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UNITY

THOUSANDS of people will converge on the streets of Dublin on February 21 to voice their anger at the government's failure to respond fairly to the current crisis and its attempt to shift the burden on to the shoulders of working people.

The demonstration has been organised by Congress as the first step in what has been described as a "a rolling campaign of action" to put fairness back on the agenda and ensure government introduces measures that will see all sectors contribute to resolving the crisis. Congress has drawn up an alternative vision to the 'slash and burn' approach adopted by the current coalition.

It involves a 10-point programme of regeneration and contains proposals on protecting jobs, saving people's homes and getting the unemployed back to work.

Last night, David Begg, left, said: "Government needs to understand that any plan they arrive at must be underscored by the principle of fairness.

"Working people will not be the scapegoats here."

MARCH & RALLY FEB 21 PARNELL SQ @ 2PM

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A BETTER WAY

THIS is not the first time we have faced a crisis and it almost certainly will not be the last. But on this occasion the collapse of the Irish economy has been echoed by collapse on a global scale.

When one of Wall Street's most hallowed names – Lehman Brothers – collapsed on September 22, 2008, it became clear that the superstructure of an entire world order fell to earth with it.

The era of the unfettered free market was dead. The only problem is that certain elements in this country – primarily those who benefited most from the old world order – have not yet grasped this simple truth.

The US has grasped it: George Bush carried out the single greatest wave of nationalisations in US history and President Obama's election was a massive rejection of that old order.

And all across Europe, governments of right, left or centre have recognised the same reality: that light regulation, poor oversight, bad enforcement and a perverse bonus system which prioritises short term gain over long term good, has no place in the modern world.

The neoliberal ideology that was given full expression by Thatcher and Reagan has self-destructed and now threatens to take the global economy with it.

Unfortunately, this country seems be in thrall to slow learners in both government and business, those who cling to the desperate hope that after a few rounds of 'cuts' the economy will return to rude health and it will be business as usual.

Their ideas hark back to the 1980s and their outdated political agenda is largely the same: let working people bear the brunt, either through lower wages or reduced public services – less public transport, closed hospital wards, larger classes for the youngest and no help for those with special needs.

Let us be very clear: there can be no more business as usual, those days are over and it is time political and business leaders grasped this very obvious fact.

Let us also be very clear that their old failed agenda will neither work, nor be accepted by the Irish trade union movement.

The employers have in effect walked away from the pay deal negotiated in September, but have yet to explain why individual companies could not have utilised the very sophisticated 'inability to pay' mechanism built into the agreement.

Curiously, they have also failed to explain why many large companies have already paid the deal, or committed to doing so.

Their stance has been effectively endorsed by Government.

Thus, what we are seeing is nothing less than a campaign against wages and living standards, an attempt to drive down wages in a mistaken belief it will make the economy competitive again.

It won't – it will (and already has) terrorise people into not spending.

The result? Less goods bought, more outlets closed, more jobs lost.

This course of action has the

" Neoliberal ideology has self-destructed

A FAIRER WAY

ICTUVIEW
David Begg
General Secretary

potential to send us into a downward, deflationary spiral from which it could take decades to recover.

And people under severe financial pressure are then forced to watch the spectre of billions in tax revenue being handed over to the same top bank executives that crashed their own banks, the same top executives that have difficulty surviving on a weekly wage that equals what most would earn in a year. If people are angry, it is because they feel they are being made fools of. Congress believes that viable national recovery requires genuine national effort and understanding and a genuine sharing of the burden.

We believe that there is a better, fairer way.

and now threatens to take the global economy with it ”

BITES

Cash boost announced

MAJOR infrastructure projects in Northern Ireland are to get £1.4bn in funding in the coming year, it has been revealed.
Stormont Finance Minister Nigel Dodds said a total of £3bn would be spent over the next two years.
Mr Dodds added: "I think it's absolutely critical at a time when things are difficult. "It will not only build good infrastructure and good public services, but also keep people in work now."

Cork Port jobs to go

Cork dockers have voted to accept a redundancy package which will radically change the way the portside facility does business.
In a statement Port bosses said SIPTU had accepted the deal under the terms of a Labour Court agreement to modernise dock working.
The agreement will result in 93 redundancies in the casual labour force.

IFUT vow to resist pay cuts

UNIVERSITY lecturers have vowed to resist any bid to cut pay or change conditions as individual third level institutions struggle to deal with curtailed budgets.

The Irish Federation of University Teachers warned that any changes to core pay and conditions had to be negotiated nationally.

General secretary Mike Jennings said: "Whether it is attempts to withhold pay increments, non-filling of vacancies, or seeking not to renew contracts, nothing can be imposed by college managers."

He added: "But we will gladly sit down and negotiate with the Higher Education Authority or the Department of Education to deal with any of these questions on a national basis."

'McJobs' for out of work physios

THE president of the Irish Society of Chartered Physiotherapists has claimed graduates in the profession are forced to work in fast food outlets because they can't find positions within the health service.

Annette Shanahan, speaking to the Oireachtas health committee on January 28, said this was despite patients having to wait up to a year for physiotherapy.

She claimed graduates were working in jobs "from care assistants to Burger King".

According to figures presented to the committee, only 16 per cent were in permanent employment.

Ms Shanahan added: "It's totally inadequate when we know that people need our services."

HSE jobs freeze plan is blasted

HEALTH service unions have called on the HSE not to put in place a plan to restrict recruitment without further consultation.

The proposals include a moratorium on outside recruitment for admin posts and a ban on filling approved vacancies until alternatives for redeployment and reassignment have been looked at.

Impact's Kevin Callinan claimed the freeze breaches existing agreements.

In a letter to HSE chiefs, he said the proposals were in breach of obligations to inform and consult with staff representatives, as clarified by the Labour Court.

He added that it also ran counter to the terms of Towards 2016.

Struggle to

Sept – National wage agreement brokered. Workers get increases of six per cent phased in over 21 months. A three-month pay pause for those in the private sector and 11 months for public sector employees was also agreed. Low-paid workers receive an extra 0.5 per cent.

Nov 17 – ICTU special delegate conference at Dublin's Liberty Hall accepts national wage agreement. Delegates vote 305 in favour of deal with 36 against.

Nov 17 – SIPTU chief Jack O'Connor claimed any employer who reneged on agreement was guilty of "national sabotage" and called on the government to withhold state contracts from those that do. CIF president Tom Parlon hits back accusing SIPTU of blackmailing construction companies.

Nov 17 – Business group ISME calls on government to suspend deal in interests of wider economy. Chief executive Mark Fielding claims firms must have a "sustained pay freeze" to "trade out of" their current difficulties.

Nov 17 – Employers group IBEC accept agreement "as the best that can be achieved at national level". Director Turlough O'Sullivan said they had agreed "with caution" but added that the document provided "a flexible framework… in these extremely difficult times".

Nov 22 – Fine Gael calls for a complete freeze on public sector pay for 12 months at its conference in Wexford. Leader Enda Kenny told delegates: "The country cannot afford the national pay deal...If we want to be masters of our own destiny, we have to control our spending and ensure we regain our competitiveness." SIPTU president Jack O'Connor blasted the call and dubbed it "the same old, same old" from Fine Gael, attacking workers to shore up profits.

Nov 24 – Technical, Engineering and Electrical Union general secretary Owen Wills warned of nationwide action against bosses who renege on regional employment agreements. He told delegates at the union's biennial conference: "It may be necessary to have a national strike in solidarity with the ballot for industrial action by our members in the electrical contracting industry."

Nov 26 – CIF rejects national pay agreement and seeks 10 per cent pay cut across the sector, affecting more than 200,000 workers. Director general Tom Parlon said: "The bottom line is the industry cannot afford the deal." SIPTU chief Jack O'Connor dubs move "unbelievably short sighted" and claimed it was ironic the employers who benefited most from the Celtic Tiger should be the first to renege on the agreement.

Owen Wills of the TEEU describes the decision as "an unparalleled act of betrayal" and calls on the Government to take action against CIF members.

Dec 4 – Brian Lenihan tells RTE's Morning Ireland programme "nothing can be ruled out" regarding a review of the national pay deal and asked all parties to "reflect" on the difficult conditions facing the economy.

He added: "I am saying to people that we are living beyond our means and we have to face up to that. We won't be able to compete if we don't." But adding to a seeming confusion of opinions within government, Tanaiste Mary Coughlan tells the Dail: "On the issue of the national pay deal, it is not up for negotiations, but there is constant interaction between all members of the government and social partners." The following day she is accused by Enda Kenny of sending out "conflicting messages".

Dec 4 – ICTU denies holding any discussions with the government or Taoiseach "that in any way involved amending, deferring, altering, suspending or changing the pay and workplace rights deal recently concluded between unions, government and employers".

Dec 4 – Invoking the "inability to pay" clause contained in the national pay agreement, CIF issues claim over 10 per cent pay cut to eight unions – including SIPTU, Unite, the TEEU, Batu and UCATT.

Deal endorsed: Union delegates vote to accept the national wage agreement

> **"Firms who renege on agreement are guilty of national sabotage"**
> Jack O'Connor

broker a fair deal

Dec 4 – Irish Daily Mirror reports 20 jobs lost every hour in the past month as unemployment hits a 12-year high with 16,900 more people on the live register which now totals 227,200.

Dec 5 – SIPTU's Jack O'Connor calls on the government to exclude construction bosses from public procurement projects after what he described as the "most savage attack on building workers since the 1930s". The union also seeks action from the government to bail out mortgage holders who lose their jobs through slapping a moratorium on their repayments for up to two years.

Dec 12 – ISME chief Mark Fielding calls pay deal "utter lunacy" in face of falling inflation figures.

Dec 13 – Finance Minister Brian Lenihan tells Dail the overall contraction in the economy over the next 12 months will be three to four per cent.

Dec 15 – Taoiseach Brian Cowen says the government will not change the terms of the pay deal for public servants without discussions under the social partnership process.

Dec 16 – Mr Cowen meets with social partners at Government Buildings. He informs them that a fall in tax revenues means €3.5 billion will have to be borrowed and forecasts "difficult times ahead". Hinting at a review of the pay agreement, he later tells the Dail: "I have refused to isolate the pay issues from all the other issues. All government expenditure has to be looked at in that context."

Dec 17 – Labour leader Eamon Gilmore calls the government's handling of the economic situation downright incompetent.

Dec 23 – Impact general secretary Peter McLoone says: "This current crisis has not arisen because the earnings of the vast majority of those in employment are too high and it follows that a reduction in incomes will not resolve this crisis."

Jan 5 – Exchequer returns show a tax shortfall of €8bn for 2008. Speaking on RTE Radio's This Week, Mr Cowen claimed decisive action was needed to address problems in public finances. He predicted that without "corrective action" the deficit could shoot up to €20bn by 2010.

Jan 8 – Dell announces the loss of 1,900 jobs at its Limerick plant, as the computer giant moves production to Poland. Dell products make up at least 5.5 per cent of Irish exports and two per cent of GDP.

Jan 10 – Impact and SIPTU promise "huge campaign of resistance" and vow to fight "tooth and nail" plans by Finance Minister Brian Lenihan to cut public sector pay by five per cent. SIPTU's Jack O'Connor said unions were prepared to show leadership over what he called "truly horrendous" public finances as long as the burden was shared across all sectors of society. But he underlined that a unilateral cut in pay would mean that workers and those on low incomes "carry the burden" before adding "that won't wash".

Jan 10 – Impact chief Peter McLoone said his union was willing within the context of social partnership to identify and implement savings as well as improving public service flexibility and responsiveness. However, he warned that any attempt to impose pay cuts would mean the government tearing up the Towards 2016 transitional agreement and abandoning social partnership as a means of dealing with the crisis. He added: "I do not have, will not get and will not seek a mandate for pay cuts from our members."

Jan 10 – Finance Minister Brian Lenihan claimed public revenues were too dependent on taxation, but added: "It is essential that we broaden our tax base as well as pruning our expenditure."

Jan 12 - ICTU general secretary David Begg warns of a deepening "deflationary spiral" if government cuts back on wages. Speaking on RTE's This Week, he called for "a sensible compromise" between cuts in public services and pay, tax changes, and the length of time "over which all of this is done".

Jan 13 – Some 200 economists attend a conference titled Responding to the Crisis at UCD. Prof Karl Whelan told delegates a cut in public sector pay alone would not "come close to solving the crisis". He said too many commentators had concentrated on what they saw as the "bloated public sector", adding that the average public sector worker was not the "overpaid paper pusher of public imagination" but a garda, nurse or teacher. At the same conference, economist Colm McCarthy, who heads up the government task force dubbed An Bord Snip Nua, said a regular tax on residential property would be a more stable source of taxation. He also mooted the sell-off of state assets, including Bord Gais, ESB and the 25 per cent stake in Aer Lingus.

Jan 13 – Public Service Executive Union chief Dan Murphy warns of IMF intervention in the crisis if the government is unable to bring public finances back under control. He said: "The IMF's normal prescription involves mass dismissals from the public service without compensation and pay cuts for the remainder, along with cuts in pensions." Mr Murphy also claimed unions were prepared to be constructive, "provided no unilateral actions are taken that would render our co-operation impossible".

Jan 13 – The Irish Nurses Organisation reveals it is seeking legal advice on any government move to cut its members' pay. Deputy general secretary Dave Hughes said: "There is a lot of hot air being spoken about public service reductions in pay but the law on the matter is it cannot happen without the consent of the individual." INO general secretary Liam Doran added: "The executive feels it would be counterproductive, deflationary and wholly unfair to ask any nurse or midwife who is already overworked and often working in overcrowded and difficult environments to consider any reduction in their already poor levels of pay."

Jan 13 – The INTO condemns what it call a "declaration of war" on the public service by government and certain right wing commentators. General secretary John Carr said: "Unfair and unwarranted attacks on the public service will only make the prospect of finding agreement on a national recovery plan more difficult."

Get the message: Workers staged a sit-in at crisis-hit Waterford Crystal plant

Jan 14 – Speaking during his trade visit to Japan, Mr Cowen said he wouldn't hesitate to take tough decisions if no agreement is reached with unions and employers over public-sector pay. He added: "We'll take whatever decisions are necessary. That's what we have to do in the interests of the country." Back in Ireland, Justice Minister Dermot Ahern added: "We have to cut our cloth to meet our measure."

Jan 14 – ICTU tells the government it will not engage in any process based solely on cuts in pay and public services. The position is set out in a formal submission on the government's economic recovery programme.

Jan 15 – Edna Kenny, right, claims the government "deliberately and consciously" walked the country into an economic morass. He added: "We are now losing the equivalent of five Dells every month."

Jan 15 – Teaching unions

CONTINUES PAGE 6

Struggle to broker a fair deal

From page 5

vow to fight pay cuts "by all necessary means". INTO general secretary John Carr attacked what he called a "declaration of war" on the public service and said such attacks were offensive and demoralising to hard-working public servants. He added: "Rather than continually scapegoat public servants, government must move to protect essential services like education and ensure that contributions to recovery are made by those with the means to do so."

Jan 15 – Employers group IBEC call for radical reform of public sector pensions. This would involve a "fundamental repositioning" of current arrangements. It said this should involve a move away from a defined benefit scheme – under which the size of the payout

Working it out: ICTU executive council approved framework document on Jan 28

is guaranteed – towards a defined contribution scheme for new entrants, under which the employee would bear the risk of any shortfall. Director Brendan McGinty claimed it was time to take difficult decisions. Impact accused IBEC of exploiting the recession to drive down the value of both public and private pensions, while Labour Party leader Eamon Gilmore blasted the employers group for pursuing "an old and bitter agenda".

> **IBEC ploy to drive down wages is a hand grenade in the talks process**
> David Begg

Jan 16 – ICTU urges the government to renationalise Eircom to boost broadband provision – just one of several ideas contained in a submission document to the government on dealing with the crisis. Among other suggestions was the setting up of a "national recovery bond" scheme as well as a move away from spending taxes – such as VAT – towards direct taxation.

Jan 18 – Brian Linehan, defends the decision to nationalise Anglo Irish Bank claiming there would have been "catastrophic consequences" for banking in Ireland if it had been permitted to fail. SIPTU boss Jack O'Connor tells the Irish Independent that whatever deal emerges cannot be about to "what degree workers are going to be screwed".

Jan 19 – INO general secretary Liam Doran blasts attempts by IBEC and ISME to attack public sector workers' pay and pensions as "opportunistic, antagonistic and unwarranted".

Jan 22 – Social and Family Affairs Minister Mary Hanafin tells The Irish Times at least €400 million extra will be needed to meet the rising cost of unemployment benefit, taking the total spending on social welfare to more than €20 billion.

Jan 23 – Commenting on the continuing focus from some quarters on public sector pay and pensions, Jack O'Connor said: "This quick-fix solution is being promoted by the same people who created the problem by making a quick buck over the last years."

Jan 24 – Reflecting trade union anger over IBEC's call for a 12-month pay freeze in the private sector, Impact general secretary Peter McLoone claimed its mask had slipped to reveal the real intention behind attacks on public servants' pay and pensions. He said IBEC was "exploiting the recession to drive down incomes across the economy". ICTU chief David Begg described the IBEC ploy as a "hand grenade in the talks process" and said it confirmed the view that the overall objective of business interests was not just to reduce the pay bill in the public sector, but to secure "a competitive devaluation of wages in the broader economy as an alternative to currency variation".

Jan 25 – Speaking on RTE, Justice Minister Dermot Ahern speaks of the need to broaden the tax base. He adds: "One of the aspects that could be looked at is, for instance, the second homes. There are plenty of people in this country who had the money over the good years to buy second houses."

Jan 26 – Ulster Bank Group announces the loss of 750 jobs. The First Active brand in the south of Ireland is to be phased out and merged with Ulster Bank branches.

Jan 26 – At a meeting of Fianna Fail backbenchers and senators, Brian Cowen outlines details of a five-year "stablisation plan" involving cuts of €15bn. These break down to €2bn in 2009, a further €2bn in 2010, rising to €4bn in 2011, a further €4bn in 2012, and €3.5bn in 2013.

Jan 26 – ICTU seeks a redrafting of an initial protocol document drawn up by government officials, claiming it is "too vague". Unions want a broadening of the tax base including a new 48 per cent tax band, a new property tax on second or "trophy" homes, curbs on executive pay and restrictions on tax breaks.

Jan 27 – There is a more positive reaction from trade unions to a redrafted framework document with sources claiming that a "social solidarity pact" is starting to take shape with an emphasis as much on taxation as on public spending cuts.

Jan 27 - Congress general secretary David Begg formally rejects demands by employers to defer the current pay deal as well as an "indefinite delay" to a rise in minimum pay rates. He warns IBEC in a letter that if they proceed to "detach" from the process it will make the formation of any form of social solidarity pact "very difficult".

Jan 28 – ICTU executive council approves Framework for Stabilisation, Social Solidarity and Economic Renewal document as a basis for talks. Social partners agree on the need to progressively reduce the level of Exchequer borrowing to below three per cent by 2013. The document outlines that this should come about through a mix of spending cuts and tax rises. It says that all sectors of society should contribute to the recovery programme. However, it adds that the most vulnerable – the low paid, unemployed and social welfare recipients – should be insulated against the worst effects of the recession.

Jan 30 – Unions press for changes to the tax code to "ensure the burden of adjustment to the new economic conditions is borne by those most able to do so". ICTU general secretary David Begg also calls for a "demonstration" by the government that tax changes will happen this year, preferably through a mini-Budget. However, speaking from the World Economic Forum in Davos, Brian Cowen signals such changes may not happen until after the Commission on Taxation reports later in the year.

Feb 1 – SIPTU president Jack O'Connor claims agreement is contingent on the better off contributing in line with their ability to do so. Unite's national secretary Jerry Shanahan flags up the issue of pension protection, while IBEC chief Turlough O'Sullivan claims businesses were bleeding and profits "a thing of the past".
The Sunday Business Post reveals Department of Finance tax receipts for January down between 13 and 15 per cent on same period last year – a decline of €600 million.

Feb 2 – ICTU's David Begg said unions would have questions to answer if they came out of the talks with nothing on pensions at a time when the National Pension Reserve Fund had been used to recapitalise the banks. He added: "I do not think that you could credibly explain it [to the public]."

Feb 2 - Minister for Health Mary Harney said she did not want to confirm nor deny reports the government was considering cutting the early childcare supplement. Meanwhile, figures from the Department of Enterprise, Trade and Employment's redundancy payments division revealed a record number of redundancies last month – 143 per cent higher than in the same month last year. In total, 6,708 people were made redundant with the services sector hardest hit.

Feb 3 – Negotiations break down at 4am. ICTU chief David Begg told RTE the talks had "just run out of road". He said there had been a number of important social policy issues, including pensions, that negotiators had "been trying to crack", adding "pulling all the strings together was a formidable task and ran out of time in the end". On the question of public pay sector cuts, he described the figures involved as "punitive". The pensions levy would have involved deductions of between €2,250 for staff on €40,000 to €4,750 for those on €60,000. Personnel on €100,000 per year would have faced deductions of €8,750. Mr Begg added: "There would have been a revolution against them."

Feb 3 - In a statement, Taoiseach Brian Cowen expresses regret at the failure of the economic recovery plan talks but praises the sincerity of those who took part.

Feb 3 - Labour Finance spokesperson Joan Burton described the breakdown as "the worst of both worlds" and criticised last week's framework document for having "almost no specifics in it". IBEC director general Turlough O'Sullivan said it was "great pity" the process had not secured an agreement, and called for decisive action from the government "to make sure our external reputation is protected".

Feb 3 – Brian Cowen tells the Dail the Cabinet has agreed to press on with the new pension levy claiming it would save €1.4 billion on the public pay service bill. Defending the cuts he said the government had been guided by "principles of fairness and prudence in making these tough decisions". Fine Gael leader Enda Kenny described the plan as a "€2 billion sticking plaster" for a gaping wound that had not been treated at its root. Labour leader Eamon Gilmore claimed the net effect was that nurses and gardai on modest incomes of €45,000, who were already paying €5,000, would be asked to pay an additional €3,375. He added: "They will want to know, 'Why are they paying this for?'" Impact claimed the failure to agree measures to protect lower paid workers, or secure a bigger contribution from business and the better off, made the announcement "extremely difficult" for ordinary workers to swallow. SIPTU chief Jack O'Connor said that he regretted the failure to reach agreement on a social solidarity pact. He added: "Regrettably working people once again are expected to carry the entire burden of a crisis created by those at the top of society."

Feb 4 – At a press conference in Dublin ICTU chief David Begg claimed the missing ingredient in the government's proposed cuts was fairness. He said that if the union could not a secure a re-engagement on more favourable terms, "we would have to consider a campaign against the government", adding, "We're not going to be rolled over by anybody in that process, no matter what happens". Mr Begg said ICTU would also seek to convene a full executive council meeting to discuss future strategy at which "all options" would be on the table.

Feb 4 - Frank Fahey, chairman of the Oireachtas transport committee, claims Dublin Bus has gone for "the soft option" in cutting jobs. Frank Fahey made his comments to Dublin Bus supremo Joe Meagher and Bus Eireann CEO Tim Smith who had just made a presentation to the committee on plans to shed 290 jobs at Dublin Bus and 320 positions at Bus Eireann.

Feb 8 – Environment Minister John Gormley said executive pay would have to be slashed if the state uses taxpayers' money to shore up the banks.

Feb 8 – Impact general secretary Peter McLoone claimed that while unions wanted to effectively oppose the unfair public service levy they also wanted to maintain a focus on employment, pensions and economic recovery. He said: "A big part of the anger among public servants comes from the fact that workers alone have been singled out to make sacrifices while top executives and the wealthy have not been asked to make any tangible contribution."

Feb 8 - About 800 staff working in private hospitals in Dublin are to ballot on industrial action over the payment of the first phase of the national pay agreement. SIPTU's health sector organiser Paul Bell claimed some profitable private hospitals felt they did not have to pay pay rise. He added: "We cannot accept private hospitals profiteering from the situation by not paying their employees the 3.5 per cent and thereby making bigger profits to reward shareholders."

> **"There is an orgy of scapegoating workers in public sector"**
> Eamon Gilmore

Feb 9 – INO general secretary Liam Doran claims all options will be considered in forcing a government rethink on what he called the "unfair, unjust and indefensible" pensions levy. Meanwhile, Health Minister Mary Harney said it was not unreasonable to introduce a pension contribution. She added: "The view was taken that we should start introducing a pension contribution, given the huge benefits that are attracted to having a guaranteed pension in today's environment".

Feb 9 – SIPTU chief Jack O'Connor warns of industrial action "on a dramatic scale" and would involve much more than "just walks around town". He also accused government of being party to an agenda with bosses to drive down wages.

Feb 9 – Labour leader Eamon Gilmore claimed there was an "orgy of scapegoating" against public sector workers. He added: "Setting worker against worker is an old stratagem, used by establishments down the generations and I find it as unacceptable now as I would have when Catholic and Protestant workers were set against each other in Belfast in the 1920s."

Feb 10 - Fianna Fail senator Jim Walsh calls for a swingeing cut in public sector salaries and jobs claiming there was a divide developing between public and private sectors. He called for salaries to be slashed by at least 10 per cent along with a 15 per cent reduction in the number of public sector workers, concentrating on those who were "not performing".

Feb 11 - ICTU announces it has drafted a 10-point programme dubbing it a "fair" plan for economic recovery. The document outlines how issues of competitiveness, taxation, consumer confidence and employment rights could be dealt with. It argues for a third rate of tax for the higher paid and says property tax should only apply to second homes. Congress also called for a national rally to be staged in Dublin on Saturday February 21.

Points north: Eamon Gilmore's Labour Party is ahead of Fianna Fail in MRBI poll

Feb 11 - SIPTU leader Jack O'Connor claims government and bosses' failure to honour the national pay deal "will inevitably result in sustained campaigns of industrial action".

Feb 13 - Irish Times MRBI poll reports a collapse in support for Fianna Fail with Labour forging ahead of them for the first time ever. Support for Fine Gael also slipped.

Feb 14 - SIPTU general secretary Jack O'Connor calls the levy proposals a deliberate attempt to lower wages as a substitute for devaluing the currency. Meanwhile, Defence Minister Willie O'Dea claimed there would be no fundamental changes to the levy plans.

Feb 15 - Impact general secretary Denis Rohan claims public servants are ready to play their part in any economic recovery process, but insists they want any measures to be fair.

Poll boost: Labour's Joan Burton

BRIEFING

Draft Framework for a Social Solidarity and

IN EARLY January, Congress met with Taoiseach Brian Cowen and senior Government officials to discuss how the unfolding economic might be tackled.

Congress proposed the establishment of a Social Solidarity Pact, where the burden was shared across all sectors. Congress subsequently submitted a range of detailed proposals on what might be contained in a Social Solidarity Pact.

On January 28, following intense negotiations between Government, Congress and the employers, agreement was reached on the principles that would underlie any new national deal, along with the key issues it would address.

1. The Challenge

We are experiencing the most profound global economic crisis in seventy years. In addition to the effects of an international financial and banking crisis and a worldwide recession, the Irish economy is suffering from the aftermath of a large housing and construction boom and a loss of cost competitiveness after a period of sustained growth.

This is being exacerbated by the decline in the value of Sterling relative to the Euro which is placing extreme pressure on Ireland's base of exporting companies.

While the uncertainty about international developments makes predictions difficult, Ireland now faces the prospect of:

- a reduction of up to 10% in national income over the 2008-10 period
- a loss of more than 120,000 jobs over 2009 and 2010
- an increase in unemployment to more than 10%
- tax revenues in 2008 more than €8 billion below expectations, and a further fall projected in 2009, creating an unsustainable Exchequer deficit
- without further adjustments, a General Government Deficit in the range of 11% to 12% of GDP for each year up to 2013

There are in fact significant downside risks to these projections including:

- a steeper or more prolonged downturn in our main trading partners
- the possibility that global financial market problems deepen or persist for some time
- further exchange rate appreciation
- a further decline in international and domestic confidence and investment

Although the pace and scale of the economic crisis is unprecedented, making a full analysis of the causes and implications for global and domestic policies difficult at this time, the Government and Social Partners agree that urgent and radical action is required to restore stability to the public finances, to maximise short-term economic activity and employment and to improve competitiveness.

Failure to implement radical decisions has the potential to erode national and international confidence in the Irish economy with profound risks for all sectors of Irish society.

This document therefore sets out a framework within which the Government and Social Partners have agreed to develop a Pact for Stabilisation, Solidarity and Economic Renewal.

2. Shared response through partnership

As Social Partnership was central to Ireland's economic resurgence starting with the Programme for National Recovery in 1987, the Government and Social Partners believe that a similar approach now, based on an equitable approach to tackling the problems facing the country, will help us find a way through current difficulties and support internal and external confidence.

In developing a Pact, the Government and Social Partners are fully committed to an approach in which all sectors of society contribute in accordance with their ability to do so, and conversely the most vulnerable, low paid, unemployed and social welfare recipients are insulated against the worst effects of recession.

The Government and Social Partners believe that by making the correct decisions now, and committing to working together through the further difficult challenges which lie ahead, we can deliver reforms which allow us to still realise our shared goals for Irish society, most recently outlined in Towards 2016, while also laying the foundations for sustainable economic recovery.

3. Stabilising the Public Finances

The Government and Social Partners are agreed on the necessity to progressively reduce the level of Exchequer borrowing over the next five years in order to reduce the General Government Deficit to below 3% by 2013 through an appropriate combination of expenditure and taxation adjustments.

Public Expenditure

The adjustment to be achieved through reductions in expenditure will be based on the following criteria:

- ensuring a fair and equitable spread of the burden of adjustment
- maximising the level of sustainable employment
- solidarity with those now losing their jobs
- maintaining high-priority public investments
- careful forward priority planning
- increased efficiency, effectiveness and a focus on outcomes

The scale of the necessary adjustment requires scrutiny of all areas of public expenditure including agreeing measures on how to constrain growth in public sector pay and pension costs.

Taxation

The adjustment to be achieved through further taxation measures will be informed by the following principles:

- Changes to be fair and equitable with a higher proportion falling on higher incomes while minimising distortionary effects between different forms of tax
- Support the productive sector of the economy to keep Ireland competitive
- Ensuring that tax expenditures are fully evidence-based
- Broaden the tax base and make changes that are straight forward, easily understood and easy to administer
- Additional progressive tax measures consistent with the social solidarity approach

Additionally, given the urgency of the situation and the role that taxation will have to play in bringing stability back to the public finances, the Government is asking the Commission on Taxation to identify appropriate options to raise tax revenue and to complete its report by September 2009.

An Equitable Approach

The Government and Social Partners believe that support for these adjustments will be strengthened by measures which demonstrate that the burden is being shared equitably across society. This includes:

- the need to ensure that moderation in respect of executive remuneration is seen to contribute meaningfully to the adjustment required
- that those who benefited most from the economic boom should make a particular contribution to the adjustment required

Delivering the Fiscal Stabilisation Framework

The Government and Social Partners agree that a credible response to the fiscal situation requires a further adjustment at this stage of the order of €2 billion in 2009.

Pact for Stabilisation, Economic Renewal...

In addition to this immediate adjustment required in 2009, the Government and Social Partners commit to working together under the Pact to support the further adjustments required to reduce the General Government Deficit below 3% over the remainder of the five year period.

4. Short-term Stabilisation of the Economy

Given the severity of the short-term economic crisis facing the country, a range of measures will be undertaken as part of the Pact to stabilise the economy and minimise negative social impacts.

In order to maximise economic activity and employment in the short- term, the Government will:

● provide a fiscal stimulus in 2009 and 2010 by maintaining capital investment at a high level by both international and historical standards
● re-prioritise this capital expenditure in 2009 and 2010 in order to support labour-intensive activities where possible
● bring forward further proposals to support enterprises during this extremely difficult period, recognising in particular the pressures arising from currency movements, and thereby support those in vulnerable employments
● act quickly to improve competitiveness including increasing competition across the economy and reforming price regulation in areas such as energy

It is recognised that stabilising the financial and banking sector is essential to secure a banking system which is fit for purpose.

Accordingly, Government action will seek to:
● assist those who get into difficulties with their mortgages; in early 2009 a new statutory Code of Practice in relation to mortgage arrears and home repossessions will be brought forward, and the mortgage interest scheme will be reviewed
● maximise the flow of credit to the enterprise sector and ensure early introduction of a code of practice on business lending
● introduce controls on the remuneration of senior executives, in accordance with the recommendations of the independent committee established by the Minister for Finance, including the requirement that bonuses are measurably linked to reductions in guarantee charges, reduction in excessive risk taking and encouraging the long term sustainability of the institution
● maximise sustainable employment in the sector

Recognising that unemployment will rise significantly in the period ahead, the Government and Social Partners will work together to maximise employment and help those who lose their jobs by:
● designing a flexicurity approach appropriate to Irish conditions which keeps people working where feasible and equips people to return to employment as quickly as possible by maximising the availability and impact of education, upskilling and training supports
● redeploying resources to ensure efficient and timely delivery of direct State supports to those who lose their jobs including social welfare payments, redundancy payments and payments to workers n cases of insolvent companies

The Government and Social Partners will address the serious and urgent difficulties facing private sector pension schemes.

5. Work together to implement a reform agenda

The Pact will set out a short-term agenda to address the economic crisis facing the country. In doing so, the Government and Social Partners acknowledge that reform and change across many areas of economic and social life need to be prioritised to ensure that Ireland emerges from the crisis as quickly as possible.

However the Government and Social Partners commit to working together on the following priority issues in the period ahead, within the agreed fiscal stability framework set out above:
(i) to implement an agenda for enterprise and competitiveness based on the Framework for Sustainable Economic Renewal: Building Ireland's Smart Economy including:
● building on strengths in the Agriculture, Fisheries and Food sectors
● developing the ideas economy with intensified R&D activity and greater commercialisation of the output of that research
● supporting the manufacturing sector
● encouraging entrepreneurship and business start-ups
● pursuing opportunities to expand the services sector, in particular international services
● realising the long-term potential of the tourism sector
● improving trade, investment and tourism links with new and fast- developing markets
● pursuing opportunities in the Green Enterprise sector, including in the area of energy efficiency
(ii) to develop a new approach to upskilling and reskilling those in employment and those outside the labour market; we will convene a Jobs and Skills Summit in March 2009 to devise innovative approaches to maintenance of employment, creation of new employment and early and active engagement with those losing their jobs; we will also seek to maximise eligible support from the European Globalisation Adjustment Fund for initiatives to support those who are made redundant
(iii) to ensure that sheltered sectors of the economy, including professional services, bear their full share of the burden of adjustment
(iv) to implement the employment rights provisions in the Towards 2016 Transitional Agreement
(v) to deliver measurable public service reform to improve the efficiency and quality of public services, based on the Government's Statement on Transforming the Public Service published in 2008
(vi) to continue implementation of the Health Service Reform Programme, including utilising the Health Forum under Towards 2016
(vii) to finalise a comprehensive framework for future pension policy which responds to the challenges facing the Irish pensions system in the years ahead
(viii) to ensure our approach to regulation, accountability and corporate governance delivers a sustainable society and economy

6. Conclusion

The Government and Social Partners commit to work intensively over the immediate period ahead to develop specific measures to finalise and then implement a Pact based on this framework.

28 January 2009

CONGRESS has consistently advocated the adoption of a Social Solidarity Pact as a better and fairer route to national recovery.

On January 28, Congress, Government and the employers settled on an outline Framework Agreement, which was to provide a basis for more detailed discussions on a National Recovery Plan.

The Framework committed all parties to a plan in which "all sectors of society contribute in accordance with their ability to do so, and… the most vulnerable, low paid, unemployed and social welfare recipients are insulated against the worst effects of recession."

But Government failed to follow through on this commitment, which envisaged no less than a coherent response to all of the major issues facing working families.

They resorted instead to a narrow focus on the public finances – without seeking a contribution from the wealthy.

Their intent is to achieve a competitive devaluation of wages across the economy, as we are no longer in a position to devalue the currency. Ironically, a currency devaluation would be more equitable, as it would reduce living standards for everyone, not just workers.

Congress remains committed to the concept of a Social Solidarity Pact and here we present 10 key initiatives that we believe must form part of such plan or agreement.

Our preferred option is to engage with all parties on these initiatives but if that is not possible, we will embark upon a major campaign to achieve a change in policy, commencing with nationwide demonstrations on February 21.

1 Protecting jobs and tackling unemployment

Our social welfare system must be radically altered and integrated with skills enhancement, education and training. In a number of European countries, unemployed workers are guaranteed incomes of 80 percent of salary for two years, conditional on their participation in extensive training and upskilling. Employers are also assisted to identify alternatives to redundancy, such as short term working weeks and other arrangements.

A similar scheme, modified for Irish conditions, could be funded by amalgamating current expenditure on benefits with additional funding from the Public Capital Programme (PCP). This approach should be complemented by reprioritising the PCP to support job protection and labour intensive activities.

2 The bank system and the public interest

The Bank Recapitalisation Programme involves handing over €7 billion of public money, from the Pension Reserve Fund, to the same people who presided over the collapse. Their refusal to forego enormous personal salaries and bonuses speaks volumes about their contempt for the taxpayer. That €7 billion must not disappear into a black hole and only one consideration – the public interest – should inform Government decisions on this crucial matter. And given all that has emerged about the conduct of senior bank executives, we require a complete overhaul of Corporate Governance and clear indications that wrongdoing will be punished. Support for the banking system should be conditional on:

- Public control, either through Recapitalisation or Nationalisation;
- A legally-enforceable obligation to provide support for innovation and development in the economy, along with credit and support for business cash flow, where it can be shown that it is critical to job protection or creation;
- Replace all top executives responsible for the crisis, in the relevant banks;
- Remuneration from all sources for those at the top must be capped;
- Three year moratorium on home repossessions, where people cannot pay due to redundancy or unfair dismissal.

3 Competitiveness

In addition to the absence of a properly functioning banking system, the most immediate threat to our competitiveness comes from the weakness of Sterling, not wage rates. This accounts for about two thirds of the deterioration in recent months.

Energy prices must be reduced and the only impediment to this is the nonsensical regulatory regime that has pushed prices higher to ensure private generating companies make a profit. Coupled with the failure of our broadband infrastructure - following the privatisation of Eircom - this demonstrates the critical importance of strategic state intervention in the economy.

Our cost of living in Ireland is some 20 percent above the European average. Failure to pass through gains from a weakened Sterling and high professional fees are an unjustifiable drag on competitiveness.

4 The 'pay agreement

Congress continues to adhere to the Social Partnership agreement. The Government, CIF and IBEC have now, in effect, reneged on the pay deal they negotiated in September 2008. Yet, significant numbers of private sector companies have paid the first phase of that deal and others have committed to doing so. No credible reason has been advanced to explain why the 'inability to pay' clause has not been utilised.

This is no less than a campaign against wages, as an alternative to a currency devaluation, to promote competitiveness. But the state of the global economy is such that wage devaluation is unlikely to have much impact on exports, whereas it will

There is a better, fairer way

Congress Plan for National Recovery

seriously depress domestic demand.

Ultimately no incomes policy can have credibility unless the remuneration of senior company executives is curtailed, as has happened in the US.

5 Fairness and taxation

The Framework Agreement includes commitments to fair and progressive taxation measures. But Government must spell out what this means in practice. How much of the €2bn shortfall will be carried by the wealthiest in the country? We believe the following reforms should be introduced:

- Income from all sources – capital and labour - must be taxed the same;
- Tax exiles must stay away if they don't want to be taxed here;
- Tax shelters without a proven economic gain should be abolished;
- A property tax should apply to property other than the principal private residence;
- The levy on high earners (above €100k) should be graded upwards significantly;
- A new rate of income tax at 48 percent for high income earners;
- Abolish hospital co-location, with its generous tax breaks for developers.

6 Restoring consumer confidence

The property boom encouraged unsustainable levels of credit and spending. This has now been reversed and people are frightened to spend. This fear is paralysing the economy as people are worried about unemployment, pensions and repossession of their homes. As almost half our GDP comes from consumer spending, this has enormous implications. It undermines employment and jeopardises the survival of businesses. The state also loses out on tax revenue.

It is imperative that people's fears are addressed. The failed policies of letting the wealthy off the hook, while forcing working families pay for the crisis, has already led to a slump in consumption unparalleled elsewhere in Europe. Retail sales in Ireland have been falling at an annual rate of 8 percent, as compared with the EU average of one to two percent. Recent VAT increases have exacerbated the problem.

Policy to date has been almost exclusively deflationary in practice. Surely the most sensible option is to stimulate the economy, rather than dampen spending and growth? To this end, all parties must now return to the negotiating table to agree a resolution of the situation on the National Pay Agreement, to provide people with some confidence for the future.

7 Public service 'pension levy'

We acknowledge there is a crisis in the public finances. Government must return to the Framework Agreement of January 28. This recognised the necessity for radical measures to bring the public finances under control, on the basis of all sides contributing in accordance with their ability to do so. Until that happens there can be no sustainable plan for national recovery.

The so-called 'Public Service Pension Levy' is a crude and unfair instrument. As currently structured it is a straightforward pay cut. It has no regard for ability to pay. Indeed, some people on lower incomes pay proportionately more than those on higher pay. Apart from seeking to tackle the public finances without charging the wealthy a cent, it is also part of a strategy to drive down wages across the economy.

Workers did not create the problem, but will contribute to resolving it - as long as the wealthy also contribute. The problem with the course currently being pursued by Government and employers' organisations is that the weakest suffer, while the wealthy contribute nothing.

8 Pensions

Private sector pensions are in crisis and there is increasing doubt about the long term viability of many funds. Government cannot stand by and allow people to emerge with nothing, having worked and contributed to a fund for perhaps 40 years. Waterford Crystal is a case in point.

Congress wants the National Pension Reserve Fund to be used as a Pension Protection Fund – which EU law requires us to establish. It has not escaped people's notice that there is official reluctance to use it for this purpose and none whatsoever when it comes to propping up the banks.

Other innovations suggested by Congress include a state backed annuity and the possibility that private pension funds could have the option of voluntarily surrendering their assets to the state, in return for a certain level of guaranteed pension.

9 Employment rights legislation

In Towards 2016 Government committed to enacting a programme of legislation to protect the rights of all workers in the context of EU enlargement. The aim is to stop exploitation of workers regardless of nationality. Recent events in the UK demonstrate the need to get this legislation enacted quickly.

10 Restoring consumer confidence

It is clear that people are anxious to contribute to national recovery. This spirit could be channelled positively by establishing a National Recovery Bond. While we have enough borrowings for the immediate future, the state will presumably need to borrow more next year. With the cost of this borrowing increasing, a domestic National Recovery Bond could save the exchequer a lot of money. It could also be targeted at specific sectors such as school building or public transport, so people could see tangible gains

Put brakes on PFIs/PPPs call

NIPSA has published a landmark report on the use of Private Finance Initiative/Public Private Partnerships in Northern Ireland.

The union commissioned the independent review from the University of Edinburgh's Centre for International Public Health Policy.

It found that Northern Ireland faces a staggering £10 billion plus bill in unitary charges for PFI/PPP contracts if Executive ministers stick with current investment policies.

The research also found that critically, when local companies are facing meltdown and workers unemployment, the current set up channels work to large overseas companies at the expense of local providers.

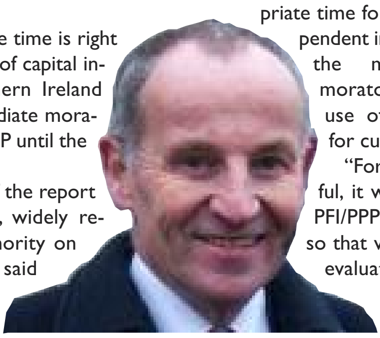
The report concludes the time is right for an independent review of capital investment policy in Northern Ireland and recommends an immediate moratorium on the use of PFI/PPP until the review is completed.

Speaking at the launch of the report Professor Allyson Pollock, widely respected as an expert authority on PFI/PPP issues in the UK, said the team's research confirmed there was no credible base to support the current policies. She said: "Our report shows that the economic case for using PFI/PPP in Northern Ireland is extremely weak, and is becoming weaker still as the relative cost of private finance increases due to the financial crisis.

"At the same time, with public sector accounting rules due to change, the so-called additionality advantage of PFI/PPP is being eroded, undermining the Northern Ireland Executive's central rationale for the policy.

"This is therefore an appropriate time for a full, independent inquiry and, in the meantime, a moratorium on the use of private finance for current projects.

"For the inquiry to be successful, it will require the publication of all PFI/PPP contracts and financial models, so that value for money can be properly evaluated." NIPSA general secretary John Corey strongly welcomed the report and insisted it provided "compelling" evidence for a fundamental change of policy.



Inquiry call: John Corey

> “We have never been convinced these procurement routes provide value for money”
> John Corey

He said: "NIPSA has campaigned against the use of PFI and PPP for the provision of essential public service infrastructure and public services. We have never been convinced that these procurement routes provide taxpayers with value for money.

"We have also been deeply concerned that in the longer term massive unitary charges for PFI/PPP projects would leave Northern Ireland short of public funding for essential services.

"The publication of this independent and rigorous report analysing the current and future PFI/PPP commitments for Northern Ireland provides a compelling case for a fundamental review of the Northern Ireland Executive's policy on future public service procurement."

NIPSA has forwarded copies of the report to all ministers and Assembly committees urging them to impose the moratorium on further use of PFI/PPPs

INFOFILE: Public Private Partnerships

- **The use of public private partnerships in Northern Ireland has dramatically increased since the late 90s. As of March 2008, contracts for 35 PPP projects had been signed, representing private financing of £1.29 billion. A further 13 projects, with a capital value of £1.94 billion, are now being negotiated with private sector bidders and are due to sign before 2012.**
- **Private finance creates a public debt. The public bodies involved in PPPs have to pay annual payments to the private sector over a long period, often 30 years. The future payments on schemes signed to date amount to some £4.7 billion. As the projects currently in negotiation are signed off, the liabilities accruing to PPP contracts in Northern Ireland will rise to more than £10 billion.**
- **Different rationales have been used to support PPP in Northern Ireland. The first devolved administration regarded PPP as a means of generating "additional" investment. However, this rationale was broadened during direct rule, when PPP (by now the "preferred" method for capital investment) was embraced as part of wider measures to reduce the size of the public sector.**
- **In fact, neither rationale is valid. The "additionality" of private finance is illusory – an accounting anomaly which distorts financing decisions. Similarly, the notion that PPP can help to rebalance the economy is a misconception. This is a policy that will channel work to large, overseas companies at the expense of domestic providers, curtailing private sector growth.**
- **In reality, the legitimacy of PPP stands or falls on its cost-efficiency credentials: i.e. whether the policy is better value than alternatives, such as direct borrowing. The evidence shows finance costs are higher for the private sector, and this, combined with an excessive rate of return on capital, has led to very high costs for the public authorities involved in contracts.**
- **These costs are increasing for new schemes due to the financial crisis, which has eliminated bonds - the cheapest source of private finance - and increased the margins on bank finance.**
- **New accounting regulations will address the anomaly whereby debt raised through a private sector intermediary is not recorded on the public sector's balance sheet. This will remove the central attraction of PPP for the political parties of Northern Ireland. With devolution restored, there is a clear need for a full, independent review of capital investment policy in Northern Ireland.**

Mesothelioma: 'Funding's vital'

MESOTHELIOMA support groups in the UK have called on the British government to fund a national centre for asbestos-related diseases.

Currently almost all cash raised for research into this form of cancer comes from families and friends of sufferers.

British-based support groups have praised the Australian government for giving $6.2 million to set up a research centre at the Concord Hospital in Sydney which opened last month.

Now they want the UK government to do the same and they're planning to raise awareness of the desperate need for funding on Action Mesothelioma Day on February 27.

The disease, caused by exposure to airborne asbestos, kills more than 2,000 people in the UK alone each year.

Consultant thoracic surgeon John Edwards, who chairs the British Mesothelioma Interest Group, said: "Patients and their carers do not want the compensation - they want their lives back.

"Industry does not want to pay the compensation. Government does not want to pay the benefits. Researchers are desperate for funds to develop life saving treatments - mesothelioma is far and away the least researched of the top 20 cancers in the UK.

"Funding for a UK centre is a priority. Such an institution would encourage collaboration between current and future researchers and stimulate trans national research to generate future treatments to prolong and save lives."

Liz Darlison, a consultant nurse who works in the field, added: "For too long mesothelioma victims' plight has been overlooked and under researched.

"Mesothelioma is a global public health disaster, wealthy countries with a high incidence of the disease must work together to improve outcomes.

"We have the networks available for us to collaborate internationally but need government support and secured funding to enable us to move forward."

A series of events are being across the UK on February 27. Check out **www.asbestosforum.org** for details.

NEWSBRIEFS

Zero tolerance call for bus thugs

THE NATIONAL Bus and Rail Union has called for thugs who attack bus drivers to be jailed and to face heavy fines.

It follows an incident on January 3 when a Dublin Bus driver was assaulted and his bus hijacked.

The driver, a Chinese national, suffered a hand injury and severe bruising when he was dragged off his vehicle on Cork Street and beaten up. NBRU official John McGrane called for "a zero-tolerance policy" when drivers are targeted.

He said: "The Minister for Justice and the Minister for Transport need to put some sort of policy in place.

"Too often these people are just dealt with by the Garda juvenile liaison officer and the cases don't go through the courts.

"There needs to be heavy fines and custodial sentences."

'Disappeared' fears over end of survey

THE Teachers Union of Ireland has expressed fears a generation of school leavers will become "the disappeared" of the educational system in the Republic.

It follows the ending of the ESRI School Leavers Survey, which in the past has provided invaluable information on charting students' progress through the school system.

Vital role: Ryan

TUI president Don Ryan claimed it was "absolutely vital" to monitor every child in the system to find ways of combating drop out rates.

He added: "There is now a severe risk that there will be an information deficit on the progress and fate of these marginalised young people, who will then in every sense become 'the disappeared' of Irish education."

NIPSA blasts Civil Service comments

NIPSA has defended civil servants following comments by two members of the House of Lords.

Lord Laird had raised the issue of what he called "danger money" being paid to 1,500 civil servants in the Northern Ireland Office – a sum of £5.50 per week gross.

But NIPSA general secretary John Corey countered that the payment was in fact not danger money but part of civil servants' agreed terms and conditions. He told the BBC: "Civil service staff qualify for a small environmental allowance to take account of the particular circumstances of their workplace and the physical conditions in which they carry out their duties."

Civil Service employees working in prisons, police stations and other law and order functions have qualified for the payment since the 1970s.

NIPSA also slammed Trade Minister Lord Digby Jones' stated view that many civil servants "frankly, deserved the sack" and that the job could be done by half as many employees.

Mr Corey joined UK-based PCS union chief Mark Serwotka in labelling the Peer's views "narrow minded, naïve and insulting".

Mr Corey added: "Clearly in his 16 months as a minister Lord Jones didn't learn much about the Civil Service and what it does."

Record unemployment rise in Northern Ireland

NEW figures have revealed Northern Ireland was hit last year by its largest annual hike in unemployment ever recorded as Stormont's Economy Minister Arlene Foster warned the North could not expect to escape "unscathed" from the global economic downturn.

Government returns showed the number of dole claimants went up by 2,200 to 38,400 in January – a similar figure to that recorded in December.

The increase over the year to January - at 14,700 - was higher than the UK average.

The annual percentage increase was 62pc, the highest since the claimant count began in January 1971.

Up to 80 per cent of the annual increase occurred in the last six months. Ms Foster said: "Last month showed another sharp increase in the registered unemployed and the increase over the last six months has been particularly marked.

"It is clear the local economy, in line with other UK regions, is facing very immediate economic pressures.

"Northern Ireland cannot expect to emerge unscathed from the global downturn, however, we are working to limit its detrimental impact."

Stats grim south of border...

FIGURES published last month show the number of people unemployed in the Republic has more than doubled in some counties in the last year.

The grim statistics revealed that the number of people on the live register in Cavan, Monaghan, Laois, Meath and Kidare has shot up by more than 100 per cent over the past 12 months. Meath was the leading unemployment blackspot, with nearly 8,220 people on the dole compared with less than 3,900 in January 2008.

The number of those unemployed in the Kildare, Meath and Wicklow region as a whole rose by 15.5 per cent last month.

The Central Statistics Office figures showed 327,861 were claiming jobseeker's benefit or allowance.

CSO results also flag up how unemployment rates among non-Irish nationals is growing at a faster rate than among Irish-born workers.

Non-nationals now make up almost one in five of those signing on the live register.

Gardai lash levy

MID-ranking gardai have strongly rejected government pay plans.

The Association of Garda Sergeants and Inspectors said its members were furious they are being made to carry the can for errors made by major financial institutions.

General secretary Joe Dirwan claimed many officers were facing hefty cuts in their wages - an average €100 a week - and would be forced into debt.

The AGSI, which has already outlined its opposition to the move in a letter to the Taoiseach, are to study the levy legislation before working out a strategy.

Defence Forces body: We don't want to be used to break strikes

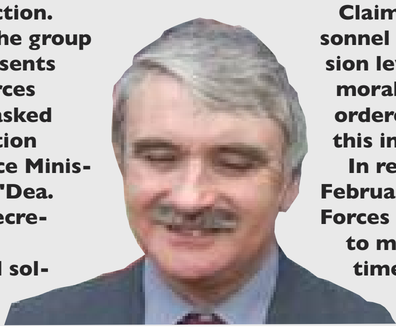
SOLDIERS have called for assurances they will not be asked to break strikes if the public sector is hit by industrial action.

Pdforra, the group which represents Defence Forces personnel, asked for clarification from Defence Minister Willie O'Dea.

General secretary Gerry Rooney said soldiers had been used in the past to break a number of disputes, including those by ambulance and bus workers.

Claiming that Defence Forces personnel were firmly against the pension levy, he added: "It will be morally wrong for soldiers to be ordered to break strikes arising from this imposition."

In reply to a question in the Dail on February 4, Mr O'Dea said: "Defence Forces may be called on to contribute to maintaining vital services in times of industrial action."



Clarification: Willie O'Dea

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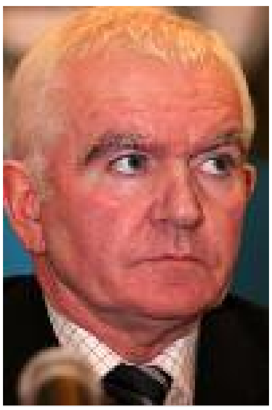
Full access to education vital



Alarm: Peter McLoone

IMPACT general secretary Peter McLoone has expressed alarm that cuts have already begun to affect education provision.

He made his comments at a seminar on equality and disadvantage in education organised by the union.

Speaking before the breakdown of talks involving the social partners, Mr McLoone claimed the most vulnerable had to be protected when dealing with the economic downturn.

He said: "This means maintaining the level of service you already provide; protecting the standards that you have all worked hard to achieve. We should hope for nothing less than that, but continue to be ambitious."

Barnardos chief Fergus Finlay also spoke and flagged up the huge role education system had not only in dealing with the causes of poverty, but also in ending child poverty.

He blasted the opportunity squandered in not setting up a pre-school education system during the boom years of the Celtic Tiger.

Mr Finlay said: "There is little doubt that high-quality intervention at an early stage does a lot to tear down barriers."

Bastille stormed again

FRENCH unions have hailed a one-day strike on January 29 as "the biggest workers' protest in 20 years".

Dubbed 'Black Thursday', unions claimed up to 2.5 million people took part in the demos – at least 300,000 in a massive show of strength in Paris. Angry chants filled the Place de la Bastille – potent symbol of the French Revolution – as opinion polls showed three-quarters of the public supported the action.

CFDT union chief Francois Chereque said: "We have not seen action on this scale for two decades. It is a cry of anger."

Minimum pay warnings

LABOUR Affairs Minister Billy Kelleher has called for a "realistic" review of the minimum wage, warning it could hit the creation of new jobs.

He claimed new economic realities had to be taken into account and pointed out that Ireland had the second highest minimum wage – at €8.65 – in Europe.

In particular he highlighted the "huge pressures" on the tourism sector with increased lay-offs among hotel workers.

Harney: Wages warning

Kelleher's ministerial colleague Mary Harney also weighed in on the issue.

She warned that many small restaurants were being affected finding it difficult for them to make a return on the wage levels they have to pay.

Ms Harney described the current minimum – last increased in July 2007 – as "the floor" upon which all other wages were based, adding, "in some places, twice that level is paid, for example, on a Sunday to all levels of employees."

She claimed jobs were being put at risk and called for "pragmatism" on setting a rate.

Jobs fear over Royal Mail plan to restructure

ROYAL Mail has denied they plan to scrap 16,000 jobs across the UK under a massive restructuring plan.

Bosses are to hold talks with trade unions next month in a bid to "modernise" the business in the face of what it terms increased competition.

According to the Communication Workers' Union, which represents about 3,000 Royal Mail staff in Northern Ireland, the cost-cutting aspect of the plan will see 10 per cent savings across the group.

The postal group has already written to some workers setting out options including offers of voluntary redundancy or part-time work.

CWU deputy secretary Dave Ward said: "Royal Mail is pushing for an arbitrary 10 per cent cost saving for offices across the country.

"This is not agreed by the CWU and could have a huge impact on both job losses and a reduction of full-time jobs to part-time jobs."

Impact services: Dave Ward

Describing the move as being a panic measure that would hit services, he added: "This decision comes after profits in Royal Mail have soared, which brings into further question the necessity of these cost-cutting quotas."

CWU's Northern Ireland Secretary Laurence Huston said there had been no talks locally with postal bosses about the planned cuts.

He told one newspaper: "We are disappointed that this has been reported before Royal Mail has even met with the unions.

"We are left in limbo, this is a concerning time for workers."

The Royal Mail has denied it has plans to cut 16,000 jobs.

A spokesperson said: "We have no plans for 16,000 job cuts and while we are trying to cut costs, it is about central costs and overheads and certainly not about our frontline people."

The Royal Mail employs around 180,000 staff, mainly in its postal division.

JOBS TIMELINE
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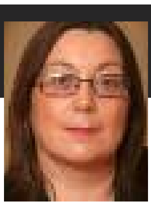
THERE IS A BETT

TER, FAIRER WAY



VIEWPOINT

Congress Policy Officer **ESTHER LYNCH** argues there is an alternative to the damage inflicted on individuals and society by unemployment... it's called Flexicurity

On the payroll ...not the dole

THERE is nothing more soul-destroying than the dole queue, nothing more likely to dishearten and dull the spirit than the prospect of 'signing-on'.

Unemployment has a corrosive effect on individuals, families, wider society and, or course, the economy.

The higher the number out of work, the greater and more widespread the damage.

Faced with the possibility of some 450,000 unemployed by year's end, we need to engage in some very creative and innovative thinking if we are to prevent a downturn shape-shifting into a full-blown socio-economic crisis, the implications of which we cannot even yet conceive.

As Congress has repeatedly stressed, the first and foremost priority must be to protect existing jobs and maximise employment levels generally.

We should take this opportunity to fundamentally overhaul and reshape our Social Welfare system, which was originally designed to ensure mass unemployment did not evolve into mass destitution and, eventually, social upheaval.

That model is no longer appropriate in a globalised economy and certainly not for the Smart Economy proposed by government.

Congress believes we look to Denmark for example.

Here, a system known as Flexicurity has helped maintain one of the lowest unemployment rates and highest job satisfaction levels in Europe.

As the term suggests, it is a system designed to balance the competing needs of flexibility for employers and security for employees.

Danish workers facing redundancy must be given three months notice – in Ireland it could be a matter of days.

In addition, redundant workers are guaranteed 80 per cent of their salary for 48 months and they are provided with training to equip them with the most up to date skills, relevant to their job.

This facilitates job transitions by providing stability, income security and an opportunity to improve employability.

Implicit in this model is an awareness of the social and economic damage done by consigning people to the dole queue - a waste of time, money and peoples' lives.

Crucially, Flexicurity overturns the traditional 'welfare' paradigm by focusing on the skills and employability of the person, as opposed to protection of the job.

If the last decade has taught us anything, it is that technological churn will ultimately render all existing jobs superfluous, while simultaneously creating new opportunities and therefore new employment.

And it is the recognition of this trend which makes Flexicurity a central component of any new or even smart economy.

"Flexicurity is designed to balance competing needs of flexibilty and security"

Equally, by removing the genuine terror induced by the threat of unemployment, the system incentivises people to continually upskill and retrain.

In countries, such as Ireland, that adhere to the traditional 'welfare' paradigm, the reverse is true.

Someone on the average industrial wage, who becomes redundant today, faces losing close to 75 per cent of their income.

Nothing can prepare you for this shock.

Once on the dole they will be expected, not to live, but to exist on €200 per week.

Indeed a family of four will be forced to survive on just €15 per day. Debts mount. The family home is threatened. Homeless numbers rise.

And, of course, the longer a person is on the dole, the lower the chance of ever regaining meaningful employment.

It will be impossible to build any plan for national recovery on such a foundation.

It will also prove impossible to work our way through recession if we continue to fail in matching rhetoric to reality, in terms of training and skills.

For example, only a quarter of those currently at work in this economy aged over 35 have a third level qualification. I recently heard an unemployed construction worker point out that he desperately wanted to learn new skills, as opposed to 'sitting' on the dole. But every state agency he contacted told him there was no money.

His despair and frustration were palpable. How can this make sense?

The lack of training provision for workers, particularly those on non-standard contracts is endemic and access to personal skills enhancement remains outside the grasp of the majority.

With a handful of honourable exceptions, employers have consistently failed to provide training for workers.

Most other EU countries have introduced laws requiring employers to support employees learning through paid leave, or to spend a percentage of annual payroll on training.

Of course, the sceptics will point to Denmark's relatively high taxes and higher public spending.

A simple answer is to point straight back to Ireland's now bankrupt low-tax economy, poor public services and rapidly growing unemployment.

It might also be worth pointing out that 'high tax Denmark' regularly outstrips the low tax models in the international competitiveness stakes.

The construction of a Flexicurity model in Ireland would take time and cost money. But such a project must be seen as a major investment in our workforce, skills' base and social cohesion.

Ironically, the one point of consensus that has emerged in recent months centred on the necessity to continue capital spending and maintain investment, despite the economic gloom.

Bridges, roads and rail are important in the economy, but they don't spend money, buy produce, pay tax and create wealth.

Surely our national skills base demands and requires the same priority.

If we cling to the traditional welfare paradigm, it is almost certain that we will be condemned to repeat the many mistakes of our past. And that does not bear thinking about.

JOBS TIMELINE...JOBS TIMELINE...JOBS

Jan 8 – Dell announces the loss of almost 1,200 jobs at its Limerick plant, as the computer giants moves production to Poland. The remaining 1,100 Dell staff will primarily work in product development, engineering and logistics, focused on supporting overseas manufacturing. The cuts are not set to affect the 1,300 marketing and sales staff at Dell's Cherrywood plant in south Dublin. Dell products make up at least 5.5 per cent of Irish exports and two per cent of GDP.

Jan 8 – Blaming "market conditions", engineering firm Co Antrim-based FG Wilson announced today that it was shedding 260 jobs at its three sites in the county. The firm laid off more than 180 workers employed through a local recruitment agency before Christmas.

Jan 8 - Up to 150 workers are laid off for at least a month the Fintec plant in Ballygawley. Bosses at Fintec, which manufactures construction equipment, expressed confidence staff would return after the lay off.

Jan 10 – Supervalu store in Kilkeel, Co Down, is to close at end of January with loss of 30 jobs. South Down MP Eddie McGrady describes it as "a devastating blow".

Jan 12 – Asda announces it will create at least 400 new jobs when it opens a flagship store outside Antrim.

Jan 13 – Usdaw welcomes jobs boosts in the retail sector across the UK. Tesco is creating 10,000 positions, Morrisons over 5,000, Sainsbury's up to 4,000 and Iceland 2,500 jobs.

Jan 14 – Dublin Bus announces a restructuring plan to reduce its fleet of 950 buses by 120 and cut 290 jobs from its staff of 3,500. Dublin Bus branch president Tony Fallon, after meeting with management, said they would formulate a response to the proposals but made it clear the union "will not accept compulsory redundancies".

Jan 16 – German-owned car components company Kostal seeks 300 voluntary redundancies from its workforce - 200 at its plant in Abbeyfeale, Co Limerick and 100 more in Mallow, Co Cork. It is also seeking to introduce short-time working for all employees until the end of March.

Jan 20 - Bus Eireann informs its 2,700 staff it is looking to cut 320 jobs and reduce its fleet by 150 vehicles, blaming a "challenging economic environment". A pay freeze is also announced. SIPTU sectoral organiser Willie Noone said the announcement, which contained no details about where the jobs were to be axed or bus withdrawn, had created "an air of uncertainty" affecting "every employee, every commuter and every community in the country".

Jan 20 - GE Money announces 100 compulsory redundancies at its Dublin and Shannon operations. This follows a similar jobs cut in the second half of last year. IBOA general secretary Larry Broderick dubbed management handling of the situation "appalling" describing as "alarming" their "cavalier attitude to industrial relations norms".

Jan 21 - Superquinn confirms it will shed 400 jobs nationwide and close its Dundalk store. This means the grocery chain will shed 12pc of its staff. Management said it would also be looking for remaining staff to agree more flexible terms and conditions.

Jan 22 - The Galmoy zinc-lead mine in Co Kilkenny will close in May two years earlier than planned, with the loss of 200 jobs. Canadian firm Lundin Mining Corporation, which owns the works, said the closure is due to the sharp drop in zinc prices. SIPTU regional organiser Dennis Hynes said "It's very disappointing. The workers are very fraught now. A lot of these people have been there for years and will find it very hard. At least if this had happened four or five years ago there was some chance of getting another job, but with what's happening now, that's gone. They're going out into a vacuum, there's nothing there."

Jan 22 – Car parts maker Montupet is to axe 40 jobs at its plant at Dunmurry, outside Belfast. The cuts follow an extended Christmas break and the cutting of jobs at its Derry-based Calcast subsidiary in November.

Jan 22 – Brokerage firm Prestige Insurance Holdings is to create 40 jobs at a new facility in Jennymount Business Park in North Belfast.

Jan 23 – About 80 jobs are to go by the end of March at Kildare County Council after council chiefs announced they would not be renewing contracts.

Jan 23 – Britvic's Irish division announces it is to shed 145 jobs over the next year as part of a restructuring programme. The losses will primarily affect the firm's logistics, finance, IT and sales sections and will reduce Britvic's Irish workforce from 940 to about 800.

Jan 26 – Ulster Bank Group announces the loss of 750 jobs. The First Active brand in the south of Ireland is to be phased out and merged with Ulster Bank branches. IBOA, which represents 4,000 staff in Ulster Bank, and SIPTU, which represents 360 staff in First Active, issues a joint condemnation of the proposed cuts.

Jan 27 – Co Tyrone engineering firm Powerscreen announces the loss of 90 jobs. The company cut 70 jobs in December and blamed on a fall off in orders. Workers at Seagate Technology have been asked to take a 10pc pay cut.

Jan 28 – Retail giant Asda is to create 7,000 jobs across the UK. About 800 of the new positions will go to Northern Ireland. The company is currently seeking planning permission for new stores in Larne, Belfast and at the Junction One complex outside Antrim.

Jan 29 – Newry-based Software consultancy firm First Derivatives is to create 150 jobs in Northern Ireland.

Jan 29 – Belfast hotel TenSquare hopes to create 75 new jobs if plans for a new expansion of its Donegall Square South site are approved.

Jan 29 – Sandwich chain Subway announces it is to create 400 jobs across Northern Ireland over the next two years.

Feb 1 – Vista Primary Care Campus is to create 120 jobs at a new purpose-built in Naas, Co Kildare.

Feb 1 - US firm Melcut Cutting Tools Ltd announces it is setting up shop in Co Clare with the creation of 50 jobs.

Feb 2 - A hundred jobs are to be created over the next two years with the expansion of online tax agency taxback.com at its centres in Cork, Dublin and Kilkenny.

Feb 5 - 90 staff are to go over the coming year at Pobal, a not-for-profit firm that manages programmes on behalf of the government and EU. Pobal chief Denis Leamey said 52 out of 270 staff had so far volunteered for redundancy.

Feb 5 – Aviation firm Bombardier in Belfast announces a further 300 job losses among sub-contractors, while another 300 full-time staff are to be made redundant at mobile manufacturer Ericsson's Dublin plant. The lay-offs will take place over the next 18 months.

Feb 5 – Co Monaghan-based forklift maker Combilift is to shed 34 jobs from its total workforce of 230.

Feb 5 – Ryanair says it is to cut services at Shannon Airport and shed 100 jobs in the process. Airline chief Michael O'Leary blamed "insane and suicidal" 10 euro travel tax for fall in passenger numbers in the west.

Feb 5 – Grain company Drummonds announces the loss of 44 jobs with the closure of its branches at Clonee, Navan, Kells, Drogheda, Ardee and Knockbridge.

Feb 5 – Home entertainment chain Chartbusters is to close 17 of its stores with the loss of 60 jobs.

Feb 6 – 70 jobs go as production ceases at the NN Euroball plant in Kilkenny.

Feb 6- Reports that US banking giant Merrill Lynch is to shed 31 staff from its Irish HQ in Dublin.

Feb 6 – The Carlton Hotel Group announces it was stepping in to rescue Castletroy Park Hotel in Limerick. The hotel closed last week with the loss of 130 jobs.

Feb 6 – A total of 93 dockers are to lose their jobs at the Port of Cork following an agreement on the modernisation of work practices.

Feb 7 – Co Armagh-based pharmaceutical firm Almac is to create 99 full time and 28 temporary posts. More than 90pc of the permanent jobs are for graduates with scientists particularly sought after.

Feb 7 – Fears grow for an unspecified number of jobs at the Royal Mail in Northern Ireland following announcement of a massive UK-wide modernising programme.

Feb 9 – Food group Glanbia is looking for 210 redundancies across its operation as part of a €16m cost-cutting plan announced last month.

Feb 9 – SIPTU confirms layoff talks involving nearly 500 workers at Banta RR Donnelly have begun. The plant's facility at Raheen, Limerick, provided services to Dell. It's thought the firm is preparing to transfer its service to Lodz in Poland.

Feb 10 - SIPTU warns that up to 1,000 local authority staff on temporary contracts could be let go.

Feb 12 - Swiss-based aircraft maintenance firm SR Technics is to shut its operation at Dublin Airport with the loss of 1,135 jobs. Chief Executive Bernd Kessler said the management were aware of the "personal implications of the closure to our staff in Dublin". A Unite spokesman described the news as a "devastating blow". Meanwhile, Ryanair also announces it is to get rid of 200 positions including pilots, cabin crew and engineers.

Feb 12 - Workers at three of Tuam's biggest employers - Transitions Optical, Valeo and Logstrup - are told they are to go on three-day and four-day working weeks.

Feb 12 - Tesco announces it is to create 250 new jobs in Coleraine as planners give the green light to expansion plans at its current store in the Co Antrim town.

Feb 12 - Steam Global Services Inc in Derry confirms it has put 150 employees on protective notice following the end of some of its local contracts with Logica.

Feb 16 - The National Bus & Rail Union revaled it has received an overwhelming mandate for industrial action up to and including strike action over the lay-offs at Bus Eireann and Dublin Bus.

Feb 16 - More than 150 former employees protested outside food firm Swissco's Little Island plant in Cork. Swissco closed in December with staff receiving only statutory redundancy.

BITES

Drivers blast Green Party

DUBLIN Bus drivers have accused Coalition partners the Greens of hypocrisy. They claim the party has stood by as the transport firm withdraws 120 vehicles from its fleet and axes 290 jobs. Angry drivers waving placards staged a protest outside of the party's HQ on February 2. Protest organiser Owen McCormack said: "We didn't expect a whole lot out of Fianna Fail regarding public transport, but it is a core Green policy."

Fears 31 subs jobs could go

Journalists at the Derry Journal are to ballot on industrial action over publisher Johnston Press's plans to centralise production of its stable of papers. The move will see sub editors being made redundant after it was revealed the subbing opertion of a number of titles - including the Donegal Democrat and Belfast NewsLetter - will transfer to a single centre in Craigavon. NUJ fear 31 positions could be lost in the process.

Cabbies call for licences action

TAXI drivers are demanding Transport Minister Noel Dempey slaps a three-year moratorium on the issuing of new licences.

Cabbies claim their livelihoods are under threat from an influx of newcomers entering the industry as well as a sharp drop in business from cash-strapped firms.

Organiser Jim Waldron said: "Drivers are staying on an extra couple of hours a night trying to get an extra few quid.There's going to be a tragedy with someone falling asleep at the wheel."

Figures released by the Commission for Taxi Regulation show a total of 25,695 Small Public Service Vehicle licences were issued in 2007. By 2008 this had jumped to 27,429.

Pension gripes shoot up 43pc

COMPLAINTS to the Pensions Ombudsman rose by 43pc last year with the construction industry facing a particular hike in numbers.

Pensions Ombudsman Paul Kenny claimed that in 2008 his office dealt with 101 complaints – up from 35 in 2007.

According to Mr Kenny, many complainants came from eastern Europe.

He said with the rising number of redundancies in the sector, more workers have been examining their entitlements, only to realise these have not been put in place.

Mr Kenny pointed out the growing number of liquidations in the construction industry may make it more difficult to secure money that is owed.

Extent of NI fuel poverty revealed

A HOME Energy Conservation Authority report has revealed Northern Ireland has the highest rate of fuel poverty in the UK.

Despite efforts by the Housing Executive to improve energy efficiency in its housing stock, the group warned this was not enough to deal with the problem of fuel poverty which affects 226,00 households in the North.

The report's authors pointed out that since May last year, coal prices have risen by a quarter and gas prices by 28pc in the same month followed by another 19.2pc hike last October.

Electricity costs shot up by 14pc in July and again by 33.3pc in October.

The authors stated: "In 2001 only around 20,000 households of incomes between £10k to £15k were in fuel poverty whereas by 2006 this had trebled to over 61,000."

Talking shop: Brian Cowen at Congress last year. His speech to the Dublin Chamber of Commerce earlier this month drew a more robust response from trade unionists

Woolly words won't change fact workers bearing brunt

TAOISEACH Brian Cowen has been accused of using "woolly words" following his appeal to the Irish people's sense of solidarity in facing down the economic crisis.

He called on business and community to pull together but warned the standard of living was likely to fall by 10 to 12 per cent over the next few years.

The comments, made in an unscripted address lasting 17 minutes at a Dublin Chamber of Commerce dinner on Februrary 5, were well received by the 300 business people at the function.

He was given a standing ovation after finishing his speech.

But reacting to what was said, SIPTU chief Jack O'Connor noted the Taoiseach's stated desire to maintain the social partnership process, which he said was "OK as far as it goes".

He added: "However, despite all the woolly words about 'working together', the fact of the matter is that the only people he has inflicted pain upon in last Tuesday's announcement are those who have to work for others for a living, while not a cent is required of the wealthy.

"It will require a great deal more than woolly words to maintain social cohesion during the difficult times that lie ahead as a result of the government's gross mismanagement of the economy over the last 12 years." In the speech, Mr Cowen emphasised the qualities he claimed the Irish people would need to show in order to deal with the recession.

He said: "The one thing that characterises their success is their self-belief.

"If we decide to wallow in the sea of doubt do not be surprised if we remain in the turbulent waters that we are in today.

"We cannot say that suddenly we lost our entrepreneurial can-do spirit that has brought us to where we are today."

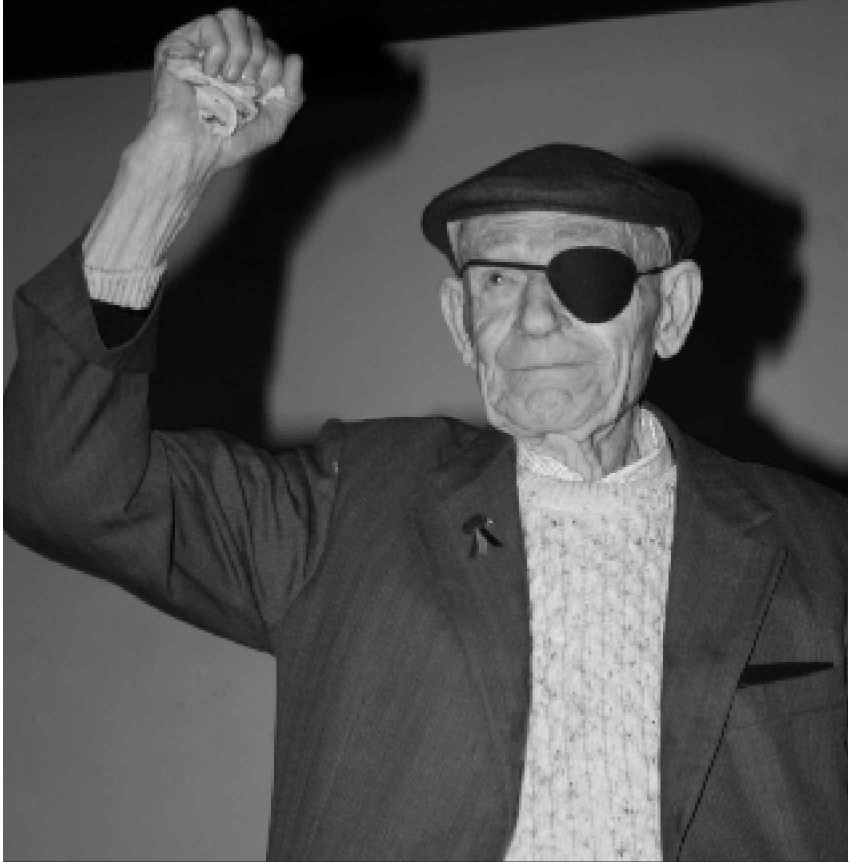
Underlining the difficulties that lie ahead, he said the task that now faced the government was "jobs, jobs, jobs".

He added: "The profound changes that are happening in the global economy mean that we won't revert to the high rates of growth but we can evert to growth more quickly if we stick together as a community."

Other points in the speech included:

- The need to cut labour costs as well as invest in infrastructure, education and research and development,
- The importance of social partnership, and
- The need to recognise the benefits that flowed from EU membership. He said: "Our future is in Europe for all its faults."

Bob Doyle, last Irish Brigadista, dies at 92



BOB Doyle, Ireland's last Spanish Civil War brigadista has died, aged 92.

The Dublin-born veteran left-winger first fought fascism in the guise of General O'Duffy's Blueshirts on the streets of Dublin in the 1930s.

He had joined the local IRA but claimed his only activities were blowing up statues and other "relics of British imperialism".

Doyle later became involved with the Republican Congress before the attack on the Spanish Republic prompted him "to do his bit".

He signed up with the British battalion and fought at the Battle of Belchite in March 1938 before being captured with 140 other volunteers by Mussolini's Black Arrow division.

Released in February 1939 in a prisoner swap, Doyle later served in the Merchant Marine during the war before settling in London where he continued his political activism into his 90s.

His autobiography Brigadista: An Irishman's Fight Against Fascism was published in 2006.

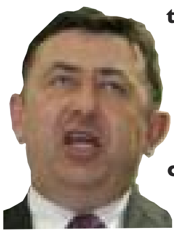
Doyle, who worked most of his life as a printer, was honoured in a march through central Dublin on February 14. Family members took the indefatigable fighter's ashes to Ireland for the event.

Walsh: Cut pay by fifth

FARMERS have demanded a 20pc cut in the minimum wage to restore competitiveness and get the economy moving.

Calling for salaries to be slashed at all levels, Irish Farmers' Association president Padraig Walshe warned the only alternative to the swingeing move was the loss of a substantial number of jobs.

However, he told delegates at the IFA annual general meeting the government shouldn't come looking for cuts from farmers themselves.



Wages call: Padraig Walshe

CONSTRUCTION

Ombudsman courts vow on pensions

PENSIONS Ombudsman Paul Kenny has served notice on bosses who take contributions from workers but fail to pay into pension schemes, they will be pursued through the court system.

It's claimed the vast majority of cases where this happens involves small construction firms.

Employees in the building trade who are over 20 should be part of the Construction Workers' Pension Scheme.

The employer pays in 4.2pc of wages and workers have 2.8pc deducted from their wages.

Mr Kenny – who received 101 complaints on the issue last year – said the usual excuse deployed by offending firms was cashflow, but added that they then often used solicitors to obstruct his work.

He said: "Often you get complaints from people who have been working for four or five years, and the pension contribution have been coming out of their wages but you find that no pension contributions have been paid.

"The money was deducted during the boom years when these guys (builders) were making pots of money, but the money has never being paid into the pensions scheme."

57 died in workplace accidents last year

FIGURES released by the Health and Safety Authority have revealed 57 people died last year in workplace accidents in the Republic.

More than 90pc of victims were men and more than half of the fatalities were in agriculture (21) and construction (11).

The statistics, contained in CSO's Quarterly National Household Survey, also showed that more than 50,000 employees were injured with about 20,000 needing more than four days off work as a result.

Workplace accidents cost the exchequer about €2 billion a year.

HSA chief executive Martin O'Halloran especially welcomed anecdotal evidence of a cultural change in the construction sector regarding work safety.

He told the Irish Times: "It's no longer considered 'unmacho' for guys to wear helmets, high-viz vests, gloves, eye protection and so on. It takes a long time to change these attitudes but it's becoming the norm now."

VIEWPOINT

ICTU Assistant General Secretary **PETER BUNTING** argues that investment not cuts is the only way for Northern Ireland to fight its way out of recession

Expand, invest and organise

THE economy of Northern Ireland is now in a recession that will last at least two more years, according to every economic pundit.

The most conservative estimate is that unemployment will reach 50,000 by early 2010, especially in construction, manufacturing, retail and services.

Northern Ireland is protected to some degree, by the existence of an efficient public sector, whose workforce is now the backbone of our economy, ensuring that demand for products and services from our delicate private sector continues.

The greatest threat to our long-term prospects is the fatalism of some who call for cuts to our public services, and the unwillingness of banks to act as responsible citizens instead of gatekeepers of their share options.

This global recession will require global answers, such as President Obama's stimulus package, and perhaps even international financial regulation in the shape of a 'Tobin Tax' on international bond and share dealing. Locally, there is much that can be done to protect and stimulate our economy.

At the first meeting with the First and Deputy First Ministers last October, the NI Committee made a series of positive proposals aimed at alleviating the stress and strain of the looming recession.

These have been followed up with further meetings, and the NI Executive has adopted some Congress suggestions to stimulate the economy, especially in the construction sector. ICTU proposed that the Executive should request banks and building societies for a moratorium in house foreclosures for one year and the creation of a Workers' Protection Fund, modelled on the existing Pension Protection Fund, which can ensure early payments of redundancy pay and other monies due to workers made redundant, rather than waiting for months for redundancy payments as happens too often when companies enter receivership.

The NI Executive has been urged by ICTU to frontload some of the £12 billion remaining of the strategic infrastructure investment and support construction jobs.

> "Best outcome is a strong public sector & vibrant private sector complementing each other"

Congress is arguing that these public procurement contracts should adapt EU guidelines which allow for these projects to employ and upskill the long-term unemployed and school leavers.

There should also be a criterion whereby local suppliers can be used to supply basic building equipment, from bricks to bulldozers. This is not protectionism. This is investment. Such steps are also necessary in the light of the ceasing of credit from banks, which is forcing several viable enterprises to the wall. Regional and national government (and public opinion) must press the banks to start lending so businesses can invest.

In the light of the cancellation of the Maze national stadium project, the Belfast area is still in need of a substantial conference centre, to stimulate a sustainable stream of tourist and commercial visitors. The 2009 ICTU Biennial Delegate Conference was due to be held in Belfast this year, but lack of support means that instead, the BDC is being hosted in Kerry, which will profit from an estimated £3 million into its local economy at the expense of Belfast's.

To fund such a publicly-owned conference centre, using vacant land such as at the Lough Shore, a levy of £1 for every hotel room booking in the Belfast area could subvent what would be a vital boost for Belfast's tourism and hospitality industry.

We can also invest in our future prosperity by engaging in large-scale programmes to properly insulate housing. It is estimated that 400,000 homes are energy-inefficient.

A fraction of those homes being lagged would provide substantial employment as well as improving the fiscal and environmental values of those properties.

This is the most opportune time to invest in research and development into the green technologies for which there is a massive global market. If we can hold on to our most talented graduates and our skilled manufacturing base, we could transform the shape of our private sector.

Property and retail formed the base of the 'boom' which as just passed.

We need a more long-term strategy for the development of a prosperous private sector proportionate to the population. For too long, the private sector was too small because it thought too small.

The best outcome in the aftermath of this downturn would be a strong public sector and vibrant private sector complementing and supporting each other and all of society.

IBOA urges state plan for banking

THE IBOA has called for a comprehensive state plan for the Irish banking in the wake of a recent series of blows to the industry.

General secretary Larry Broderick claimed this was necessary to "provide clarity" and allay uncertainty about the sector's future and comes after the move to fully nationalise Anglo Irish Bank.

He said: "The banking sector should be playing a pivotal role in the efforts to promote economic recovery in Ireland. Unfortunately, as a result of a number of factors – but chiefly the singular pursuit of short-term paper profits for shareholders rather than the building of sustainable value in the long-term – Irish banking is ill equipped to discharge that responsibility."

While supporting government efforts, he said now was the time "to provide clarity for the citizens, for the taxpayers, for the customers, for the shareholders and for all the employees working in the sector, as to the future direction of Irish banking". Mr Broderick called for an independent audit of the circumstances leading to the crisis at Anglo-Irish Bank as well as a "root and branch" review of the regulatory framework governing financial services.

He also warned the government to take "whatever action is necessary" to prevent the acquisition of AIB and Bank of Ireland by private equity companies who would seek "to maximise asset values at the expense of customers and workforce".

Solidarity pact must be agreed

Mind games: O'Connor

SIPTU chief Jack O'Connor has warned that unless the government, bosses and financial elite face up to the need for a social solidarity pact, there is "every possibility" the situation could spiral "dramatically out of control" in the coming weeks.

He made his comments after Goodbody Stockbrokers issued a report on February 16 arguing for cuts in welfare spending in response to their prediction that the economy will contract by six per cent over the next year.

Mr O'Connor said he "dismayed" by the conclusions drawn by the report's authors.

He added: "It is appalling that people threatened with unemployment and in many cases with the loss of their homes and occupational pension entitlements as well, can expect nothing better from the elite of the financial services industry than the suggestion that their meagre social welfare benefit may be reduced.

"And all this while not one additional cent has been raised from the wealthy in our society." Mr O'Connor claimed "the big players" in financial services had played "a key role" in creating the global economic crisis.

He added:"At the very least [they] should have the decency to refrain from commenting and frightening people. It is precisely this reign of psychological terror waged on PAYE workers that has contributed so much to undermining consumer confidence."

He said forging a social solidarity pact was the only to get out of the current crisis.

Mr O'Connor added: "It is neither equitable nor financially sustainable to place the entire burden on the PAYE sector, including those joining the ranks of the unemployed.

"Unless the concept of a pact is grasped within the next few days, and certainly at the latest within a few weeks, there is every possibility that the situation will escalate dramatically out of control."

NEWSBRIEFS

EU directive to limit docs' working hours

DESPITE a 2004 EU directive on curbing unsafe work practices, some junior doctors are still doing shifts of 36 hours or more, it has been revealed.

A review by the Department of health found an August 2007 directive that a junior doctor's working week should not exceed 56 hours has proven difficult to implement.

Dr Cillian Twomey, a medic from Cork who chairs the National Implementation Group which tested new rosters, said some members of staff were working shifts of "up to 36 hours in duration… and sometimes longer" but underlined the fact that from August a new phase of the directive will limit the working week to 48 hours.

He told the Irish Independent: "Clearly periods on duty will have to be of much shorter duration."

The report highlighted the need for a cultural shift to change the way junior doctors' working hours have been organised as well as the employment of more senior consultants.

USDAW welcomes £500m jobs boost

SHOPWORKERS union USDAW have welcomed the UK government's announcement of a £500 million investment in getting the longer-term unemployed back to work.

From April, Jobcentre Plus can award firms up to £2,500 for every person they recruit and train who has been out of work for over six months.

General secretary John Hannett called the measures to encourage firms to recruit staff "very good news" and said it represented type of "decisive action" needed to turn around the economy.]

Admitting that some high-profile names such as Woolworths and MFI had gone to the wall, he added: "At the same time, many of the very big retailers are reporting good sales figures.

"USDAW is calling on all retailers not to rush in and make redundancies when most of the retail sector will survive the current economic difficulties."

THE NEW DEAL
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Off the mark: Fielding

'Malingering' claims blasted

BUSINESS group ISME has blasted some GPs for issuing sickness certificates "like snuff at a wake" and blamed them for tacitly condoning "malingering".

Chief executive Mark Fielding claimed a survey of 750 companies carried out by the organisation had found 83 per cent of absenteeism was due to what he called "feigned illness or malingering".

The claims were rubbished by The Irish Medical Organisation who dubbed the findings "misguided and mischievous". Blaming GPs for having "an ATM mentality", Mr Fielding said: "It is also quite obvious, based on the survey results, that unauthorised absences are being tacitly condoned by the medical profession."

IMO GP Committee chairman Dr Ronan Boland claimed Mr Fielding misunderstood the role of the family doctor.

He said: "My role is not to manage the presence or absence of employees.

"The key to managing inappropriate absence from work lies with the employer."

POLITICS

SIPTU claims divide and conquer bid won't work

SIPTU has claimed the government is attempting to drive a wedge between public and private sector workers.

Blasting the move as "irresponsible" and an "insult" to workers, Marie Butler, the union's branch organiser in Waterford, claimed it was part of a "smoke screen" to hide the government's "rich and famous friends".

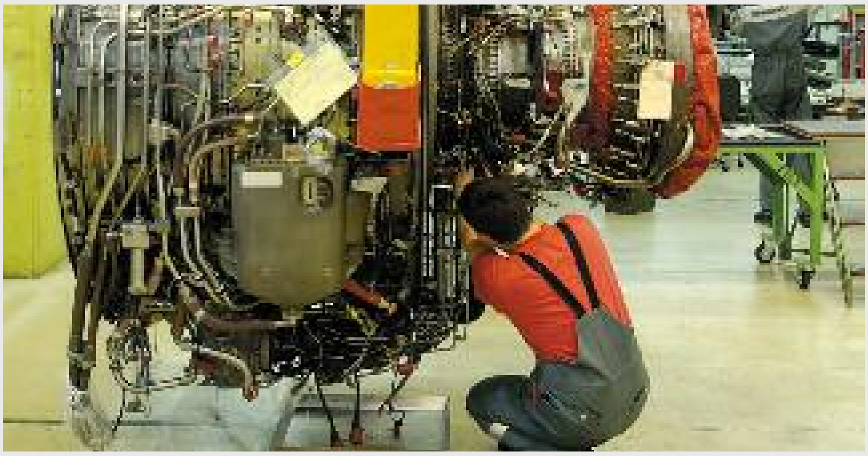
She said: "It is an insult to workers everywhere that some in the government believe the public sector pension levy is OK, because private sector workers are losing their jobs.

"What the government didn't say was that taking €1.4 billion out the pay packets of public sector workers is going to put even more private sector workers out of jobs, because there will be less money being spent in the local economy."

She claimed that workers were "not stupid" and that they knew they were being used to drive through "a cost-cutting agenda".

Ms Butler added: "The rich and famous, who have squandered our wealth and put our livelihoods in jeopardy, are the real villains, not workers on decent pay and conditions who pay their taxes, struggle to meet mortgage repayments and their other daily living expenses.

"it's time for the selfish rich and famous to pay up."



Union vows jobs fight at SR Technics

SIPTU Branch Organiser Pat Ward has vowed to do his "utmost" to try and save jobs during the 30-day consultation period following the announcement of 1,135 lay-offs at troubled aircraft maintenance firm SR Technics.

He made the comments on February 12 after meeting with company CEO Bernd Kessler and other senior managers at the North Dublin plant.

Later, he claimed shock had turned to anger among workers at the plant.

SIPTU is to meet with Tanaiste Mary Coughlin to press home the need to preserve jobs at the specialist facility.

Mr Ward added: "If this vital industry is lost now, it will never return to Ireland."

> **"It is the rich who have squandered our wealth and put our livelihoods in jeopardy"**
>
> Marie Butler

The Swiss-based company has blamed the global downturn in the aviation industry for the closure as well as its intention to move away from maintenance to other areas.

Some 200 SR Technics employees in Cork are not affected by the move.

Mr Ward said: "We pointed out we had been through crises before with FLS and Team Aer Lingus but management had always been prepared to roll up their sleeves with us and tackle the issues. We said we were prepared to do so again and asked them to join us in saving the plant.

"We made it clear we were not there to discuss redundancies, that generations of workers in North Dublin had depended on the aviation industry for a livelihood, the decision to close was wrong and that we would use the 30 days consultation period to do our utmost to save the jobs."

However, Bernd Kessler - who had also met Tanaiste Mary Coughlin last week - was pessimistic that staff pay cuts or shorter working hours would halt the closure and said it was "not something we would consider".

He also pointed to the loss of major contracts in recent months, the high cost of operating in Ireland and staff costs 20 per cent above "what the market is willing to pay".

Mr Kessler added: "We all need to realise this is not a crisis that will go away in one or two years. It will have a significant and lasting impact on the airline industry for many years."

SIPTU's Dermot O'Loughlin called on the government to step in to save jobs rather than sitting "idly by".

Pointing out that government already had a 25 per cent stake in Aer Lingus, he said: "We're calling on them to step in right away, no taskforce, no messing about, just put this business back on track,"

He added: "They can see fit to put €7 billion into banks and they can't see fit to try and survive a company that is truly Irish in its nature and workforce."

CIF chief's remarks blasted

'Brass neck': Tom Parlon

CIF chief Tom Parlon has accused Consumers' Association vice-chair Michael Kilcoyne of making "sweeping, inaccurate and hugely damaging comments" about the exploitation of Polish workers.

Mr Kilcoyne, who is also a SIPTU official, claimed Ireland's reputation had been damaged by the way some unscrupulous contractors treated non-nationals.

He added that some building sites in Poland had shown their disgust by putting up 'No Irish' signs. Mr Parlon countered by claiming workers from Poland came here in large numbers because Ireland offered higher rates of pay and better working conditions.

But ICTU chairman Noel Dowling hit back at the one-time PD deputy claiming he had a "brass neck" attacking Mr Kilcoyne on the same day a builder in his former constituency was ordered to hand over €92,968.36 in unpaid wages to seven Polish workers

He said: "Tom Parlon is absolutely convinced he can bluff his way through and deny the widespread exploitation that is taking place.

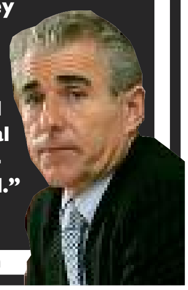
"Mr Parlon would be better off working in partnership with us to clean up the industry."

INO 'solidarity' after Oz wildfires tragedy

THE Irish Nurses Organisation has sent a message of support to their counterparts in Victoria affected by last week's wildfires that claimed more than 200 lives.

General secretary Liam Doran wrote to the Victoria Branch of the Australian Nursing Federation expressing "support and solidarity ... in the light of the very great tragedy".

He added: "We have seen extensive coverage of the terrible loss of life in recent days and I would imagine that the health services are extremely stressed in dealing with the many burns and injuries that have inevitably taken place but have not been captured by the media coverage. In that context we would like you to convey to all of your members our best wishes, at this time, and we sincerely hope that all of you will find the strength to deal with this terrible emergency in the days ahead."



Support: Liam Doran

NEWSBRIEFS

EGSA help for workers facing redundancy

THE Northern Ireland-based Educational Guidance Service for Adults has put together a special help package for workers facing redundancy.

EGSA, which has built up close partnerships with many trade unions over the years, wants to highlight services it can provide to employees through their workplace or on an individual basis.

Its staff specialise in helping people update skills, gain qualifications and explore new career options.

Guidance chief Becca Vaughan said: "People facing job losses may find it difficult to get new employment in the short term.

"But if, through our support, they're motivated to improve their skills and qualifications, they're much more likely to find a job once the worst of this crisis is over."

For more information, contact EGSA on 0845 602 6632 or online at **www.connect2learn.org.uk** or at **www.egsa.org.uk**

Support for recession hit families welcomed

ICTU Assistant General Secretary Peter Bunting has voiced support for new measures going through Stormont which will assist families in need.

He said: "The Executive is showing it is taking seriously the needs of those who are most vulnerable in the economic downturn.

"In a series of meetings with the First Minister and Deputy First Minister, Congress representatives pressed ministers to take urgent action on fuel poverty, social housing, job protection and speeding up government infrastructure contracts to boost the construction sector.

"We particularly welcome the intention to drive loan sharks out of business, as we welcome calls from the First Minister and Deputy First Minister for banks and building societies to assist their customers who are finding it difficult to pay their mortgages."

Review call: John Corey

Fury over Civil Service pay bungle

BELFAST-based civil servants angered at not having received their wages have staged a demonstration at the offices of a private payroll contractor.

The January 28 picket outside the HR Connect offices in the city centre came after a similar series of payment errors in December sparked fears as many as 250 employees faced a dismal Christmas.

One CSA worker told one newspaper she did not know how she was going to survive on her zero pay packet. She said: "I should get around £979 per month, but I got my wage slip yesterday and it said I was getting nothing."

NIPSA chief John Corey voiced his support for the protest and said the union had no confidence in HR Connect.

He claimed that although the privatised contract costs taxpayers £465 million, it was failing to cover the basics and ensure all civil service staff received their correct pay.

Mr Corey added: "This is the third time this has happened. We are calling for a full examination of every case where there is a failure to pay the correct pay and a full independent review of this whole contract."

VIEWPOINT

Unite Regional Secretary **JIMMY KELLY** reflects on the dignity in crisis of Waterford Crystal workers who have already given so much over so many years

The glass struggle

WORKERS at Waterford Crystal have dealt with no less than nine restructurings over the last two decades. These have seen a reduction in staff from 3,500 employees in the 1980s to the current level of 650.

They have adapted and accommodated changes in work practices to suit an ever changing business climate.

Up until Friday, January 30 they had done so with the longer term in mind.

Waterford Crystal as a business has remained profitable down the years. The skill and endeavour of one of the most committed group of workers in the country has maintained high standards which have in turn held up the high quality of the product.

As representatives of the workforce, Unite had held constructive talks with all those who expressed a willingness to invest in keeping manufacturing at the home and heart of the brand in the City of Waterford.

Since the start of the year in public, and over a longer period of time in private, government and potential investors, as well as the Irish Congress of Trade Unions had worked their way to a point at which it looked like the company could be bought out of receivership as a going concern.

The closure of the plant that last Friday in January was a bolt from the blue. It could have been a fatal one. The manner in which the decision was taken without any notice to Unite or to workers was disgraceful. Men and women who had devoted 40 years of their life to what was always more than just a job were left reeling waiting on an envelope to say whether they were one of the lucky few who would be asked to go to work on Monday.

Private security staff were used to try to secure the plant, an action which was out of character with how negotiations had been completed up to that point and which made a tense situation even worse.

The workers got through that though and the sit-in which has taken place since has been conducted in an atmosphere of quiet determination. The fight to protect a long term future for Waterford Crystal is one which encompasses everybody in the city. The support which has come from local residents, small businesses and friends and family has been humbling.

> **“There has been no rioting in the streets, no damage to work they created, nothing but dignity”**

Many of those who have expressed their views to a worldwide audience have done so calmly, with a real feeling for a job that was always much more than a way to fill each eight-hour shift.

Workers have been criticised for staging the sit-in. Their actions have been criticised as reflecting poorly on Ireland as a place to invest.

The suggestion is that those who have put their lives into Waterford Crystal should just accept that a lottery of letters should determine whether they have jobs to go to or not.

Irish workers, and many Irish employers have expressed their grave disappointment in how the closure of the plant was handled. The offers of support from big business, from local shops and from people from every walk of life has helped to keep up the optimism that Waterford will survive this darkest of days.

The sit-in is an expression of the passion which workers feel for where they work and what they do. There has been no rioting in the streets, no damage to the work which they have created, nothing but dignity. The workers have no need to apologise for asking that respect be shown to them.

There are complex issues to be dealt with but primary among them is for the receiver to conclude a deal which will get craftsmen and cutters back to producing crystal in Waterford.

The talks which have continued throughout with Unite, government, ICTU, the receiver and the potential new owners are moving along at a pace which might have been slower were it not for the protests which the workers at Waterford have undertaken. We are hopeful of a positive conclusion.

These are difficult and turbulent times but Waterford Crystal has overcome those in the past and will do so again, given the opportunity.

To use a sporting analogy, form is temporary but class is permanent and the class embodied by the production of the world's finest crystal from within Ireland is something of which we should all be proud and willing to support.

With the right marketing, the right imagination and an inevitable improvement over time in world economic fortunes, Waterford Crystal will survive and thrive. Last year Waterford sales in the US totalled €180 million. The market remains, as does the spirit to service it.

Quiet determination: The market remains as does the spirit to serve it... Waterford Crystal workers during their sit-in

G20 call: Tony Woodley

Unite leaders in challenge to G20

UNITE chiefs Derek Simpson and Tony Woodley have issued a message backing the TUC-organised march for jobs, justice and climate through London on March 28.

In a joint letter, they set out a series of demands to world leaders in advance of the G20 summit in the English capital on April 2.

These include:

- **Jobs - decent jobs & public services for all**
- **Justice - end global poverty and inequality**
- **Climate - build a green economy**

They said: "We are taking a lead in sending a message to the global leaders that there can be no going back to business as usual. Governments, business and international institutions have followed a model of financial deregulation that has encouraged short-term profits, instability and an economy fuelled by ever-increasing debt, both financial and environmental.

"We need Unite members and activists from around the country to come to London and show that our union will fight for a just, fair and sustainable world in order to get through the current recession."

For more information check out the Unite website at www.unitetheunion.com/g20demo

Peace rally: Leading trade unionists Patricia McKeown, John Corey and Peter Bunting were among those who led the protest

5,000 at ICTU protest

THE Irish Congress of Trade Unions has called for a boycott of Israeli goods as part of a drive to secure a peace settlement in the Middle East.

It follows a surge of outrage worldwide at the recent Israeli military offensive in which more than 1,300 Palestinians – most of them civilians – died.

A peace rally, organised by the Northern Ireland Committee of ICTU, was held in Belfast city centre at the height of the onslaught on the Gaza Strip on January 14.

More than 5,000 people marched to the City Hall where they were addressed by a number of senior trade unionists, churchmen and activists.

ICTU assistant general secretary Peter Bunting also spoke at the rally.

He questioned why some local politicans had attempted to portray the Palestinian/Israeli conflict as a mirror image of the North's own sectarian difficulties.

Mr Bunting said people in Northern Ireland had to get over viewing complex international issues "through the prism of our own sectarianised politics".

He added: "It is our humanity which is affronted by the images from in and around Gaza, not our narrow identities in divided Belfast."

Mr Bunting emphasised the protest was not directed against the Israeli people.

He said: "We are here today not to criticise the people of Israel, many of whom are our comrades for peace and justice.

Call: Patricia McKeown

"We act in solidarity with the Israeli workers, Israeli human rights groups, Israeli military refusniks, and the Israeli physican groups – groups such as Breaking the Silence and B'tselem.

"This protest is against the actions of the government of

Protest: Section of 5,000-strong crowd

Israel and those western political powers complicit in their actions."

Calling for economic action against the Israeli government, he claimed people could use their "collective clout" as "ethical consumers" in the struggle for justice for Palestinians. He added: "The actions we have witnessed in Gaza this week make the case for economic pressure more vividly than any words that I can say." Sue Pentel, speaking on behalf of Jews For Justice For Palestine, called for a change in Israeli government policy. She said: "I was brought up to stand up for the oppressed and to distinguish right from wrong. It is not anti-Jewish to oppose what is happening in Gaza."

Nobel Peace Prize winner Mairead Corrigan Maguire made an emotional appeal on behalf of the children of Gaza and ICTU President Patricia McKeown called for a boycott of Israeli products as a means of exerting pressure on the Israeli government.

Speaking after the event NIPSA chief John Corey called it "heartening" to see the public's response to the trade union movement's call to stand up for the people of Gaza.

He said: "No one can fail to be moved at the sight of such widespread, wanton and unjustified violence that has been visited on the population of Gaza.

"People from every spectrum of Northern Irish society have come together to express their solidarity with a defenceless people in the face of naked and overwhelming superior military might.

"It is essential that we maintain this unity and keep up the pressure for an immediate ceasefire and for a long term and just solution to the Israeli/Palestinian conflict." ICTU's sanctions drive

Holocaust Memorial Day marked

ICTU assistant general secretary Peter Bunting has attended an event commemorating victims of the Nazi genocide as well as other gross abuses of human rights.

The event at The Braid, Ballymena Town Hall Museum and Arts Centre saw a moving presentation by Dr Susanna Kokkonen, director of the Christian Friends of Yad Vashem.

The theme of this year's Holocaust Memorial Day is "Stand Up to Hatred", and The Braid hosted the exhibition The Kindertransport Journey: Memory into History.

The exhibition telling the story of how 10,000 Jewish children were moved from Germany to Britain in 1938 by their parents, most of whom later perished in the death camps.

Civilian targets: Young victim of Israeli Defence Forces' bombing onslaught

rally over Gaza

is on the back of a report compiled after a trade union delegation, led by Patricia McKeown, visited the strife-torn region in late 2007.

Speaking at a launch of the policy at the Long Gallery at Stormont in Belfast, Ms McKeown said she was "profoundly shocked" by conditions she observed in the occupied territories.

She added: "I didn't expect the denial of human rights and the discrimination to be so evident and to be an obvious part of daily life.

"To see unemployment on the West Bank rising to 80 per cent, to see people having to get up at three in the morning, and virtually sleep outside the the army controlled crossings in order to get into work - that's something we didn't expect to see."

During the visit, group met trade unionists and politicians in Israel as well as Hamas political leaders. At the time, they also called on Hamas to end its rocket attacks on Israel.

Ms McKeown said ICTU was pushing for international action on the issue with talks already under way with trade unions in Britain and the US.

BREADLINE

Nearly 100,000 Northern kids live in poverty

ALMOST 100,000 children in Northern Ireland are still living in deprivation, government figures have revealed.

The data follows on from research carried out by the UN Committee on the Rights of the Child last year which showed that one in five children and young persons was living in "persistent poverty" in the North – a rate more than double the UK average.

However, figures from the Office of the First and Deputy First Minister showed a drop of 39,000 in the number of children living in "relative poverty" - gauged on households with a below average income - since 1998/99.

According to the 2006/07 estimate, about 96,000 children fell into this category.

There was also a drop of 82,000 in the number of children living in absolute poverty since 1999. By 2007, about 12 per cent – or 52,600 kids – were in this group.

Patricia Lewsley, the Northern Ireland Commissioner for Children and Young People, expressed fears that the figures were put together at a time of relative prosperity and before the impact of the global downturn hit the Northern Ireland economy.

She said: "These are not stories from the 19th century, but are stories of real children and families I have met.

"While I welcome that there has been some progress, according to the figures released by government, it is too little. And I am concerned that these statistics were compiled before the current economic downturn."

'Largesse' shown to banks blasted

A TEACHERS union has contrasted the government's move to take Anglo Irish Bank into public ownership with the savage budget cutbacks in education.

INTO general secretary John Carr claimed schools were told last year by the Republic's Education Minister Batt O'Keeffe public finances were in such a state that teaching jobs had to be axed, and funds for books and computers slashed.

He fumed: "Now his government with the stroke of a pen can find billions to bail out a failed bank. Some of this money is education funding the Education Minister took out of cash-strapped primary schools."

Mr Carr added government penny pinching on funding primary education stood in stark contrast to the "largesse available to the golden circle".

TEEU and SIPTU blast ministers' ESB comments

THE Technical Engineering and Electrical Union has hit back at government ministers over comments made regarding the awarding of a 3.5 per cent pay rise to ESB workers.

TEEU general secretary designate Eamon Devoy said: "The depiction of ESB workers as greedy, uncaring and somehow responsible for the crisis we are in says more about the bankruptcy of government policies than the realities ordinary working people are facing."

He claimed the union had delivered "pay moderation and industrial peace" for more than 20 years through social partnership which helped create a thriving economy.

But added: "At the first signs of trouble some government ministers seem happy to walk away from the process, along with IBEC and the CIF.

"It started with a witch-hunt against public servants. Now the attack has moved on to ESB workers. Who will be next?" He said the only "sin" committed by ESB workers was that they accepted a pay hike negotiated through the social partnership process last year.

Meanwhile, Greg Ennis, SIPTU branch organiser at the ESB, also lashed "recent negative ministerial comments".

Justice Minister Dermot Ahern had called the decision to award the pay rise "crass in the extreme".

Hitting back, Mr Ennis pointed out that such comments were hypocritical and at odds with the pay provisions under the national pay agreement.

He said: "On how many more occasions will this government demonstrate its capacity to attack the working class in this country?

"Surely government ministers should be directing their focus to addressing the current catastrophic situation caused by the greedy, but powerful minority, rather than berating those who have already put their shoulder to the wheel to make the ESB the profitable company that it is."

The new deal

Economist **PAUL SWEENEY** argues it's time to stop playing Russian roulette with casino capitalism and opt for a Keynesian-style stimulus package

UNEMPLOYMENT may be heading for 450,000 and for the first time ever, there is no place to go. The emigration 'safety valve' is closed. This crisis is different to anything we have experienced before.

Therefore, the solution must go far deeper than simply addressing the public finances. This explains the Social Solidarity approach taken by Congress in negotiations with Government, primarily our insistence that the cost of any adjustment is shared across all of society.

We require a fundamental realignment of our economy and society.

And if/when we resolve the crisis there can be no return to business as usual for Corporate Ireland: for the banks, builders and government policies that combined to bring our economy to its knees.

This global mess was generated by privatised, deregulated and ultra-free markets. All countries, including Ireland, must now abandon this redundant economic model.

However, ongoing commentary from many Irish economists demonstrates that most are still wedded to neo-classical economics, adhering faithfully to the theory of 'efficient markets'.

But the world moves on. The market is not working. It was not even working when it appeared to be booming.

In fact, areas of the 'market' now need public subsidies to function.

And when the market comes out of rehab, it must be fundamentally reformed and learn to operate under greater public oversight, or we will have learned nothing.

Contrary to myth, 'markets' are always shaped by man-made rules.

Some of us warned against the buccaneering, tax cutting, free-spending, pro-cyclical policies of Charlie McCreevy, when Minster for Finance, and the huge subsidies to property investors.

These actions greatly inflated the bubble and exacerbated the bust.

It seems we had "too much privacy and not enough enterprise", as Noel Browne famously remarked.

Several businessmen who built up fine firms have been found playing casino capitalism with vast sums of money, borrowed from 'friendly banks'.

New laws are urgently necessary on financial disclosure, on unlimited companies, on regulation, and especially on corporate governance. Ireland has to shift rapidly from Boston to Berlin: from the Anglo 'shareholder value' system, to the European 'stakeholder' model.

To find solutions, we must learn from history. Some argue we should not look back and scapegoat. But it was the bankers and developers, their professional advisors and economists who 'pimped up' the boom.

They almost destroyed what is still fundamentally a sound economy and government policy greatly assisted. No wonder people are angry.

Today's bust would not be so bad if, during the boom, the government had taken its foot off the growth accelerator and not reduced taxes so much - we pay virtually the lowest income taxes in the developed world, have the lowest taxes on corporate profits and none on property.

In addition, it would have helped if they had conserved revenue and been far more vigilant on financial regulation.

Credit would have been tighter, thus the boom would have been reduced and the bust would have been less dramatic.

Had direct taxes not been cut so much, we would now have a big pile of cash to maintain public services. But government chose the US way, of de-regulation and privatisation.

> "The market is not working... it was not even working when it appeared to be booming"

Further privatisation would be folly. Selling productive family silver in a bad market would be naïve in the extreme.

These are key, Irish-controlled companies that deliver vital services and profits. We privatised a highly profitable, debt-free, heavily investing Eircom and the result - on prices, services and broadband - has been disastrous.

On the positive side, the NTMA currently holds borrowings of more than €21bn in cash. Thus, Ireland will not be forced to borrow for a while, at prevailing premium rates.

The net National Debt to GDP ratio is now only 20 per cent.

Congress has accepted that the country is in a double crisis with both the banks and tax revenue in freefall. Thus cuts in public spending will have to be made BUT only if the pain is shared.

Conservative economists simplistically advocate cutting public sector pay - some even want to cut social welfare and fuel allowance! But there are regressive state subsidies we should target.

For example, over €3bn in tax has been lost in 'incentives' to wealthy investors in area-based property schemes alone, with some €473m foregone in 2006.

More importantly, Ireland runs a massive but hugely unreported Corporate Welfare Programme, with billions given to the enterprise sector annually, in tax breaks, incentives and subsidies, all of which is run by a vast network of public servants who deliver free services to the sector: IDA Ireland, Forfas, Enterprise Ireland, SFADCo, Udaras, Teagasc and BIM are but a few examples. Businesses should be more careful in what they wish for in public spending cuts, as they might now have to pay their own bills.

Similarly, the IFA demands a 20 per cent cut in wages. Yet public subsidies and price supports to Irish farmers under CAP are equal to their total net incomes annually.

Some 118,000 farmers will have received a staggering €53bn in CAP subsidies by 2013.

They cannot talk of competitiveness. They bite the hand that feeds, pun intended.

Over €1.5bn a year could be saved in cutting subsidies to business, farmers and investors - overnight.

We have also heard unsubstantiated claims that labour costs are a big problem, this being the basis in arguing for big cuts in all employees' pay.

It is asserted that 'we' are paying ourselves too much, as if we are all uniformly well paid.

For professors of economics on €150,000 to €170,000, this is correct. For dentists, solicitors, accountants and medical consultants, many business-people and some farmers, it is correct.

But it is not correct for average workers. Two-thirds of the workforce earn less than €44,000. Conservative economists do not seem capable of distinguishing between differing incomes and wealth. As the table shows, the cost of employing the average Irish worker is 22nd from a list of the world's 30 richest countries.

	COUNTRY	LABOUR COST $
1	Germany	59,526
2	Belgium	57,141
3	Austria	56,630
4	United Kingdom	56,612
5	Luxembourg	54,000
6	Norway	52,048
7	Netherlands	51,828
8	France	50,260
9	Sweden	48,763
10	Switzerland	48,489
11	Japan	46,916
12	Korea	46,604
13	Finland	45,302
14	United States	44,347
15	Greece	44,304
16	Austria	42,579
17	Denmark	41,252
18	Canada	38,627
19	Iceland	38,232
20	Italy	36,692
21	Spain	36,329
22	Ireland	34,379
23	New Zealand	29,037
24	Portugal	27,453
25	Czech Republic	23,604
26	Hungary	21,552
27	Turkey	20,182
28	Poland	19,847
29	Slovak Republic	18,215
30	Mexico	11,766

Source: Country submissions; OECD Economic Outlook, 2007

It is clear that total labour costs are way below those of the UK, Germany and other Eurozone counties. The loss of cost competitiveness is due to the strong euro, not pay levels.

Competitiveness is a very complex issue and involves far more than costs, either labour costs or even unit labour costs. Yet our productivity is amongst the highest in the world and has risen at over three times the average rate in the Eurozone for the last decade.

A further major flaw in the conservative argument on pay cuts is that they will automatically translate into overall lower costs and will not lower consumer demand. That is untrue.

Congress is seeking a major Keynesian-style stimulus package. We accept the need for an adjustment in the public finances, with progressive public sector reform and tax increases for the well-off, action on tax exiles, a termination of tax shelters and a broadening of the tax base.

We seek increased investment in education, our key competitive advantage, with a national No Child Left Behind programme for all pre-school children, which will create thousands of jobs.

Above all what any agreed plan must do is protect existing jobs and maximise employment levels.

We propose reshaping our social welfare system around the concept of Flexicurity, along with a jobs scheme for vulnerable firms, as unemployment soars. Congress wants real bank reform, not rewards for bad behaviour, and concrete measures to help those threatened with repossession.

Other key issues are: better regulation, curbing executive remuneration, progressive health care reform; a Green Deal for renewable technology and a National Recovery Bond.

In an article in October last year, I called for a new public/private paradigm. We have it today, with the public sector bailing out the private banks, the car industry and Irish business seeking even more subsidies because of the working of the 'efficient market' in currencies.

While a dependent private sector is not what I had envisaged, blaming public sector employees for the crisis is wrong.

It has deep roots in the private sector, but was combined with major errors in public policy, in its failed system of regulation, massive regressive subsidies and pro-cyclical economic policies.

But it is unfettered capitalism and ultra-free markets that lie at the root of this deep crisis.

And yet it is the 'state' so reviled by the neoliberals that has come to their rescue.

To solve this major crisis, all will have to contribute, according to their means.

This includes cuts in the vast array of subsidies to the enterprise sector, to banks, to corporates, to investors, to wealthy farmers, with the well-off digging deepest.

There can be no more 'business as usual'.

STIMULUS PACKAGE

- **Tax increases for the better-off**
- **End to tax shelters**
- **Investment in education**
- **Action on tax exiles**
- **Flexicurity**
- **Reforms of banking system**
- **Better regulation of finance system**
- **Progressive healthcare reform**
- **National Recovery Bond**
- **Renewable energy and technology**

NEWSBRIEFS

CIE corporate box move is slammed

A CHORUS of cat-calls has greeted CIE's acceptance of a corporate box in part payment from the Lansdowne Road Stadium Development Company.

The criticism comes as the transport firm announced a radical series of cuts which could see 600 jobs lost at Dublin Bus and Bus Eireann over the next year.

Unions at CIE have slammed the plan.

One official told the Irish Independent: "They certainly won't be unemployed people or pensioners or schoolkids who get in there.

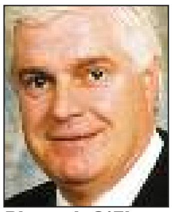
"The fact CIE is continuing to have corporate entertainment when its job should be to provide public transport for ordinary people is incredible.

"I'm glad CIE is being paid to facilitate the stadium but it should be in a form to boost services and deliver something to staff and the travelling public."

Executive to rule on Liberty Hall Mk II

A STUNNING new design for a replacement for Liberty Hall will be put to SIPTU's executive later this month.

It is thought planning permission for the project will be sought as early as next month with work put out to tender next year.



Pleased: O'Flynn

SIPTU general secretary Joe O'Flynn is reported to be "very pleased" with the design put forward by Dublin-based architect Des McMahon, who has worked in the past on the redevelopment of Croke Park and the Hugh Lane Gallery extension.

The original building brief envisages a tower which will double the floor space from about 5,500 square metres to 11,000 square metres and include an auditorium, a sky deck cafe and union heritage centre.

€150k ruling for Bulmers workers

CIDER workers at Bulmers were cheered by a Labour Court ruling last month that will see them sharing a €150,000 payout.

This follows plans to axe a company bus service that ferried employees to and from the firm's Clonmel plant.

SIPTU, Unite and TEEU opposed the move arguing the bus was a "condition of employment." Bulmers bosses claimed the €100,000 annual cost of the transport was unsustainable.

Deadlock followed a conciliation conference at the Labour Relations Commission and the issue was taken to the Labour Court.

The court said it did not see the shuttle service as a condition of employment "as the term is normally understood" but ruled that it should continue for the next three months.

A lump sum of €150,000 will be divided among "those affected by the discontinuance" in compensation for the eventual ending of the service.

SIPTU tribute to Larkin

SIPTU general secretary Joe O'Flynn has called for an end to discrimination against trade unionists in the workplace.

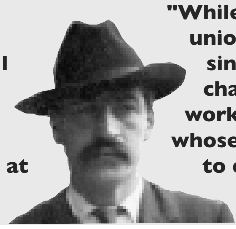
He made his call at a special ceremony on January 31 to mark the hundredth anniversary of the founding of SIPTU's forerunner, the Irish Transport and General Workers Union by legendary activist Jim Larkin.

Mr O'Flynn claimed that many Irish people were still fighting for the right to be represented on the shop floor.

Addressing the gathering at Larkin's statue on O'Connell Street, he said: "The right to organise and be represented by a trade union when times are tough is denied to tens of thousands of workers.

"A hundred years after Jim Larkin founded our union and 98 years after workers were batoned off this very street for demanding the right to trade union recognition we are still fighting for it.

"While tens of thousands of trade union activists in the decades since have come together to champion the rights of ordinary working people, it was Jim Larkin whose vision gave them the means to do so."



Visionary: Jim Larkin

IMO may ballot on industrial action

THE Irish Medical Organisation will ballot its junior hospital doctors on industrial action, if the HSE forges ahead with plans to slash overtime and allowances.

The body said the changes - under which mandatory unpaid meal breaks will be introduced and training grants ended - are in breach of current agreements.

IMO chief Dr Martin Daly dubbed it "a devastating attack" on the 3,000 junior hospital doctors it represents.

Health bosses claim they have taken the measures to cut junior doctors' hours to an average of 48 hours a week to comply with the EU directive on working time which comes into effect in August

€90,000 payout for Ballymun hotel workers

A GROUP of former employees of a hotel that went into liquidation are to receive a payout of €90,000.

The 35 workers who used to staff the Ballymun hotel took a case to the Rights Commissioner following the non-payment of money owed to them.

The Ballymun Plaza Hotel closed last April and its employees were let go without notice after the building was repossessed from management by its landlord. The company that operated the hotel went into liquidation a few months later in October.

SIPTU organiser Miriam Hamilton said staff were forced to leave the premises with only enough time to collect their belongings.

She added: "Their employer refused to pay any of the wages owed." The group are expecting to receive individual payments of between €700 and €13,000.

Former porter Thomas Metcalfe told one reporter: "I'm pleased this whole ordeal is over at last. We were treated terrribly and we had to move mountains to get what was owed to us.

"Our union made sure that everything possible was done to get us the money owed and at last it seems like it was worth the wait."

THERE IS A BETTER, FAIRER WAY

SATURDAY FEB 21

MARCH & RALLY

SETTING OFF FROM PARNELL SQ @ 2PM