the NIC-CTU website, [www.ictuni.org](http://www.ictuni.org).

Congress responded to the Secretary of State’s consultation paper *A Bill Of Rights for Northern Ireland: Next Steps* as follows:

“The current consultation document as published by the NIO fails to deliver human rights protections of any meaningful depth or scope for the people of Northern Ireland. Congress rejects this document as a basis on which to develop a Bill of Rights for Northern Ireland. We also wish to express our disgust at the complete disregard in the proposals for a strong and inclusive Bill of Rights.

Congress has consulted widely with our affiliates and has assembled its response through a series of seminars and meetings. Our members have expressed wide ranging opinions on the need for an inclusive Bill of Rights which specifically underpin Peace and Reconciliation and promote Social and Economic Rights. We therefore make our comments on a very informed and robust basis.

We have included some of the comments below which have been collected during our consultation exercises and which reflect the depth of feeling for a strong and inclusive Bill of Rights.

- Our role must be in pursuing vigorously social and economic rights.
- A Bill of Rights is a Bread and Butter issue.
- We are working for Peace and Reconciliation- using Human Rights.
- The Current proposals are pointless.
- We need a strong Bill of Rights.
- A Bill of Rights must put rights at the centre of our values.

A Bill of Rights must give new sense of hope - it must empower ownership and respectability. The importance of the Bill of Rights in halting the exploitation of workers.”



A further meeting was attended in Stormont to launch the HRC Bill of Rights research booklet 'Overdue'.

#### UK Bill of Rights Consultation Commission

A submission was made to the Bill of Rights Consultation Commission as identified above. A meeting was also attended with the Commission, which was organised by the Human Rights Consortium, and it was felt that this was very useful with a wide variety of groups voicing opinions on a strong Bill of Rights for NI.

### G4 FUEL POVERTY

A submission was made on behalf of Congress to DSD on Fuel Poverty. Congress was represented in Stormont at a round table event which had an MLA from each Department at every table. The meeting was hosted by Alex Maskey, Chair of the Committee, as part of a discussion on the programme for Government. Issues discussed included: alternative energy, regulation, pricing, winter fuel payments, energy efficiency, and energy advice.

### G5 PETAL

2010 saw the launch of the **PETAL** (Progressive Equality Training and Learning) programme. Since then it has expanded to deal with issues using different mediums including drama and DVD.

PETAL offers training on issues that have been identified by our reps as priority in the workplace e.g. stress, harassment and bullying, pregnancy and maternity rights, disability, absence management and taking a case to an industrial. The training is delivered in seven strands,





PETAL participants from both sides of the border



PETAL certificate being awarded to Theresa Devenney by Peter Bunting and Evelyn Collins of the Equality commission

1. Equality Law Seminars which are designed to keeps reps up to date with the latest developments in case law.
2. Key Employment and Equality Issues for the Union Representative which is designed to encourage reps to bring issues to the negotiating table and to develop and implement good strong equality proofed policies.
3. Disability Champions series which deals with spotlight topics on disability and also give Disability Champions the opportunity to meet, network and support each other in their work.
4. Mental Health First Aid and Suicide Awareness Training. These sessions were held as summer schools in the Unison office,

Belfast and were attended by over forty participants from all over the island.

5. Bill of Rights. This programme equips participants with the tools to engage in the Bill of Rights debate and to work together to come up with new and creative ideas for Bill of Rights activism.
6. Women in Leadership. This OCN accredited (Level 2) training programme is open to all women trade unionists who are interested in exploring issues around women s participation in decision making bodies, trade unions and public life.
7. Social Guardians. We are all Social Guardians who have a responsibility to support those who may be vulnerable, feeling unsafe and/or at risk. This one day course will enable participants to gain a better understanding of domestic abuse and its impact in the workplace.

In creating and delivering the PETAL programme we have worked with a number of partners including The Equality Commission NI, Labour Relations Agency, Health and Safety Agency, Women's Aid, Human Rights Consortium and Public Health Agency. Thanks must be recorded for their help and assistance.



The launch of the 2011/12 programme took place in Unison, around 100 people attended. The second year of the programme has been expanded to include a community outreach programme – Talking Heads, I Came here For ... which consolidates the learning and knowledge gained from previous events.

## G6 EQUALITY AND HUMAN RIGHTS COMMITTEE

The committee met in October 2011 and agreed to set dates for monthly meetings. Those meetings now take place immediately after the NIC meeting.

The committee met with the Chief Executive and members of the Equality Commission NI and with the Chief Executive and members of the Human Rights Commission separately during December 2011.

Agenda items for ECNI included: absence of enforcement strategy, welfare and budget cuts impact - particularly on women and those with disabilities, delay in appointment of new Chief commissioner, Invest NI strategy and the Bain Report, the failure to support EQIA system, Race Equality.

Agenda items with NIHRC included: Human and socio economic rights in the current economic climate, Bill of Rights, Dealing with the past, Confronting attempts at regression on Human Rights, All Ireland Charter of Rights. The committee met Kyung-wha Kang, UN Deputy High Commissioner for Human Rights. Issues raised included, Bill of Rights, Justice, Rights of the Child and Plastic Bullets.

### Agenda

1. Strategic Overview on Equality and Human Rights Developments:
  - Implementation of S75 and next tranche equality schemes
  - Bill of Rights for Northern Ireland

- ‘Shared Future’ and Dealing with the Past
2. Strategic Intervention (single or with allies) at level of:
    - NI Assembly/Govt Departments
    - Westminster
    - Joint Oireachtas Committee on Good Friday Agreement
  3. Strategic Intervention with enforcement agencies:
    - NI Human Rights Commission
    - Equality Commission Northern Ireland
  4. Congress Self Organised Committees:
    - Aligning the work programmes with the Strategic Agenda
    - Issues from Committees for NIC action

## G7 DISABILITY COMMITTEE

The committee are pleased to welcome the ever increasing numbers of Disability Champions who have been trained and who also attend the Disability Champions Forum. There are now over 150 Champions trained on the island.

The Chair represents the committee at various forums including at meetings with The Equality Commission and The Human Rights Commission.

The committee has taken part in the Disability Seminars in both Derry and Dublin. The seminars and the committee meetings have been addressed by a number of high profile speakers who have dealt with topics which have included; living with sensory disability, suicide awareness and trauma, legal developments at home and European wide, the UN Convention on Persons with Disabilities and dealing with the development of “fit notes”.



*Disability Committee chair Berni McCrea speaking at Disability Champions seminar*



The committee have raised serious concerns over the issue of the ‘universal benefit scheme’, and new regulations around Incapacity Benefit and the removal of those who have previously been awarded the benefit.

### Hardest Hit Campaign

The Chair attended several meetings with interested organisations and partners of the Hardest Hit Campaign. Harry Reid of RNIB and an organiser of the ‘Hardest Hit Campaign’ spoke to the committee.

The Hardest Hit Campaign set out three key messages and four objectives they seek to achieve:

- Don’t take our independence
- Keep your promises
- Don’t push us into poverty
- No cuts to services vital to disabled people.
- To ensure that changes to Disability Living Allowance do not make disabled people worse off.
- To ensure that Employment and Support Allowance works by improving the assessment process.
- To ensure that the welfare system supports people with the additional costs of living with a disability.

### Don’t take our independence

#### Disability Living Allowance (DLA)

- Disabled people rely on DLA to cope with the extra costs of living with an impairment – costs like care and support needs, specially adapted transport, and home adaptations. The money helps us retain our independence and quality of life.
- The Government wants to cut the DLA budget by only granting it to “those with the greatest need”. It is introducing an assessment to determine who has the greatest need.
- Those of us who do not meet this threshold will lose not only the money, but also our independence, our quality of life, and even our health. In some cases, losing DLA means our carers can no longer receive benefits either.
- We are particularly concerned that the Government is still considering removing the “Mobility Component” of DLA from people

who live in residential care. This means they’ll no longer receive money to pay for transport costs.

- We call on the Government to ensure that no disabled person loses his or her independence as a result of these changes.

### Keep your promises

#### Work Capability Assessment

- The Government is re-testing everyone on Incapacity Benefit to see if they are able to work or not. It has promised that those of us who cannot work will not be forced to do so, and those of us that need help to return to work will get that help.
- The Government is breaking its promise. It is using a flawed test – the Work Capability Assessment – for the retesting process, and this means that too many people are found ‘fit for work’ when they are not.
- If we are placed on the wrong benefit stream, we will NOT get the support we were promised.
- We call on the Government to keep its promise to provide the right support, by improving the Work Capability Assessment.

#### Contributory Employment and Support Allowance (CESA)

- “Contributory Employment and Support Allowance” is a benefit given to people who have had to stop work due to ill health or disability, but who are well enough to return to work at some point. It is only given to those who have paid sufficient National Insurance Contributions during their working life.
- The Government is proposing to limit the period of time for which people can receive this vital benefit to just one year
- Some disabled people will be able to return to work, but many will need more time and support to do so. The Department for Work and Pensions estimate that 94 per cent of disabled people will take longer than a year to find work. This means that many who remain unemployed after these 12 months will lose all benefit support.
- We call on the Government not to introduce this arbitrary one year time limit.

**Don't push us into poverty****Universal Credit**

- We welcome the new Universal Credit as a simpler approach to benefits, but we're worried disabled people will be pushed into poverty under the system.
- Under the Universal Credit system, people who return to work will be able to earn a certain amount before benefits start to be withdrawn; how much people can earn is yet to be decided.
- We believe disabled people should be allowed to earn a higher amount before benefits are withdrawn, since our impairments push up our cost of living and leave us twice as likely to live in poverty.
- Carers and parents of disabled children also face additional costs, and must not lose out in the new system.
- We call on the Government to ensure the Universal Credit recognises the additional costs of living with a disability.

**Congress Disability Seminar 2010**

The Congress Disability Seminar was held on the 23rd and 24th of April, in the Clarion Hotel Dublin Airport. The theme for the seminar was: 'Mental Health in the Workplace'. The seminar was attended by members of the disability committees from ICTU and NIC ICTU, Disability Champions, and lay activists.

The event was jointly chaired by Deirdre O'Connor and Berni McCrea. The Seminar was opened by Colm O Gorman, CEO of Amnesty International, and this was followed by a speech by Congress general Secretary David Begg. There were also presentations from Mary Van Leishout of the NDA on attitudes to mental health, Peter Purton from the TUC and Seamus Mac Alastiar from Spes. Deirdre O'Connor, INTO. On the 24th, there were presentations from Jane Clare, Disability Champions Officer and Paul Oakes, Equality Commission.

The seminar was finished off by a workshop on developing a work plan on the area of mental health. The aim of the seminar was to raise awareness about mental health and illness issues in the workplace, and

to start thinking about future campaigns in the area.

**Congress Disability Seminar 2011**

Congress annual disability seminar was held on 1st and 2nd April in Dublin Airport., 40 delegates gathered to discuss the impact of the crisis on people with disabilities and how the trade union movement should respond. Among the speakers were:

- Deirdre O Connor opened the seminar with some remarks about a recent European civil society conference on disability issues.
- David Begg spoke about the seriousness of the economic crisis facing us and on the importance of ensuring that we do not lose focus on the fact that the economy should exist for society and not the reverse;
- Eithne Fitzgerald of the NDA spoke about opportunities posed by the crisis in terms of how we approach disability issues in Ireland.
- Christy Lynch, CEO of KARE spoke about the challenges to his organisation in terms of providing relevant services for people with intellectual disabilities in such a difficult economic climate.
- Paul Oakes of the Equality Commission spoke about the importance of mainstreaming equality and disability issues; Deirdre McNamee from the Public Health Agency presented on the development of the Promoting Mental Health Strategy and Action Plan.
- John Saunders from See Change also spoke about the impact of the crisis on mental health and on their latest Campaign - Make a Ripple.



*Certified Disability Champions 2011*

INTO delegate and Disability Committee member, Maire Masterson, finished the seminar with a session giving stress management techniques to all.

Participants also worked in breakout sessions and brought back some recommendations for the consideration of the Disability Committees North and South.

### Health and Wellbeing Project

The committee accessed funding to run a Health and Wellbeing project. The target audience was Trade Union members from Retired Committees or those with disabilities the expectation of recruiting 30 participants was exceeded.

The project provides an opportunity over 16 weeks to improve your health and wellbeing and learn more about a range of issues.

Fourteen sessions will be run as participative 'classroom sessions' exploring a series of diverse issues such as: **Pensions, Welfare, Healthy Heart, Diabetes, Disability and Age Discrimination Dementia and Issues for Carers.**

Two of the sessions will be organised all-day bus outings. The project is facilitated by trade union tutor Brian McAnoy and a personal trainer attends each session to lead a series of gentle exercises.

### International Day for Disabled People

The committee marked December 1st World Aids Day and December 3 (International Day for Disabled Persons) by having guest speakers following a meeting of the Disability Champions Forum.

The speakers addressed links between disability and the arts and International Trade Union projects in Africa.

A series of guest speakers have attended the Disability Committee meetings to provide updates on Legislation, Consultation and Practice.

## G8 LGBT COMMITTEE

The committee continue to circulate and share information via electronic means as their main means of communication and continue to develop relationships within and between affiliates and organisations within the LGBT community on a regular basis and have worked hard to raise awareness and to effect change for all LGBT members.

A delegation of the committee will travel to the European Parliament in September to meet with MEP's and to discuss issues currently being debated around LGBT issues. Some particular areas of concern are: the right to adopt, full marriage, change of gender on passports and NI being out of step on blood donors. Bairbre de Brun MEP will host the visit.

Members of the committee have taken part in the annual Pride events which have included debates and seminars on sexuality and also drama and musicals. The committee members also attended the annual Pride dinner. A number of meetings were held to discuss LGBT issues and policy, other organisations and individuals working in the field also attended, these included Rainbow and Glen, who contributed to discussion and outlined work that is ongoing.

The committee with trade union members and community activists participated in Community Learning Events in 2011 with presentations, workshops and discussions on:

- Community and Trade Union Developments
- Mapping current activity in Community
- Audit of current activity
- Who? Does what? Perceived gaps?
- Public Sector response to LGBT Issues
- Response to the NIO Bill of Rights consultation,
- S75 Guidance,
- UK Government commitment on LGBT Equality
- Key Policies and Action Areas
- Addressing the Future

Funding is being discussed to run a project on homophobia and hate crime. It is intended that the outcome will be similar to 'Talking Heads' where a DVD, education pack and tutors pack will be produced for the Trade Unions and for use in communities.

### European Union Fundamental Rights Agency, FRA, Study

FRA's comprehensive study on homophobia and discrimination on the grounds of sexual orientation in the EU shows the true extent of this problem. This two-part study was requested by the European Parliament to examine the need for new Community legislation to combat discrimination. The FRA reports find that discrimination affects the lives of LGBT persons in all walks of life, ranging from harassment in schools to discrimination in employment or health care.

They also note that comprehensive legal protection, as well as wider powers and resources for equality bodies are required throughout the EU. FRA calls upon all EU governments to support the proposed EU anti-discrimination legislation to close existing loopholes and increase protection for LGBT persons.

The number of sexual orientation and transgender cases recorded through the tribunal system is remarkably low; and the invisibility of LGB identities in school curricula is a significant problem for young LGB persons. This issue is the subject on ongoing discussion by the committee.

## G9 RACE/MIGRANT WORKERS

### Talking Heads

This programme was build around previous activity included a seminar in Newry entitled 'The Rise of the Right Across Europe' focussed on combating racism and promoting Trade Unions and a roundtable discussion on racism which was attended by John Monks, ETUC General Secretary, David Begg, Congress General Secretary and Jack O'Connor, Congress President,

members of the NIC and politicians. Talking Heads, *I Came Here For .....* was initiated during a previous Race Equality Month as part of a arts production by drama practitioner Doug Holden. It compliments the Progressive Equality Training and Learning Program, PETAL.



The main focus of the month was to raise awareness around race equality and to encourage employers and others to develop strategies to achieve equality of opportunity for both employees and customers/service users in our culturally diverse society.

*I Came Here For .....*, intends to:

- consolidate the knowledge and learning gained during Race Equality Month
- continue mainstreaming equality into the society in which we live and
- ask fundamental questions about the type and nature of the society we wish to establish.

The program is designed flexibly to meet the needs of participants. It can be effectively run as a short awareness session on migration and racism or longer courses exploring rights, migration, racism, language, integration and community/workplace participation.

In this program you see and hear the views of migrant workers on what brought them to this part of the world at this point in time and their experiences.

You see and hear representatives from trade unions; the Equality Commission and the Community Relations Council give their views on a range of topics.

The next part of the process is to give you the opportunity to add to the programme by capturing your views and those of your community.



The launch of the project took place in the Grand Opera House on May 26 2011. Around 70 people attended including community groups from the Seven Towers and The Hope Centre Ballymena, Fab Femmes Ballymoney and Turflodge Community Group.

As well as showing the DVD and a Q&A with the participants, other performers included children from the Travelling Community from St. Mary's Primary School, who did a wonderful piece of drama, Brian Lynch playing the tin whistle and the participants of the Women's Poetry Workshop. Speakers included Paul Oakes, Equality Commission, Tony Kennedy CRC and Taryn Trainer, ICTU. It is hoped to run an outreach programme with the educational pack.

Twelve people have now been trained to deliver the programme to Trade Unions and Community Groups. The whole training pack which includes a pack for tutors and the DVD can be downloaded from the Congress website.

A series of Community Outreach Sessions have been delivered and are ongoing.

A proposal has also gone to the Human Rights Consortium to devise a 'Talking Heads' training programme on the Bill of Rights.

### Race Equality Month

Congress has expressed serious concerns to the ECNI that no resources were made available for Race Equality Week/Month.

## G10 WOMENS COMMITTEE

The committee prioritised a number of issues that have shaped their agenda these have included:

- Budget Cuts Effect on Women
- Violence against Women
- Caring
- Flexible Working Patterns
- Equal Pay

The political changes in the UK Parliament and the Northern Ireland Assembly during 2010 and 2011 brought little cheer for those who wished to see a Better Fairer Way. The UK Women's Budget Group an independent, voluntary organisation which brings together individuals from academia, non-governmental organisations and trade unions has scrutinised the gender implications of the budgets of UK governments since the early 1990s.

They provided a gender impact assessment of the 2010 UK budget which summed up the different groups of women:

**Women who are mothers:** Child benefit is a universal benefit that is in the vast majority of cases paid to the mother - by freezing it for three years it will be cut in real terms. Child Tax Credit is mean-tested in relation to household income but is paid to whoever is nominated the main carer in the family, most often the woman. The reduction in Child Benefit and in Child Tax Credits for middle-income families therefore means a loss of independent income for women in those households, who may have a low or no income of their own, making them more reliant on their husbands. Further if child care subsidies through Working Tax Credit will also be cut, such women may be pushed out of the labour market. The increase in Child Tax Credit for low-income families boosts the income of mothers if they are nominated as the main carer. However, the extra £150 will quickly be absorbed by the rising costs associate with 20% VAT. New mothers' independent income will be hit by the scrapping of two one-off payments: the health in pregnancy grant and the Sure Start maternity grant for second and subsequent children.

**Lone parents** (most of whom are women) are affected by the new requirement that they must look for work when their youngest child goes to school. For this policy to work it is essential that the government does not cut services for families, such as breakfast clubs, afterschool care and holiday play schemes provided by extended schools. However these services will be vulnerable due to the squeeze on local authority budgets. Cutting Housing Benefit by 10 per cent



for people who have been claiming Job Seekers Allowance for more than 12 months will increase the housing insecurity of lone mothers and their children, who are over-represented among unemployed mothers. This will be exacerbated by extending the requirement to seek work to lone mothers when their youngest child starts school.

**Women who are carers**, many of whom themselves face poverty during their working lives and in retirement are also facing cuts in support. Because the eligibility criteria for the Disability Living Allowance (DLA) is to be tightened this will have a knock on effect on eligibility for Carers' Allowance, which is only available for those looking after someone in receipt of the middle or higher level of DLA or Attendance Allowance. As three quarters of Carers' Allowance recipients are women, this is yet another area in which women will bear the brunt of the budget cuts.

**Women who are in paid employment:** many will benefit from the raising of the personal income tax allowance but as women comprise about two-thirds of public sector workers large numbers will be affected by the two-year pay freeze for those earning over £21,000. The flat rate rise of £250 will not greatly compensate lower paid public sector workers given cuts in other benefits and the rise in VAT. The public expenditure cuts are also likely to mean that women are disproportionately represented among those who lose jobs.

**Retired women:** older women are poorer and live longer than men. Linking the rise in the basic state pension to earnings, CPI or 2.5 per cent, whichever is the greater, will boost the incomes of many older women. However, they will suffer from cuts to caring and other social services, upon which they are more reliant than men, and for longer.

**Women with disabilities:** women suffer mental

health problems which are harder to demonstrate and so they are more likely to fail the new medical tests for DLA and get a reduction in the benefits. Women with disabilities will also suffer from cuts in the provision of public services.

**Black and minority ethnic group women:** these groups of women are more likely to live in poor households and will so be harder hit, on average, than white women. Women of Pakistani and Bangladeshi origin tend to have larger or extended families, so they will suffer from the capping of housing benefits for properties with more than three bedrooms, and will be hit by the decision to only pay the Sure Start maternity grant to the first child.

**To sum up**, on the whole women will be made worse off by the budget than men, as they rely on transfer payments, public services and public sector employment to a greater extent than men. However it is the poorest and most vulnerable women in society who will feel the cuts most acutely. This is not a gender-neutral budget. Nor it is a fair one.

This initial budget prepared the ground for further attacks disguised as Welfare Reform and Public Service Reform.

#### **Women's Manifesto for 2011 Assembly Elections**

In April the Womens Committee as part of the Women's ad hoc Policy group helped organise the launch of the '**Women's Manifesto – NI Assembly and Local Government Elections 2011**'. The organisations involved in the launch of the Manifesto included the ICTU Womens Committee, the Women's Resource and Development Agency (WRDA), the Northern Ireland Rural Women's Network (NIRWN), Foyle Women's Information Network, Northern Ireland Women's Aid Federation, the Equality Commission for Northern Ireland.

The Women's Manifesto outlined the key policy issues the sector wants to see addressed during the period of the next mandate: issues in relation to the economy, childcare, women and decision-making, violence against women, education,

health and the community women's sector. Two launch events were organised; one in the North West (in conjunction with Foyle Women's Information Network) and one in Belfast and both were well attended. The format for the events involved an introduction by a representative of the Equality Commission (Stella Burnside, Foyle and Bob Collins, Belfast), inputs from women's sector organisations on the seven key priority areas outlined in the manifesto; presentations from representatives of the main political parties, and informal introduction of other women election candidates.

### WOMEN ON THE EDGE

Congress Women's Committee worked with our partners in the women's sector and the Women's Resource and Development Agency (WRDA), [www.wrda.net](http://www.wrda.net), in a comprehensive analysis of the impact of the financial crisis.



The report - 'The Northern Ireland Economy: Women on the Edge?' – was initially conceived in response to the economic recession and subsequent downturn in 2009. The financial crisis

loomed large in terms of media coverage but what was striking was the work sectors the media chose to focus attention on: construction and manufacturing. It appeared to be very much a 'mancession'. In other employment sectors where women predominated and were being affected, for example, retail, the media spotlight at that time was dim.

Notwithstanding the above, it became clear as work began on this project there was a need to ascertain women's position in the wider economy. While existing evidence points to the vulnerability of women generally in the paid labour market, the project delves deeper and looks at the economic position of particular groups of vulnerable women - young women, older women, migrant women and lone parents – the impact of the financial crisis and how any solutions are likely to affect them.

It was deemed equally important to examine the economic roles women play; where women's work is concentrated in the paid economy; women's different work patterns and how women juggle paid work with other/caring responsibilities. Of course, central to all of this was women's income, be it via wages, welfare benefits, credit or pensions. So the research examines women's position in terms of labour market participation and income both generally and in relation to impacts of the economic downturn. Overall, the report establishes a baseline for women's economic participation, the barriers and solutions, but each section can also be read as a standalone piece. Each section is accompanied by a series of recommendations

It has resulted in a seminal piece of research which can now be employed to influence future decisions.



President and Sabina Higgins  
with ICTU Women's committees

### WOMENS CONFERENCE

The Women's Conference which was held in Belfast 2010 and the Women's Seminar which was held in Cork 2011 saw increased attendance and participation. The events dealt with issues which remain barriers for women and with new and diverse issues for women.

### The 2012 Women's Conference held in the Waterfront Hall Belfast



### I'M EVERY WOMAN

Congress Women's Conference took place at the Waterfront Hall in Belfast on March 1 and 2 2012. Over 200 delegates attended and as many as 30 observers.

The title of the conference was 'Bearing the brunt, leading the response: Women and the economic crisis'.

Delegates were welcomed to Belfast City Hall by Lord Mayor, Councillor Niall Ó Donnghaile. The event was a reception to celebrate women. Lord Mayor spoke of the images in City Hall of Mary Ann McCracken and James Larkin that represented the workers of Belfast. Bronagh Hinds, author of 'Women on the Edge' spoke about 'women and the Cuts and outline the multi faceted negative impact on women's lives, particularly under welfare reform.

Lord Mayor of Belfast, Councillor Niall Ó Donnghaile opened the conference by welcoming delegates and guests to Belfast, Lord Mayor spoke of the importance of Trade Unions and said that he spoke as a Trade Union member himself. He then briefly outlined the Belfast City Council business plan and spoke with passion on some of the motions on the agenda.

Motions on the agenda were wide ranging, topics included 'Women in Trade Union Leadership Roles', Women's representation within unions, women and mental health, welfare reform, strategy for women's employment, sex trafficking

and austerity. One of the biggest debates was around the Trade Union Commission and the role of women in the Trade Union movement at present and in the future.

Coupled with this guest speaker Andy Snoddy of 3DK Danish Trade Union spoke about new models of organising and how best to maximise potential, explore new territory and stabilise current membership levels. Michele Morris of the Equality Commission Commission NI spoke about the PETAL programme and how she was particularly delighted to see Theresa Devenney ATL chairing the conference, she pointed out that Theresa was a part of the LIFT programme and also one of the first graduates of the PETAL programme. Dr. Michelle O'Sullivan, University of Limerick spoke of the economic crisis and the restructuring of wage setting mechanisms for vulnerable workers.

Dr. Sylvia Walby, University of Lancaster, outlined in detail in her contribution 'Gender and the Capitol Crisis' why tax is a feminist issue. She spoke of tax evasion at high levels and the impact on women and on the poorest in society. Two fringe meetings were held at lunchtime, one on 'Justice for Columbia' and the other on Irish Aid. The evening fringe meeting 'Lagan, Lassies and Life' was held on 'The Belfast Barge' which is a charity set up to preserve the history and preservation of marine life that surrounds the Lagan River.

Speakers included Therese Moriarty, historian, Pat McMullan who spoke on Memel Street Memories and a number of women from the local communities around the river.

The President of Ireland, Michael D. Higgins and Ms. Sabina Higgins arrived at conference on the second day to a very warm reception. President Higgins was welcomed by Belfast Lord Mayor, Councillor Niall Ó Donnghaile, Congress Vice President Patricia King and General Secretary David Begg.

The President spoke of the importance of Trade Unions in recovery and also highlighted the role of women Trade Unionists. He later met and mingled with delegates.





**ADDRESS BY PRESIDENT MICHAEL D. HIGGINS TO THE WOMEN'S CONFERENCE, IRISH CONGRESS OF  
TRADE UNIONS, WATERFRONT HALL BELFAST  
FRIDAY, 2<sup>nd</sup> MARCH 2012**

*Distinguished guests, ladies and gentlemen,*

*I would like to thank David Begg for the kind invitation join you here this morning at this important biennial meeting of the Women's Conference of the Irish Congress of Trade Unions. I understand that you have had many fruitful discussions on a wide range of topics and have shared information with a range of interesting speakers.*

*We continue to live through challenging times and this is reflected in the theme for your Conference this year. I thoroughly endorse the concept of "Fighting Back!" as a reflection of the need to reposition ourselves and to reaffirm the values and principles of community, cohesion and collective endeavour which we have long cherished in Ireland, both North and South.*

*Collective action has been the cornerstone of the trade union movement since its earliest days. Individual unions were established to address the needs of individual groups of workers and the demonstrable benefits of collaboration led to the establishment of the Irish Trade Union Congress in 1894. Since then, Congress and all its constituent unions, has continued to work selflessly to promote the rights of workers and to act as the collective voice of organised Irish labour.*

*Almost 120 years after its foundation, Congress continues to play an important role in the lives of over 800,000 men and women across this island. Congress also continues to influence social and economic policy development and to ensure that the rights and aspirations of workers are listened to, respected and vindicated.*

*What a change that period of 120 years has brought to the economic and social lives of the people of Ireland. Education standards on the island of Ireland are now among the highest in Europe. Women now outperform men in educational attainment and we enjoy the highest percentage of women graduates in Europe.*



President Higgins addressing the 2012 ICTU Women conference

*New standards of medical care means that we can hope to enjoy significant periods of active retirement while the development of social protection ensures that we do so with a degree of financial security.*

*The workplace has changed utterly in that period. We have been transformed by new technologies and seen the end of much of the back-breaking work that was so much a feature of life in the 1890s. We have seen the numbers of women in the workplace advance to such an extent that women now make up half the workforce here in Northern Ireland and nearly half in the South.*

*While the overall narrative is therefore one of progress and development, I am very conscious that the current socio-economic story is far from comforting or reassuring. In a situation where approximately a half of million people on this island are unemployed, there are the greatest grounds for concern. In such a context, the imperative must be to fix the economy, achieve sustainable economic growth but, above all, to do this in a way that creates employment opportunities. I know this is the shared priority of the two administrations on this island, as it is of Congress, and that a huge amount of effort and ingenuity is being invested in policies and programmes that will, over time, promote growth, create jobs and restore hope and confidence to our people.*

*The current economic downturn means that many of our citizens find themselves in difficult situations. In certain sectors such as construction, this crisis has impacted more on male workers than on women, although recent trends show that the latter are being affected more and more by the unemployment scourge, for example, in such areas as the retail sector. Whether male or female, behind every lost job is a tale of pain and suffering as families come to terms with diminished incomes and increasing pressures. I fully appreciate the anguished situations which now face many families as they struggle to make ends meet, meet their mortgage commitments or face the wrenching prospect of their son or daughter involuntarily emigrating.*

*It is very understandable that people are hurt and dismayed by the economic crisis that shattered their lives. It demands a response. A huge price has been paid for the speculative period of unsustainable growth and false property led development in the first decade of this century. For those who promoted this bubble, personal wealth and material possessions became a dangerous obsession; at the level of society, ostentation replaced simplicity; and selfishness replaced selflessness. The sense of community, for which our island was so richly famous, was eroded as those who pursued aggressively individualistic goals had little time for collective endeavour, little interest in social solidarity and little capacity for ethical reflection. It is important too that the assumptions and the values behind this false economy be exposed, be faced and be rejected as any version of the future we wish to create on this island.*

*We are emerging from a dark period in our economic history and we are certainly entitled to curse that darkness. But we also need to light the candles of hope that will help us to navigate a path towards a better and fairer future. The tone of cynical fatalism that has dominated some of the public discourse in recent years will not serve us well for that journey ahead—it is markedly insufficient for the task of transformation we need. But surely the lesson of the peace process in Northern Ireland is that no problem, however its apparent intractability, is impervious to solution if we summon up the collective will, determination and ingenuity to address and resolve it.*

*We are at a crucial point of transition from one economic model that failed us all to another that has yet to be fully realised. We need to debate the nature and shape of that economy so that sustainability and social cohesion are given as much priority as efficiency and competitiveness. The perspective of women as citizens, in every sense of that term, must be allowed to inform that alternative version of economy and its connection with society. The media has an important role to play in ensuring that this debate takes place and that it occurs in a civil manner respecting the right of all points of view to offer their perspectives on the kind of economy and society they wish to bequeath to their children.*

*We are now also at a point, I suggest, when we need to refocus and reaffirm the values of active citizenship and a caring community. The view of the individual as being no more than a passive consumer of goods and services, and living in disaggregated isolation, is simply an unacceptable and very impoverishing thought. The idea of the citizen actively participating in a society in which he or she enjoys personal rights and discharges responsibilities in a shared community is a far more liberating and life-enhancing vision. The trade union movement has been central to the development of community for over a century and I believe that the trade union movement, of which you all form such an active part, will again play a pivotal role in rebuilding our damaged society.*

*Women have long played a central role in the development of our island, North and South. Women have been central to the trade union movement from the earliest days. Indeed the first female President of Congress was the inspiring Inez McCormack. A strong negotiator and formidable leader, Inez is still active in promoting human rights through a range of activities. Inez followed in the foot-steps of a number of other remarkable women trade unionists including Mary Galway from County Down who became the first woman Vice President of Congress in 1910 and Betty Sinclair who was Secretary of the Belfast and District Trades Union Council for nearly 30 years and the first chairperson of the Northern Ireland Civil Rights Association.*

*It has been my experience that the style of leadership usually pursued by women makes them particularly effective in getting the job done. There is accumulating evidence that women bring a set of communication and interpersonal skills to the workplace which, while often ignored in the past, are better suited to the team-oriented leadership of the 21st Century. I have only to reflect on the amazing work achieved by my two predecessors in Áras an Uachtaráin. They worked in a measured and focused way to unpack problems, break down barriers and get to the heart of an issue in a way which made it amenable to solution. The achievements of Mary McAleese in respecting and reaching out to all traditions and fostering friendships across communities are peerless. The work of Mary Robinson on behalf of the most disadvantaged across the globe has brought her an international recognition she never sought herself.*

*I hope to build on their achievements during my period in office. I do share with them a deep commitment to citizenship, to equality and to human rights and I am happy to have been part of the struggle for gender equality in the 1970s. Again Congress was to the fore in advancing the role of women in society – at a time when separate pay scales for men and women were more or less endemic and when the marriage bar, which applied in the public service, impacted on the employment opportunities of women.*

*While we have made progress in relation to gender equality, there are still many barriers to be broken. Despite high standards of education, women still have not been afforded the opportunity to fill many key decision-making roles. It is not only women but society as a whole that suffers a loss from such exclusion. In many instances, women are not enabled and empowered to bring their expertise to the table to ensure that our decision-making is based on the balanced views and experiences of both*



*genders. It is a matter of regret to me that patriarchy and its related authoritarianism still prevails in many fields and that it conspires to self-perpetuate, despite all the evidence in support of the value of diversified decision-making. As women members of Congress, you are well positioned to advance this debate, not just in Congress but also in your respective workplaces and in the many facets of your lives.*

*Much of the success of Irish society, both North and South, can be attributed to the efforts of groups of women. I think, for example, of the many women activists in the community who pioneered the fledgling efforts towards peace. Women like Betty Williams and Mairead Corrigan collaborated in the 1970s to organise the peace march and began a movement which was recognised internationally with the award of the Nobel Peace Prize. Some years later, the Northern Ireland Women's Coalition emerged as a cross-community coalition of women working for reconciliation, inclusion and equality. Together with other women negotiators in other parties, the Northern Ireland Women's Coalition – under the leadership of Monica McWilliams and Jane Morrice - made a very constructive contribution to the negotiation and implementation of the Good Friday Agreement.*

*And in community groups all across Northern Ireland, there were, and are thousands of women who built, and who are building, bridges for peace through offering the hand of friendship to their neighbour on the other side of the traditional divide. I also acknowledge the contribution made by women in marginalised communities in the South who continue to work to empower other women in their neighbourhoods. All of these achievements can be attributed to women of vision.*

*Women of vision are those women with an idea who take the action necessary to achieve it. I do not doubt but that each person coming to the Waterfront Hall today has her own vision for a better future. It may be personal or family related; it may be an issue at work; it may be a plan to enhance your community. We all have our personal Aisling of hope, renewal and transformation. This is the time that we must each act on those goals – that we redouble our efforts to convert those visions of the head and heart that we hold into outcomes that benefit our families, our colleagues, our communities and our society.*

*We must work together to reclaim a better version of Irishness than the recent one which has thankfully expired - where we put community solidarity and social cohesion above the demands of acquisitive individualism. Only then can we fully rebuild our personal lives and our communities. Only then will our island re-emerge as the homeland of social inclusion rather than social exclusion, as a place whose international reputation repudiates the appalling notion that "greed is good".*

*The trade union movement has always espoused the concept of caring and sharing. I know that Congress has been active over the years in promoting the advancement of women through a range of dedicated initiatives. I commend everyone one of these efforts and encourage you to continue to build upon it.*

*I know that you will have derived great benefit from your participation in this biennial Women's Conference. I hope that the discussions have spurred both you and Congress to continue your good work with renewed courage and commitment, with an increased vigour and that you return safely to your homes and to your workplaces with that enabling sense of energy and renewal that solidarity of trade unionism brings to our lives together.*

*Thank you.*



### COUNCIL OF THE ISLES

The Committee hosted the Council of the Isles Women's Committees in Derry in November 2010 where more than 60 Women Trade Union Leaders vowed to continue to resist senseless and unjust Austerity Measures throughout the UK and Ireland. Delegates heard how austerity budgets being implemented in England, Wales, Scotland, Northern Ireland and the Republic of Ireland were affecting women disproportionately and how this was also bad for the economy and our society.

The event was preceded by presentations to graduates of the PETAL and Women in Leadership programmes in the Guildhall. Deputy First Minister Martin McGuinness was guest speaker and made the presentations.

In the introduction to the report of the Council of the Isles, Congress Equality Officer reflected on the achievements:

*"The Women's Council of the Isles has the reputation of being an exceptional and invaluable networking opportunity for women in the trade union movement, community and broader women's movement. I am delighted the event in Derry has lived up to the high standards expected."*

The 2012 Women's Council of the Isles took place in Edinburgh. The meeting was attended by several of the committee. The joint Chairs spoke to the topics Women and the Cuts and Trafficking for Sexual Exploitation. Other topics included Budget Cuts, Equality Reps & Devolved Government and Women's Safety at Work

### TRADE UNION COMMISSION

The Committee has engaged with the Trade Union Commission, including meetings with Philip Bowyer of UNI, who also attended Women's Committee events. The Committee also participated in the formulation of a submission to the Trade Union Commission which made the case that trade union engagement with the broad equality agenda is not only the right thing to do but also provides us with many opportunities to recruit and organise new members; to further the Irish Trade Union Movement's desire to act in a more collective way; and further assist in better positioning of the Irish Trade Union Movement.

They called for further collaboration on recruitment materials aimed specifically at women workers and loudly proclaim advantages of union membership. The Women's Committee seeks trade union 'buy in' and commitment to plan for this on the basis that programmes which embrace the needs of women workers may assist recruitment and a programme that is actively and visibly worked on may well emphasise the relevance of trade unions and engender greater participation. Suggestions from members of the Women's Committee as to how individual unions can advance these goals include

- Equality proofing all policies, procedures and agreements – proposed in some unions, adopted in others.
- Training and capacity building.
- Review own structures to see that they are 'fit for purpose'.
- Increasing participation rates amongst lay members so that they are part of the lobby.
- Common message in publications.
- Positive media messaging.
- Inviting members to indicate areas of interest and areas within which they might wish to participate and not confining membership engagement to traditional offices and roles.
- Common motion at AGMs which could give focus to specific dimension of equality

Members of the Women's Committee continue to represent Congress on various bodies and have input to a high level within Government on issues crucial to women.



Womens Committee  
Chair Taryn Trainor with  
Bairbre de Brun MEP

**NIWEP** – The Committee has been represented by Maria Morgan (NIPSA) and latterly Vivien Holding (CWU). NIWEP co-ordinated meetings around the Northern Ireland Inquiry – Call for Written Evidence on UN Security Council Resolution 1325. Members of the Women’s Committee attended the meetings and had substantial input. The committee endorsed the submission made by NIWEP and also made a submission on the topic. The committee are updated on the NIWEP meetings on a regular basis.

**Domestic Violence Partnership (DVP)** – Three members of the committee sit on various working groups of this body. Margaret McKee (Unison), Geraldine Alexander (NIPSA) and Taryn Trainer (Unite). The partnership has a wide range of participants; the aim is to develop a comprehensive package of support and care for those affected by domestic violence. Further aims of the group are also to develop strategies around prevention, education and better policies in the workplace, through public services and schools. The committee are updated on a regular basis on the work being carried out.

DVP also recently ran a seminar on their work for Trade Unionists, the seminar was very well attended and the feedback excellent. Training has now been included in the PETAL programme on domestic violence; this training is facilitated by Women’s Aid.

The Chair of the committee Taryn Trainer also met with the Justice Minister and raised questions around legal Aid and the payment around non molestation orders.

The Committee published a revised set of guidelines for trade unions in order to assist women at work who are experiencing domestic violence. The workplace can play a key role on raising awareness about domestic abuse. We know for many women work is a place of safety where they may confide in others about their experiences and where they can access help

**Trafficking** – The committee continue to work with partners around this issue. A major piece of research by the Anti Trafficking Monitoring Group

‘Wrong Kind of Victim – An analysis of UK measures to protect Trafficked Persons’ took place in 2010. Members of the committee attended meetings with the researchers. Amnesty and Congress then launched the research as a joint venture.

The committee will continue to work on this topic and are in discussion with Amnesty regarding further research to be carried out in NI.

**Congress Jobs and Services Committee** – The committee are represented by the Chair Taryn Trainer.

**Congress Equality and Human Rights Committee** – The committee are represented by the Chair Taryn Trainer.

**ETUC Women’s Committee** – The committee continue to be updated on the ETUC Women’s Committee programme of work. The committee have a direct input to the work via the Officer Pauline Buchanan on sits on the ETUC Committee.

**Women and Leadership** – This topic remains a priority for the committee. The accredited Women and Leadership training has proved to be very popular. The committee are pleased three eight week programmes will be run this year.

Members of the committee also participated in training with women from cross community groups. The training took place in Letterkenny with 30 women attending. The event was run in partnership with North Antrim Community Focus.

**OFMdFM Gender Advisory Panel** – The committee are represented on this committee by the Officer Pauline Buchanan. Topics recently discussed include Programme for Government, S.75, Gender Equality Action Plans, Strengthening Women’s Voices in Government and sexual orientation.

**The Cross Border Women’s Collective** - The committee was represented at the launch of a DVD called ‘The Women’s Story’. The DVD contains short interviews with women from Ardmonagh and Ballybeen telling their stories of living through the troubles.

**Poetry Workshop** - The committee organised a Women's poetry workshop as part of the May festivities; the participants performed the pieces they had written at the launch of Talking Heads in the Grand Opera House.

### International Women's Day 2011 and 2012

In Belfast the committee joined the Women's TEC march to the Belfast City Hall which attracted around 500 women, some local and some from as far away as the Congo, making it a truly international affair!

IWD 2011 saw Dawn Purvis MLA welcome the committee to Stormont to celebrate 100 years of IWD.

In the Long Gallery the gathering were addressed by speakers including Dot Kirby NUJ, Pamela Dooley Unison and Lynn Carville - Women's Resource Development Agency, on the budget cuts, women and intellectual disability and women and privatisation.

This was followed by a wonderful performance by actress Vinie Burrows, who was stunning in her performance of a portrayal of child trafficking.



### European Visit

Members of the committee participated in a delegation to Belgium which involved a very busy schedule undertaken with women and community activists drawn from the Womens Rural Network, North Antrim Community Focus and a Women into Politics grouping of trade union activists and community representatives from the border counties. Each of the groups had an individual programme which overlapped with visits to the European Parliament and the Northern Ireland Office.

The sessions conducted during the trip included.

- Development of European Union – The session explored the development of Europe post the 2<sup>nd</sup> World War conflict, the motivation of the six founding states and the development to date including the contemporary issues of migration within Europe
- Tour of the European Parliament - European Parliament Secretariat. This exercise was a conducted tour of the Parliament with explanations of the physical arrangements for accommodating the numbers of elected MEPs, the administration and secretariat.
- How European policy is made - European Parliament Secretariat. A very detailed explanation of the politics of the various political groupings within the parliament, the committee structure with guidance on how to get your issues on the agenda.
- What's current in Europe - Bairbre deBruin MEP. Bairbre provided an initial overview on what was current in Europe and in response to questions dealt in detail with a broad spectrum of issues and introduced the group to her team in Europe with an open invite to seek their assistance at any time.
- Networking Event – Delegates met collectively with all of the participants from the Rural Network, NACF, Congress and Border Communities to discuss the current activities of the groups, the interests of the individuals within the groups and how they could effectively network and collaborate together in the future.
- Northern Ireland's Place in Europe - Noel Griffin - NIO Brussels, OFM/DFMNI Office.

The visit to the NIO in Brussels took place the week before the official opening by the First and Deputy First Ministers of the NI Assembly. Noel gave a summary of the work of the office in Brussels emphasising the ability of the NIO to utilise with their Irish counterpart the European interest in Irish affairs to maximise their influences.

- Tour of Fort Breendonk. Fort Breendonk is located close to the A12 Brussels-Antwerp road and was used during the Second World War as an interrogation centre, forced labour camp, prison, transit camp and deportation centre. For this reason Fort Breendonk has been described as one of the worst camps in all of Europe. In 1947 Fort Breendonk was declared to be a national memorial, recognising the suffering and cruelty that had been inflicted on the prisoners during World War II. The fort is now a well-preserved example of the camps operated by Nazi Germany during WW II and is used as an educational and learning resource promoting rights and conflict resolution.
- Rights in post conflict communities – The session was conducted at Fort Breendonk following the tour and challenged perceptions of rights and responsibilities during period of conflict and the manner in which communities need to determine the nature of the relationships between them in a post conflict environment.
- Cultural Tour Brussels – Time was built into the programme to permit participants to explore the culture, political and social life of Brussels.

### WOMEN IN NI

In **Northern Ireland** the Statistics and Research Agency, (Department of Finance and Personnel), [www.dfpni.gov.uk](http://www.dfpni.gov.uk) published Women in Northern Ireland - September 2011. The summary of that document confirms:

#### Employment

Despite the recent economic downturn, women in Northern Ireland (NI) are experiencing historically high levels of employment – latest figures show that there were an estimated 378,000 women in employment in the period April - June 2011. This figure has increased by an estimated 66% compared with the equivalent estimate for 1984.

However, despite narrowing considerably in recent years the NI employment rate for those females aged 16-64, (63.3%) is still 2.0 percentage points lower than the rate in Great Britain (GB) (65.4%).

The female 16-64 employment rate (63.3%) in NI increased by 2.0 percentage points during the last year and this increase was greater than the corresponding rise in the male rate (1.2 percentage points to 72.3%). In contrast, the female employment rate in GB showed a slight fall over the year (-0.1 percentage points), whilst the male employment rate rose by 0.2 percentage points.

Women now comprise 47.2% of those aged 16-64 in employment in NI, which is slightly higher than the equivalent figure of 46.6% in GB. There are notable gender differences in employment rates and in the nature of employment between the sexes in NI. Seventy-two per cent of males, aged 16-64, are in employment compared with 63% of females. This represents a narrowing of the gap between female employment rates and those of males compared to five years ago (61.7% for females and 74.5% for males).

#### Earnings (source: Annual Survey of Hours and Earnings)

The ratio between male and female full-time median hourly earnings excluding overtime has increased to 100.1% (from 96.3% in 2009). Both male and female hourly earnings were estimated at £10.9 in April 2010. Female full-time hourly earnings as a percentage of male hourly earnings continue to be higher in NI (100.1%), compared to the UK as a whole (89.8%).

#### Unemployment

An estimated 23,000 women were unemployed in NI at April - June 2011, with an associated unemployment rate of 5.6%. The male unemployment rate is 8.7% and is 3.1 percentage points above the female unemployment rate. The gap between male and female unemployment rates has increased from the same period five years ago, when there was a 2.4 percentage point difference.



In July 2011, 17,100 females in Northern Ireland were claiming unemployment related benefits – this represented an increase of 3,200 during the last year. Females accounted for 84% of the annual increase in unemployed claimants during the year to July 2011. However, the number of female claimants continues to be considerably smaller than the number of male claimants (43,300). [Source: Claimant Count]

### **Economic Activity**

In NI, a total of 401,000 women were economically active in April - June 2011 – an increase of 27,000 during the last year. However, the female working age economic activity rate here of 67.2% was 3.3 percentage points lower than that in GB (70.5%). At 67.2% the working age economic activity rate for NI females was 12.1 percentage points lower than that for NI males (79.3%). The difference in economic activity rate between males and females is less than that of five years ago when the difference was 15.1 percentage points.

Women, aged 16-64, with dependent children have a 9.1 percentage point higher economic activity rate than those without dependent children, compared to a 3.1 percentage point difference five years ago. The economic activity rate for women with no dependent children has increased by 2.4 percentage points during the last five years, while the rate for those with dependent children has increased by 8.4 percentage points.

### **Economic Inactivity**

At April – June 2011 there were 191,000 women, aged 16-64, who were economically inactive in Northern Ireland, with a resulting inactivity rate of 32.8% (29.5% in GB). Fourteen per cent of these economically inactive women (27,000) wanted a job (22% in GB), but did not satisfy the criteria of availability for work and actively seeking work to be classified as unemployed.

### **Childcare provision (source: Department of Health Social Services and Public Safety)**

In 2010 there were 48,623 day-care places for children aged under twelve in Northern Ireland. This was 3% higher than the level recorded in 2002.

### **Educational Standards (source: Department of Education)**

In 2009/10 girls left school with higher levels of academic qualifications than boys. 78% of girls left school with at least 5 GCSE grades A\*-C, compared with 65% of boys. Similarly, 61% of girls left school with two or more A-levels, compared to 45% of boys.

### **Women in Politics and Public Life**

Results from the Local Government elections in May 2011 show that 23.5% of Councillors in Local Government Districts in Northern Ireland are women. [31% in England according to Census of local authority councillors 2008.] Moyle District Council has the highest female representation, with 7 out of 15 (46.7%) Councillors female.

Of the 26 Districts Councils in Northern Ireland, 2 have a female Mayor/Chair and a further 4 have a female Deputy Mayor/Deputy Chair as at August 2011.

Northern Ireland has four elected women MPs (representing 22% of the 18 NI MPs). In addition, two of the three Northern Ireland MEPs are female. [In GB 22% of MPs and 30% of MEPs are women.]

34% of public appointments in Northern Ireland are held by women. This compares with 15% in 1985, 23% in 1990 and 32% in 1995.

On the 118 publicly appointed bodies in Northern Ireland, 19 Chair and 8 Deputy Chair posts are held by women.

Elections to the Northern Ireland Assembly took place on the 5 May 2011 - of the 108 elected 20 (19%) are women.

As at September 2011, 3 of the 13 Ministers in the Northern Ireland Executive are female.

### **Women in Business (source: Invest NI)**

In 2010 the female level of entrepreneurial activity in Northern Ireland was 3.3% compared to 9.6% for males.



Holidays

Redundancy

Discipline and  
Grievance

Hours of  
Work

Wages

Maternity, Paternity  
and Adoption

# Do you Need Help with an Employment Problem?

The Labour Relations Agency provides free, impartial and confidential advice on workplace issues to employees and employers.

Information is available on [www.lra.org.uk](http://www.lra.org.uk)  
and from the LRA Helpline service: tel **028 9032 1442**

  
**Labour Relations**  
**AGENCY**  
*Improving Employment Relations*

**Head Office**  
2-16 Gordon Street, Belfast BT1 2LG  
Tel: 028 9032 1442 Fax: 028 9033 0827 Text Phone: 028 9023 8411  
**Regional Office**  
1-3 Guildhall Street, Londonderry BT48 6BB  
Tel: 028 7126 9639 Fax: 028 7126 7729  
Email: [info@lra.org.uk](mailto:info@lra.org.uk) Website: [www.lra.org.uk](http://www.lra.org.uk)





# Section H

## Industrial Relations

## Section H Industrial Relations

### H1 Labour Relations Agency

Representatives of the NIC have met with the Chairman and Chief Executive of the LRA regularly since the 2010 BDC. Meetings have centred on areas of legislative development and co-operation on seminars and public events. Congress officials have addressed a number of LRA and joint seminars.

Congress was disappointed with the outcome of legislation on dispute resolution, which originated from a common perception that the existing system of dispute resolution was not working. It was regarded as too adversarial, too costly, too slow and from the perception of the trade unions, denied workers full access to their employment rights.

We were led to expect a fundamental review, and proceeded with detailed proposals, some of which were disregarded completely, for few logical reasons other than the weighting given to respondents to the consultation. For example, Congress made the case for adapting the Republic of Ireland's model for a Rights Commissioner. This was disregarded because some were not as keen on this as we were. Except that greater weight was granted to these individuals or groups over the one collective and representative view of 215,000 working people.

There is more than an issue of balancing viewpoints here. This gets to the core of the long-standing system of respect which ought to be at the root of workplace relations and the role of statutory bodies as the arbitrators between employees and employers. The fact is that the power relationship between worker and employer is not an equal one. In the case of disputes and their arbitration, the resources available to the worker is not equivalent to his or her employer, particularly if that worker is not in a trade union.

The system of resolving workplace disputes is still too slow, too expensive and does not easily attain justice for either those involved in disputes or even for the taxpayer. That is why a motion was discussed at the ICTU's biennial conference in

April 2008. It called for "a review of Industrial Relations procedures and the establishment of new models which will be a vehicle for expeditious and voluntary resolution of collective and individual disputes. This review should include the role, effectiveness and cost of the Industrial Tribunal system." The conference voted for the above, plus calls for "new powers for the Labour Relations Agency to independently require parties to potential disputes for compulsory, non-binding conciliation."

Change is not only morally necessary, but legally possible since the devolution of the relevant powers to the Department of Employment & Learning. There are many reasons for being concerned, including the emphasis on legality and the construct of the Northern Ireland economy, where around 90% of economic activity is carried out by small and medium-sized enterprises, which are difficult environments for trade unions to organise within.

We believe that the statutory disciplinary and dismissal system is simplistic. It is not complex. However, it is a simple system, easy to follow, and one does not need tremendous guidance or legal opinion on how to follow it. We welcomed the retention of this process in the new legislation.

However, we have serious concerns about the removal of the statutory grievance procedure, based upon the experience of Congress that prior to the introduction of the statutory dispute resolution procedures many employees in non-unionised workplaces, particularly in small to medium sized enterprises (SMEs), had no other means of accessing their statutory employment rights except through costly, protracted and stressful litigation which all too frequently left the employee at the end of the process without employment.

The statutory dispute resolution procedures gave employees for the first time the opportunity to make (with the threat of increased financial penalties) the employer take seriously and hear their grievances in the workplace. The right for the employee to be accompanied by a fully trained and accredited trade union official has



introduced a high degree of professionalism into the dispute resolution process thereby maintaining good employment relations. It is arguable that the reduction in claims to the Tribunals since the introduction of the statutory dispute resolution procedures in 2005 in part supports Congress' experiences.

The Assembly repealed the existing statutory grievance procedure and replaced it with a new LRA Code of Practice. We do not see the benefit of this. We have seen the impact of 'voluntary compliance' in other fields of law and regulation, and they do not have a great track record. Further, such a move would make things more complicated for both workers and the managers of Small and Medium sized businesses. It may put workers with legitimate grievances from pursuing justice, or even produce the opposite effect for which the Code is intended, and result in more cases going straight to Tribunal.

The language of the legal industry is frightening and off-putting to a number of people, particularly those who are not organised in trade unions. We have a difficulty with endorsing the complexity of the grievance procedures. For instance, in Northern Ireland there are a disproportionately large number of people who have problems understanding written English. Employees in this position may have a major difficulty in accessing their statutory employment rights in the workplace. There is little chance of them accessing the services of a Tribunal.

This legalistic approach can poison relations between those in dispute. It can make a professional disagreement more emotional as the stakes become higher, as the months drag on and as the legal fees mount. As Congress President Eugene McGlone told the DEL committee in 2010, "Many disputes get blown out of all proportion because the situation is allowed to simmer. When a situation is allowed to simmer, people start to dig trenches. When they start to dig trenches, they start to throw stones."



We propose a dispute resolution system that is similar to that of a rights commissioner system, which is voluntary, non-adversarial, and which should be the first port of call if a dispute arises.

The Rights Commissioner Service operating in the Republic has as its priority a focus on a non-adversarial, solution-driven approach to resolving labour conflicts. Rights Commissioners are independent and are chosen from a list put forward by trade unions and employers. 70% of decisions made by Rights Commissioners are made in favour of the claimants and a large number of claims are made by migrant workers – precisely the sort of workers who are not in trade unions and who feel excluded by the pace and cost and stress of the system on this side of the border.

From our point of view, it is speedier. Workers and employers will find it easily accessible. It is non-legalistic in its approach, although it deals with legal issues. It is investigatory as opposed to adversarial. Our objective is to sustain employment relations in a way that will be compatible with employees realising their rights.

If you examine the recent record of the Republic of Ireland's Rights Commissioners Service and its verdicts, you will see that most cases are modest enough, relating to issues such as working time, holidays, back pay, unfair dismissal and maternity leave. Most settlements are fairly modest. The point is not that these modest cases are not important to those who take them, rather that were they to involve weeks of legal advice and advocacy, the final costs would be a considerable multiple of the award granted by the court. For example, in a digest of recent cases published by the Rights Commissioner Service, most cases dealing with working time and holidays resulted in awards of £5,000 or less. Similar awards are made under the most used commonly breached

law in the caseload of the RCS, the Payment of Wages Act 1991. Also, and crucially, most cases are completed within six months. It saves time, it saves money and it reduces personal and industrial tensions in the workplace.

As a result of the system operating in the Republic, there is a greater sense of ownership of the outcome by both the employer and the employee. We believe that that should be the first resort for all disputes in Northern Ireland, followed up, if necessary, by a conciliation process in the Labour Relations Agency (LRA), with, as the court of last resort, following an appeals mechanism, to which everyone is quite entitled, an industrial tribunal or a Fair Employment tribunal.

We advocate that as an alternative, as the court of first resort, in any dispute system. Obviously, it will be under the auspices of the LRA. We believe that we had an opportunity to enact legislation that will underpin that type of principled system for dispute resolution, which would be unique to Northern Ireland.

There are other aspects of dispute resolution which we feel ought to be addressed in the new legislation. We would like to see the powers of the Labour Relations Agency being increased to provide for statutory inspection of employment related policies and procedures leading, if necessary, to certificates of compliance, correction notices, or (in the worst cases) public

declarations of non-compliance being issued to employers. This proposal is absent from the legislation.

However, there is apparently consideration being made for the statutory role of the Labour Relations Agency being widened to include sectoral based education initiatives to improve awareness and statutory compliance.

There are novelties in the Bill, which show fresh thinking, such as the statutory right to request to undertake study or training. The drawback is that this offers workers the right to 'request' and not to 'receive' – the opt-outs for employers are too vague. Nevertheless, this section shows that new thinking can be developed for devolved law.

However, the Bill as it stands represents a missed opportunity for a fundamental review of the system and make it fairer – not biased in favour of one side or the other – just fairer.

## H2 Stormont, Westminster, Brussels

The changed political environment since the 2010 General Election presents greater challenges for workers and their representatives. Given the fact that Employment Law is a devolved matter, it is crucial that the NI Executive takes seriously their responsibility to the workers of Northern Ireland. Despite our disappointment with its outcome, Congress recognises that the changes in the law were considered by local stakeholders, were analysed and debated at public forums, and then it went through the democratic process of the Northern Ireland Assembly, where it was parsed and probed by MLAs who are directly accountable to the electorate and who can be approached by local organisations with limited resources.



On the other hand, we had in late 2011, the transposition of an important EU Directive, affecting agency workers. The NI Executive decided that the details of how this Directive would be converted into the laws of the United Kingdom of Great Britain and Northern Ireland be best left to the UK government.



This meant that some local matters could have been excluded from consideration. What was certain was that local stakeholders were excluded from the process of social partnership as defined in EU Directives, especially those from Northern Ireland with limited resources of money or networks, who could not have an input into an exclusive national debate. This is an example of Employment Law for NI.

We have in Westminster a Coalition government, one party of which does not want a trade unionist around the place. Recent attacks on facility time for trade union reps, and even on the Union Learning Fund which reaches and teaches Essential Skills in literacy and numeracy to workers, are matched by proposals which would make it easier for bad employers to sack people for little or no reason.

The trade unions have a justified fear that the Westminster government's agenda is to roll-back the hard-won protections of the most vulnerable workers. We are now hearing ever louder calls for charges for bringing cases to tribunal and for extending the period under which an unfair dismissal is perfectly legal. The Westminster government has clearly signalled that both of those changes are on the horizon. They are conducting a comprehensive review of employment laws in GB, and we are to follow suit in Northern Ireland.

In a recent speech to the Engineering Employers' Federation, the Business Secretary Vince Cable stressed that these proposals "are not – quite emphatically not – an attempt to give business an easy ride at the expense of their staff. This is not about introducing a 'hire and fire' culture."

Certainly, we would agree with Vince Cable that "there is substantial scope for improving the current very unwieldy, expensive and delay-ridden system." The problem is, as it is with most of the 'reforms' introduced by this government, is that the least powerful tend to be 'reformed' against. Look at welfare. Look at schools in England and Wales. Then, look at the leisurely approach to reforming the financial services sector. This Westminster government has form on 'reform'.

The second reason why we ought to be wary is that the evidence for far-reaching reform seems very tenuous. This was acknowledged by Vince Cable in that recent speech. He told the Engineering Employers that the UK has "one of the most effective and lightly regulated labour markets among developed economies," according to the OECD. He also spoke of a recent survey of employers carried out by his department, BIS, which revealed that "the proportion regarding regulation, including employment regulation, as the main obstacle to business success was only 6%."

Just 6%. A similar survey was published in October 2011 by DFP, and republished by DETI in January 2012's 'Economic Commentary'. They asked NI businesses in the Access to Finance survey to list the main 'constraints facing business'. The regulatory framework was included in the questionnaire of 'limiting factors for business growth' and came well below the following:

- Not enough financing
- Investment into equipment
- New entrants into the market – or competition





- Labour costs
- Limited demand in domestic markets
- Price competition, and most of all,
- The general economic outlook.

Strangely enough, this comprehensive survey did not generate the publicity which fell into the lap of the CBI, who issued its own survey around the same time and which found, according to the Belfast Telegraph, that employment law was holding back job creation and that “80% of employers believe employment legislation has made Northern Ireland a harder place to do business and that it has become ‘overly burdensome’.”

The report continued by quoting the CBI’s Northern Ireland Director, Nigel Smyth as believing that the results provide a “sound evidence base for policy decisions.” This joint report from the CBI and McGrigors received answers from a mere 140 businesses to questions whose ‘framing’ is, shall we say, enlightening.

Should we be really surprised that four out of five of those motivated enough to respond should give the ‘correct’ answer to the question: “Considering the development of employment obligations generally, would you say that Northern Ireland has become an easier or harder place to do business since 1997?” Why 1997? Why ‘obligations’ rather than ‘rights’, or ‘duties’? Another question in the survey went like this: “Would you say that Employment Law causes a

more litigious workplace?” 81% agreed – presumably the same four-fifths who agreed with the above question. Another finding was that 60% of respondents spend up to £25,000 a year on employment law compliance, 27% spend up to £50,000 and 12% spend more. There was no breakdown on the size of the companies with larger spends.

The recommendation which flows from that is that this is “significant” and that “an urgent review should be undertaken.” It adds that “the CBI and employment lawyers are lobbying so that the economic impact of employment laws is recognised by the Northern Ireland Assembly.” Getting specific, they argue that “the Assembly should consider recent proposals by the UK government in addressing qualifying service for bringing claims and in asking aggrieved employees to pay small deposits to take claims.”

The actual question asked was this:

“Please provide an estimate of how much you think compliance with employment law costs your organisation annually (e.g. sending staff on training courses, obtaining legal advice, implementing compliance programmes, paying out of court settlements, etc).”

The question was not about tribunals. It was about legal fees, health & safety and other ‘compliances’ and staff training. One might hope for better from one of our largest and ever-expanding legal firms.



Finally, it should be noted that those who responded to questionnaires sent out to over 1500 businesses may be more motivated than the vast majority – over 90% - who did not bother, and did with the questions what policy makers should do with the answers – throw it in the bin.

Instead, they should listen to the recent wise words of John Philpott, Chief Economist with the Chartered Institute of Personnel & Development (CIPD). Speaking at the LRA AGM in 2010, in relation to the problems of productivity in the UK, Philpott argued against further undermining of the employment rights of workers stating that it would lead to further disengagement in the workplace. He argued for the development of more genuine democracy and consultation in the workplace as a key driver for increased productivity.

His thoughts were echoed by Vince Cable when he spoke to Engineering Employers. He was “struck” by how well Germany was doing, especially with exports to emerging markets. Something else struck him:

“Yet the Germans have a model of employee relations where they treat their employees as a resource, an asset – they don’t think of them as a cost, a liability. Their employees help to run companies, and indeed set executive pay. I think we could do with a bit more ‘Vorsprung durch Technik’ in British businesses.”

In a similar spirit congress has approached both the LRA and DETI with the idea of establishing an ‘Early Intervention Unit’ within the Labour Relations Agency as a matter of urgency. The urgency of this request stems from the changing facts of the economy, and what we are hearing from workers in many unions, particularly in the private sector. We are in a recession with no end in sight and working people are facing threats to employment, potential business closures and the removal of hard-won secondary benefits, including pension provision. Not surprisingly, many workers feel the need to engage in industrial action to defend jobs or reductions in terms and conditions of employment. The purpose of this ‘Unit’ would be that of an early intervention role to explore a range of options designed to ameliorate the threats to the matters

outlined above. In a changing working environment, we must be prepared to innovate in our customs and practices, and we can do so by creative co-operation between labour and capital and government.

‘Change’ does not always have to land on the weakest, or those least able to afford professional help in a legalistic environment which is alien to both side of the dispute, who also, we should remember, would rather not be there at all. At a time of recession, we all have a moral obligation to ameliorate unnecessary workplace tensions, while ensuring that there is fairness and justice for all concerned, employers as well as employees. We welcome the engagement of the LRA in this ongoing discussion, and urge full participation in the debate on Employment Law and Rights from all corners of the economy. We may never have a perfect system, but we are part of a social contract which obliges us to try our best to make it as good as we can.

The fact that Employment Law is devolved to the Northern Ireland Executive and that a local agency, the LRA, has a central role in the administration of workplace justice, should be better acknowledged and ought to be viewed as an opportunity to raise standards for employees and employers, to ensure that workplaces are more harmonious, less stressful and that the whole economy benefits from the consequences of happier and healthier shop floors.

A race to the bottom, in competition with the worst employers in the UK, is not in the interest of bosses or workers over here.

### H3 Facility Time

On November 25th 2011, articles appeared in the Irish News and the Belfast Telegraph, both carrying the “exclusive” story that trade unions were receiving £4 million in “hand outs” from the taxpayer. Not coincidentally, these reports were published days before the largest day of industrial action seen in Northern Ireland when almost every public service worker went on strike over the government’s austerity measures and attacks on their pensions.

The basis of those identical “exclusive” stories was some dubious research made by the Taxpayers Alliance, a right-wing libertarian pressure group whose high media profile is contrasted by its shyness in disclosing the origins of its own funding.

The ‘evidence’ of the Taxpayers’ Alliance was based on a series of requests under the Freedom of Information Act, looking for the total amount of government grants and time off for union representatives. The UK total concocted by the TPA was £113 million, of which £4 million was ‘handed out’ in Northern Ireland. However, it is clear that the TPA have little or no idea what trade unions actually do on a day-to-day basis.

Union reps have a legal right to get “reasonable” time off work to do certain activities on behalf of their union, without having their pay docked. These include negotiating with employers over pay and conditions; representing workers in grievance and disciplinary procedures; providing training; doing health and safety work and attending training sessions to assist their duties. There would be a lot more expensive employment tribunals, for example, if union reps weren’t there to help negotiate internal settlements, while giving employees extra training tends to improve their productivity.

The TaxPayers’ Alliance put the cost of all this so-called “facilities” time at £80m a year, after totting up all the hours of paid union work logged by 1,300 public bodies and multiplying it by the median gross average public sector salary and benefits package.

They say the other £33m comes from direct grants from various central and local government bodies. Most of that (£21.4m) comes from the Department of Business, Innovation and Skills for the Union Learning Fund, an educational project endorsed in glowing terms by Vince Cable and the Tory minister John Hayes.

The TPA is not convinced. On November 30th, its website described the ULF thus:

“Instead of unions paying for their training courses out of the subscriptions they receive

from their members, taxpayers pick up the tab. On a day when our bins are not be emptied, many schools across the country are closed, and some operations in our hospitals are being cancelled, we are paying for the staff time to organise the strikes and the courses that teach them how to do it.”

In fact, the ULF is seen as an essential part of government strategy of raising skills across workplaces. Union Learning Representatives have helped over 4,000 workers in Northern Ireland access and achieve Essential Skills qualifications in Literacy, Numeracy and ICT.

At the 2010 Union Learn conference, Business Minister Vince Cable said: ‘You have developed a powerful model in Union Learn, reaching out to businesses and giving individuals a chance they never would have had. I want you to build on what you have already achieved.’

He described unionlearn and the Union Learning Fund, which receives a grant from his department, as a ‘good story’. He said: ‘I am here to support the work of Union Learn and the Union Learning Fund, which my department supports. The figures show that last year it helped more than 230,000 people and, of those, 32,000 were people who needed help with basic things such as literacy and numeracy. An evaluation by Leeds University shows that of 80 per cent of people on unionlearn projects said they got good value, but also two-thirds of employers said they were extremely useful for their businesses; and I think that is a very good story.’

John Hayes, the Minister of State for Further Education, Skills and Lifelong Learning, became the first Conservative minister to address a TUC conference since the mid-1990s, when he presented the 2010 Union Learn Quality Awards for organisations which work with unions in learning.

He said that he made no apologies for praising unionlearn, now that he is in Government: ‘High-quality learning is so important. It is a vital component in helping to build and maintain a

strong and competitive economy. Employers cannot stay in business without people with the right skills for the job. While people can't hope for a good job without the skills employers are looking for.

But the case for learning is not just the economic. Raising educational and skill levels is fundamental to creating a fairer society, founded on social mobility, social justice and social cohesion. Learning should indeed be the point where the interests of individuals, their unions, their employers and of the government converge.'

At an event in January 2012, DEL minister Stephen Farry told Union Learners: "It is a programme that offers union members – and indeed a proportion of non-members – valuable training on the full spectrum of employment rights and employment relations issues. "My Department is about promoting skills across the full spectrum. It is critical that everyone has the opportunity to develop to their full potential.

"Therefore, improving the skills of employees is one of my key priorities, and I know that everyone here today understands the absolute importance of developing the capability of all managers irrespective, of whether they come from a union or non-union background. The programmes that the Northern Ireland Committee runs on behalf of the Department make an important contribution to the wider skills agenda."

It is evident that the Taxpayers alliance and the journalists who promote this shoddy research do not have a clue what they are talking about.

#### **HOW FACILITY TIME ADDS MILLIONS TO THE ECONOMY**

Matthew Sinclair, the TPA's lead spokesperson, said: "Taxpayers shouldn't be funding staff to work for trade unions, providing them with a huge activist base to support strikes and freeing up resources for political campaigns. Paying for the salaries of full-time union staff and the many grants the unions receive is yet another burden

on hard-pressed families, diverting money they expect to be spent on frontline services. The Government need to take action and end this scandalous subsidy for unions disrupting services in a vain attempt to stop necessary restraint in public spending."

£33 million of the £113 million is the education and skills programmes. What else does the taxpayer get for 'union time off', or facility time?

Research carried out in 2007 by BERR, the then title for BIS, found considerable savings for taxpayers through the use of facility time. Union activities offer concrete advantages to employers as well as workers;

- \* *a better trained workforce is more productive*
- \* *workers are more committed to companies where they have a voice*
- \* *a safe workplace is more efficient and should be the rule not the exception*

Numerous independent and government studies have demonstrated the benefits of strong, confident, supported trade union representation at work. They have concluded that the presence of union representatives is conducive to:

- \* *The swift and just resolution of workplace issues and disputes,*
- \* *Practical improvements for workers that increase morale and performance*
- \* *Productivity improvements and efficient working practices*

That BERR report, in 2007, found that trade union reps facilities and facility time resulted in:

- \* *£22m-£43m savings for employers and the Treasury from reducing the number of Employment Tribunal cases;*
- \* *£136m-£371m benefits to society through reducing working days lost due to workplace injury;*
- \* *£45m-£207m benefits to society as a result of reducing work related illness.*

The TUC have updated this information, using the same formulae as the original report but with updated figures. This found that it could reasonably be estimated that the work of trade union reps also results in:

- \* Overall productivity gains worth between £4bn to £12bn to the UK economy;
- \* Savings of at least £19m from reduced dismissals;
- \* Savings to employers of between £82m-£143m in recruitment costs as a result of reducing early exits.

The TaxPayers' Alliance hasn't laid out the hypothetical benefits of employers funding union activity – just the cost. The figure of £4 million as 'cost' for NI taxpayers is contestable, but even if granted, research by Congress reveals the benefits for NI taxpayers, almost 40% of whom are members of trade unions.

Using the same methodology as the 2007 BERR report, the ICTU found that the total benefit to the NI economy is between **£14.24 million and £37.44 million** per annum.

Of this, the benefit to the public sector (the main concern of the TPA) is **between £8.19 million and £21.53 million**.

The facts were understood and appreciated by the DEL minister Stephen Farry when he told the 2012 Trade Union education conference:

"It is vital that good workplace relations exist between managers and employees and that sound systems are in place. In this way, where problems do arise, they can be resolved at an early stage. Our shared objective is to preserve the employment relationship and, where possible, avoid disputes ending up in an employment tribunal.

"This is exactly what the programmes that we are here today to celebrate are designed to achieve. The upskilling of union representatives and line managers ensures that rights are protected, and that management responsibilities are properly discharged - with the majority of disputes being resolved without the need to invoke formal proceedings.

"This programme is an excellent example of the much wider work that, in the recent dispute resolution review, the Department concluded



was essential if we are to raise our game generally in making Northern Ireland a more attractive place to do business. My Department is committed to working with stakeholders to build awareness, enhance skills and strengthen competences necessary to build a stronger and better employment relations culture that supports economic success and job creation.

"I also want to pay tribute to the work of NICICTU and the unions in contributing to the skills agenda through the Union Learning Fund. Through their partnership with the colleges, they are playing a leading role in helping to raise the skills levels of the workforce."

## H4 Agency Workers Directive

The fact that there are no accurate statistics for the number of agency workers in NI, or indeed throughout the UK, and that there is no mechanism for establishing such information, is of great concern to the ICTU and we believe that there is an urgent need to establish a licensing arrangement similar to those organisations that fall under the remit of the Gangmasters Licensing Authority.

Figures range from 1.1 million agency workers in the UK according to the Recruitment and Employment Confederation, and 1.5 million as identified by BERR (2009).

The International Labour Organisation (ILO), 2009, paper, 'Private employment agencies, temporary agency workers and their contribution to the labour market,' identified 1.378 million UK



agency workers, which represents growth of 78% from 1997. That is far higher than in any other European country. France is next, with 638,000 agency workers, followed by Germany with 614,000. In both those countries, legal restrictions apply to the length of time for which an individual can remain an agency worker. We have no such restrictions. The United States has only 2.9 million agency workers, and Japan has 1.33million.

In the UK, about 5% of the active working-age population are agency workers; the figures in the US and Germany are 2% and 1% respectively.

The ILO report identifies that in 2007 the global private employment agency industry was worth US\$341 billion. Six national markets dominated the global industry, accounting for 80 per cent of total revenues: United States (28 per cent), United Kingdom (16 per cent), Japan (14 per cent), France (9 per cent), Germany (6 per cent) and the Netherlands (5 per cent). The remaining markets collectively constituted 20 per cent of the global revenue total.

Temporary agency work is wrongly lauded by the UK Government as a means of providing employment for demographic and socioeconomic groups who, historically, have found it difficult to find placements in the labour market. In many countries, including the UK, the temporary agency sector is used by employment services as a 'first rung of the ladder' for the unemployed and a source of work experience for younger workers. However, the experience of many is that agency and temporary work is all that is on offer, particularly to the many skilled workers who have lost their employment notably in manufacturing.

The assumed macro-economic benefits of the widespread use of temporary agency work are not, however, weighed against the long term impacts for the labour market and the welfare of the UK's most vulnerable workers. Many wrong assumptions have been made about the positive effects of temporary agency work, emphasising the benefits of flexibility and choice for those who are engaged in short term assignments.

In reality, temporary agency workers face a number of hardships. Many of those who are on the 'first rung of the employment ladder' either fall off and on with rapid succession or are caught in cycles of insecure, permanent agency or temporary and low paid employment, often significantly lower pay than permanent employees they work alongside.

Agency work, enshrined in our legislation, is a form of indirect discrimination validated by the system of two tier-workforce. The legislation classifies our working population into employees and workers. While the first group enjoys reasonable protection under the existing law, however weak, the second is denied the same.

Effectively, the division imposed by legislation has created an 'underclass of workers' for whom exercising even basic rights is in many instances impossible. A three-cornered relationship with the agency they are contracted to work by, and the 'end user' they actually work for, can leave them in an employment rights limbo.

In 2007 the TUC published a report which found that:-

- More than half of agency staff would rather have a permanent job.
- A quarter of agency staff are in assignments of more than a year (and not just filling a temporary need).
- Yet agency staff in post for more than a year do not gain the enhanced employment rights other workers would enjoy after 12 months in a job as they normally do not have the legal rights of an employee.
- Agency workers have no security of tenure and can be made unemployed at any time.
- Agency staff are paid 80p for every pound paid to permanent staff doing a similar level of job according to a TUC analysis of official statistics.

The temporary agency workforce is often composed of some of society's most vulnerable groups; migrants, older workers and those with lower educational attainment. These groups in particular experience higher instances of exploitation and discrimination based not just on their demographic or educational profile but also on their precarious employment status.

Most agency workers in Northern Ireland are low-skilled, vulnerable workers who accept work through an agency by necessity and through lack of an alternative. They do not opt to deprive themselves of employment rights without any benefit in return. They are simply the second-class citizens of the employment sphere.

Effectively, the short-term solution of agency work has been turned into a permanent condition for many, especially vulnerable workers. The ICTU are aware of many agency workers employed by an agency for years, all this time working for minimum wage, long, unsocial hours, with no promotion or training opportunities offered to them.

#### **The Directive's provision for derogation and the status of the UK Government's agreement with the TUC and CBI**

The aim of the EU Directive is to protect temporary agency workers from exploitation and injustice by the application of the principle of equal treatment with directly recruited permanent employees of the end user (hirer), i.e. that the basic working and employment conditions of temporary agency workers should be, for the *duration* of their assignment with the hirer, at least those that would apply if they had been recruited by the hirer to occupy the same job.

Some of the EU member states, including the UK Government, successfully sought the right to weaken these basic protections. The result was that the Directive allowed for member states if they so chose to introduce a qualifying period before this equal treatment principle could be applied to temporary agency workers. The effect

of this will be that any member state that introduces such a qualifying period could exclude many of their citizens from the basic protections provided in the Directive.

However, the Directive, at article 5(4), makes it clear that this derogation can only be utilised by member states if an agreement to do so can be reached with social partners at a national level. The UK Government reached an agreement with the TUC and the CBI to implement the Directive in the UK with a 12 week qualifying period before the equal treatment principle could be applied to UK temporary agency workers.

According to the 2009 consultation paper the Department for Business Enterprise and Regulatory Reform (BERR) estimates that 60% of UK agency workers have assignments of less than 12 weeks. They will therefore not qualify for the basic protections provided in the Directive if this qualifying period is introduced in the UK.

The ICTU believe that the UK Government are in error when they assert that they have met the requirements of the Directive at article 5(4) as the TUC have no authority or responsibility for trade union affairs in NI. The ICTU are of the opinion that to have met the conditions of article 5(4) the ICTU should have been a party to the social partner's agreement at national level.

It should be noted that the TUC contacted the ICTU in 2010 claiming that the UK Government needed ICTU to sign up to the existing TUC, CBI agreement. As the introduction of a 12 week qualifying period would deny many temporary agency workers equal treatment the ICTU declined to 'sign up' to the existing agreement.

Rather than attempt to enter into negotiations with the ICTU the UK Government proceeded with the process of consultation and implementation of their minimalist interpretation of the Temporary Agency Workers Directive without, in the opinion of the ICTU, having properly met the conditions of article 5(4).

### The Directive's provision for derogation and devolved powers of the NI Assembly.

Northern Ireland is the only region of the United Kingdom where employment law is a devolved matter.

According to paragraph 1.11 of the DEL public consultation on the Agency Workers Directive:

*'The Department is transposing the Directive under the terms of the social partnership agreement between the UK government, the CBI and the TUC in May 2008, which provides for a qualifying period of 12 weeks in a given job before equal treatment is applicable. The proposals contained in this consultation therefore refer to a 12-week qualifying period where relevant.'*

Eugene McGlone, the vice-president of ICTU, wrote to the then Minister, Danny Kennedy, on 7th January 2011, highlighting the concerns of ICTU with regard to the status of the UK Government's agreement with the TUC and CBI with regard to the territory of NI.

Minister Kennedy responded that the Department had sought legal advice on *'whether the social partners agreement between the TUC and CBI could be applied in Northern Ireland,'* before they took forward the consultation in NI.

The ICTU also sought legal advice, and although article 5(4), refers to reaching agreement at a national level, it goes on to state:

*"Such arrangements shall also be without prejudice to agreements at national, regional, local or sectoral level that are no less favourable to workers."*

The ICTU's reading of article 5(4) is that it permits, but does not oblige, states to introduce qualifying periods for equal treatment, such as the 12-week period in the UK agency workers regulations. The text implies that that should be on the basis of a national agreement, but it is clear that regional agreements could introduce more favourable terms for agency workers; for example, a shorter qualifying period or none at all.

The ICTU see no basis for holding that the TUC/CBI agreement is legally binding on Northern Ireland to the extent that it would exclude us from negotiating more favourable treatment for agency workers in Northern Ireland legislation. Moreover, the absence of ICTU from the 'social partners' agreement creates a compelling case that the existing national agreement is of questionable validity in Northern Ireland, given that the key organisation for the workers' side, which is ICTU, was not party to the agreement.

## H5 Industrial Disputes

The NIC supported and assisted affiliates in a range of industrial disputes. Sectors involved a wide range of public and private services. These include:

- Royal Mail
- British Broadcasting Corporation
- Belfast Telegraph
- Belfast Metropolitan College
- Civil & Public Services
- Education
- Further Education
- Health Services

The Public Service Strike of 30th November 2011 will be remembered as probably the largest single industrial stoppage in the history of Northern Ireland. However, each dispute was as vital to members and their families.

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# Section I

Health and Safety

## I Health and Safety

### I1 Committee and Officers.

Barbara Martin (UNITE) was re-elected as Chairperson of the NIC ICTU Health and Safety Committee.

#### Work priorities

- Support and guidance for Health and Safety Reps.
- Occupational health and safety in particular stress, mental health and musculoskeletal problems
- Asbestos in public buildings, particularly schools

The Health and Safety Committee holds two events per year. The first, in April is to coincide with Workers Memorial Day. The second with European Safety Week in October.

### I2 Workers Memorial Day

In 2010 the Minister for Enterprise and Investment spoke at the Workers Memorial Day event in Stormont. She acknowledged the role of Safety Reps in protecting and promoting

workplace safety. Also speaking at the event was retired teacher and NASUWT member Carole Hagedorn who contracted mesothelioma as a result of exposure to asbestos in work.

In 2011, Workers Memorial Day was held at the UNITE premises. Attendees heard from ICTU Vice President Eugene McGlone as well as members of the Layland family. In a moving and emotional address, the audience heard from David Layland's brother and mother who recounted how David died at a BIFFA landfill site just outside Belfast.

The tragic story of David's death reminded the audience how important it is to have properly regulated health and safety at work. Well trained Safety Representatives are key to this as is the resourcing of the Health and Safety Executive NI to properly inspect workplaces. Congress also believes that it is vital that HSENI Inspectors are aware of the role of Safety reps and to this end, we have asked the HSENI to make presentations at our

Both events were well attended by Safety reps, Trade Union Officers, and Health and Safety Executive NI.



*Minister Arlene Foster chats to delegates at the 2010 Workers Memorial Day event in Stormont.*





DHSSPS Minister Edwin Poots along with HSENI Chairperson, George Lucas, Barbara Martin and Peter Bunting.

### 13 European Safety Week

In 2010 the committee organised a seminar in UNISON, Belfast focusing on the theme of workplace cancers and asbestos in the workplace. Speakers included the STUC, the HSENI and Officers from UNITE. The event was well attended by safety reps and trade union Officers.

In 2011 the seminar focussed on Stress in the Workplace. The seminar was addressed by the Minister for Health and Public Safety.

### 14 Safety Rep Award

As a recognition of the importance of the role of the health and safety rep, Congress has worked with the Health and Safety Executive for NI to restructure the Safety Rep Award.

The Award is given to the Safety rep who, in the view of the panel, has made a significant and lasting contribution to workplace health and safety. After a number of years with low applications for the award, the process for applying was simplified and now includes an interview to ensure that applicants are given time to discuss their work as reps.

In 2010 Seamus Larkin (PCS) and Gary Mercer (UNITE) were jointly presented with the award.

The 2011 winner was Harry Wade.



2010 joint winners Seamus Larkin and Gary Mercer with ICTU AGS and HSENI Chairperson.

### 15 Trade union health and safety executive forum

To facilitate regular communication and joint working, the Health and Safety Committee and the HSENI established a joint forum. Terms of reference were agreed and the forum aims to meet approximately 3 times a year. The forum is attended by the Chair of the Health and Safety Committee, the Chief Executive of HSENI as well as HSENI senior staff and the NIC Education Officer. The forum is chaired by Brendan Mackin, in his capacity as Board member of HSENI.

The Health and Safety committee responded to the HSENI Corporate plan and the RIDDOR consultation. Both responses are available from the ICTU office.

### 16 Training of Health and Safety Reps

The training of Safety Reps continues to be a key priority for both the Committee and the North West Regional College.

To ensure continuing safety rep development, the Safety Rep pathway comprises:

- 10 week stage 1 course
- 10 week advanced course
- And a number of short courses such as Risk Assessment and managing Workplace Stress.

Negotiations are on-going with the North West Regional College to re-start the Diploma in Occupational Health and Safety in Autumn 2012.



2011 winner Harry Wade along with ICTU Health and Safety Chairperson Barbara Martin.

The Diploma, which has always formed an important progression route for Safety reps had been put on hold whilst the partnership with the NWRC was established.

## **I7 HSENI spring conference**

ICTU was represented on the planning committee of the HSENI Spring Conference by Robert Thompson (IBOA).

The purpose of the planning committee is to ensure that all partners have adequate representation at the conference. In 2010 Barbara Martin addressed the conference and in 2011 Hugh Robertson from the TUC was invited to speak.





# Appendix

## List of Submissions

## Appendix

### List of Submissions on Public Consultations

Public Assembly, Parades and Protests Bill	Dissolution of DEL (Paper for OFMDFM)
Code of Practice for Time Off for Trade Union Duties	Wrong Kind of Victim – an analysis of UK measures to protect Trafficked Persons.
Future of Bus Operating Licences	NI Inquiry into the implementation of UN Security Resolution 1325 – Women, Peace and Security.
National Minimum Wage	Revised Guidance on Termination of Pregnancy.
Cohesion, Sharing and Integration Strategy	Congress Commission on Trade Union Membership in Ireland.
Agency Workers’ Directive (Briefing Paper for NI Executive)	Congress Commission on Bullying, Stress and Third Party Violence at Work.
State Pension Deferral	A Bill of Rights for NI – Next Steps. NIC response.
Draft Economic Strategy (Feb 2011)	A Bill of Rights for NI – Next Steps. LGBT Committee response.
Draft Budget 2011-2015	A Bill of Rights for NI – Next Steps. Disability Committee response.
HM Treasury Consultation on Rebalancing the Economy (Corporation Tax)	A Bill of Rights for NI – Next Steps. Women’s Committee response.
Universal Credit	Commission on a UK Bill of Rights.
Draft Economic Strategy (Feb 2012)	Passported Benefits Under Universal Credit.
Draft Investment Strategy	The NI Welfare Bill 2011 Draft EQIA.
Draft Programme for Government 2011-2015	Social Investment Fund (questionnaire)
Tuition Fees for Further & Higher Education	ECNI Draft Corporate Plan 2012 – 2015.
Local Government Pension Scheme	DSD consultation on Fuel Poverty
Tribunal Reform	A number of these consultations have been responded to specifically by the ICTU Women’s Committee, LGBT Committee and Disability Committee.
TUPE	





## TRADES UNIONS ADVISER

Cross Border Workers. Do you have welfare rights, benefit, cross border job seeking, redundancy, employment rights or other issues relating to cross border working?

Contact your Trades Unions EURES Adviser at...

The Belfast Unemployed Resource Centre  
45/47 Donegall Street, Belfast, BT1 2FG,  
028 9096 1111

[barrie.mclatchie@burc.org](mailto:barrie.mclatchie@burc.org)

[www.eures-crossborder.org](http://www.eures-crossborder.org)









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**CONGRESS**

Irish Congress of Trade Unions  
Northern Ireland Committee

NIC ICTU  
Carlin House  
4-6 Donegall St. Place  
Belfast  
BT1 2FN

t: 028 9024 7940  
f: 028 9024 6898  
e: [info@ictuni.org](mailto:info@ictuni.org)

[www.ictuni.org](http://www.ictuni.org)