

## **SPECIAL DELEGATE CONFERENCE**

**17 APRIL, 2008**

### **LIBERTY HALL**

**Patricia McKeown, President of Congress, UNISON**

Good morning delegates. Can I ask everyone to take their seats please. Thank you very much.

Conference I am very please to declare this Special Delegate Conference of the Irish Congress of Trade Unions open and to outline for you the business we are going to conduct today. You will shortly be presented with a motion which will be moved by the General Secretary and which will determine our future position on partnership talks with the Irish Government. The process of arriving at that motion has been a detailed one over the last number of months, with extensive consideration of all aspects of the current situation by the Executive Council. It has taken into consideration unfinished business with Government, and future business which must be transacted on behalf of our people. It has paid particular attention to socio-economic needs and socio-economic rights of the people we represent. In the transaction of business today I would like to ask those of you who intend to speak to indicate to the platform and we will take you in the order which you present and we will shortly consider Standing Orders Report No. 1. Before we do that I have a list of Tellers nominated by unions which I would like to present to you for agreement. That's: Billy Hennighan, PSEU, Brian Byrd, SIPTU, Sean Heading, TEEU, Philip Mullen, IMPACT, Linda Tanham, MANDATE, Declan Glynn, TUI and Gareth Murphy, IBOA. Is that agreed Conference? Agreed. Thank you very much.

I would now like to call on Michael Sharp, Chairperson of Standing Orders Committee to move Standing Orders Report No. 1.

**Michael Sharp, Chairperson of Standing Orders Committee**

Thanks President. Michael Sharp, Chairperson of Standing Orders. Standing Orders Report No. 1 I think has been circulated to you. There are five paragraphs. Paragraphs 1 to 4, and 5 and are standard non-contentious I would hope and they deal with the calling of the Conference and looking at the motion and the amendment and the issue of speaking times.

Item 3 obviously is not usual and I will obviously have to spend a little bit of time explaining what has happened. The TUI submitted an amendment to the Executive Council motion. The Executive Council motion was of course circulated some time ago. The TUI, for those of you who were in Bundoran at the Biennial Conference will remember had a motion ruled out of order at that time on the basis that it was proper to a Special Delegate Conference and they have therefore submitted this amendment on that basis. On that basis the Standing Orders Committee then had to examine the precise

wording of the amendment and what it sought to do and having done so we have to rule that it is out of order. There are essentially three grounds on which we do so which are stated there. The proposed amendment if you read it and I think it has been circulated, essentially when you read the precise wording it says that it wants to seek to establish exclusive rights for particular and specified groups or grade within the public sector and to do that within the context of a national agreement cannot be in order. Particularly, it goes further or seeks to go much further than the Executive Council have done and the Executive Council conscious of the motion that the TUI submitted in Bundoran and other discussions that have taken place, have in fact made allowance and made provision in their own motion recognising that there are certain difficulties that certain unions have with the process and that that will be and must be addressed in the negotiations, and we feel that to go beyond that is not properly in order and cannot go before the Conference. And, thirdly, we accept that the TUI feel that there are issues that they would like to deal with separately but in affiliating to Congress, every trade union that does so must accept that they are bound by Congress procedures and Congress procedures mean that there are certain issues which are dealt with by a Special Conference of this sort and by an aggregate vote at that Conference and you cannot really be in order to have an aggregate vote and then have some people saying that by some means we have some form of veto or other special conditions in relation to particular sections of what we voted on so therefore, we wanted the right to consider them separately. That really is not in order so with those comments I would move Standing Orders Report No. 1.

**Patricia McKeown, President of Congress, UNISION**

Thank you very much Michael. Is Standing Orders Report No. 1 agreed Conference? Agreed. I have an indication of a speaker. I would expect no less. Come ahead Peter.

**Peter MacMenamin, Teachers Union of Ireland**

Thank you President. Colleagues, I wish to on behalf of the TUI to move the reference back of paragraph 3 of the Standing Orders Report. Michael Sharp, the Chairman of the Standing Orders Committee has outlined to you and I am sure that many of you will recall the debate in Bundoran on the acceptability or otherwise of the TUI motion which was submitted to that Conference and that motion was ruled out of order as you said on the basis that it was deemed appropriate that such discussion would be held here today at this Special Delegate Conference which has been called for the purposes of considering the entry into pay discussions. This is now ruled out of order here today or it is proposed that it be ruled out of order today for different reasons and I would respectfully suggest that the reasons that are being put before you today by which this is proposed to be ruled out of order are reasons which you might choose to disagree with the content of the motion but they are not reasons for ruling the motion out of order. It is my view that this motion should be put before the floor of this Conference. This is precisely where such a debate should take place. As to the precise way in which we do our business and the way in which these negotiations are to be carried out and the way in which decisions can be made. It is not, I believe; true to say that we in the TUI are seeking exclusive rights for us or for anybody else. We are seeking equality for all unions that each union might have

its own particular interest which is its business and nobody else's business. I fully accept that we do affiliate to the Irish Congress of Trade Unions, which we gladly do, that we do relinquish some sovereignty and that sovereignty is in relation to the overall pay rates and the general conditions that go with the national agreement. What I do not accept is that we relinquish the sovereignty to take decisions in relation to the conditions of service for teachers that we represent. Nor do I wish to have a say in the conditions of service of colleagues in other unions which we do not represent. These are matters for individual unions and I believe that this is all our motion seeks to do is to allow these decisions to be taken by those individual unions. I believe for these reasons this motion should be allowed, that this amendment should be allowed to be debated today. This is a democratic organisation. The right of free speech and the right of free representation of views I believe should be allowed and should be heard today at this Conference and for these reasons, President, I move the reference back of section 3, thank you.

**Patricia McKeown, President of Congress, UNISION**

Thank you Peter. Do we have a seconder for reference back?

**Mike Jennings, Irish Federation of University Teachers**

Thank you Chair. Mike Jennings from the Irish Federation of University Teachers seconding the proposal to refer back section 3. Can I just say that I have to admit that I am uncomfortable starting off a Conference with a proposal which goes against the Standing Orders Committee and I don't want, and I don't think it would be fair to the education unions if we are seen to be negative in that sense, but I quite frankly think that the decision by Standing Orders unfortunately is the wrong decision, and it is based on as Peter MacMenamin has said, and to quote Jean-Jacques Rousseau, who said that "I disagree with every word you say but I defend your right to say it", and I accept and it is accepted that the TUI resolution may not be perfect. We accept certainly that it may not command unanimous support. We accept that there are arguments against it but the argument against it and the arguments for it should be debated fully at this Conference and not ruled out of order. I don't think it is the way we should do our business. And I think it is terribly important as well on behalf of teachers' unions and unions in the education sector to underline again that this is no by way of us saying to Congress that the education sector is none of your business. Nothing could be further from the truth. The education sector is the business of every man and woman in this country because it is the future of our country and what we need to realise is that the sort of conditions that we are so agitated about and are so fearful of being repeated in the next round of talks is this bogus modernisation, as my colleague John White has referred to it, this managerialism whereby you are supposed to count what is valuable. What is happening in the education system is they only value what countable and in the reality that as the conditions of employment of our members are being undermined and threatened, the education system that is the birthright of your children and my children is being compromised. It is your business as delegates to the Irish Congress of Trade Unions that this is happening. But we want to say to you it is appropriate that you would understand that the frontline staff, that the people in the colleges, in the schools understand and appreciate on a day to day basis

exactly what the precise impact of these changes would be and it is also because it is their conditions of employment which are being destroyed and I am not overstating it. They are being destroyed in the process and they are undergoing, it seems to me, without overstating the case, a complete neo-liberal transformation of the education system and we must say halt and we must put the obligation back on the education unions to lead that charge and be prepared to listen to them when they stand up. And, can I say finally, we are all familiar with the slogan 'One for All and All for One'. I have no difficulty with both aspects of that. I think we should remember that there are both aspects of it. It is not just a question of one union or one group of unions supporting all. It is also, I think, our right that we ask the overall, the entire body of the Irish Congress of Trade Unions to stand by the individual education unions when we say enough is enough, we are not prepared to take any more undermining of our conditions of employment which is going hand in hand with the undermining of the education system which is the birthright of our children. I ask you to support the reference back. Thank you very much.

**Patricia McKeown, President of Congress, UNISON**

Thank you, thank you Mike. Reference back has now been moved and seconded. I do propose to take speakers. We have seats at the front here for speakers. If you are intending to please do come forward. John.

**John White, Association of Secondary Teachers of Ireland**

President and fellow delegates, I want to emphasise as speaking on behalf of the ASTI here today that the reference back of this Standing Orders section is in no sense expressing a lack of solidarity with our trade union colleagues. Education – we are involved in educating the children of the people of this country including people here and we want to stand in solidarity with you. The ASTI has had something of a chequered history with regard to that but I want to emphasise, President, that in seeking the reference back of this, there is no question of an absence of solidarity and that we will be engaged in partnership talks. Now I just want to, very, very briefly, President, reiterate I think what Mike Jennings has said but to explain it from a slightly different angle. What is happening is that so called modernisation, it is the imposition on the education sector of models from the business world which are not suitable and which actually diminish the quality of education we are offering to the young people of this country. And that is why we feel on a point of principle that the latest scheme thought up by somebody in the Department of Education who has been absent from front line education probably for twenty or thirty years and the imposition of these so called bright ideas on the education service through the process of so called bogus modernisation is what is diminishing the quality of our education system and that is what we are trying to oppose and if we get that message across today to our colleagues in the trade union movement, I think we will have done a good job. Thank you President.

**Peter McLoone, Irish Municipal Public and Civil Trade Union**

President, I think that the issues that have informed the moving this amendment have been well ventilated here this morning as were in Bundoran in July and as they have been in my experience any time we have met as an Executive Council or as a Public Services Committee. But we are here this morning to deal with a motion that has been presented in the name of the Executive Council after months of exhaustive preparation. This motion is before the Executive Council that is the subject of the Standing Orders Report was informed by three Special Meetings of the Executive Council in an attempt to accommodate and all differing points of view. And, I think as Michael has said on behalf of the Standing Orders Committee, that's the position that we found ourselves in before the Executive Council decided to convene this conference. So I think we should move ahead President with the business that is here before us this morning so I move that the vote now be taken on the adoption of Standing Orders Report. I move that the vote be now taken. Thank you.

**Patricia McKeown, President of Congress, UNISION**

Is there a seconder for the proposition that the vote now be taken. Thank you. Could all those in favour please show, those against, the proposition is carried. We will now move to the vote which is reference back of section 3 of the Standing Orders Report. Can I ask all those in favour of reference back to now indicate please. Thank you. All of those against. Reference back is lost. Can I now put Standing Orders Report No. 1 to conference for adoption. Do you agree? Agreed. Thank you. We now proceed with the main business of the day and I am delighted to call on the General Secretary to move the Executive Council motion.

**David Begg, General Secretary of Congress**

Thank you, thank you President. Good morning colleagues. What I would like to do is to explain under each of the headings what the intentions of the Executive Council are with regard to these talks and also if I can take a couple of minutes to speak about this OECD report which is in the newspapers this morning because I think its no coincidence that it has been published today and I think it requires a response from Congress.

Now first of all as a number of speakers have explained, the background to the construction of this motion is a series of Executive Council meetings where we looked at individual sectors of the economy and the economy overall and from that process spent another meeting constructing a resultant from that discussion which is reflected in the text of the motion. It's a little eccentric I know the way it's constructed, not what you are used to, it's on the European Parliament model but actually the circumstances of the debate where we were trying to accommodate the views of the TUI were actually responsible for that. I think that its true to say also that in terms of a platform for talks it is rather a defensive platform on our point of view because we are trying to shore up our situation in the face of a whole range of threats against us and it is a bit unfortunate that it is such because I think there is a strong case in better circumstances for us to be pushing

forward on positive social legislation like, for example, the provision of childcare, like for example the construction of a benefit range more in line with the needs of modern day Ireland and a whole reform of the PRSI system for example. But we are where we are and we have to deal with problems as we see it.

Now, first of all not in the order which they are presented in the motion, can I mention just some of the considerations. With respect to public services, what the Executive Council is motivated by is the sure and certain knowledge that if we are to protect the quality of life of people in the lower and middle income stratus of society particularly, the only real effective long term way we can do it is by having good quality public services because people in that income bracket cannot buy the private education, the private health care that richer people can afford for themselves. And we are trying to do it in circumstances where there is a pernicious campaign of privatisation particularly within the health section of public service delivery which we have been very opposed to which manifests itself under the euphemism of co-location but which is purely designed to change the model of health care provision more in line with the American model. And as we have said on many, many occasions, the net outcome of that is that if you take out the middle classes from the normal public hospital health provision well then that will be eroded in line with much of what we don't admire in the United States and you could find that a whole cohort of people who pay for medical insurance all their lives end up at the end of their lives when they need medical care, when they won't be able to afford it. But I will say this for the American model. It does actually provide specifically to medicate for elderly people and it does in fact invest more in the public health provision than we do here in Ireland. It is known that America spends about 20 per cent of its GDP in health but what is not known is that on its public health it spends more than we do so there is a huge myth being perpetrated here that health care for example is a black hole into which you do at your peril throw more and more money. That unfortunately is what a large section of the population believes but it is not factually correct.

Let me mention now the question of pensions. We were promised in the first module of the agreement that we negotiated the delivery of a pensions' strategy and that has been delayed for nearly a year now. We have a Green Paper and we have all sorts of consultations and that is right and proper but it is not right and proper to postpone deliberation on that. Now I mention the OECD report published this morning and in fairness it is not all bad from our point of view because one of the things they come out in favour of is actually a mandatory pension scheme for the private sector which I think is absolutely correct and that is the position you took at the Biennial Delegate Conference last year and something which we are trying to put forward but which as you know is strongly opposed by the employers. And the employers are out this morning in the papers talking about the capping of public service pensions. Well let me just say this about that. It is no part of our business to deliver equal shares of misery for everybody. It is no part of our business to seek to bring down the public sector level of pension provision. Our job is to bring up the private sector pension provision so that it can be relatively level. And Mr McGinty this morning in the Irish Times is talking about the need to cap expenditure on pensions. Well now before anyone talks about to us about that lets look at capping the huge amounts of money, €250,000 tax free a year which is

allowed to wealthy people in the private sector. Not in fact that it purports to be a pension scheme but what actually it is, is tax free savings arrangements. So I mean that is something that we are not in any sense open to. And he really has gall to mention a provision like that when such abuse of the public funds is perpetrated in a manner of the tax system as it is operated at the moment.

On the question of agencies, I think everybody is well plugged into this because a number of unions affiliated to Congress have been pursuing a campaign to try to get justice for agency workers because as you know what is really happening in our society is that employment relationship is being redefined, that employers have copped on that as we have tightened up somewhat in respect of the normal regulation of the labour market that there is a way around it and the way around it is to the use of employment agencies which have mushroomed in size to well over 500 of them operating in the country at the moment and by using the law and the loopholes that are there it is possible for employers to avoid entirely any provision in terms of equality and the paying of people the rate for the job as between two people who do exactly the same work. It is more insidious than that as you also undoubtedly know in that it is possible to avoid the general provision for equality in the selection of people by profiling them and allowing agencies to put forward people who meet the profile of the employer and therefore they don't have to worry about the discriminating against people who are pregnant or people who are old or people who are black or people who are disabled or any of these normal provisions that they know they would not get away with in the standard arrangement for recruitment. So this is a major thing that we have to do. We have been working together with the TUC, the Scottish TUC and the Welsh TUC and the European Trade Union Confederation in trying to campaign for the enactment of a Directive at Brussels level which has been much delayed and it is much delayed because of the joint efforts of the UK and the Irish Government to prevent an accommodation being reached on it. So this is a major bit of work that we have to do going forward.

Finally, I want to mention the legal framework under which we are operating. We have seen a series of sustained attacks on that framework and this is nothing at all to do with Social Partnership. What it is, is a direct attack on the Labour Court and on the system of industrial relations which was installed in the late forties and which has served this country reasonably well. We are all familiar with the Ryan Air judgement and what that has meant to the Supreme Court and more recently we have seen the Hotels Federation apply the same approach to try to block the implementation of the Joint Labour Committee report and on top of that then you have these geniuses then the Competition Authority who are so wound up by their zeal for the free market that they have designed that any person at all working is an undertaking and cannot take part in any form of collective bargaining if they work on their own. So really the combination of these three circumstances has seriously undermined the structure of industrial relations such that we find ourselves in a strange position where we have people from all over the world coming to see us and talk about this model of Social Partnership and how it works but the whole thing in fact in a legal sense is built on sand and it is not possible for it to endure in that way. It is true and I want to acknowledge, I don't want to come here and be totally negative about these things, we have over the course of the last agreement made very

significant progress particularly with respect to the Compliance Bill which has recently been published and with the Exceptional Redundancies Bill and the amendments to the law in relation to Unfair Dismissals. We have also made good progress in terms of the Revenue Commissioners monitoring of abuses particularly in the construction industry and we are making progress at the moment as well in relation to the abuses of the educational system and the use of non European Union students. Good things are happening but nevertheless these other things are there. We have a lot to do in terms of shaping up the labour market so that it is properly regulated.

If I may now I just want to say a few words about pay. When we entered the discussions the last time the forecast of all the bodies – the ESRI, the Central Bank, the Department of Finance, everybody, all the banks, stockbrokers and so on was that we would be facing into an inflationary situation of around 2.7 per cent. Now fortunately the people who advise us were much wiser and were able to tell us in fact that that was a significant under estimate on how things were going to be and we judged our approach to the pay talks on the basis of that advice. And as you know, the net result was a settlement of 10.3 per cent cumulatively over twenty-seven months. The problem however is that inflation has overshot that in that period of time and depending on when you count it and there are room for some disagreements about what the inflation figure is but is of the order of 12 per cent which means that leaving out the special arrangements which were made for the people on the minimum wage and the lower paid, if you take the bulk of people they are somewhat adrift of the rate of inflation over that period of around 1 to 1.5 per cent I would say. Now, the other point to mention though is that in that period of time economic growth has been 11.5 per cent over the twenty-seven months and we have had nothing of that at all. We have had no benefits from economic growth even if you disagree over the computation of the inflation figure and the cost of living, certainly we can say clearly that in respect of the growth in the country we haven't managed to do anything like that at all. Now, again to be fair, in the period 2000-2007, taking that period as a whole, we have made real gains in wages over and above inflation of 11.5 per cent. But anyway, where we are at the moment is that we are being advised by the powers that be that we must be careful, we must be considered, reserved and moderate in our demands because if we are not we will really initiate a wage price spiral and we will all be doomed as a result of that. Now, to be honest that is pure orthodox economics certainly but it has no basis in recent historical facts because we have not had a wage price spiral either in Britain or Ireland since the 1980s and in fact all of the economic downturns that we have had had been caused by inflation and assets and the subsequent collapse of the bubbles that have arisen from that. It is true of course that within the economy there are people working in certain professional sectors who have jacked up their fees at every opportunity, there has been a constant rate of services inflation which has been higher, much higher than the average rate of inflation and there has been a considerable amount of profit taking. That is not our fault and we are not going to carry the can in respect of that. So, as a proposition that we are engaged in an activity which is going into a wage rise spiral, that is nonsense and we reject it completely and absolutely.

Now, in relation to the rate of inflation which we are confronting at the moment, it is very high at 5 per cent. And there are changes taking place and if you look at what has



happened again over the last two years we had eight separate hikes of twenty-five basis points from the European Central Bank which had been the responsible factor driving the inflationary increases. We have seen that sort of taper off and the European Central Bank is kind of saying it won't reduce rates for the future, it may or may not, we won't know until later in the year. But that impetus for increase if you like in inflation has been replaced by two other factors; food prices and energy. And they both, I think, represent a structural change in the world and are they to stay because if you look at energy, energy has accounted for about just over half a percentage point of the inflation which we have had in the last year and you see of course that the price of oil at the moment is something like \$115 a barrel. Now its affect is mitigated by the fact that the Dollar is weak, otherwise it would have a much bigger impact on inflation but it is likely to stay high. That's the point because we have seen the announcement from Russia the other day which is the second biggest supplier of oil in the world which said that they were reaching a peak oil situation.

On the question of food, I think the position is in many respect more serious. Food inflation over the last twelve months, twelve months I should say up to February anyway, was 8.5 per cent and it arises from a number of factors. The increased demand for food throughout the world, adverse weather conditions and also the transfer of land to the production of ethanol for gas. So all of these combined have pushed up food prices and it is very important from the point of view of people in the lower income bracket that this be taken into account because overall I think we spend about 12 per cent of our incomes on food but for people who are in lower incomes food and energy, indeed fossil fuels together constitute a very significant part of their expenditure so the point I am making is that how can construct our wage claim to have regard to the lower paid because they are facing into a much more difficult future.

I suppose therefore in summary what we are looking at is that we live in a country where the cost of living is 20 per cent above the European Union average. It is the second highest after Denmark, I think, in Europe. We did fall short somewhat on the first module. We didn't get anything from economic growth. Wage costs overall to some extent have been pushed down. We have seen actually strangely enough it is worth noting, a wage premium of almost every sector for trade union membership and we have seen also growing inequality reflected in the benchmarking exercises which have pulled, if you like, some inequality in the private sector into the public service.

I want to now, if I may colleagues, deal with this report from the OECD which is published this morning. I mean it has to be acknowledged straight away in terms of competitiveness that currency does matter, principally, and the real exchange rate is the ultimate arbitrate of competitiveness and it has moved adversely by about 24 per cent since we joined the euro. It takes account of the exchange rate itself weighted by the volume of trade and also by the relative level of inflation in the economy that is relative to other countries and it does we know have an effect on some industries like for example Waterford Glass who export a lot of their product into the United States. But we have to keep a sense of proportion about all of this because in fact the growth in manufacturing output recovered after 2004 and has grown since and the reasons for closure of a number

of enterprises which we have accounted for in recent days, very often they have nothing to do with wages at all. They have to do with the opportunity that some of these people see they have in moving to other countries or for other reasons but they don't principally have to do with wages. And in fact the reason for that is simple enough because foreign owned companies here are the companies which export most of what is made in this country but they also import 86 per cent of the material for their products and they export around 94 per cent of it and labour costs constitute only 5 per cent of their total turnover. Now manufacturing overall accounts for about 10 per cent of employment. Some figures you will see of around 13 per cent but a lot of what is taken as manufacturing employment, some of it is service employment rather than pure manufacturing. And of the exporting firms, around 14 per cent of the exports of foreign firms go to the United States. So, overall if you can just take it from me that in terms of the proportion affected, it is really about 10 per cent of total manufacturing output. Now on the unit wage cost element of competitiveness there has been no change in the relative position with other countries since around 2000 and in 2000 unit wage costs here were 57 per cent below what they had been in 1990 so the competitive position which was built up on this country in the 90s has been substantially maintained. And the real question you have to ask people who go very negative about this, well look can you give us data on how precisely industries are doing. To what extent are they gaining or losing market share, to what extent are they gaining or losing profits and what is happening to foreign direct investment? Now, just take a couple of those. Just look recently, I took out of the Irish Times the profit results from a few companies in the last fortnight say and I give them to you. Take Kent's Engineering – 22 per cent increase in profits, the Irish Nationwide Building Society – 64 per cent, Tesco – 10 per cent up to 156 million, Standard Life 43 per cent growth in profits, AIB Bank – 10 per cent, the Irish Continental Group – they are the famous Irish Ferries people – 22 per cent, 40.7 million. Now, all of that is based and that is only going on the last fortnight, that is substantial profit growth by anybody's standing and in respect of foreign direct investment, the IDA pipeline this year is twice what it was, twice as strong as what it was last year.

Finally now, I will just say a word about this wage question particularly insofar as it arises in the OECD. If you look at our country here. In 2006 median earnings were for people coming from new member states into this country were only two-thirds of what applied here to Irish workers. Now, I say that for this reason particularly. The publication of this OECD report this morning is no coincidence at all I can assure you. I remember when we went into talk to the employers and the Government the last time around, on the first day we went into the talks and we were quiet exercised about what was happening in the labour market, we had three reports put down in front of us. One was from the European Commission, one was from the ESRI and one was from one of the banks and they all said there is no problem, there is no displacement, there is no exploitation of workers, there is no evidence of any of this. But we know from that statistic I have given you that if people come to this country they will be paid two-thirds of what the going rate for their particular job is in this country. On the question on whether there has been displacement there has been displacement factually now proven of 23,000 people in manufacturing industry and the replacement, people who are not Irish who work in the manufacturing industry earns 77 per cent of what Irish workers earn.

So there is a strong movement going on within the economy, we knew it was happening, we were told then that there wasn't problem so I am just simply saying that you cannot believe that a lot of the advice you get is actually value free. But as to what is the composition of the Irish workforce at present. I mean 20 per cent of people earn ten euros an hour, that's a fact here in this country. 50 per cent earn between ten euros and twenty euros and two-thirds earn less than twenty euros overall, 71 per cent earn less than 38,000 euros. That is a fact. That is not by any standards a high wage situation for people and it was extraordinarily interesting when the Review Bodies for the public service looked at the private sector and it was a point we tried to make in all the rula bula about the politicians and so on that actually what was most important was they were reflecting a growing wage divergence within the private sector where people at the lower end were finding they were on stagnant wages and people at the upper end were expanding their wages. And that now effectively, and this is the fatal flaw in the whole benchmarking project, has been imported into the public sector and for that reason it is not really a sustainable entity going forward because you are importing total inequality into something which will relatively egalitarian if not perfect in the future.

But let me just draw attention to one other thing – I am so mad about this - the injustice in the way this gets presented because no one ever talks about the abuses which take place in the private sector at the upper end and again I just reflect back on the last few weeks in terms of the findings which were issued with regard to higher remuneration for some of the companies. If you look at CRH, the big house building and construction industry company, the Chief Executive of that earned €2.79 million, Smurfit Kappa, the Chief Executive earned €2.6 million. Irish Life and Permanent, the people who look after our pensions, and not too bloody well at the moment I might say, earned €1.36 million for not looking after our pensions very well. The Bank of Ireland Chief Executive Brian Goggin earned €4 million - the rest are in the halfpenny place compared to him, Diageo, the Chief Executive earned €3.75 million, AIB, the Chief Executive Eugene Sheehy earned €2.4 million, the Chief Executive of Tullow Oil earned €1.6 million, the Chief Executive of Kerry Foods earned €1.2 million. Even the Chief Financial Officer of Kerry Foods earned a million. Our dear friend head of Ryanair, was very modest, he earned just under €1 million. Glanbia Chief Executive of that earned €27,000 and of course our closer friends at the head of the public service, the people who write the speeches for the Minister for Finance counselling wage restraints, well they got just the 13-14 per cent increase in their salaries. Now those group of people when you think about it, they at least got their money legally! I hasten to, I don't wish to say honestly because I might be a term illogical in exactitude but they certainly got it legally. But on a point about this, were any of you following and I know it is very byzantine the whole working of it, but this thing with Fyffes and DCC over the past few years where €80 million was actually robbed by insider trading and there is nothing about that. There is no outrage; there is nobody from the opposition coming up screaming about what has happened in our society as a result of that.

Now, I just want to say something personally. I was at a conference in Galway last year, a Labour Party Conference where there was a big debate about policy and all that type of thing and somebody referred to me as a 'watery social democratic' and it's the truth

actually, that is what I am but I know one thing, I know when somebody is taking me for a ride and this is what is happening in our economy at the moment. I mean there is no, the social partnership project in my opinion was a good thing for a country comprising of the common good but that group of people that I have talked about and the bulk of our people who send us into do a job, naer the twain shall will meet, it is as simple as that.

**Patricia McKeown, President of Congress, UNISON**

I am now going to invite speakers in the order they have indicated. The floor is still open to other speakers and can I remind you that we still have the seats at the top here. Can I call on Mike Jennings of IFUT.

**Mike Jennings, Irish Federation of University Teachers**

It is a case of be careful of what you wish for it may come true. I applied to speak. I didn't think I was going to be the first speaker after David and it is a question of follow that. Can I just say that with regard to our earlier debate, we have made our point, we move on and I am quite happy on behalf of the Irish Federation of University Teachers to say that we will move on as an united body because our real opponents, our real opponents, we know who our real opponents are – the employers and the Government and we will be united in our trade union agenda and that's important going out from today's conference. I am very, very happy on behalf of the Irish Federation of University Teachers even though it is an accident of timing to be the first person to say yes we fully support the Executive Council resolution. And can I also say that it is very, very fortunate for me who is somebody who is newly arrived in the job that I hold that I can say from this platform that there is another form of unity, that the four education unions have agreed for the first time on a joint platform which we have put forward to Congress with regard to what our demands should be for the forthcoming talks and I think that is a wonderful achievement and I think that the unity of the education unions is good for the trade union movement, is good for the education system.

That platform contains nine points which deal with such issues which I think we would all agree like the duration of the agreement, that increases should be ahead of inflation, and David has made excellent arguments there, it should be remembered that we are still a rich country, that there should not be a pay pause. We fully support the agenda dealing with the agency workers agenda and the exploitation agenda and the need to crack down hard on those people who have brought disgrace to this country in regards to the exploitation and we are fully, fully in support even though we come at it from a public sector perspective. We are absolutely in support of the need for measures, definite measures on the right of trade union recognition and the right of ordinary workers to be represented by a trade union. And I wouldn't want anyone to think that it is because we are public sector workers that we are not mindful. We might complain a lot but we are mindful of that privilege at least that our right to be represented by a trade union is unquestioned and we recognise that that is a right that should be not be confined to the likes of us. It should be universally across our society.

There is one point on the common programme between the education unions which has got to do with the right to lodge grade claims or sectoral bargaining claims, and can I just say that I have two documents here today. This first document is the 90 page report compiled by my union for the Benchmarking body which is absolutely crammed full of evidence of productivity given by our members and hard and painful change cooperated in and executed by our members and what do we get out of benchmarking? We got a big, fat zero out of benchmarking is what we got out of benchmarking. On this hand I have an extract from an article which appeared in the Irish Independent last Saturday or last Saturday week which showed that the HEA was prepared to sanction a secret deal that took my union eighteen months to uncover, whereby one individual, senior person in UCD was awarded a pay package of €406,000 in secret. Now I want to tell you that if you got front line people like lecturers in universities who are struggling to cope with a system which is literally creaking under them and they are getting a zero increase in benchmarking and you have got people getting €406,000, is it any wonder that it is a fundamental demand of my union that when we go into these talks those issues must be addressed and we would expect nothing less but in that context we have faith in our negotiators. We fully support the Executive Council resolution. Thank you very much.

**Patricia McKeown, President of Congress, UNISON**

Thank you. Next speaker is Peter McLoone, IMPACT.

**Peter McLoone, Irish Municipal Public and Civil Trade Union**

Just to say David, if you are the watery side of a social democrat, I am the milk and watery side of it.

The IMPACT delegation will also vote in favour of the motion and we are convinced that social partnership is the only real process that will in the current environment allow us to negotiate pay increases to protect and improve the living standards of our members and also provide the means by which we can advance the agenda that is set out in the motion on pensions for working people, our demands for higher employment standards including employment protections for agency workers and an issue that's very close to our hear in IMPACT since the Supreme Court decision on Ryanair pilots, that is the restoration of a legally enforceable framework which recognises and protects the fundamental right of all workers to engage in collective bargaining with their employer regardless of who that employer is, or how hostile that employer is to our very existence.

Last year we produced a book entitled "*Saving the Future*" to mark twenty-one years of social partnership and to recognise the central role played by Congress in turning our economy from basket case to success and when we look back over each of the seven agreements we negotiated, it is evident that the process is robust and well capable of dealing with problems every bit as difficult and as complex as the ones we are going to face in the coming months. But if there is a difference today it is that some of the parties in Government and business circles have lost their sense of shared commitment to use social partnership as a process that makes demands of us all but also delivers for us all.

And the difference is most glaring on the issue of pay and the issue of employment standards. And the last few months have seen an ugly trend from some of the country's wealthiest individuals in business, in politics, even at the top of the public service, who have demanded that ordinary working people whose families know what it really means to be at the wrong end of fuel and food inflation, that they exercise pay restraint in the common good. And there is now irrefutable evidence, as David has said, that many of these have been lining their own pockets with massive pay hikes but yet they or the organisations they represent see no contradiction in defending big rises for the top earners as necessary and defensible but asserting that the country cannot afford anything for ordinary working people. And earlier as it has been said we read reports this week of one Chief Executive who said my pay only went up by 1 per cent last year but that actually brought his pay to €2.6 million per annum and most of our members I think would accept increases below the level of inflation if they had that kind of cushion but if that is what the Government, IBEC and the OECD and the rest of them mean by pay restraint you can be sure that it is not the trade union movement who have lost touch with reality.

And, there is one very important message President that I think needs to go out to all workers from this Congress in this climate and it is regardless of who they are, where they work, male or female, young or old, Irish or immigrant and the message is this: left to their own devices Government and employers want no wage increases, even increases in the minimum wage. In fact what they want is lower wages. They do not want enhanced employment standards. They want fewer protections against exploitation. And the message is simple. Take trade unions, take Congress out of the equation and that is what every ordinary worker in this country faces.

And I say with the continued support of all working people and echoing the theme that Mike has just raised we can by working together defeat those who advance personal, corporate and financial interests at the expense and well being of ordinary citizens. That is the challenge facing this trade union movement. Let's embrace it today, support the motion and go forward and do the business on behalf of our people. Thank you.

**Patricia McKeown, President of Congress, UNISON**

Thank you very much Peter. At the minute its second appearances all around so I am now calling on Peter MacMenamin.

**Peter MacMenamin, Teachers Union of Ireland**

Thank you President. Like my colleague from IFUT I didn't expect to be called quiet so early either and I suppose like my colleague from IFUT, I am also here at the ICTU Conference for the first time in my capacity as General Secretary and I welcome that. I also wish to say that I did have points to make. I am glad they were made, I am glad decisions have been taken with regard to that matter and we also want to move on and we want to move on in the face of the adversity that we are going to meet and that the negotiators are going to meet in the coming times and David has outlined those very clearly.

I am very glad to say also that the four teaching unions are here on a common platform and that we are supporting the Executive Council motion. The TUI will be supporting that motion here today and we will be entering pay talks and we will be voting for that. We have serious difficulties and my union has serious difficulties with the nature of some of the agreements and some elements of the agreements which have been dealt with in the recent past. We clearly have a difficulty with, but everybody has, the issues of the duration particularly of the rate of pay and the slippage with regard to inflation and that's been highlighted already. However, our serious difficulty is in the nature of the changes that have been taking place. We have been instructed by our members not to enter into discussions relating to changes in conditions of service for teachers unless we will be the determinant as to whether they are acceptable or not. Now notwithstanding that, we will enter discussion, we will vote for entry into discussions but we do so with some reservations. We are concerned that the agreements which are genuinely referred to as partnership agreements, that the principles of partnership which are the identification of mutually recognised and agreed benefits for all and I believe that partnership agreements do that but I also believe that these principles should be extended downwards into the workplace and so that when changes are being discussed within the workplace and within individual employments that they should be based on those principles and they should be mutually recognised and agreed benefits of change. I believe that what has happened within, certainly within the education sector, has been closer to a productivity agreement than a partnership agreement in that changes, effectively more work has been demanded of our members in return for pay increase. I also believe that much of the change which has been given by teachers has been disregarded. I cite one example and that is the development within the sector that I represent, the development of the further education sector of education. Twenty five years ago it didn't exist. Now, today, it caters for 30,000 each year and effectively a different 30,000 students each year. That is brought about effectively and exclusively by the work of teachers and without any significant input by the Department of Education and Science. That has changed, huge change which has been given by my members and which the attitude of the employer is 'eaten bread is soon forgotten, let's look for more' and my union is saying we have given enough and we are not giving more.

An example of what has been referred to as the 'bogus productivity' exists very clearly within the Institute of Technology sector where changes in the nature of the delivery of courses to students has entered into a national agreement. Why that may be may be open to question. Why these may be in a national agreement, the actual nature of the delivery of courses, because these issues are hotly debated with academic circles. There is no agreement that they benefit students. In fact we as a union believe that they are adverse to the needs of students and what is happening now is that a number of Institutes of Technology have decided that, having forced these things upon lecturers they now realise that they don't work and they are trying to reverse the process.

I want to make reference to in the Executive Council motion, the reference to the expenditure on public service and I welcome the inclusion in the Executive Council motion of that and I want to pay particular attention to spending on education and to the

importance of the fact that investment in education is a very good and very well paying investment.

I would conclude by saying that we are voting to enter pay talks. We are voting with some reservations and we are doing so to try and get agreement on a good pay rise for all of us. So, with reservations and unfortunately without our amendment, I am supporting the motion.

**Patricia McKeown, President of Congress, UNISION**

Thank you Peter. Now, I am an offender myself but I would draw your attention to the red light and so I don't take anyone else by surprise, the running order I currently have is Unite, BATU, TEEU, INO, SIPTU, IBOA and INTO, so can I move now to Jimmy Kelly, Unite.

**Jimmy Kelly, UNITE**

Thank you Chair, good morning comrades. Can I first of all say that I am genuinely proud to be here as leader of our Unite delegation to our first Special Delegate Conference. Really delighted to be here. And we were at our Northern Ireland Committee of Congress earlier this week and we said the same thing about our new union and ensuring first of all that it is not just a sum of the two parts, that it is stronger than the sum of the two parts, a merger of its own does not create one new member, but we are committed to building the sort of union that we have outlined to our own members. But here we want to give the assurance that we are absolutely committed, genuinely, to making the movement stronger and that's our goal in terms of the new union, making our movement stronger here in Ireland. Chair, can we say first of all on behalf of Unite that we are supporting the motion before us here today. We have already stated our intention to enter talks but we enter on very strict conditions. We have laid out and published publically a list of what we refer to as "deal breakers" and we genuinely say to the movement here, to Congress, that that is a serious list of what we say are deal breakers. The rumour machine can talk about cobbling together something on pay, aspirational language on agency workers, and aspirational language in terms of benchmarking. Lets not go down the route of selling out when we get to the talks, lets say that we mean what David has put in context, that we agree with the context painted by David and lets not be taken for the ride that David has described. Irish workers and thankfully a lot more unions than Unite are now saying clearly what we have said; Irish workers have suffered real wage cuts in the previous programmes and we should never tolerate this again. There has to be special provisions for the low paid. We really need to mean that. We want to bring low paid workers with us in any new deal. Low pay is endemic in the economy with nearly one in three workers in the private sector earning below the official low paid threshold. There has to be a provision for local pay bargaining. Too many companies in too many sectors are hoarding excessive profits and it is only through local bargaining that our members can reclaim some of the wealth that they have created. Unite is pursuing a broader agenda than just pay. There must be a legal right to trade union recognition. Some of the special meetings that Congress has had within the



Executive have brought honesty in terms of what the density is within the movement. The days of claiming members that we never had has to be over. We have got to be honest with ourselves that density is declining, that density of union membership is going in the wrong direction and thankfully a number of unions are now putting resources and dedication into an organising agenda. We are not looking for phoney partnerships with employers. We don't want workers handed over to us by employers and we deduct money from workers' wages. We are about organising workers to make the movement stronger and build on the foundation of workplace organisation. Those directors are not told whether they are recognised or not. Their very existence gets them recognition. This movement must demand and deliver union recognition and bring about a climate where we are entitled to organise workers and defend workers in the workplace. We also say, and thankfully again a lot of other unions say the same thing, mandatory pension contributions from employers and Government. Ireland is one of the few EU countries which doesn't have such a system. We hear the right wing commentators that David has referred to attempting to divide public and private sector workers in order to level down pay and conditions in the public sector. We should be uniting workers behind a levelling up, a proper pension system for everyone regardless of where they work. There must be protection for agency workers and I have said publically and I will say it again, I congratulate SIPTU and we are up for standing and linking arms with SIPTU on the campaign for equal rights for agency workers.

We are under no illusions comrades that the difficulties are going to be there in delivering those demands. It is made worse by the attitude of employers and Government ministers. Even though Unite has shown clearly in its report the truth about Irish wages, that Ireland is in fact a low wage economy in comparison with other EU countries. Employers still pedal the myth of high wages. They distort the facts and they ignore the facts. They complain about high taxes, complain about high wages, and complain about too much regulation. Despite the fact that none of these things exist, employers still lash out at everything to take the attention away from the failures and shortcomings of their own members.

Government ministers are more than happy to agree with employers on this. They too want to divert attention away from the real causes of our economic downturn. Their policies that have driven up inflation, their policies that that bloated and then collapsed the property market, their policies that have resulted in one of the worst infrastructures in the industrialised world and have caused the budgetary crises. Ministers, employers would rather blame workers than face up to their responsibilities. If they persist in this attitude, then the upcoming pay talks will be a pretty meaningless exercise. So we are putting employers and the Government on notice – deal with our agenda in a constructive manner. We are not going to cobble together some deal to paper over their failings and their shortcomings.

In conclusion, comrades, we will pursue our agenda within or without a wage deal, within or outside Government Buildings. It is up to the employers and the Government. It is their call. Thank you.

## **Patricia McKeown, President of Congress, UNISION**

Thank you Jimmy. Paddy O'Shaughnessy, BATU.

## **Paddy O'Shaughnessy, Building Allied Trade Union**

Paddy O'Shaughnessy, BATU. President, delegates, I would like to say two words that I haven't heard here this morning at all as far as I know. One is unemployment and the other word is jobs. I don't know whether people are aware or not but as far as we are concerned as a union and I think the same would go for our colleagues in the other building unions, there is a crisis, there is a recession in the building industry and many, tens of thousands of workers have lost their jobs within the past twelve months. And there is no sign of an improvement. This is a crisis and I think going in to the talks, the Congress agenda should reflect that crisis. I think the agenda that we have, what is contained in the motion is ok. It is good knock about stuff and by and large we have had it before. And there are some important issues in there. But I think the agenda at this time, in 2008, going into talks with the employers and the Government at national level should reflect what actually is happening out there. Now the agency issue is important and it is important, then I think unemployment and job creation is equally important and it should be on our agenda. Looking at the building industry in the past ten years or so we have seen record production, record numbers employed and by and large a good product delivered. The need for that product is still there. We still need houses, we still need the infrastructure, we still need schools etc., and we have a huge workforce, the best part of 200,000 workers have worked in the building industry at the height of the boom. A lot of skills were built up, thousands; tens of thousands of apprentices were trained. That base is there and it should be put to work. The building industry has had a lot of attacks over the past few years, a lot of prophets of doom and gloom and certainly the media didn't help, so there is a crisis of confidence and that confidence needs to be restored. Top of the list in that regard are probably the morticians in RTE who buried the building industry predicting what was going to happen. Well it has happened. The medicine that was being prescribed by the media and by the pundits has worked. In fact we may have had too much medicine and we need to have something restored. The Government, the Irish Government is still the biggest investor in the building industry. We will be meeting the investor fairly soon and I think the question of employment creation should be on the list. The building industry is the engine that drove the Irish economy over the past ten years or so. A lot of people don't like that. A lot of economists don't like it. It is impure, over-reliance on one particular sector but it happens. It created jobs, it built house, it built schools, it delivered the product, it worked and it is home grown. We would like to see it work again and that is why we want to see this agenda on the Congress agenda going into the talks. Jobs must be a priority at this time. I think the jury has been out for long enough. I think there is a crisis in the Irish economy and we must speak for the people who are affected by this. You know some of the people talking about particular sectors and construction is one, that in a way maybe too much has happened, it was over heated. You need to have a degree of regulation or as the Taoiseach designate put it, corrective measures. Well, those corrective measures fell out tens of thousands of people of jobs and of families so it is not just academics

arguing over whether or not the theories really work. This is the real world and I think it is a chance for Congress to demonstrate, certainly for the building unions to demonstrate to our members, and our unemployed members, that they are part of the agenda, they are on the list for the Irish trade union movement at this time.

I will wind up President. I have absolutely no doubt that we are going to go into talks. I have absolutely no doubt that we won't leave Government Buildings until we get a deal unless there is a tsunami or something down Merrion Street, but, I would like, you know I don't think there is any need, I think there is a degree of complacency in the motion with all due respect to the people who drafted it, and I think really at this time we should reflect what is happening out there in the private sector. Thank you.

**Patricia McKeown, President of Congress, UNISION**

Thanks Paddy. Owen Wills, TEEU.

**Owen Wills, Technical, Engineering, Electrical Union**

President, delegates, Owen Wills, Technical, Engineering, Electrical Union. It won't be a surprise to say that the TEEU will be supporting the Executive Council motion and accept the invitation to enter into phase 2 talks on *Towards 2016*. Our Executive was very critical of the pay terms in the last agreement and warned that the increases would not match inflation so maybe you have got your information from the wrong sources David. Nor provide any dividend to our members above the cost of living. However, on balance we voted in favour of the proposals as they delivered on most of the employment rights and compliance matters which were a major issue for this union. This time we are making it clear to this conference that the pay element in any future agreement will have to both resolve the shortfall in the last agreement and inflation proof any future increases that is a must. We can't be looking at our crystal ball and hoping it works out. Should employers claim that wage increases chasing inflation will lead to Ireland plc becoming uncompetitive? Let them look at the OECD report that places Ireland below the average incomes in the leading industrial countries in Europe. But more to the point, employers must take a more corporate responsibility for the greed of their members which has driven up inflation in all commercial activities. The price of houses, the price of goods, the price of services and in particular the basic commodities like food that hit the most vulnerable in our society. That is where the blame lies for inflation with these greedy people – all employers. I would like the opportunity, like a lot of people here I think, to get back to the negotiating table at national level where the possibility of addressing matters that are now becoming urgent and important for trade unions and our members may be resolved. For instance, we need to deal with the question of the Supreme Court Judgement in Ryanair and the whole question of recognition rights. We need to look at the potential vulnerability of our Registered Employment Agreements, our Employment Regulation Orders arising from the European Court of Justice decision in Lavelle, Viking and now a worse one in Ruffert cases, where competition is seen, or put it properly, a race to the bottom is seen and deemed to be more important than anything else to our judiciary people and the human and fundamental rights of citizens are tramped on in the

interests of competition. We must also deal with, and it has been referred to earlier, the loophole that exists in our agency workers legislation, that is key to the back door to exploitation that still exists. The abuse of the work permits in relation to the students entering this country which do not have to comply with the normal conditions for work permits elsewhere and of course the completion of the employment rights and compliance agenda that was worked through in the last agreement. We can now add to that list an absolute necessity which is to provide training and education to the redundant and vulnerable workers including apprentices in the construction industry which is so badly damaged. And we have to have compulsory standards and qualifications and licensing implemented for, particularly for that industry as was agreed back in 1990 in PESP and still has not been implemented. That protects the standards of these workers from exploitation and by the use of other workers undermining their standards. We also need to, and I am glad to see in conjunction with the educational unions, we need to smash that glass ceiling that the educational ceilings have put in place. The artificial obstacles and barriers to the advancement of trades people up on to third level education. That has to be broken. Why should they be treated worse than anyone else? You can only progress in the educational system if you are a serial educationalist or a serial student. The minute you go into the employment your opportunities for advancement and development are taken from you.

We must now, obviously, given the construction industry position, we must now push and speed up the escalation of the National Development Plan programme to offset the worst effects of the downturn which is basically in the residential housing market in construction and use those skills that are available to prioritise the building of the affordable houses for the workers that still need houses out there. Action like this will have a dual affect in reducing unemployment and create a more positive environment for investment in that industry. The forum for national talks is the only forum where we can advance those issues that benefit our members in the macro environment. On this occasion we urge you to vote in favour of the Executive motion. Thank you.

**Patricia McKeown, President of Congress, UNISION**

Thank you Owen, next speaker is Liam Doran, INO.

**Liam Doran, Irish Nurses Organisation**

President, delegates, the Irish Nurses Organisation delegation to today's conference will be voting in favour of the motion from the Executive Council. We are voting in that context because of the construct of the motion and the manner in which it seeks to address a range of issues of concern to the trade union movement. I will leave it to my trade union colleagues to speak specifically about things as pensions and agency workers and trade union recognition because they have much more expertise in that area but perhaps I should just start this contribution by saying that it was somewhat ironic some weeks ago when air traffic controllers had a dispute and we had the CEO of Ryanair adopting his usually condescending, dismissive, disdainful tone towards trade unionists who were legitimately pursuing an issue in their workplace and calling on air as to how

much they earn and so forth, when he was conservatively earning twenty times more than they were and the same person was prepared to spend whatever it took so that he wouldn't have to sit down with the trade union and recognise his employees. I think, you know, in a real sense this movement has got to address that trade union recognition issue. If it means anything, social partnership has got to mean that trade unions have an equal place around the table and that if a member chooses to be a member of a trade union they have a right to be represented by that trade union and that is a right which we can never disown and will never disown.

Specifically in relation to the process of the talks I would just like to briefly refer to three areas of concern to my union and to everyone I believe. One is obviously pay and can I just in fairness congratulate the General Secretary in his opening critique of the situation about pay. There is no doubt that in the last two years the living standards of our members has dropped because of inflation and that we have shared in the gain in terms of productivity gain that has been made and it is going to be incumbent upon us when enter these talks to have that addressed and so on. The cost of living in this country, particularly for those who are on low and middle incomes is way above what the CPI, these banks and economists speak about. What really matters is how much does it cost to go to the supermarket to buy the basket of essential goods and so on and we lost ground in terms of living standards and the next round of talks are going to have to address that and address that in a way which doesn't have our members feeling worse off at the end of two years, or three years or twelve months or what ever it is we come out with or put to our members at the end of the day.

Secondly, in public sector pay, I mean there will be many in this room who will know the INO has been consistent critic of the Benchmarking process, we have been a consistent critic of its methodology, of its terms of reference. We have been a consistent critic of its inability to properly examine the changing role of individual role of individual roles of public servants and I think the last Benchmarking Report has resulted in a growing number of people sharing that view, sharing the view that Benchmarking as a process of determining public service pay is not sustainable. So, therefore, in these talks I hope and expect that all of the public service trade unions will come together and demand a new open transparent pay determination system, and that is a challenge, which will have the ability to recognise when a public service grade changes and to recognise and reward that change when it leads to increased efficiency and effectiveness. And let's be quite clear. There are many grades in the public service that do not have ready made comparators in the private sector and therefore they have to be judged on their own merits. And if they change and if that change leads to efficiency and effectiveness and a more coherent public service delivery model they are entitled to share in the rewards of change. We should never apologise for that and we should never shy away from that and any new pay determination system for the public service will have to factor that in if it is to guard the support, I believe, of not just my union but of the wider public service trade union movement.

Finally, I want to talk about the public health services and in fairness David again mentioned this before. Let's be quite clear. Social partnership has a huge challenge on its

hands in relation to this and I have to applaud and David and Peter, the outgoing President and so and before in terms of trying to get a process going called the Health Service Forum which will address the problems of the public health service. And I am afraid we have not got traction on the other side. And let's be quite clear, let's put any other myth out the window, the public health service is underfunded, it is under resourced and it is not currently serving the needs of the population of this country and that is a disgrace. So a final piece of our demands around the table forthcoming will have to be that the crisis that bedevils the public health service is addressed, it's properly funded, and we debunk the myth that it is over funded and that it is a black hole. I heard that again this morning on Morning Ireland, that you know the view is that we are throwing money at it. We are not overspending on health, we are not overspending (**missing text tape change**)...which the bosses and those who have social insurance and that is the challenge facing us. The INO, and I know Congress will not shy away from this, but that's is how we will measure the outcome of any talks on those three issues and we will vote for going in and we will measure what comes out of it at the far end. Thank you very much President and delegates.

**Patricia McKeown, President of Congress, UNISION**

Thank you Liam. Next speaker is Jack O'Connor, SIPTU.

**Jack O'Connor, Services Industrial Professional Technical Union**

President, delegates, good afternoon and welcome to Liberty Hall. I just wanted to refer to the disingenuous campaign that is underway on the issue of inflation which is about pitying jobs against wage cuts and I just want to make the point delegates that we should be very careful in resisting that particular campaign not to dismiss the seriousness of inflation in terms of its implications for jobs in future or the prosperity of our communities and it is important I think delegates that we would make the point that we are fully prepared to engage on the seriousness of that issue with the Government and with the employers and we put no condition on our engagement with issue except one and that is this; that our members would not be made to pay for it. That is the one condition that we put on that engagement. And may be a good way to start that engagement would be to undertake a new kind of Benchmarking exercise. And maybe we should use average industrial earnings as the basis for that exercise and maybe we could analyse over the past five or six years then what the top people in the private sector have been awarding themselves and multiplies of the proportion of average industrial earnings. That would be a good place to start. And then maybe delegates we could undertake a genuine comparison with what is happening in Europe with private sector pay and I want to take a minute to acknowledge the valuable contribution that our comrades in Unite made to that particular debate with the publication of their document earlier this week. But, I think as well as that in the context of that work, we should be careful to understand the relationship between the issues, the elements that we are citing on our agenda. Because in some of the commentary there has been a tendency to cite for example pay and collective bargaining rights and the rights of agency workers as separate elements of some kind of a shopping list. We in my union do not see these as separate. We

understand the intrinsic relationship between all these elements and the diminution of pay. For example, just to cite something. There was a CSO report published, always very helpfully as David referred to the OECD report earlier, a week before we began our deliberations. That CSO report produced dramatic headlines about the decline in trade union density. And of course that is a serious issue. But there were no dramatic headlines about other figures which emerged in that particular report. Like the figure for example that there are more people in trade unions in Ireland today than there have ever, ever been before. That is something that they should think about and write a few headlines about. And as well as that, when you look very carefully at it, it was able to show that whereas there are almost 40 per cent of Irish workers, indigenous workers, in unions when you include the people who are in the staff associations, in the Gardai, and the defence forces. Only 12.5 per cent of the workers who have come from abroad to work here are in unions and when you relate that delegates to the ESRI's final, belated admission after four years of denial just before Christmas which shows that the workers from abroad here earn only 15 per cent less than average earnings of indigenous workers and that those from Eastern Europe actually earn 42 per cent less, you begin to see two things; one how valuable trade union organisation is and two the way in which the exploitation of workers from abroad is playing in to the diminution of employment standards and wages in our economy. You see delegates, for us in SIPTU and for most of the unions here, there is absolutely no point in winning a wage increase if the reality of agency working and outsourcing means that tens of thousands of our members would never actually see it.

And, finally delegates, I just want to make one comment in relation to the motion itself. I think that we did slip up and I fully accept a degree of responsibility for it, in failing to emphasis by implication and that is the critical importance of training and skills enhancement in the battle for competitiveness and people's right to a share in the future in our economy and I believe delegates that we should emphasis the importance of that in this hall and going into that particular negotiation. Thank you all.

**Patricia McKeown, President of Congress, UNISON**

Thank you Jack. Next speaker Larry Broderick, IBOA. I have three more speakers after that – INTO, CPSU, and PSEU.

**Larry Broderick, Irish Bank Officials Association**

President, delegates, Larry Broderick, General Secretary IBOA, the Finance Union. Our union broadly supports the resolution before Conference today and put in context we also broadly support the notion and the concept of national agreements. But for national agreements to have agreement and endorsement by our members it must be sustainable and therefore any agreement must as a minimum compensate our members for inflation, have sufficient flexibility, to be relevant to workers in the private sector and in the public sector and must enhance and must put in place genuine partnership at all levels so that our members can relate to it. Now, as David has identified, we have noted political figures, media commentators engaged in the usual conditioning before this conference, try to lower expectations around pay and conditions of our members in the context of

these pay talks. But the one factor they forgot to take on board is the recent statistics in relation to inflation. That seems not to be part of their script. Nevertheless, there seems to be a common census among these people that pay restraint, massive public spending cuts in areas like health and education are required to bring the Celtic Tigré back to life. But the reality is, advocating and trying to identify this is like advocating open heart surgery to deal with a bout of flu. Let's not forget this economy is not in recession. As David has identified, the rate of growth has been slowing recently but against the background of unsustainable high growth over the last twelve to fifteen years. But to hear the mood music being played in some quarters you would be forgiven and they would be forgiven for thinking that the Anglesea Street cash is just around the corner. Now, IBOA the Finance Union, has set out very clearly four demands as part of this resolution which we believe has to be achieved and as Jack O'Connor has identified this has to be an integrated approach. We should not be coming back here in three months time looking at one element. We have to look at those four elements fundamentally. In relation to inflation all workers are genuinely concerned about the erosion in living standards. The pay provisions of 2016 to date did not compensate our members for inflation and that against the background of the growing and substantial increases in the economy's growth. In the financial services sector colleague the major financial institutions recorded substantial increases in profits as a percentage far in excess of what my members earned by virtue of pay increases. And IBOA members have made it very clear to us that the minimum they would expect from the trade union movement out of these costs is a minimum increase of at least ten per cent over two years. But in relation to pay we are all recognising the major change we are facing in our daily workplace and we have identified that what is required is a value added clause which creates the opportunity for workers in the private sector and in the public sector who cooperate with major change, who are involved in productivity improvements and modernisation programmes that they can share in addition to those benefits negotiated at national level. It is our view that that clause will have benefit to public and private sector workers and should create a situation that ignores or supersedes the Benchmarking process that has failed the workers in the public sector. We believe the last public sector Benchmarking exercise has clearly demonstrated that if there is no forward progress on pay levels in the private sector, then there will be no differentials for public sector workers to pursue through Benchmarking in to the future. The reality is we must support each other and a value added clause focussed on change, focussed on productivity provides workers in the public sector and the private sector the opportunity to get additional increases and determine their own future as other unions have looked for today.

The third issue is in relation to pensions and we have considerable experience in the last twelve months of our employers, of the most successful organisations in the country trying to railroad through unilaterally defined contribution schemes. Across the economy there is a huge tendency among employers to try to close off defined benefit schemes and replace them with defined contribution schemes. The reality is this is greed at its most extreme. We have negotiated alternatives and we are today and we have called already in the light of our experience, that any new national wage agreement must include a specific provision which would prohibit the closure of defined benefit schemes without



independent evaluation and an analysis of all available options, particularly the option of hybrid schemes.

But finally colleagues, one of the most important issues that the trade union movement is facing at the moment in relation to social partnership is the issue of trade union representation. And it is fair to say that we need clarity around this issue. A major weakness of the existing social partnership arrangement is the unwillingness of Government and employers to fully accord and recognise trade unions. The Irish strong constitution gives rights for workers to join a trade union but there is no right for people, for our representatives on the ground to be represented on a daily basis despite the fact that it is enshrined in the United Nations Universal Declaration of Union Rights. I say today colleagues as a trade union movement we should not be back to this conference from endorsing any new agreement until the issue of trade union recognition is dealt with once and for all. Support the resolution.

**Patricia McKeown, President of Congress, UNISON**

Thank you Larry. Declan Kelliher, INTO.

**Declan Kelliher, Irish National Teachers Organisation**

Chairperson, first of all on behalf of the INTO, I want to put it on the record that we fully support our colleagues in SIPTU and the other private sector unions as we did in our thousands on the national day of protest in their battle against exploitation of agency workers. The failure of the state to implement sufficient effective legislation to combat cowboy and cowgirl employers is nothing short of disgraceful and rectifying this matter must be a priority for this agreement as indeed must be the issue of every worker to trade union representation and to trade union membership. Indeed Connolly and Larkin would turn in their grave if they thought that in 21<sup>st</sup> century Ireland that we are still debating things as basic as worker exploitation and the right to trade union representation and membership.

But in relation to the question of whether or not we go into pay talks, I wish to put it on record that our union has serious difficulties with a number of issues surrounding the current concept of partnership. First and foremost partnership has clearly become a one way street for our members as we are the ones who have embraced change and I speak in the primary education sector in relation to curricula, in relation to assessment, in relation to public, whole school evaluation, in relation to usage of information technology, in relation to integration of children with special needs and rightly so, in relation to the integration of thousands of children who don't have English as a first language and that is a very legitimate need and demand and we don't have a problem with that but when it comes to the Government side what happens? Where are their commitments to change. We see them run away from their commitments that they make and that they have made in the programme for Government to reducing primary school classes size on an ongoing basis between now and 2010. We see their failure to invest in information technology so the schools are not left depending on crashed out technology. We see their abject failure

to resource the primary school curriculum by doubling their primary capitation as committed for in the programme for Government and we see primary schools as you see, colleagues, right around this country, surrounded by mushrooming prefabs because of the failure to engage in systematic planning for the future. And they have the gall then to talk about modernisation. Our members as public servants are happy to modernise but the absent partner in modernisation is the Department of Education and Science and the Department of Finance. Partnership must again become a two way street not just a one way from the unions. The INTO, Chairperson, is fed up to the teeth with one sided partnership, to the point that if ICTU simply reengage in the last model of partnership with similar outcomes to those contained in the early stages of 2016, then our members will reject it and this comes from a union that has traditionally stood behind national wage agreements. An increase which matches inflation this time round will in itself be unacceptable. An increase which merely matches inflation and expects additional productivity will be straight out the window. Overall the INTO is prepared to support a move to enter into pay talks but only if there are serious engagement from the other side and a real willingness to insert a review clause on inflation into the agreement. We also have serious difficulties, Cathaoirleach, with the insertion of a 'no strike' clause as this has seriously weakened the trade union movement in its ability to deal with the blatant failure of the Government to resource the education service and indeed other areas in the public service. There is simply nobody out there now who stand up and take them on and it is about time they were taken on. Go raibh maith agat.

**Patricia McKeown, President of Congress, UNISON**

Thank you Declan. Blair Horan, CPSU.

**Blair Horan, Civil Public Services Union**

Thank you President. Good morning delegates. Delegates, the current agreement is the first time since 1987 that we haven't managed to deliver a real pay increase for our members because inflation went up from 2.7 per cent to over 5 per cent. Now why has that happened? It has happened because the managers of this economy in both the public and the private sector have allowed inflation to take hold and then they have the gall to lecture us on the dangers of inflation. Well we heard that in the 70s when trade unions were lectured on the evils of inflation, we were blamed that excessive wage demands were causing inflation. Now we never believed that. We never accepted that because it wasn't but the fact was that inflation in the 70s and 80s did affect workers and did destroy workers' living standards. We had to take the initiative in 1987 to address those issues when we traded moderate pay increases for tax cuts but we also paid a price for that. We paid a price in underfunded and underdeveloped public services and a lack of investment in infrastructure.

Delegates, the neo-liberals have been in the ascendency for thirty years now. They promised us that competition would banish inflation. They blamed the Keynesians for the stagflation in the 1970s but what have they given us? They destroyed jobs with leverage buyouts of firms. They destroyed pension provision in the private sector by

insisting that pensions are fully on balance sheets and while insisting that pensions are fully on balance sheets, they created all sorts of conduits and structured investment vehicles that went off balance sheet. They have come close to wrecking the global economy, delegates. In the 70s we called what they were doing permit schemes. What have they given us? They have given us a recession in the building industry, a growth recession overall in the economy and inflation. In the US it is in recession and inflation is on the move like the 70s. We are fortunate at least that we have the euro to protect us from some of that. And what has caused this? Absolute pure greed delegates, absolute pure greed. David outlined a lot of it there this morning in terms of the private sector earnings. We also see it in the public sector in terms of the level of pay increases people have awarded themselves. Higher Review Body Report No. 38 in 2000, 15.8 per cent, Higher Review Body No. 40 in 2005, 7.5 per cent, Higher Review Body No. 42 in 2007, 11.4 per cent – a total of an 80 per cent increase for top managers in the public service since the 1980s, double what average earnings and clerical officers would have got. Now Jack talked about a comparison between average earning and the senior managers. I can give it to you. When the neo-liberal agenda started in 1979, to restore the ratio between a clerical officer which on average earnings and a senior manager in the public sector would require a 70 per cent increase to restore that pay relationship that was there at the start of the neo-liberal model in 1979. We have got to tackle that delegates. One way of tackling that now and restoring some of the value for people on lower pay, average earnings is by having flat rate increases. Delegates I think the Executive Council motion covers all of what we need to address in this set of talks and we will support it. Thank you.

**Patricia McKeown, President of Congress, UNISON**

Thank you Blair. And now the final speaker, Dan Murphy.

**Dan Murphy, Public Services Executive Union**

Chair, Dan Murphy, PSEU, I must say Chair that I have had considerable misgivings about the desirability about holding this conference at all as it didn't seem to have any particular decision to take since the Executive had already decided to enter into discussion on a second module of *Towards 2016* anyway, despite some of the speeches that have been made here this morning. And in those circumstances it didn't seem to me that there was much point in holding the conference since there was effectively no decision to be made. However, the argument was made that we should hold a conference in any event so that we could, as it was described, showcase the trade union movement. With that in mind I do not see much point in going over the issues set out in the motion itself because I think that despite the fact that we had decided we would have a conference to showcase the trade union movement, the speeches that have been made have been exactly the same as if we were making a decision on whether we would enter discussions or not which rather puzzles me, however.

I really do not see much point in going into the motion itself because we have already decided to go into discussions and our delegation supports the motion and will vote in favour of it as it is a fairly obvious starting point for the forthcoming negotiations.

As I mentioned, Chair, this conference was designed to showcase the movement and in that context the basic point which we need to make is the fact that the trade union movement has been remarkably successful in recent years in protecting and advancing the interests of our members and indeed the interests of workers generally. The crucial message that we need to get across if we are to succeed in recruiting people is to point to our successes. We have a tendency not just in respect of programmes but frankly in respect of almost everything we do to concentrate on what we might not have achieved and to appear to allow ourselves to be represented by our opponents as whingers. Yet at the same time we recognise that our overriding concern has to be to strengthen the movement by a massively enhanced recruitment and organisation programme. It is difficult to imagine a less effective means in seeking to attract workers to our cause than to spend our time highlighting what we may not have achieved. On the contrary we need to make the most of the gains the trade unions has secured by the program process and trumpet them abroad as real and significant gains that they are in this our core activity. We should not be sheepish about the gains we have made and which were for the benefit of workers generally. This is clearly our most powerful organisational tool. Even worse we have of course people who pedal untruths. For example it was suggested here this morning that during the currency of the national programs workers real living standards have fallen. This is of course if utter bonderdash, as everybody in this hall, including I presume, the person who made the statement knows dam well. There is now doubt that there is a premium in terms of pay and conditions for organised workers. To take just one example is the whole area of pensions. There is a significant and well known overlap between organised workers and better pension provision. On pay – while the rate of inflation has been higher than we projected when we negotiated the first module of *Towards 2016*, the increases achieved when put in conjunction with budgetary changes have come closer to meeting inflation for organised workers than for those who are not trade union members. In the first module of *Towards 2016* against the background of the near hysterical reaction of some employers' circle for the need for more regulation in the labour market. The achievements of the trade union movement in securing a wide range of legislative improvements and effective enforcement systems have been a considerable achievement particularly when viewed in the context of the international trends on labour regulation which as we all know go in the opposite direction. In addition the very existence of social partnership with the supporting systems giving the trade union movement considerable influence and the opportunity to produce solutions to problems which inevitably arise is of considerable significance in itself for assisting trade union members with problems, a facility clearly not available to workers who are not organised. The major innovation of *Towards 2016* has been the concentration on the rights of workers in employment. It is worth noting that the achievements of the trade union movement in respect of this are in sharp contrast to what has happened elsewhere. By definition, Chair, these advances would be incapable of being secured in the negotiations with individual employers which is the only real alternative to national programs.

I support the motion and on the basis that we are here to showcase our values, we should all leave here with a clear message that the trade union movement is here to stay, is strong, has a consistent record of success, will continue to play a major role in Irish life

and above all will continue to promote the values that have sustained us over our entire existence. That is our retort to the nay sayers and let our clear call to all those who are not yet organised be joined with us and we can be even better. Thanks.

**Patricia McKeown, President of Congress, UNISON**

Ok, thank you Dan. I am working on the assumption that at this point that I do not need to call the Tellers. I now put the motion to conference for the vote. Those in favour please show, those against, abstentions. That is nearly, nearly unanimously carried. Delegates, before we close I do want to wind up by ensuring that there is one woman speaker on the platform. I want to thank you for your contributions this morning and particularly for your endorsement of the position which what did have behind it much hard work on behalf of the Executive Council and the Secretariat. And I do want to remind everyone what kind of mandate you have just produced for your negotiating team because taken individually these may not sound like the most radical of demands but they are highly contested by Government and by employers and the point has been made here today that they are intimately interlinked. You have told your negotiating team that you want decent pay but you have prioritised low pay and women's pay. You have told your team that you want decent pensions and you have prioritised that far too many in this society who do face poverty in retirement because they don't have them. You have said that you want the continuing program of ensuring workers' rights and you have again prioritised the most vulnerable in the form of agency workers. You have made a very clear demand for the fundamental human rights of workers in this society to join, organise and collectively bargain through their trade unions and you have also said that you want the Government to face up to its moral responsibilities, to genuinely invest in health, education and in the needs of the growing legions of carers in Irish society. You have also this morning in the course of your debate highlighted other areas which areas which are still part of the ICTU negotiating agenda. Nothing in this motion dismisses the decisions you already took in negotiations that have already taken place and certainly Dan has highlighted a range of successes but there is much unfinished business and therefore we do need to prioritise workers facing job losses, the unemployed, the necessity to ensure the education, training and reskilling programmes that will get them back to work. All of this is a totally reasonable decent agenda. It is also an achievable agenda but only if we stick together and remember that while each of us has the sovereign right as unions and the obligation to prioritise on behalf of our own people in those unions, as the Irish Congress of Trade Unions attempting to secure rights for all of our people in this process, we need to think about others beyond ourselves. You, Congress, have shown this morning that you are capable of doing that and you are capable of prioritising the most vulnerable people in this society. I hope that is repeated in the press. I doubt if it will be but I congratulate you on the position you have taken this morning. When we leave here the Executive Council will go back into session this afternoon in order to progress these demands and I thank you, I thank SIPTU for the use of your premises, I thank the staff of Congress for the work they have put into this and I in particular thank all delegates for your contributions today. I now declare this conference closed.

