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Neo-Corporatism, New Realism And
Social Partnership In Ireland
1970 - 1999

By Patrick McGlinley, B.A., Grad. I.P.D.

Submitted as the Dissertations of Doctor of Philosophy in the Department of Business, Economics and Social Policy, Institute of Cambridge.

September, 1999
Neo-Corporatism, New Realism And Social Partnership In Ireland 1970 - 1999

Kieran Jack Mc Ginley, B.A.,Grad I.P.D.

Submitted for the Degree of Doctor of Philosophy in the University of Dublin, Faculty of Business, Economics and Social Studies, School of Business.

September, 1999
Declaration.

I declare that this thesis is entirely my own work and has not previously been submitted for a degree at this or at any other University. I agree that the Library may lend or copy this thesis upon request.

Signed: Kieran Jack McGinley B.A. Grad. IPD.
SUMMARY

The research undertaken in this dissertation was based on the use of four separate methods. Initially an extensive trawl was made of the literature around the area of Corporatism at home and abroad. Secondly I was in a position to gain access to many documents from some of the main players in the area of Industrial Relations in Ireland namely the government, trade unions and employer organisations. Thirdly 31 people were interviewed by tape recorder and the transcripts sent back to them for verification and amendment. Finally during the course of the seven years of the study I was involved on the trade union side with my own union SIPTU, at local, branch and regional level and at national level of ICTU as a delegate from SIPTU to the Public Services Committee and to the Biennial Delegate Conferences in 1997 and 1999, and the Special Delegate Conferences, in relation to what later became known as Partnership 2000.

The research covers the period 1970 to 1999, and examines the differing methods used over that period to bargain for pay and conditions and deal with analogous industrial relations matters. Three of these analogous matters; trade union recognition, a national minimum wage and the extension of partnership to the level of the enterprise, are examined in detail in Chapters Seven to Nine. The typed interviews are used extensively in those chapters as well as Chapters Five and Six which detail the historical journey from 1970 to 1999.

The main findings of the research are that the period between 1970 and 1999 can be divided into five distinct time periods which are illustrated in Figure 10.1. Over that period pay in the public sector has been bargained between government and representatives of the Public Services Committee of the ICTU. The National Pay Agreements in the early 1970s grew into two wider agreements named National Understandings and began to cover issues such as taxation, welfare and the social agenda. In the private sector pay has been negotiated centrally between government,
employers and trade unions in the periods 1970 to 1981 and 1988 to date. The period 1982 to 1987 saw a return to free collective bargaining in the private sector.

After the period of free collective bargaining in the mid 1980s the government and trade unions had wide ranging discussions on the state of the economy and the growing problems of emigration and unemployment. Agreement was reached on a common agenda which would provide for pay restraint from employees in return for tax concessions and moves towards improving the unemployment situation. Reluctantly the employer organisations became involved and so the era of ‘New Realism’ began, which was to lead to the negotiation of four national Partnership agreements, between the social partners and, in the fourth such agreement Partnership 2000, non-government organisations who had been involved in the National Economic and Social Forum were included as a fourth pillar dealing mainly with the area of social exclusion.

Ireland was, according to those experts who included them in ranking tables of Corporatism, listed as ‘low’ along with countries such as France and the United Kingdom. Over the last twelve years, because of the success of Social Partnership and the Irish economy in general, we would now enjoy a position towards the top of the ‘middle’ rankings. As well as the benefits to the economy the last twelve years has seen significant increases in take home pay facilitated through pay moderation, taxation changes and bargaining clauses based on productivity negotiated locally.

There have also been significant developments in relation to the creation of new institutional structures such as the local and area based partnerships to aid in employment creation, the National Centre for Partnership to facilitate the increase of partnership in both public and private sector and the National Competitiveness Council. The research concludes that though there are current tensions on some wage matters that the Partnership approach should be continued in all our interests.
ACKNOWLEDGEMENTS

I would firstly like to thank all the staff in the School of Business, past and present, for their help and courtesy over the past seven years. To Valerie Mc Carthy many thanks for being my line of communication to the Department during that time and for the small kindnesses which she performs with the minimum of fuss.

To my colleagues in the Library, particularly in the Campus Bookstacks and Santry for their help and understanding, words of encouragement and loyalty, a particular word of thanks. A special thank-you to Brian O Connell and Kevin Mention for the many text translations which helped me enormously.

The research would not have been possible without the help of the 54 people contacted with a view towards involvement in the fieldwork, but I particularly thank the 31 people who were interviewed, whose views are central to this dissertation. Also a special word of thanks to all those people who sourced and supplied documents, papers, journals and books to me over the years.

The INULS Conference in the University of Limerick in 1998, as well as the IIRA Conferences in Dublin and Bologna, where I also spent a fortnight at a postgraduates Summer School hosted by Professor Marco Biagi, were marvellous learning experiences as well as places in which I met new friends. From their number Dr Wim van der Voort, Dr Anne Keegan, Henrik Vistisen, Frank Tros and Francesco Billecci and I have remained in constant touch.

To the troika who migrated from the NCIR to Trinity College, David Coghlan, Pat Rooney and Phil Killeen many thanks for the solidarity, and the continual words of encouragement, it made the transfer to the Business School easier when familiar faces were around. My fond memories of the teaching, premises and library staff at Sandford Road still remain.

To Bill Attley, Brendan and Tom Hayes who read Chapters five to nine and chided me when I erred in fact, in the earlier drafts mile buiochas, Brendan and Tom also helped me with a number of earlier publications as well as the papers delivered at the European Industrial Relations Association in Dublin in 1997.

Finally to the two people without whom this work would never have been completed, they are entitled to equal praise. Dr Ivan Filby has been my supervisor, mentor and friend over the course of my research, John Murray chose well when he offered me Ivan’s services as a supervisor.

Mags O’ Brien, my wife, has helped in the typing of the tapes and in the layout and typing of the final text. During the course of the seven years she has run the Divorce Action Group, and when that campaign was won moved to the Labour Market Division of the INOU, before finally settling into Liberty Hall with the Food Branch in SIPTU. Her ability to energise both herself and myself as well as all her other involvements, over the last years has been a feat of enormous proportions. Finally to my Dad, brothers Frank and Sean and my sister Marie many thanks for giving me the space to read, listen learn and finally write.
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In 1969 a dispute arose between the Federated Union Of Employers (FUE) and the National Group of Maintenance Craft Unions over a pay increase which resulted in the loss of 635,801 man days. The total loss of earnings to employees in all the affected firms amounted to £1,427,000. A consequential dispute with the Marine Port and General Workers Union (MPGWU) and eight other firms led to further serious losses. Some of the companies involved reported long term affects on their trade, while the Exchequer was also hit and the Industrial Development Authority (IDA) reported that the adverse publicity generated by the dispute may have caused a setback to industrial promotion efforts.

The Minister for Labour, Patrick Hillery TD, requested the late Con Murphy to investigate the causes of the dispute and in his report Mr Murphy cited the following conclusions:

1. A small group of workers acquired a power over the trade union movement which that movement would not itself give to Congress, a power which sought and got observance of most of its pickets.

2. Neither the employers nor the trade union movement appear to have realised the strength of that power until it was too late.

3. The FUE was not adequately sensitive to the ambitions of the electrical and engineering trade unions. Certain crafts were increasing in the degree of skill required while other skills were in decline.

4. The Craft Group demand was ambiguous and not all the unions were of the one mind.

5. The strike committee gave themselves powers far beyond traditional rights.

6. FUE members who settled with the strikers abused the integrity of established negotiating procedures.

Two of the main recommendations arising out of Con Murphy’s (1969:37/8) report were:

- The dispute was a clear demonstration that our present antiquated and irrational system of industrial relations needed reform. The responsibility to reform the present system is of course tripartite - the trade unions, employer organisations and the Department of Labour.

- The wage settlement for this dispute was for one of the largest amounts ever conceded by Irish industry; around 20 per cent. If the pattern of increases granted elsewhere were to be influenced by this settlement, the adverse effects on the economy would be
very serious. Prices would rise causing loss of competitiveness both in home and export markets, leading to the adoption of protective measures; these, in turn, would likely result in decline in business activity with consequent loss of production and employment. All concerned must strive that such awful consequences do not come to pass.

There followed a decision by both the ICTU affiliates and the employer bodies to attempt to negotiate pay settlements on a national basis and the subsequent national wage agreements were brokered under the auspices of the Employer Labour Conference. The area of these early national agreements has been studied only by O’Brien (1981) and subsequently by Hardiman and Lalor. This early period has often been characterised as neo-corporatist by Breen et al (1990) and Sheehan (1996). The area of the breakdown of national wage agreements in the private sector has received very little critical analysis.

During the course of the 1980’s however the effects of the second oil price shock, allied to higher inflation, increasing national debt and the appearance of Thatcherism and Reaganism on the world stage had a sobering effect on the Irish trade union movement. The employers were quite happy at this time with the prospect of continuing free collective bargaining although, while wage settlements were staying on par with inflation, the increasing tax burden on the PAYE sector was leading to civic unrest. It was against this background that a core group of senior trade union officials, chief amongst them Bill Attley, Peter Cassells, Phil Flynn and Dan Murphy began the debate on ‘New Realism’.

New Realism was to be a tactic to trade pay restraint for an increased say in decision making and greater job creation. The strategy initiated in the Programme for National Recovery was continued on in the following agreement, The Programme for Economic and Social Progress (PESP) and in two further partnership deals, Programme for Competitiveness and Work (PCW) and Partnership 2000 (P2K) which I have dubbed collectively the Four P’s. These last three programmes were part of an ICTU strategy envisaged in a document Ireland 1990-2000, A Decade of Development Reform and Growth. I first became interested in the partnership programmes, fragile though they were, during my period as a mature night student at the NCIR. It was there that I first met two teachers, Michael Barry and Sean Ruth, who inculcated in me a thirst for knowledge about the industrial relations process in Ireland and gave me a desire to research further when my Bachelor Degree had been secured.

Attley (1990:15) summed up the view of that time of New Realism as:

“The development of a genuine consensus approach similar to that envisaged in the ICTU ten year plan was the key to the future if Ireland as a nation was to compete
successfully in Europe and elsewhere. But this required a new approach by management and employees—a recognition that they were mutually dependent.”

Gallagher et al (1995:373/4) cite Ireland in 1989 as an intermediary category of ‘medium corporatist state’ along with such other countries as Belgium, Germany, Denmark and Finland explained as states:

“in which there is some explicit co-operation between social partners, though this is not enshrined in a powerful set of multilateral decision making institutions.”

What follows is a description of my attempts in the following chapters to outline:

The historical move from early wage agreements to programmes which encompassed a broad range of social issues in the two national understandings.

The period of 1982 -1987, broadly speaking the period of the Garret FitzGerald led Coalition Government.

Following that period, the move into Social Partnership and the ad hoc development of the programmes to their current status where they now involve not just the original three players; employers, government and trade unions, but the fourth pillar - the community and voluntary sector.

The broadening of the partnership process to cover issues such as trade union recognition and minimum wage legislation, as well as the deepening and widening of partnership to the level of the enterprise, encompassing partnership programmes, Employee Share Option Plans (ESOP’s) as well as new modalities of working. What emerges in this study is that while each individual agreement and era have proceeded items have appeared which have had to be dealt with by the main players. On occasion these issues have led to heated disputes among the social partners, and while occasionally they have damaged relations short-term, the process has continued unabated. Recent economic progress is currently leading to higher expectations from a workforce who believe that pay restraint is no longer necessary given the continuing economic success. However both employers and government continue to point to the need to keep the principal economic targets in line with the Maastricht criteria, as well as keeping our exporting private sector and public sector competitive in global terms.

Perhaps the greatest test facing social partnership in Ireland at present is how to dampen down expectations within the public sector in a way which can allow the negotiations on a fifth consecutive partnership deal to begin. In this writer’s view there are considerable
strains and tensions beginning to surface in terms of expectations over the next pay round.

Chapter Two deals with an analysis of the literature on Corporatism from Schmitter and explores the earliest manifestations in its fascist Italian context under Mussolini with the formation of autonomous corporations before the start of the second World War. Poole (1986) contrasts the position of pluralist countries such as Italy, the UK, Ireland, France and the USA with corporatist countries such as Austria, Norway, Denmark, Finland and Sweden.

Webb (1981) and Heath (1998) illustrate the move from incomes policies to social contract bargaining under both Conservative and Labour governments until the advent of Margaret Thatcher as Prime Minister in 1979, whose anointed successor John Major consigned Wage Councils to the scrap heap also. Crouch and Baglioni (1991) comment on the fragmentation of the system in the 1980's and early 1990's with the enterprise becoming the locus of the human resource bargaining on an increasing basis.

In Ireland the early de Valera appointed Commission on Vocational Organisation failed to launch the motor of Corporatism in Ireland much to Archbishop Browne's chagrin, while later on the Lemass/Whitaker axis launched both the NIEC and NESC, while bringing all shades of employer/employee representation on board. The chapter also looks at the various ranking tables of corporatist countries and ends with the views of a number of leading industrial relations commentators among whom Crouch, Regini, Schmitter and Grote as well as Treu chart the upward swing of neo-corporatism/social partnership in 1998 at the World Conference of the IIRA in Bologna.

Chapter Three looks at the contrasting fortunes of countries in the European Union. The countries were chosen because they show the large expanse of systems and arrangements which have prevailed in Europe over the last eighty years or so. In the ranking tables in Chapter Two, Austria, Denmark and the Netherlands feature at the pinnacle of Corporatism; Germany and Italy in the middle tiers and Ireland and the United Kingdom in the lower echelons. Austria has traditionally been regarded as the most corporatist of all the European countries, and the system continues to enjoy what Traxler (1998) refers to as still the country of corporatism, in that it continues to enjoy exceptional stability in its industrial relations system. In Denmark its system is notable for co-operation with the social partners as an integral part of the national labour market policy and also areas such as health and safety at work, placement activities, vocational training and the unemployment insurance system. Both the Netherlands and Germany are featured because of their historical significance in corporatist terms and because of the availability
of Dr van der Voort’s knowledge of the Dutch model, and the relevance of the German’s struggle of uniting two divided regions of the one country a factor which might come in to play in Ireland some day. Both the United Kingdom and Italy are interesting examples of countries pursuing differing strategies in the run up to monetary union. The United Kingdom opting out of EMU while the Prodi led Italian government struggled to adopt fiscal and monetary policies which would allow them access to EMU by critically meeting the Maastricht criteria on the back of a new concertative deal.

Chapter Four deals with the methodology adopted in the conduct of this research and in the fieldwork interviews pursued. The 31 interviewees who contribute to this research are from across the width of the industrial relations field, encompassing all the main players from trade unionists, employer organisations including farming co-operatives, government ministers and Taoisigh past and present, as well as journalists, academics, economists and members of non-governmental organisations. The availability of two commentators from overseas, Paul Teague in relation to the United Kingdom and Wim van der Voort from the Netherlands, lend added scope to a comparative dimension which might otherwise be lacking. The use of taped interviews is also explained in detail in this Chapter as are the historical vistas which are associated with using this particular device.

Chapter Five serves as an introduction to the period 1970 to 1987 and examines the National Wage Agreements and National Understandings. Professor Basil Chubb who facilitated the negotiation of these National Wage Agreements under the umbrella of the Employer Labour Conference (ELC) is a worthy guide to this period. The mainly 15 month agreements saw Ireland in a period of high inflation with these agreements attempting to shadow such high inflation. This was also the period of Ireland’s accession to the European Community which saw the enactment of equal pay legislation and the removal of the marriage bar in the public sector. The movement of government from the position of employer only, as it was in the early 1970’s and the beginning of its role in widening the ambit of pay agreements under the aegis of Richie Ryan TD as Minister for Finance to include taxation is also dealt with, and commented on by Dr Garret FitzGerald. The chapter continues with the breakdown of the consensus in the early 1980’s with a return to free collective bargaining in the private sector and Public Sector Wage Agreements in the public sector. A crucial historical fact unearthed in this chapter is the role of Donal Nevin, then General Secretary of the ICTU, and what appears to have been conflicting advice given to different political parties on the possibility of a return to collective agreements. Quinn (1995:P5) remembers the period as follows:

“What I only subsequently learned, after 1986, was that Nevin had a back door to Garret FitzGerald and Nevin was saying this won’t travel, these guys aren’t going to buy into it, the Trade Union leadership were not really all that keen, and so my own position (and I was a very naive politician then relative to now) was that Garret
was getting the signals from a very respected member with whom he had a long operational relationship over many years, that was discounting what was a more enthusiastic and perhaps optimistic view coming from me and at the end of the day it didn't get off the ground. And then of course they did the PNR, within nine months, less!"

In conclusion Bertie Ahern TD outlines Fianna Fail's return to the Lemassian policy of involving the trade unions, farmers and a hesitant employer community in the run up to negotiations on the Programme for National Recovery (PNR) and comments on the poisoned chalice handed by Charles Haughey TD to himself and Ray Mac Sharry, then Minister for Finance.

Chapter Six charts the negotiation of the four P's; PNR, PESP, PCW and P2000. It looks at the ongoing difficulties which emerged in each of the four agreements starting with the cuts in staff members negotiated by Ray Mac Sharry during the tenure of PNR when both Health and Education were cut severely by a voluntary early retirement scheme. The PESP had to endure a re-negotiation of the Public Sector pay element when the increases were 'capped' year on year although the rates were repaid with retrospective effect. The second exocet which PESP had to endure was the imposition of a 1% income levy which put at risk the negotiation of a third pay deal. This method of tax collection was excoriated by trade unions and employer organisations alike and senior officials admit that they were taken aback at the ferocity of the employee anger.

However students of recent Irish history would attest to the fact that the imposition of a fee for a fishing rod license in Ireland is something which could topple a government, and in the past shoes have been the reason for the voting down of a government's budget policy. In this instance good sense prevailed however and the withdrawal of the levy saw the negotiation of PCW which Bill Attley describes as 'watertight' and which has had an adherence rate of over 90% to its basic terms.

The most recent agreement, P2000, has shown signs of pay drift however and the adherence rate at the time of writing has dropped to circa 82%, though this is still historically a particularly high rate. The PCW saw a local bargaining clause inserted indicating an easing of the country's fiscal position and a sign that to a minor degree two-tiered bargaining would be tolerated. The trade union IMPACT have recently analysed the benefit of the latest agreement, P2000, as running between 16% and 19% when taxation benefits are included. This chapter also looks at the decrease in strike activity in Table 6.6 and the upward and downward spirals in the Consumer Price Index in Table 6.11. Two issues which have significant current relevance and which generate a great deal of debate are the question of public sector 'pay relativities' and with reference to PCW the issue of the 'early settlers'. These are both issues which have a crucial bearing on pay
in the Public Sector and may yet be factors which could unhinge future social partnership pay agreements, both are examined here.

The Chapter also looks at the issue of insider/outsider mainly from a dialectic between George Lee (ISME) and Manus O’ Riordan (SIPTU) although both Rory O’ Donnell (NESC) and Paul Teague (University of Ulster) have cogent remarks to make from differing academic perspectives. Finally two other issues which are examined are the move of the Irish system away from the British ‘model’ of industrial relations and the issues around the formation of the social pillar, of whose number both Sean Healy and Mike Allen are interviewees.

Chapter Seven looks at the subject of trade union recognition in Ireland. It traces its early existence to the provision included in the 1937 Constitution of Ireland until that provision was successfully challenged in Education Company of Ireland V Fitzpatrick (No 2) (1961:345) and in National Union of Railwaymen V Sullivan 1947 IR77; (1947) 81 ILTR 55. I look at the two reviews of the Constitution in 1967 and 1996, neither of which have to date produced material change in the law. This chapter also looks at attempts in the UK to de-recognise certain trade unions and the increasing number of Labour Court cases on the area of recognition particularly from 1990 to 1995.

The chapter further examines a number of high profile cases including Pat the Baker, Nolan Transport, River Valley and Elan. Of these cases the Nolan Transport case was tried in both the High Court under Justice Barron and the Supreme Court where the trade union SIPTU was vindicated in its belief that a legitimate trade dispute existed. Both Murphy J and Flaherty J upheld SIPTU’s view and Flaherty J (1998:2) emphasised the point with the dictum:

“Employers have an obligation to accord trade unions a measure of respect, representing as they do the rights of the workers.”

Key criticisms remain with the conduct of the ballot and the supervision arrangements which trade unions use. This was the first real test of the Industrial Relations Act 1990, an Act acquiesced to by the broad trade union movement. In the course of this chapter Pat Rabbitte TD has major criticisms of Attley and Somers from SIPTU for their compliant role in the enactment of this legislation.

John Dunne queries whether the granting of trade union recognition would be a disincentive to foreign investment while the role of the IDA in this issue is also examined. To a degree the fieldwork is overtaken by the work of the high level group on recognition, however what can be seen is the move of the social partners from polarised positions in
the early to mid 1990’s to achieving a consensus on recognition in a spirit of partnership by the decade’s end.

Chapter Nine looks at the fieldwork research on the notion of social partnership and a fairly wide sweep of opinions are assessed. Teague defines the concept as ‘economic and social citizenship’ while Butler’s broad brush approach likens the concept working together ‘for the betterment of Ireland’. Recent progress in extending the partnership approach to the level of the enterprise is examined, as is the development of the National Centre for Partnership under the aegis of the Department of the Taoiseach.

A broad range of views on social partnership emerge from the academic community interviewed, and certain conflicts appear principally between Teague and O Donnell, as well as Roche’s critique of Von Prondzynski’s view of Ireland ‘muddling through’. There are also the views of the economic community where the issue of a ‘democratic deficit’ is raised. This of course was a view previously held by ex-Taoiseach John Bruton TD who once dubbed social partnership a ‘cosy consensus’ but whose ideas altered while in government. That opinion has also been re-inforced by O’ Cinneide (1999) in a recent article in Administration.

The critical area of Civil Service reform, the development of new reward systems, the introduction of ESOP’s, the move towards further privatisation of the state sector, and the differing types of partnership forums which have begun to flourish are also examined. Reference is also made to the views of such critical opponents of the Social Partnership process as Allen (1999) and O’ Reilly (1999) who have recently written proposing ‘new models of collective bargaining’. The problem with the solutions posited in such ‘new’ models is that they seek a return to the free collective bargaining era of the early 1980’s with an increase in secondary and tertiary negotiations, a process not in favour with employer representatives. The question of Ireland’s place in the order of global competitiveness is examined in Table 9.2, as is both the government and employer focus on the continuing need to keep Ireland competitive.

In the final Chapter an attempt is made to develop the issues which have been explored in the previous nine chapters. The ranking of countries in terms of neo-corporatism/social partnership is also reviewed.

I have endeavoured to explore the three decades covered by the research and include the five separate phases which, in this writer’s view, emerge from that period as depicted in figure 10.1. These five eras may be characterised as:


3. 1982-1987 The PSPA's and the return to free collective bargaining in the private sector.


5. 1996-1999 The Fourth P, P2000, bringing the fourth strand into the negotiating process and elevating the issue of 'social inclusion'.

Chapter Ten also reviews progress made under social partnership and queries if an Irish model of industrial relations has finally emerged. The relevance of social partnership is also studied and some opinions explored on whether the concept of social partnership will continue now that the Irish economy, which was under threat in 1987, is now producing budget surpluses. At the time of writing some worrying storm clouds are emerging in the area of public sector pay, with major disputes looming in areas such as nursing, junior hospital doctors, DART and Dublin Bus with private sector employees eagerly awaiting developments.

Throughout the text the terms 'social partners' or 'players' are used in preference to the term 'actor' much used in the industrial relations era of Dunlop(1958), Flanders(1965) Hyman (1989) and Regini (1998), however the term 'industrial relations system' still survives. In recent times leaders from across the labour capital divide are more reflective, in this writer's view, of the sporting term players than that jaded term, actor. In their broad role as both employer and policy makers government must also be considered a key player.

Whatever title used to describe the process: social partnership, neo-corporatism or tripartism, there is no doubt that the process has been one of the key ingredients in turning an ailing economy around. The shift in those at work from 1.1 million to 1.55 million has been a major feat, as has the process of shifting the employment profile into work at the higher end of the remuneration table. Tough decisions have had to be made in partnership to come this far. Let us hope that we can continue on this road so that an Irish model emerges which has the durability and flexibility to withstand the inevitable economic shocks which cyclically emerge, and which broadens and deepens the partnership process to a degree that the trust thus established will make the adversarial model of industrial relations redundant.
CHAPTER 2: INTRODUCTION TO CORPORATISM AND SOCIAL PARTNERSHIP.

2.1.1 This Chapter provides an overview of the development and institutions of Corporatism in a number of countries. Particular emphasis is placed on the prerequisite conditions for the development of Corporatism in those countries which, over the past forty years, have been involved in either tripartite bargaining or Corporatism. The further purpose of the chapter is to briefly identify some of the countries which can be looked at in terms of:

1) The historical role of Tripartism/Corporatism
2) What the current status of Corporatism is, and where it is likely to lead in the future.

2.1.2 What is Corporatism, Neo-corporatism, Tripartism, Concertation and Social Partnership?

During this dissertation words such as Corporatism, neo-corporatism, tripartism, concertation (used extensively in Italy, the Netherlands and Germany), and Social Partnership (merely an Irish blas) are used interchangeably throughout the text as they broadly mean the same thing.

Sheehan (1996:2) opines:

"Tripartism best describes the form of neo-corporatism found in Ireland."

Phillipe Schmitter (1977:9) explains that:

"Corporatism can be defined as a system of interest intermediation in which the constituent units are organised into a limited number of regular compulsory, non-competitive, hierarchically ordered and functionally differentiated categories recognised or licensed (if not created) by the State and granted delibrate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports."

In the main, this means a pact between the three main players in the field of industrial relations, Government, Employer Organisations and Trade Union Confederations. The role and extent to which each of the players are involved is really determined by the individual countries themselves. What is also obvious is that, depending on the political party or parties which are in government at a given time, there can be a direct correlation between political ideology and Social Partnership/Corporatism.
Moreover an examination of the literature shows that there can be an ‘ebb and flow effect’; even major players such as Germany and Sweden can fall down the rankings, while countries like Italy and Ireland can move up the ladder in particular epochs. This is well illustrated by contrasting the leaders and laggards in Tables 2.1 to 2.6.

2.1.3 History and introduction to Corporatism.

Corporatism, also called corporativism, is defined in the Encyclopedia Brittanica (1997:647) as:

"The theory and practice of organising the whole of society into corporations subordinate to the state."

According to the theory, workers and employers would be organised into industrial and professional corporations serving as organs of political representation and controlling, to a large extent, the persons and activities within their jurisdiction. In practice, however, as the corporate state was put into effect in Fascist Italy between World Wars 1 and 2, it reflected the will of the dictator rather than the adjusted interests of economic groups.

Although the corporate idea was intimated in the Congregationalism of colonial Puritan New England and in mercantilism, its earliest theoretical expression came after the French Revolution and was strongest in Eastern Germany and in Austria.

The chief spokesman for this brand of corporatism or distributism was Adam Muller, court philosopher for Prince Metternich. His attacks on French egalitarianism and on the economics of Adam Smith were vigorous attempts to find a modern justification for traditional institutions and led him to conceive a modernised Standestaat (class state) which might claim sovereignty and divine right because it would be organised to regulate production and to co-ordinate class interests. Its classes or estates, though roughly equivalent to the feudal classes, were to operate as guilds, or corporations, each controlling a specific function of social life. Muller's theories were buried with Metternich, but after the end of the nineteenth century they regained life. On the European continent they served movements analogous to guild socialism, which flourished in England and had many features in common with corporatism, though its sources were largely secular. In France, Germany, Austria, and Italy, Christian syndicalists revived the theory of corporations in order to combat the revolutionary syndicalists on the one hand, and the socialist political parties on the other. The most systematic exposition of such theory was made by the Austrian
The advent of Italian Fascism gave an opportunity to put the theories of the corporate state into practice, for in order to gain power in Milan in 1919, Benito Mussolini and his associates needed the support of the syndicalist wing of the Nationalist Party. The Fascists viewed corporations as a useful form of social organisations that could provide the vehicle for broad based and socially harmonious class participation in economic production.

The practical work of creating Italian fascist syndicates and corporations began immediately after Mussolini's march on Rome in 1922 and resulted in the creation of 22 district corporations (1934) and a national council of Corporations in 1936. However the autonomous corporations had hardly began to function and the national council had barely sat when World War 2 broke out and the system broke up.

2.2.1 The Two Types of Corporatism

The two main types of corporatism are; societal and state corporatism, where the Corporate State is defined as a society governed by, and composed of, economic units of employers and employees in certain broad industries, all of which are subordinate to the state. Watson (1987) cites the tendencies of modern states to closely involve other influential organised interests in the handling of major problems and the directing of the national economy has led various commentators to talk of the emergence of a 'Corporate Society' or a 'Corporate State'.

2.2.2 Societal Corporatism

Corporatism imposed by civil society on the State i.e. from below, 'Societal Corporatism' e.g. Sweden, is viewed by Poole (1986:100) as:

"The logical outcome of powerful, centrally organised interest groups and of open, competitive political systems."

He contrasts the distinctions between societal and state corporatism where there are 'monist' political forms and no effective separate organisation of labour interests.
2.2.3 State Corporatism

Corporatism imposed by the State on civil society i.e. from above, 'State Corporatism', e.g. Portugal under Salazar, defined by Poole (1986) as being facilitated by all the concertation of powers in Government, monopoly forms of capital, the absence of independent associations of labour, and single party political systems.

Schmitter (1974:93) describes State Corporatism as;

"The product of monist political systems in which organised interests (particularly of labour) have been suppressed, it occurs when 'territorial subunits are tightly subordinated to central bureaucratic power; elections are non existent or plebiscitary; party systems are dominated or monopolised by a weak single party; executive authorities are ideologically elusive or more narrowly recruited and are such that political subcultures based on class, ethnicity, language or regionalism are suppressed.'"

Poole (1986:109) believes that for comparative purposes;

"finer distinctions are necessary in which 'societal' corporatism of the so called 'corporatist democracies' has to be contrasted with state corporatism in which there are monist political forms and no effective separate organisations of labour."

Apart, then, from the conditions which favour corporatist strategies overall, the societal variant depends greatly on:

1. A democratic political system with two or multiple parties in contention for office;

2. Above all centrally organised interest groups with considerable organisational control over the membership;

3. An institutional structure of organised interests that underlies societal corporatism where its employer and trade union organisations are:

   a) formally independent of the state but highly centralised.
   b) having limited fragmentation and considerable organisational control over the behaviour of the membership.

2.2.4 Poole (ibid) however identifies substantial variations in strategies of state involvement:
Corporatism is rooted in cultural and ideological philosophies such as Catholicism, Conservatism, and Social Democracy which emphasise harmony and the identity of interests of interdependent functional groups.

In general also, corporatism is facilitated by a crisis in pluralist institutions; 'concentrated' industrial infrastructures; the predominance of national, privately owned 'monopoly' capital and a long history of the state having been responsible for enduring capital accumulation (Strinati 1982).

Pluralism based, according to Poole (1986:105/6) on institutions and political processes that comprised a system of representation that supported political legitimacy and stability by fragmenting conflicts into specific, pragmatic, hence negotiable differences of interest. Arrangements of this type must be accompanied by the following six conditions being met:

1. A cultural commitment to freedom of association;
2. Ideological support for the notion of 'countervailing' powers and the distrust of all monist systems;
3. An economic structure once based on laissez-faire principles
4. A democratic polity;
5. Substantial independent 'powers' vested in the trade unions;
6. Collective Bargaining which is deep rooted and sustained with management recognising trade unions and bargaining in good faith with them.

Dynamically viewed, these two different types of Corporatism are products of different political, social and economic processes, with different power relations, and are the purveyors of different power relationships thus, Poole (1986:105) contrasts pluralist countries such as Italy, Britain, France, Canada, Ireland and USA against the most corporatist countries; being Austria, Norway, Denmark, Finland and Sweden, on the basis of two structural characteristics of the trade union movement (the degree of organisational centralisation and the extent to which a so-called single national central organisation enjoys a representative monopoly).

2.3 Academics’ views on Corporatism


On the Irish scene there was little, if any, significant comment other than from
Hardiman (1984,1988) and Lalor (1982,1984) which dealt with the National
on later pay rounds. A flurry of literature has appeared recently dealing with the
four national agreements covering the period 1988 to 2000 and this literature will be
analysed separately.

Rudolf Klein (1980a:627) has written that corporatism's less visible reinforcing
dimensions:

"show the importance of corporatism in British society as argued by Samuel
Beer some 15 years ago - long before the word achieved its current vogue status."

Pahl and Winkler (1974:9) defined corporatism in terms of government channelling
mainly privately owned business towards four goals. These four goals were explained
by Winkler (1976:7) as Order, Unity, Nationalism and Success.

Newman's (1981a:2) view was however that:

"the facts of depoliticisation, tripartism, working class co-operation plus the
ideological cover of national interest are modern Corporatism's primary
hallmarks."

Panitch (1977) and Crouch (1977 and 1979) trace the systems emergence to the inter-
war years the period of world-wide depression, economic retrenchment and
industrial rationalisation when habits of organised co-operation under the guidance
of the now participant state first started taking structural roots. War time solidarity,
co-operation and the post war exigencies of scarcity, austerity and reconstruction on
a national scale all reinforced the footholds of Corporatism.

Newman (1981:55) however highlights some of the less apparent dimensions of
Corporatism ;

"Democratic corporatism is a form of social organisation in which organised
groupings displace the individual as the main unit of civil society; where
functional representation formally overrides considerations of alternative social
allegiance, where the tripartite principle or organisation - represented by the
State, Industry and Organised Labour - is of predominantly decisive account,
where organised labour, formally integrated into the government apparatus has
acquired fundamental managerial and disciplinary function, where Parliament
continues to function, albeit with a much abated brief, where non-statutory bodies, barely accountable and disposing of significant power abound in every direction and where the legal order, no longer autonomous or independent has become subordinate to a range of social constraints and extra juridical considerations."

Particular stress devolves upon the following facets:

* Tripartism
* Extra Statutory Bodies (Quangos)
* The Education System
* The Media Network
* Depoliticisation
* Social Welfare
* The Family
* The Apparatus of Collective consumption

Goldthorpe (1984) suggests a decline in the Corporatist or Neo-Corporatist arrangements which took a variety of different forms in various European countries in the 1960's and early 1970's. The reason for this was:

1. The increased influence of Economic Liberalism in politics in some countries.
2. Reduced national influence of organised labour due to the international recession and the worldwide high levels of unemployment.

Watson (1987:133) opines that;

"Whereas Corporatism deals with the problems posed by major economic interest groups, and organised labour in particular, in an 'inclusionary' way - by involving them in forming and implementing economic policy - dualism works on exclusionary lines. Here the increased power of organised interests is offset by creating or expanding of groups of workers (and potential workers) who lack effective organisation or the potential to mobilise themselves. A major source of dualism has been that of migrant labour which has provided employers with a flexible, tractable and generally quiescent source of labour supply."

Richard Hyman's (1989) view from a radical perspective was more suspicious that government's raison d'être for being involved with trade union bureaucrats was more to do with the pragmatic needs of governments to come to terms with the ability of unions and their members to disrupt national economic policy.
2.4 The United Kingdom Experience of Incomes Policy, Tripartism and Corporatism.

Britain first experimented with incomes policy in 1948 (Personal Incomes Costs and Prices) when the Labour Government introduced it unilaterally although it was subsequently endorsed by the TUC. Kessler (1994:184) regards it as:

"The most successful of British incomes policies until it was overwhelmed by inflation as a result of the Korean War and the subsequent rise in the cost of raw materials."

The Tories ruled from 1951 to 1964 and formulated a prices and incomes policy (Incomes Policy: The Next Step) which introduced a pay norm of 2.5% in 1962, following a pay freeze in 1961. In the election year of 1964 this pay norm was raised to 3.5%. During the tenure of this Conservative Government the National Incomes Committee (NIC) was established in 1962. It was the first body set up which examined the pay of specific groups although the issues to be determined had to be referred to the NIC by the government.

Before Thatcher both the Conservative and Labour Parties in government were strong advocates of tripartism. Indeed it was the Tories in 1962 which set up Neddy i.e. National Economic Development Council, which brought together unions, employers and government and which spawned junior neddies to look at different industries.

Webb (1981:595) comments that:

"The heart of Neddy lay in its staff who were to undertake studies of the best means to attain growth and of the probable consequences of the various courses available; with sound knowledge and firm advice; it was thought, management and labour would be able to make their own plans within a general outline of the best course available for the nation."

Harold Wilson's first Labour Government decided on a prices and incomes policy in a tripartite Declaration of Intent with the CBI and the TUC it proposed to:

1. Ensure that the British economy is dynamic and that its prices are competitive

2. Raise productivity and efficiency so that real national output can increase and to keep increases in wages, salaries and other incomes in line with the increase
In 1965 the tripartite parties agreed to the extension of the role of the National Economic Development Council (NEDC) which was to review the movement of prices and of money incomes of all kinds, and a National Board for Prices and Incomes (NBPI) to examine particular cases to decide whether or not the behaviour of prices or of wages, salaries or other money incomes was in the national interest as defined by the Government after consultation with management with unions.

A pay norm of 3.5% was agreed with a number of exceptions and even when the NBPI found that low pay existed it sought to link any pay improvements to measures which improved productivity. The sterling crisis of 1966 saw the imposition of further pay freezes and though these were relaxed approaching the General Election of 1970, with average pay norms of 2.5% -4.5% except in cases of equal pay claims, but the TUC/Government consensus was frail because of the Government’s limitation of collective bargaining during that critical economic period.

2.5 Fragmentation in the 1980’s and early 1990’s.

In Great Britain, as noted later in Chapter 3, the advent of Thatcherism and Majorism brought about a complete withdrawal from any concertative or tripartite bodies and led to the elimination for a considerable period of time of a trade union ‘voice’ where it had existed for at least two decades under both the Tories and Labour Party.

Crouch/Baglioni’s (1990) view of the following three developments in the United Kingdom before the demise of Thatcherism sum up a very poor period in the life cycle of the British labour movement and its political arm, the Labour Party.

1. Almost complete rejection by the Conservative Government of the search for national compromise in I.R. that has characterised the policy of all parties since at least 1940 and arguably since the early 20th Century.

2. In several sectors of the economy the emergence of the company as the most important level for I.R. activity, replacing the branch, shop floor, and state levels that had previously competed for importance within the British system.

3. The installation of a tough legal framework for trade union action marking the end of the so called voluntarist tradition that dates back to 1871.
2.6 History of Corporatism and Tripartism in Ireland to 1969.

The De Valera/Lemass era, which included the era of Catholic social teaching and the principle of 'vocationalism' in Ireland, State Corporatism was seen in the 1930's in the guise of Catholic social teachings whose two main principles were:

1) Distrust of state power;
2) A belief that society should be built on the basis of vocational groups.

The corporatist attitude of the 1937 Constitution and the 1939 Commission on Vocational Organisation were seen then as extremely encouraging. In Ireland's case Societal Corporatism grew from the active intervention by the state in economic life demanded by the emergency years 1939-1945. Lee (1979) suggests that a reason for the failure of Corporatism then was the opposition of De Valera who wished to have no other source of power apart from himself.

Breen, Hannan et al (1990:6) describe the re-awakening of corporate values in Ireland in the late 1950's as;

"Another strand of the development process was a refocused and strengthened commitment to corporatist endeavours. Corporatist thinking in Ireland had previously associated with Catholic social teaching inspired by a papal encyclical of 1931. After 1958 the emphasis was on facilitating the implementation of economic planning through the use of consultative bodies and institutionalised negotiation between the 'social partners', trade unions, employers and the State, with farmers interests also generally represented, the Catholic church has not been a participant."

Sean Lemass saw the Trade Unions and the farmers not as adversaries, but as potential partners in the national economic and social enterprise and he drew his inspiration not from Rome (The Vatican), but France and Italy whose planning techniques developed post World War Two.

The first and second Programmes for Economic Expansion, along with the establishment of the Employer-Labour Conference, the National Industrial Economic Council, followed by the National Economic and Social Council, were vehicles for the establishment of tripartism and the growth of Societal Corporatism.

Ireland, as we shall see later in Chapter 5, essentially 'swam against the tide' in that it missed the early entry into Corporatism, however having embraced the idea in the 1970s (with just a small break in the mid 1980s), it has now totally embraced Social
Partnership and from a very fraught economic baseline in 1987, we have gone from what FitzGerald (1998:16) has defined as Celtic Cub, to being dubbed the Celtic Tiger Economy.

The exact definition of Corporatism and Neo-Corporatism change within the political epoches and across the political territory as you travel. In terms of the literature ten years can make a big difference between whether compromise or conflict is to be the order of the day. To borrow the title of the late Dr Noel Browne’s autobiography, ‘Against the Tide’, Ireland has more often in recent decades found itself in this position; swimming against the tide; especially the neo-corporatist tide elsewhere in the European Union. While other European countries have a longer and deeper history of Corporatism and Social Partnership, the reality is that over the last decade, while our EU partners social inclusion policies have to some degree been unraveling, the situation here has been the reverse - with Social Partnership at the Macro level being more firmly rooted particularly with the advent of Partnership for Competitive Enterprises as envisaged by Chapter 9 of P2000.

2.7 Further examples of loosening of corporatist ideology in the 1970’s and 1980’s.

Recent changes in Germany post unification have seen a tightening of economic policy, higher unemployment compared to what West Germany has been traditionally used to and rising costs in taxation and welfare. This has been accompanied by attempts to cut back on welfare benefits. Germany has also seen works councils take on a more central role as issues such as working time, changing technologies and training take centre stage. Locke, Kochan and Piore (1995) cite the view in a study of 11 OECD countries that all countries experienced an increased emphasis on the enterprise as the locus of human resources and industrial relations decision making strategy. For most countries, especially those such as Australia, Sweden, Norway and Germany, with histories of more centralised industry or national bargaining or tripartite consultations or agreements, this implied a decentralisation of activity.

Interestingly Jacobi, Keller and Muller Jentsch (1998:233) conclude that the German IR system or ‘model’;

“Seems to be undergoing a gradual but cumulative change of character; in the new century it is likely to be more decentralised, more fragmented, less legalised, less cohesive, and more internally differentiated. The virtuous circle of stable industrial relations institutions and economic success is no longer the obvious starting point for students of the German model.”
Ferner and Hyman (1998:X) comment on how fortunes have fluctuated since their first edition was published by saying:

"Some - the Norwegian and Dutch contributions, for example - have relatively optimistic stories to tell; others, notably the Germans, are markedly more pessimistic than five years ago."

In Sweden consequent on the employers' organisations decision to withdraw from national bargaining has given way to sectoral and industry wide bargaining. In the early 1990's Sweden saw a rapid decline in GDP, and an increase in unemployment from 2% to 8%. ETUI (1994:82) reports that in 1992 the Swedish Employers central organisation (SAF) withdrew its representatives; "from almost all government bodies, at both central and regional level."

Some changes have also been made to welfare benefits but an interesting consequence of the employers' squeeze on the unions has been the rapprochement between white and blue collar unions. Kjellberg (1998:114) states his view that:

"The formation of strong new union constellations across confederal and blue collar/white collar lines will certainly be an important element if the cooperative features associated with the traditional Swedish model are to be restored."

2.8 Ranking Order of Corporatist countries.

### Table 2.1 Ranking Order of Corporatist Countries

<table>
<thead>
<tr>
<th>Wilensky's Rank Order</th>
<th>Schmitter's (15) Rank Order</th>
<th>Lehmann's Categories</th>
<th>Schmidt's Categories</th>
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</thead>
<tbody>
<tr>
<td>Strong Corporatism</td>
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<tr>
<td>Belgium</td>
<td>Austria</td>
<td>Austria</td>
<td>Austria</td>
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<td>Holland</td>
<td>Norway</td>
<td>Holland</td>
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<td>Norway</td>
<td>Denmark</td>
<td>Sweden</td>
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<td>Sweden</td>
<td>Finland</td>
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<td>France</td>
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<td>Finland</td>
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<td>Austria</td>
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<tr>
<td>Medium Corporatism</td>
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<td>Italy</td>
<td>Holland</td>
<td>Denmark</td>
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<td>Denmark</td>
<td>Belgium</td>
<td>Germany</td>
<td>Denmark</td>
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<td>Germany</td>
<td>Switzerland</td>
<td>U. Kingdom</td>
<td>Finland</td>
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<tr>
<td>Switzerland</td>
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<td></td>
<td>Germany</td>
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<tr>
<td>Weak Corporatism</td>
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<tr>
<td>U.Kingdom</td>
<td>Canada</td>
<td>France</td>
<td>U.Kingdom</td>
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<tr>
<td>Canada</td>
<td>Ireland</td>
<td></td>
<td>Canada</td>
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<tr>
<td>Ireland</td>
<td>U.S.A.</td>
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<td>France</td>
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<tr>
<td>U.S.A.</td>
<td>France</td>
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<td>Ireland</td>
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<tr>
<td></td>
<td>U.Kingdom</td>
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<td>Italy</td>
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<tr>
<td></td>
<td>Italy</td>
<td></td>
<td>U.S.A.</td>
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</tbody>
</table>

Source: Schmitter (1981:294)

Pekkarinen, Pohjola & Rowthorn (1992: 50) citing Calmfors and Driffl's (1988) work, classify countries according to their degree of centralisation. This measure of centralisation has been constructed as the sum of two indices; the first of which indicates the level of co-ordination of decision making within the bargaining structure; (3 = nation, 2 = industry, 1 = enterprise and 0 = occupational level). The second measures the number of central union and employer organisations 3= one organisation on each side, 2 = 2-5 organisations on each side and 1 = no central organisation. Though Ireland does not appear in the table it is quite likely that in this particular period Ireland would be classified as decentralised.
<table>
<thead>
<tr>
<th>Country</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralised (5)</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>6</td>
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<tr>
<td>Norway</td>
<td>5</td>
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<tr>
<td>Sweden</td>
<td>5</td>
</tr>
<tr>
<td>Denmark</td>
<td>5-</td>
</tr>
<tr>
<td>Finland</td>
<td>5-</td>
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<tr>
<td>Intermediate (5)</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>5--</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>4+</td>
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<tr>
<td>Australia</td>
<td>4</td>
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<tr>
<td>Belgium</td>
<td>4</td>
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<tr>
<td>New Zealand</td>
<td>4</td>
</tr>
<tr>
<td>Decentralised (5)</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>3+</td>
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<tr>
<td>UK</td>
<td>3+</td>
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<tr>
<td>Japan</td>
<td>3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3</td>
</tr>
<tr>
<td>Canada</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Crouch 1988

Tarantelli’s (1986) Table (2.3) based on the following three criteria;

1) Centralisation of wage bargaining
2) Degree of ideological and political consensus and
3) Existence of arbitration rules. The scale ranges from 1 to 5 for each dimension of Corporatism.
Table 2.3 Classification of Countries according to their degree of Corporatism

<table>
<thead>
<tr>
<th>Country</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High (6)</strong></td>
<td></td>
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<tr>
<td>Austria</td>
<td>15</td>
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<tr>
<td>Germany</td>
<td>14</td>
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<tr>
<td>Japan</td>
<td>13</td>
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<tr>
<td>Denmark</td>
<td>12</td>
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<tr>
<td>Norway</td>
<td>12</td>
</tr>
<tr>
<td>Sweden</td>
<td>12</td>
</tr>
<tr>
<td><strong>Intermediate (6)</strong></td>
<td></td>
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<tr>
<td>Australia</td>
<td>10</td>
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<tr>
<td>The Netherlands</td>
<td>10</td>
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<tr>
<td>Finland</td>
<td>10</td>
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<tr>
<td>Belgium</td>
<td>9</td>
</tr>
<tr>
<td>Canada</td>
<td>9</td>
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<tr>
<td>USA</td>
<td>9</td>
</tr>
<tr>
<td><strong>Low (4)</strong></td>
<td></td>
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<tr>
<td>New Zealand</td>
<td>8</td>
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<tr>
<td>France</td>
<td>7</td>
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<tr>
<td>UK</td>
<td>5</td>
</tr>
<tr>
<td>Italy</td>
<td>4</td>
</tr>
</tbody>
</table>

*Source: Tarantelli (1986)*

As this Table was composed in 1986 during the period of the return to free collective bargaining in the private sector it is quite likely that Ireland would be positioned in the lower area of classification along with the UK, France and Italy.
<table>
<thead>
<tr>
<th>CALMFORS &amp; DRIFFIL</th>
<th>SCHMITTER</th>
<th>CAMERON</th>
<th>BLYTH</th>
<th>BRUNO-SACHS</th>
<th>DELL’ARINGA</th>
<th>CROUCH*</th>
<th>Neo-Corporatist</th>
<th>Liberal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Austria</td>
<td>1 Austria</td>
<td>1 Sweden</td>
<td>1 Austria</td>
<td>1 Austria</td>
<td>1 Austria</td>
<td>Austria</td>
<td>Australia</td>
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<tr>
<td>2 Norway</td>
<td>2 Norway</td>
<td>2 Norway</td>
<td>2 Norway</td>
<td>2 Germany</td>
<td>2 Norway</td>
<td>Denmark</td>
<td>Belgium</td>
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<td>3 Netherlands</td>
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<td>4 Denmark</td>
<td>4 Norway</td>
<td>4 Denmark</td>
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<td>5 Denmark</td>
<td>Norway</td>
<td>Ireland</td>
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<td>6 Netherlands</td>
<td>6 Denmark</td>
<td>6 N. Zealand</td>
<td>6 Switzerland</td>
<td>6 W.Germany</td>
<td>Switzerland</td>
<td>Japan</td>
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<td>7 Belgium</td>
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<td>7 Netherlands</td>
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<td>Switzerland</td>
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<td>9 Switzerland</td>
<td>9 UK</td>
<td>9 Belgium</td>
<td>9 Belgium</td>
<td>9 Belgium</td>
<td>9 Australia</td>
<td>11 Japan</td>
<td></td>
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<tr>
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<td>10 US</td>
<td>10 Australia</td>
<td>10 N’ lands</td>
<td>10 Japan</td>
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<td>12 France</td>
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<tr>
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<td>13 Canada</td>
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<td>14 Italy</td>
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<tr>
<td>15 Switzerland</td>
<td>15 France</td>
<td>16 Japan</td>
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<tr>
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<td>16 Japan</td>
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<td>17 Canada</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>


*Alphabetical Order
Traxler (1995:16) states that:

"Overall the prospects for successful concertation and accompanying performance depend on how strong or weak the organisational capacities of business and labour actually are. Seen in this way, things have come full circle: differences in organising capacities provide industrial relations with distinct abilities to cope with given problems at the associational level. These differences in the feasible range of options give rise, in turn, to continued divergence in the development of industrial relations."

Table 2.5 The Level Of Co-Ordination Of Collective Bargaining: Main Patterns Of Developments From 1980 To 1992 Among OECD Countries.

<table>
<thead>
<tr>
<th>Direction of Change</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>No major alterations</td>
<td>Canada, Finland, Japan, Holland, Spain, Switzerland.</td>
</tr>
<tr>
<td>Disorganised Decentralisation</td>
<td>Great Britain, New Zealand, USA, Sweden (?)</td>
</tr>
<tr>
<td>Organised Decentralisation</td>
<td>Austria, Denmark, West Germany, Sweden (?)</td>
</tr>
<tr>
<td>Centralisation</td>
<td>Australia, Norway.</td>
</tr>
<tr>
<td>Changes without a Unidirectional Trend</td>
<td>Belgium, France, Italy, Portugal</td>
</tr>
</tbody>
</table>

2.11 Regini (1998:331) comments on the differing role of industrial relations actors worldwide thus:

"Have traditionally played a crucial role in the regulation of European economies, unlike their counterparts in North America and in Japan, which have been largely confined to more traditional functions of interest representation."

This has emerged according to Regini (ibid) because:

"As a consequence, a macro national regulation of the economy based on social concertation between the state and organised interests has emerged in the 1970's as a specific European feature; an almost universal consensus has been reached in the political economy literature on such characterisation. The decline of this form of macro-regulation in the 1980's has been widely interpreted as a trend towards the de-regulation of advanced economies, which have responded in this way to pressing needs for greater flexibility (e.g, Offe 1987) although other authors have strongly criticised this view (e.g, Regini 1995)."

Regini (1998:332) divides into four groups the differing responses from countries to the relationships between industrial relations actors and the political economy in the 1990's.
The first group comprises Sweden and Denmark where a breakdown in peak-level wage bargaining occurred in the late 1980's which has not since been reversed and more generally the process of decentralisation of economic regulation. In Sweden's case the employers' association remains implacably opposed to national negotiations but still bargain at the sectoral level.

The second group is France and Britain where trade union density has declined and where organised interests have been excluded from policy making and have maintained a passive role in economic adjustment. In France however the trade union response to proposed welfare cuts in 1995/6 led to the biggest collective mobilisation since the protests of 1968.

In the third group Austria, Finland and Belgium incomes policies and social partnership more generally have never been seriously disrupted, having shown a remarkable continuity in Austria (Traxler 1992) while having been slightly unstable in Finland and Belgium.

The final group comprising Italy, Ireland, Norway, Portugal, Greece and the Netherlands, has seen macro-concertation re-emerging as a crucial instrument for the regulation of the economy and peak level interest organisations have acquired a key role in it.

The reasons for these happenings according to Regini(1998:333/4) are;

"The resurgence of macro-concertation in recent years takes place in a deeply changed context; one in which employers have regained the lost hegemony and succeeded in arguing that the twin challenges of globalisation and European unification must be met by low product costs and greater labor flexibility. Hence, the new problem that policy-makers and trade unions face is how to contain this employers drive to flexibilisation and possibly deregulation in ways that avoid the disruption of the ability to regulate their economies. The re-emergence of macro-concertation reflects, from this point of view, the attempt to constrain or to convince employers to pursue their short term objectives within a framework of consensual regulation of the economy."

As to why there are two separate strands within the EU at present he gives two reasons:

- The first answer is structural, having to do with the varying degree of employer's power.
The second is functional, as it concerns the extent to which social concertation can provide competitive advantages that are at least as important as the ones that can be achieved by the unrestrained flexibilisation of labour.

Finally Regini is unsure exactly where to place Germany or Spain.

- Spain was involved in macro-concertation but it was discontinued in the mid 1980’s only to re-emerge in the early 1990’s. Several tripartite agreements on labour market and industrial relations issues have been reached in the last few years.

- While in Germany the proposed alliance for jobs failed to materialise in 1995/6, co-ordinated sectoral bargaining continues despite internal pressures from employers bodies and trade unions alike.

The situation, according to Crouch (1998:417/8) has developed as follows; (see Table 2.6):

No recent developments have seen a return to strongly co-ordinated systems of the post war decades but there are important examples of what Traxler (1995) has called ‘organised decentralisation’ which can be seen as attempts at minimising the scale in five groups.

### Table 2.6 Degrees of Corporatism

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Neo-corporatism with decentralisation (with strong labour) Denmark, Norway, Finland, Austria, Belgium, Ireland.</td>
</tr>
<tr>
<td>2.</td>
<td>Neo-corporatism with decentralisation (with weak labour) The Netherlands, Switzerland.</td>
</tr>
<tr>
<td>4.</td>
<td>Continued crisis of the system, immobility Sweden, Germany.</td>
</tr>
<tr>
<td>5.</td>
<td>No return at all to Neo-corporatism. United Kingdom.</td>
</tr>
</tbody>
</table>

N.B. Crouch is unsure if Spain should be in group 2 or 3 and Italy in 3 or 1.
2.12 Current thinking on Social Partnership/Corporatism.

At the 11th World Congress of the International Association of Industrial Relations, held in Bologna in September 1998, a large number of contributions centered on the resurrection of Corporatism/neo-corporatism particularly in Italy, Norway and Portugal, its resumption from recent ‘swims against the tide’ in Ireland, as well as the Netherlands, Finland and Spain. Governments in France and Germany have preferred - after attempts at unilateral alterations to their welfare systems - to agree compromise proposals with the two main social partners the trade unions and employers. Only in England, despite a return to Government by the Labour party, has the value of partnership been totally eschewed, while in Sweden the national decision of the Swedish Employers Confederation (SAF) to withdraw from national wage bargaining has led to increased sectoral bargaining but also to better cooperation between blue and white collar workers.

Schmitter and Grote (1998:335) declare that the discovery of corporatism in the mid 1970’s was ‘ironic’. They contend that as academics began to study the phenomenon the practice had peaked and continued to decline during the 1980’s. However they believe the following:

“Just as many observers had announced its demise, corporatism has risen again and now seems to be carrying its twin burdens of interest associability and policy making to new heights during the 1990’s.”

For the future they contend that the primary growth potential for macro-corporatist architects lies in the feverish efforts of national governments to adapt to EU directives; product and professional standards; verdicts of the European Court of Justice and the convergence criteria of EMU.

The boundaries, territorial and functional, of interest politics have shifted irrevocably which paradoxically implies a greater, not a lesser reliance on previous structures of national intermediation - provided they can be exploited to fulfil new tasks and still manage to reproduce the old loyalties.

Schmitter and Grote further argue that the ‘Corporatist Sisyphus’ is headed back up the hill, goaded as before by an architectonic national state. Moreover he is just about on time. If previous speculation about a twenty- to twenty five year cycle was correct, and if one traces their last downturn to the First Oil Shock of 1973, then corporatist practices should have bottomed out circa 1985-8 and will be hitting their
peak sometime after 1998-9 more or less at the very moment monetary unification is to occur.

Treu (1998:vi) states that:

- The priority not only for governments but also the dialogue between the social partners is employment. He cites the critical point to be addressed as the relationship between long-term unemployment and low educational and professional skills and training.

Reviewing the last 15-20 years he further states that:

- Concertation has suffered an oscillatory trend, alternating stages of expansion and contraction. The implementation of European monetary union promises a new expansionary trend, because the initial laissez-faire policies should be replaced by governments' attempt to rigorously contain the cost of labour.

- The absorption of any asymmetrical shocks may be more successfully achieved in a neo-corporatist environment, as the Dutch and Austrian experience has proved, when these countries have called to govern the process of realignment of their industrial relations systems with the German mark.

Treu also suggests that by adopting a concertation framework such as:

- The one outlined in the Agreement on Social Policy attached to the Treaty of Maastricht, subsequently incorporated into the Amsterdam Treaty, one may project into the future plans for radical change and adaptation of labour regulations.

- The challenge of globalisation, the search for efficiency depends on new forms of employment, new forms of management and new types of employee participation which can be developed at micro level, so as to constitute an added value.

- Goetschy (1998:415) cites three different industrial relations developments as reasons for increased European integration which has given rise to re-regulation and re-centralisation. The three are;
- The revival of national social pacts signed in various EU countries (Ireland, Finland, Spain and Portugal) meant an adjustment to the national of the respective national bargaining targets and outcomes to the EU perspective as well as the revival of sometimes dormant national institutional industrial relations assets.

- The adaption of the 1994 EU directive on EWC's constitutes an important institutional device launched at EU level which will bear consequences for IR within transnational companies and for national industrial relations.

- The European co-ordination and surveillance procedure of employment policies introduced at the Essen Summit and formalised within the employment chapter of the Amsterdam Treaty is supposed to influence national employment policies, devices and targets.

2.13 Conclusion.

2.13.1 The attitudes of governments in Europe has varied, with some (for example those of Germany, Great Britain, Spain and Finland) tending to back the arguments of employers and adding to the pressures on unions to moderate their demands. However there were Governments (Belgium and Luxembourg) which took a more balanced view of negotiations and recognised that both parties had legitimate concerns. In some cases Government fostered tripartite negotiations, e.g Ireland, Italy, Malta and Portugal.

2.13.2 The European Council of Maastricht, in December 1991, agreed a social policy protocol signed by all EC member states, authorising an agreement among eleven (excluding Great Britain) which in turn took on board almost entirely the previous agreement of October 31. In addition it provided a new legal base for social policy with a wider range of subjects to be legislated on by qualified majority voting. The agreement of the eleven promised therefore, to open up significant new possibilities for European social policy to be created both by legislation and negotiation. Of equal significance will be the pressures on collective bargaining at various levels arising from the moves towards economic and monetary union.

2.13.3 The Amsterdam Treaty according to Blanpain (1998:238) built on the Maastricht Treaty and saw the fifteen agree:

“To the agreement on Social Policy annexed to Protocol 14 to the Treaty on European Union welcome wholeheartedly the decision of the United Kingdom
to accede to the social provisions of the new Treaty. They note with great satisfaction the willingness of the United Kingdom to accept the Directives which have already been agreed under the Agreement and those which may be adopted before the entry into force of the new Treaty."

2.13.4 Ireland's economic growth during the period 1988-1999 compares quite favourably with many of our bigger trading Euro-neighbours. Its economic miracle over the past twelve years in terms of exchequer borrowing requirement and balance of payments surplus has alas hidden a serious unemployment problem. The main causes being the growing up of our large cohort of young people and the slowdown of emigration to the areas of traditional migration, the U.S.A. and Britain, due to the ongoing international recession.

2.13.5 However with a mixture of 'back to work schemes' local partnership centres for employment creation, targeted industrial policy on inward investment funded by high grant aids, allied to low levels of corporation tax, the situation has been gradually turned around with unemployment dropping from 19% to 6%.
CHAPTER THREE: EXAMPLES OF CORPORATISM IN AUSTRIA, DENMARK, GERMANY, THE UNITED KINGDOM, THE NETHERLANDS AND ITALY.

3.1 This Chapter discusses the movements in Austria, Denmark, Germany, the United Kingdom, the Netherlands, and Italy in relation to bargaining and the trade-offs in terms of taxation and welfare policies. It looks at statistical data in relation gross domestic product, consumer price indexes, trade union density and other economic indicators in the light of EMU.

3.1.2 The chapter also identifies recent economic and social trends in terms of the changing relationship at national, local or enterprise level and whether collective bargaining is becoming more centralised or deregulated. Finally some mention will be made of employment policy and the possibility of moving forward the social agendas in the EU.

The seven countries analysed were chosen to illustrate the diversity of relationships which were in vogue within the European Union in the run-up to monetary union. In the ranking tables in Chapter 2, Austria, Denmark and the Netherlands feature at the pinnacle of Corporatism; Germany and Italy in the middle tiers and Ireland and the United Kingdom in the lower echelons.

During the past 15 years Ireland and the United Kingdom, have adopted different approaches to their economies and labour markets. As Ireland had inherited most of its labour law from the United Kingdom since the foundation of the state in the early 1920's and also shared a common currency until 1979, many of these developments have been debated at length before final decisions on changes have been made. In the case of our industrial relations 'system' we have gradually retreated from a 'British Model' towards an 'Irish Model', one that bears many of the hallmarks of Germany and the Scandinavia. This was mainly achieved by the revocation of the 1906 Trades Dispute Act and its replacement with the 1990 Industrial Relations Act, more of which later.

The United Kingdom has enjoyed stable, single party government since 1979 and pursued a free market approach to its labour market, allied to a process of privatisation of many of its biggest state industries, and the destruction of previous tripartite mechanisms. Ireland, in contrast, in the same time span has not once seen the return of the same government to office. The era of Thatcher and Major as Prime Ministers of Conservative Governments in the period 1979 to 1997 saw a complete volte-face from the incomes policy accords with previous Conservative and Labour Governments under Macmillan, Douglas Home, Wilson, Heath and Callaghan. The Trades Union Congress (TUC)
witnessed the attempted emasculation of its component trade unions by successive Secretaries of State for Employment, who enacted rigid legislation, and by the government withdrawal of the TUC from many quangos and tripartite organisations; and finally the Tories piece de resistance - the elimination of the Wage Councils.

Despite high levels of unemployment, a huge national debt and no assets such as its neighbour's returns from the North Seas, Ireland has pursued an increasingly tight fiscal policy since 1988, with a return to tripartite pay agreements to turn its economy around in order to meet the targets outlined for economic and monetary union before the end of the decade. Even though the basic pay terms of the second agreement (PESP) had to be capped because of the international recession, the three main parties to the tripartite equation (government, employers and trade unions) have been able to conclude two further such National Agreements - Programme for Competitiveness and Work (PCW) and Partnership 2000. The main features of these tripartite agreements will be dealt with in greater detail in later chapters. At the time of writing the initial 'courtship' over a further series of National Agreements has already begun.

Referring to the totality of the relationships within which social partnership, or neo-corporatism, does its work Lehmbruch (1979:157) states that comparative overviews of Corporatist incomes policies are a constant reminder of the baseline for the main players:

"Accordingly, it is not surprising that incomes policies in the field in which the role of liberal corporatism is most conspicuous. Generally speaking the 'cooperative' variety of incomes policy has for some time been practiced in practically all countries which we may classify as 'liberal corporatist': Austria, The Netherlands, the Scandinavian countries, Switzerland, and West Germany. In some, but not all of these 'Corporatist' forms of policy formulation also extend to economic Ordnungspolitik, and this in turn signifies a further restriction of the 'reach' or 'scope' of the party system as an agency of policy formulation."

What follows is a brief overview of some of the main parameters of the working of collective bargaining/social partnership in a selection of the main countries of the European Union. It can be seen that in all (with the exception of the United Kingdom) the underpinnings mentioned by Michael Barry(1995:C4) are present, although in some instances they have been weakened because of individual countries' macro-economic policy and circumstances.

Despite the absence of a large left wing bloc in Ireland, the policy of Social Partnership originally coined by Fianna Fail has, in turn, been taken on board by the Labour Party, Fine Gael, Democratic Left and even the right of centre party, the Progressive Democrats while in Government.
In other countries such as Germany, Italy, the Netherlands and Denmark, though governments have changed from centre-right to centre-left or vice versa, the social and economic policy has remained broadly the same.

### 3.2 Austria

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</thead>
<tbody>
<tr>
<td>Population</td>
<td>7914</td>
<td>7992</td>
<td>8030</td>
<td>8047</td>
<td>8059</td>
<td>8072</td>
</tr>
<tr>
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<td>3056</td>
<td>3055</td>
<td>3071</td>
<td>3068</td>
<td>3047</td>
<td>3056</td>
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<tr>
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<td>222</td>
<td>215</td>
<td>216</td>
<td>231</td>
<td>233</td>
</tr>
<tr>
<td>U/E as %</td>
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<td>6.8</td>
<td>6.5</td>
<td>6.6</td>
<td>7.0</td>
<td>7.1</td>
</tr>
<tr>
<td>EU (rate)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3.9</td>
<td>4.4</td>
<td>4.4</td>
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<tr>
<td>Exports:</td>
<td>64.1% EU, USA 18.7%</td>
<td></td>
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<tr>
<td>Imports:</td>
<td>70.8% EU, USA 7.3%</td>
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</table>

Peak Associations in Austria include:
- **BWK**: Federal Chamber of Business.
- **OGB**: Austrian Trade Union Confederation.
- **OAKT**: Austrian Central Chamber Of Labour

After the Second World War Austria was split into four zones of occupation by the Allied powers, the Soviet Union, USA the UK and France. Following a general election in November 1945, the Austrian People’s Party (OVP) (formerly the Christian Social Party) and the Socialist Party (now the Social Democratic Party (SPO)) formed a coalition government. In parallel with co-operation at a political level, the system of Sozialpartnerschaft (social partnership) was developed. Franz Traxler (1995:271) cites Austria’s claim to be:

> “the most corporatist country in the rankings of comparative research .... since the Swedish model has undergone fundamental disruptions.”

According to the Economist Intelligence Unit (1997: 14) economic policy in Austria has traditionally been:

- a combination of supply side measures with emphasis on the promotion of investment;
- a Keynesian demand orientation with emphasis on smoothing business cycles;
frequently implemented by way of government investment in construction, particularly infrastructure.

The main role of the Sozialpartner is to minimise industrial unrest, although it is sometimes accused of slowing down policy making. Government Ministers and the Central Bank (Nationalbank) jointly formulate economic policy with the Sozialpartner, which comprise the Wirtschaftskammer (Chamber of Economy), Landwirtschaftskammer (Chamber of Agriculture) Arbeiterkammer (Chamber of Labour) and Osterreichische Gerwerkschaftsbund (Trade Union Council).

Traxler (1995:272/3) believes that the key components of Austria’s long lasting success rest on the following:

Power relations and normative arrangements shaped by economic development. The specific interplay between Government, employer organisations and trade unions leading to two dimensions of interest reconciliation.

1. The inter-organisational concertation among the big four associations and government.

2. An intra-organisational aggregation of interest taking place within each associations domain. It is the heterogeneity within both employers and employees that the aggregation of interests at the intra-organisational level yields the necessary precondition for that at the inter-organisation.

As van der Voort (later in this chapter) comments on the dependence of ’pillarisation’ in the Netherlands, so also does Traxler (1995:273) lay emphasis on its role thus:

"Another element of the normative base of social partnership is Austria’s political pillarisation, mainly consisting of a social-democratic and a conservative camp. The big four have incorporated this pillarisation in the form of internal factions. This supports both intra and inter organisational interest formation."

Following sustained heavy losses in the 1980’s, the state owned industrial sector was in the main privatised in the 1990’s. Most industrial companies formerly under the state owned Osterreichische Industrieholding (OLAG) have been sold off. Since its participation in the EU Austria’s policy has changed.

Employment generating subsidies to the industrial sector have decreased while the level of Corporate taxes has dropped from 55% to 34%. The Gewerbesteuer (additional enterprise income tax of 15% on profits and some small percentage on total capital) and
the 1% net wealth tax (property tax) were abolished, which makes capital intensive investment attractive.

Circa 13% of the workforce works for the Austrian Federation, the provinces or the municipalities, as public sector employees. When indirect employees of the state are included the figure rises to 22%. The government have identified this area as a prime target for reduction and cutting government expenditure. In keeping with Austria's corporatist, family centred welfare state model, families are still favoured; receiving 11% of social expenditure compared to an EU average of 8%, these benefits are however set to fall. Austria's share of expenditure on health care at 33% is 2% below the EU average. Social expenditure is comprised of 37% employers, 36% government, with employees picking up the balance. The EU average however is 39% employers, government 30%, with employees paying the balance.

The economy continued to grow strongly during 1991; inflation remained below European average while unemployment rose slightly. The OGB National Board issued a wide ranging resolution which set out the main policy stances and claims for 1992. This resolution dealt with; assistance for Central & Eastern Europe, the economic situation and pay developments (noting that the unions had succeeded in securing a fair share of productivity and economic growth for workers in 1990, when economic growth was high).

It also noted that a similarly favourable economic outlook permitted corresponding expectations for pay in 1991, and welcomed the fact that some 200,000 workers had secured the OGB target of a monthly minimum wage of 10,000 Schillings, it adopted effective measures against those who illegally employed foreign workers, and the OGB board rejected the introduction of seasonal labour. It further welcomed the establishment of a social dimension to the European Economic Area, the creation of European Works Councils and making the economy more competitive.

Employers once again resisted trade union demands, and in particular they rejected any negotiation on a 35 hour week, either generally or in specific sectors. The government, as usual, played no role except as a negotiating partner in the public services. There was a reduction in the number of deals of two years duration compared to the previous year. Strike statistics showed a disimprovement although there were the same number of disputes as the previous year (9), 92,000 workers were involved at a cost of 460,000 hours lost. This included five nationwide token strikes in the public sector.

In 1998 a package of measures amending state pension provision came into force. The reforms, according to EIRR (289:31) close gaps in existing coverage, amend the way in
which pensions are calculated and seek greater harmonisation of the civil servants’ and the general scheme. Pension issues have been to the fore in Austria for the last number of years. Ministers have sought ways to address increasing costs caused by an ageing population on the one hand, while tackling the problem of others not covered by the present system on the other.

A serious conflict arose between the trade unions and employers (EIRR 289:31);

"which led many commentators to speculate on the implications for social partnership in Austria and for the government."

The reforms which affect pensions, while coming into force from 1998, will only relate to employees retiring from 2000 onwards. Over the following 20 years the average pension levels will be reduced by between 3-4 %.

The Economist Intelligence Unit comments that in the area of wages and prices for the years 1997/8 the following applied:

Wage increases were lower in 1997, at 1.8% the lowest such increase in decades, mainly due to increased competition and less security of employment. Wages and salaries in the industrial sector rose by 2.8% and while higher than in most other sectors, productivity rose as a consequence of workforce cuts. In banking and the public sector the wage levels only rose by between 0.4 and 0.7%. However in 1998 as a result of the collective bargaining process which started in late 1997, wages in retail trade, banking and the public sector will rise by 1.7%. In the metal sector a key benchmark for the industrial sector rises of between 2.1% to 2.4% are being negotiated, with a flat rate of 1.9% and a 0.5% top-up distributed by management, as appropriate. Inflation for 1996 (EU index of harmonised consumer prices) was 1.8%, decreasing to 1.2% in 1997, the third lowest figure in the EU.

EIROnline reported in its Annual Review (1997:1) the following trends: Minimum wages rose on average by 1.7% in 1997, with awards in agreements concluded in 1997 ranging between 1.5% and 3.0%.

While sectors such as manufacturing were averaging 2.00% increases, minimum salaries in the civil service remained unchanged and public transport workers received only 0.7% increases.

A new element was the introduction of a ‘distribution option’ in a number of sectoral collective agreements. This allows for individual companies, by agreement with their
works council, to award a smaller general pay increase than agreed at sectoral level, but
to make an extra payment to designated groups of workers outside seniority
considerations. This was particularly intended to benefit younger and female workers as
well as key personnel.

Traxler (1995:282) believes that Austria in tying the Austrian Schilling to the Deutsch
Mark in advance of monetary union:

"Had given up its monetary sovereignty and exposed its labour relations to
international competition to an extent that EU member states will face no earlier
than under monetary union. Regardless of this, social partnership has not only
survived but has played an important role in implementing the hard currency
policy."

The Future.

Traxler (1998:260) further predicts that countries which have not previously succeeded in
building stable corporatist arrangements in the last four decades will not succeed in the
future. Explaining that:

"The growing heterogeneity of interests and fragmentation within society make it
more difficult to sustain corporatism, even though its supply side version may
substantially contribute to economic performance."

Traxler (ibid) however sees Austria facing:

"possible destabilizing spill-overs from the present crisis in the 'German model'
with its possible ramifications on co-operative multi-employer bargaining."

As can be seen from Chapter two, Schmitter’s Table 2.1 (1981:294), Austria has
historically been one of the leading lights in the strong corporatist category. It is seen as
highly centralised in Camfors and Driffil (1998:18) and as high in Tarantelli (1986).
Meanwhile Regini (1998) has characterised Austria with Finland and Belgium as a
combination of income policy and social partnership which have never been seriously
disrupted. Crouch (1998) typifies Austria’s degree of corporatism as neo-corporatism,
decentralisation along with a strong labour component. Austria, though showing some
signs of strain, remains among the main players and a firm role model for long-termism in
the social partnership arena.
3.3 Denmark.

<table>
<thead>
<tr>
<th>Population: 5.2751 million.</th>
<th>GDP per head $ 33,130</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Union Density: 80% (ILO 1997/8 Report)</td>
<td>CPI 2.1%</td>
</tr>
<tr>
<td>Land Area: 43,094 Square Kilometers (excludes Faroes and Greenland)</td>
<td></td>
</tr>
</tbody>
</table>

Employment Trends:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Force:</td>
<td>2,817</td>
<td>2,813</td>
<td>2,815</td>
<td>2,800</td>
<td>2,791</td>
<td>2,797</td>
</tr>
<tr>
<td>Employment:</td>
<td>2,499</td>
<td>2,464</td>
<td>2,471</td>
<td>2,512</td>
<td>2,547</td>
<td>2,567</td>
</tr>
<tr>
<td>Unemployment (Registered)</td>
<td>318</td>
<td>349</td>
<td>343</td>
<td>288</td>
<td>246</td>
<td>220</td>
</tr>
<tr>
<td>(% of W/F)</td>
<td>11.3</td>
<td>12.4</td>
<td>12.2</td>
<td>10.3</td>
<td>8.8</td>
<td>7.9</td>
</tr>
</tbody>
</table>

There are 2.2 million trade union members in Denmark. One of the main reasons for such a high density is that trade unions are involved in the administration of unemployment funds. This is a common feature in the Nordic countries where the state allows the trade unions to distribute certain benefits.

The Danish Labour market model can be described on the basis of the following three features:

- Tripartite co-operation
- Strong organisations on both sides of industry
- Collective agreements constitute the most important source of law in labour law matters.

3.3.1 Tripartite Cooperation.

Since the late nineteenth century with the formation of powerful organisations the social partners have built up a welfare society with one of the most peaceful labour markets in the world, according to arbejdsministeriet (1996:4). The social partners are consulted on proposed legislation on labour market matters before it is adopted. Co-operation with the social partners is an integral part of the national labour market policy and also areas such as health and safety at work, placement activities, vocational training and the unemployment insurance system.

3.3.2 Peak Associations & Strong Organisation.

More than 80% of Danish employees are members of a trade union. The trade unions are grouped in national federations of which the largest are Danish Confederation of Trade
Union (LO) (48% of whom are women), The Salaried Employees' and Civil Servants Confederation (FTF) and the Central Organisation of Academic Staff (AC). The employers main central organisation is the Danish Employers Confederation (DA). Denmark, like many other Nordic countries, has a very large Public Sector. About one third of the labour force are employees of the state, regional and local authorities.

3.3.3 Collective Agreements.

Collective Agreements are important for roughly 90% of the Danish labour market. Collective agreements are a contract between two parties who themselves define the scope of the agreement. The parties to the agreement will always be an organisation on the employee side, and usually this will also be the case on the employer side. The collective agreements lay down the working conditions which are to apply to the individual employment relationships. The employer is under an obligation to observe the provisions of a collective agreement, including employees in an enterprise who are not organised.

EIRR (1996:18) reports that Denmark has:

"traditionally been seen as a country where collective agreements provide comprehensive regulation of employment relationships. Recent research however indicates that only two thirds of workers are covered by such agreements, raising questions about the effectiveness of the Danish system."

Compared with other European countries trade union density in Denmark is quite high at 80%, as it is also in Sweden, Finland and Iceland. Employers are also highly organised in comparison to many other countries. Together with the relatively centralised structure of collective bargaining, which now occurs primarily at sector level, these high membership rates have further encouraged the assumptions that the system of collective bargaining secures a high level of regulation of the labour market and that there is thus no need for further legislative action in this area.

In the trade union support for the Maastricht Treaty in 1991, the baseline for such support was the use of collective agreements rather than legislation in dealing with EU Directives on employment matters. Thus the principle of 'subsidiarity' was considered as essential in guaranteeing implementation of future directives by means of collective agreements.

A recent survey from Copenhagen entitled, "Collective agreement or individual contract in working life" was carried out in late 1994 and published in 1996 by the Social Research Institute. It was based on an interview sample of 2000 employees aged between 20 and
and employed in the private sector for at least three months, working for 15 hours or over. The returns of 1720 equated to a 85.95 response rate. With 100% of Public Servants covered by Collective Agreements in combining this survey data of 52% coverage of private sector employees, an aggregate overall national coverage of 67% is assumed. Scheuer’s (1996:86) survey elicited the following statistical data Table 3.1:

Table 3.1 Employees covered by Collective Agreements in the Private Sector.

<table>
<thead>
<tr>
<th>Employee category, sex and industry.</th>
<th>Bargaining coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Employees</td>
<td>52%</td>
</tr>
<tr>
<td>Monthly Paid</td>
<td>39%</td>
</tr>
<tr>
<td>Hourly Paid</td>
<td>72%</td>
</tr>
<tr>
<td>Men</td>
<td>50%</td>
</tr>
<tr>
<td>Women</td>
<td>56%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>41%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>56%</td>
</tr>
<tr>
<td>Building and Construction</td>
<td>55%</td>
</tr>
<tr>
<td>Transport</td>
<td>55%</td>
</tr>
<tr>
<td>Commerce</td>
<td>31%</td>
</tr>
<tr>
<td>Finance</td>
<td>58%</td>
</tr>
<tr>
<td>Other Services</td>
<td>66%</td>
</tr>
</tbody>
</table>

Table 3.2 Employees Covered By Collective Agreements In The Private Sector By Union Membership.

<table>
<thead>
<tr>
<th>Union Membership</th>
<th>Bargaining coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Trade Union Members</td>
<td>56%</td>
</tr>
<tr>
<td>Non Trade Union Members</td>
<td>25%</td>
</tr>
<tr>
<td>Members of LO Unions</td>
<td>65%</td>
</tr>
<tr>
<td>Members of FTF Unions</td>
<td>83%</td>
</tr>
<tr>
<td>Members of AC Unions</td>
<td>26%</td>
</tr>
<tr>
<td>Members of other unions</td>
<td>20%</td>
</tr>
</tbody>
</table>

Table 3.3

<table>
<thead>
<tr>
<th>Members of Individual LO Unions</th>
<th>Bargaining coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>General workers, women (KAD)</td>
<td>83%</td>
</tr>
<tr>
<td>General workers, men (SiD)</td>
<td>69%</td>
</tr>
<tr>
<td>Metalworkers (Metal)</td>
<td>65%</td>
</tr>
<tr>
<td>Carpenters (Snedker og Tommerforbundet)</td>
<td>72%</td>
</tr>
<tr>
<td>Food processing workers (NNF)</td>
<td>86%</td>
</tr>
<tr>
<td>White-collar workers (HK)</td>
<td>49%</td>
</tr>
<tr>
<td>Technicians (Teknish Landforbund)</td>
<td>27%</td>
</tr>
</tbody>
</table>

- LO is the main trade union confederation covering predominantly manual workers with circa 1.5 million members.
- FTF is a confederation for mainly Public Sector Workers with circa 400,000 members.
- AC is the confederation for unions organising people with a higher education, and has 200,000 members approximately.

Scheuer (1997:68) notes the fact that:
"Only about two thirds of the members of the Metal workers union are covered is considered as a little surprising. This union is one of the strongest supporters of the 'Danish Model' of free collective bargaining and opponents of legislative interference in the labour market. However because of the low level of coverage in some areas such as Commerce and Agriculture "where unions are weak, some commentators believe that unless employers' organisations can organise more companies, either the regulatory scope of collective agreements must be widened by an _erga omnes_ clause, or regulation must be implemented by legislation."

EIROnline (1998) reports that 1997 was a particularly peaceful year in terms of industrial unrest with the number of working days lost due to industrial action; significantly lower than in either 1993 or 1995. However one explanation for this may be that only half of the private sector conducted collective bargaining in 1997. Of the 44,000 working days lost in 1997 more than half were due to secondary action and conflicts that had a background other than disputes over wage related conditions.

In the five years from 1993-97, unemployment has been reduced from a record high of 12.4% to 7.4%. Thus 205,800 people have been removed from the list of unemployed, the main beneficiaries being women.

**Recent Industrial unrest in Denmark (1998).**

EIRR (1998:31) reports that the industrial conflict in Denmark was the worst in 13 years. Over 500,000 workers were involved in the disputes which affected circa 5,000 private sector companies. Eventually the Government was forced to intervene and brokered a deal which was acceptable to the social partners. The deal involved increases in minimum pay, maternity pay, increases in employees and employers pension contributions, flexibility in working time arrangements including the reduction of working time for shiftworkers from 35 to 34 hours. Extra annual leave, childcare days and the abolition of employees sickness benefit contributions were also agreed. Trade unions had recently taken industrial action to gain a sixth week paid annual leave for their members.

In an independent poll in Jyllands Posten, one of Denmark's national papers, 50% of readers expressed support for the strikers while 39% called on them to accept the employers' offer of 8.5% pay increase with one days extra holiday. With Copenhagen bus drivers settling their dispute with agreement on an extra three days paid leave, that portion of the dispute ended fairly quickly. This situation saw two strong Danish characteristics go head-to-head. The first is the organisation, of which the Danes are truly proud. Few countries have managed as successful a social and economic structure as Denmark. The disputes are estimated to have cost £776 million in lost production and the root causes for this conflict lay in the inability to agree the parameters within which the
three year bargaining round was to be negotiated. While there have been some concerns that this dispute has weakened the voluntaristic nature of collective bargaining such government ‘brokering’ of the social partners has been necessary before, in 1975, 1977, 1979 and 1985. There is residual concern however due to ongoing tensions between the social partners and in particular some internal strife among some employer organisations, that the Danish model will become more decentralised and increasingly deregulated over time.

Further Outlook.

According to Kare Petersen (1998:4) the involvement of their social partners in the policy making process is the key feature of the consensus oriented - Danish model of industrial relations. On two accounts the social democrat led government showed its discontent with the Danish model in 1997:

In its amendment of the Work Environment Act, the Government was accused by unions and employers of hastiness and lacking in will to involve the social partners and;

The Governments plan to create 40,000 flexi-jobs questioned the effectiveness and willingness of the social partners to play their part by way of agreement based initiatives. Despite the turbulence of recent years the Danish model is expected to remain stable between government, employers and employees representatives. Recently Hans Jensen, (1998;4) Chair of LO, looking at the post EMU situation foresaw difficulties for Denmark;

"It is difficult to reach a bargaining breakthrough in one country, if the neighbours at the same time practice wage restraint."

Welcoming the Doorn initiative he endorsed the idea of co-ordinated bargaining demands and said that LO would be willing to join if invited. All eyes however will be on the progress of the new pay reform in the public sector to see if this will lead to a breakthrough for the decentralisation of pay setting in the state and county/municipal sector.
### 3.4 Germany.

**Statistics based on 1997, Source EIU Country Profile.**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Prices</td>
<td>109.8</td>
<td>112.8</td>
<td>114.8</td>
<td>116.5</td>
<td>118.6</td>
</tr>
<tr>
<td></td>
<td>(4.5)</td>
<td>(2.7)</td>
<td>(1.8)</td>
<td>(1.5)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Producer Prices</td>
<td>101.6</td>
<td>102.2</td>
<td>104.0</td>
<td>103.5</td>
<td>104.7</td>
</tr>
<tr>
<td></td>
<td>(0.2)</td>
<td>(0.6)</td>
<td>(1.8)</td>
<td>(-0.5)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Wages &amp; Salaries (Per employee)</td>
<td>115.5</td>
<td>118.3</td>
<td>122.6</td>
<td>125.3</td>
<td>126.7</td>
</tr>
<tr>
<td></td>
<td>(4.6)</td>
<td>(2.4)</td>
<td>(3.6)</td>
<td>(2.2)</td>
<td>(2.1)</td>
</tr>
<tr>
<td>East Germany CP</td>
<td>125.4</td>
<td>130.0</td>
<td>132.7</td>
<td>135.6</td>
<td>138.4</td>
</tr>
<tr>
<td></td>
<td>(10.5)</td>
<td>(3.7)</td>
<td>(2.1)</td>
<td>(2.2)</td>
<td>(2.1)</td>
</tr>
</tbody>
</table>

Indices (1991=100) all Germany unless stated; % change on year in brackets.

Sources: Deutsche Bundesbank, Monatsbericht.

Trade Union Density: 29% (1997/8 ILO Report). There are 10.5 million trade union members in Germany.

GDP per head: $28790 (1997) CP Inflation: 1.8% (1997)

Exports: 56.7% EU, USA 7.8% Imports 55.1% EU, USA 7.3%.

Labour Force: 38.4 million. Unemployment Rate: 11.4% (EIU Estimate 1997)

Recorded as unemployed: 4.4 million.

West Germany was one of the founder members of the Common Market. Since 1991 Collective Bargaining has taken place after the exceptional process of German unification. This has lead to higher taxation, strains on welfare policy and some diversion of industry to the former East Germany. Despite a brave attempt to co-ordinate wage rates and conditions of employment throughout the whole of Germany this goal remains unfulfilled.

After spending years in pursuit of a decrease in working time, 1996 saw pay increases as the main demand of trade union members. In the former East Germany unemployment rose from 640,000 to 1.04 million people. The number of those in employment in the former eastern bloc country has fallen from 9.2 million to 6.8 million, but training schemes and employment creation schemes have cushioned the problem in the short term.

EIIRR's (1997:282/27) report for the 1996 bargaining round highlighted the following trends:
• Over 7,000 collective agreements were renegotiated in 1996, down from 7,500 the previous year.
• An increased number of companies negotiated individual collective agreements 4,700, up 200 on the previous year.
• There were 1,100 regional sectoral agreements, mainly covering pay.
• Of the 45,000 collective agreements in place in 1996, 5,200 were framework agreements;
• 10,400 were agreements with some framework elements, 6,300 were pay and training accords;
• while 23,000 were annexes or amendments to existing provisions.

EIRR (1998:17) also reports that collective bargaining was characterised by a large number of innovative and flexible arrangements in 1997.

• While the number of new collective agreements negotiated grew by 20%, to 8,442
• The total number grew from 45,000 to 47,300; the main reason for this was due to the numbers of agreements on sick pay (360), local job security agreements (800) and part time working agreements (70) for older employees.
• Collective agreements covered over 300 industrial branches, mostly concluded at regional level although some covered east / west.
• Roughly 90% of employees bound by the social insurance scheme were covered by a collective agreement (24.5 million from 27.4 million employees).
• Pay in the West increased from 1.5 as against 1.8% to 2.0% in 1996. This was down on 1995 where increases of between 3-4% were achieved.
• Pay in the East increased by 1.9% as against 3.6% in 1996 and a rise of 6.2% in 1995.

Average pay convergence between East and West since 1991 has been continuing (see Table 3.4) although the pace of convergence has slowed in the last three years, and in some areas pay has actually fallen back in East Germany.

Construction pay rates have fallen from 95% to 93%; while the completion of harmonisation in the painting and varnishing sector has been deferred from December 1998 to May 2003.
Table 3.4 East/West Harmonisation Rates 1991 - 1998.

<table>
<thead>
<tr>
<th>Year</th>
<th>% Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>end of 1991</td>
<td>60%</td>
</tr>
<tr>
<td>end of 1992</td>
<td>73%</td>
</tr>
<tr>
<td>end of 1993</td>
<td>80%</td>
</tr>
<tr>
<td>end of 1994</td>
<td>84%</td>
</tr>
<tr>
<td>end of 1995</td>
<td>87%</td>
</tr>
<tr>
<td>end of 1996</td>
<td>89%</td>
</tr>
<tr>
<td>end of 1997</td>
<td>89.5%</td>
</tr>
<tr>
<td>end of 1998</td>
<td>90.5%</td>
</tr>
</tbody>
</table>

While these figures have been agreed there are significant variations to be found. In the metal industries convergence has already happened, while in the transport sector pay in the east is only 70% of the western rate. In some areas full convergence of east/west had been agreed in 1996 for the following:

- Private Banking from 1 May 1997
- Pharmaceutical outlets by 1/12/1997;
- Private insurance by 1 May 1998 and
- Deutsch Telekom AG by 1/10/1999. (Eastern rates 92% on 1/10/97)

These trends suggest a slight move from centralised collective agreements, towards decentralisation, allied to a significant number of working-time cuts in return for extra jobs. By the end of 1998 there were 49,500 collective agreements in place an increase of 2,200 on the previous year. Many of these new agreements have introduced elements of what EIRR(1999:17) describes as:

“additional elements of flexibility and options to deviate from agreed provisions in some areas.”

Other Issues.

The inclusion of Job Security clauses in collective agreements was a predominant theme in 1996. The main areas where this was negotiated were the textiles, metalworking and chemical sectors.

Legislation cutting sickness benefit from 100% to 80% was introduced in October 1996. However in many industries the 100% benefit was maintained by discounting overtime payments; cutting various premia such as holiday pay and the 13th month bonus.
There was a continuing move towards the reduction of the working week with estimates that about 1.3 million employees experienced cuts in their normal working time. Average weekly time was 37.43 in the West and 39.38 in the East. Flexible working time arrangements and annualised hours are now widespread in companies across the country.

Table 3.5 Holiday Entitlements.

<table>
<thead>
<tr>
<th></th>
<th>% of employees</th>
<th>% of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Western Germany</td>
<td>Eastern Germany</td>
</tr>
<tr>
<td>Between 4-5 Weeks</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Between 5-6 Weeks</td>
<td>20%</td>
<td>43%</td>
</tr>
<tr>
<td>Six weeks or more</td>
<td>79%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Source: Bundesarbeitsblatt April 1997.

Bonus Payments are a feature of German employment and in 1996 the average percentage of monthly bonus paid was 101% in the west and 88% in the east. These represent marginal increases from 1995 when the figures were 100% and 90% respectively.

According to the Institute of Personnel Development (1996:118/9) collective bargaining can only take place between trade unions and individual employers or employers' associations. Collective agreements negotiated between employers and trade unions take precedence over other forms of industrial accord, such as works agreements or individual contracts unless the latter diverge in favour of the employee. Formal collective bargaining culminates in an agreement whose status is regulated by the 1969 Collective Agreements Act. These include a peace clause which forbids industrial action during the lifetime of an agreement and for a lesser period thereafter to allow for the possible negotiation of a successor. Collective agreements cover 85-90% of the total workforce directly or indirectly. Employers who are not members of employer associations frequently adopt the main provisions of their particular industry.

Before leaving office in 1998 Helmut Kohl, reviewing the results of the EU summit on jobs, expressed satisfaction at achieving his target of reducing the percentage training targets of unemployed people from 25% to 20%. In Germany unemployment rates post-unity largely reflect the structural problems experienced by the Eastern Lander.

The main initiatives enacted by Government which had an impact on industrial relations in 1997 were:
1. The Partial Retirement Law which came into effect on 1 August 1996 and supports the gradual transition of employees to retirement under certain conditions.

2. The Labour Law Act on the promotion of employment which came into effect on 1 October 1996 and includes the easing of redundancy provisions, reduction of the statutory level of continuous payment of remuneration in the event of sickness, and improved possibilities for fixed term employment contracts. In 1997 according to Eironline, there were many collective agreements concluded on the basis of the new law, especially regarding the continued payment of remuneration.

3. The Employment Promotion Act came into effect on 1st April 1997 and includes measures for the promotion of employment among disadvantaged groups, support for the foundation of new firms, and restrictions on job creation schemes.

4. The Act on Temporary Employment Businesses which came into effect from 1 April 1997 and includes relaxation of the legal regulation of work through temporary work agencies.

As in other European countries a significant number of trade union mergers have occurred or are in the process of happening. The number of DGB affiliates reduced from 15 to 11 unions. The miners union (IG Bergbau und Energie), the chemical workers union (IG Chemie-Papie -Keramik) and the leather workers union (Gewerkschaft Leder) founded a new joint union - the Mining Chemicals and Energy Union - (Industriewerkschaft Bergbau, Chemie, Energie, (IGBCE). Two unions have integrated into IG Metall, the wood and plastics and the textile and clothing industry unions. Six unions in the service sector signed a joint declaration in 1997 which calls for further restructuring between trade union organisations.

Further Outlook.

The SPD under Gerhard Schroder has already announced plans for the renewal of the 1996 failed national policy 'Employment Alliance.' A higher than usual pay demand of 4-5% is likely to see important negotiations taking place in the chemical industry and the Public Sector. Thorsten Schulten (1998:7) predicts that the social partners will have to modernise the current bargaining system while at the same time defending branch level collective agreements against breaches at company level.

The final report by the Bertelsmann Foundation (1998:7) which was set up in 1996, from the Commission on Codetermination (Kommission Mitbestimmung) unanimously adopted
"Recommendations Shaping the Codetermination of the Future". Its social scientific work was chaired by Professor Dr Wolfgang Streeck of the Max Planck Institute and Professor Karl Heinz Briam chaired the Commission which has reinforced the belief that:

“A Corporate Culture oriented towards both the market and the workforce is an essential competitive advantage; in this codetermination is a central and determining factor."

Codetermination which goes back to the foundation of the Federal Republic of Germany, was driven forward by legislation enacted in the 1970’s. The ideological debates on the reconcilability of codetermination with the market economy and private property are at an end.

The report calls on ‘the forces of optimistic reason’ across all political and social boundaries to overcome tactical foot dragging in all its forms and to come to the realisation that successful economic modernisation must incorporate interpersonal relationships, and must, in other words, be based on a corporate culture that points to the future.

Recently Germany, along with Belgian, Dutch and Luxembourg trade unions adopted a joint declaration which states a strong need for close cross border co-ordination of collective bargaining under EU Economic and Monetary Union and lays down a set of joint bargaining guidelines. The participants were ABVV & ACV from Belgium; DGB & DAG from Germany; FNV & MHP from the Netherlands and CGTL & LCGB from Luxembourg. As the DGB has no direct bargaining role sectoral trade unions in Germany from metalworking, construction & mining; chemicals & energy and public sectors were also present. Known as the Doorn declaration, EIRObserver (6/98:3) summarises the main extracts as follows:

- The economic growth of recent years has produced too few results for workers in terms of more jobs, the reduction of unemployment and the improvement of purchasing power. In the participating countries - and in Europe as a whole - the rise in labour productivity has been to the unilateral benefit of capital.

- Employee's share of the national income (the wage quota) has gone down. A continuation of this trend in the macro-economic distribution of income is unjustifiable.
The participating trade union organisations call for a change of trend, to the benefit of workers and their full participation in economic growth in the form of more jobs and improved purchasing power.

The participating trade unions aim to achieve collective bargaining settlements that correspond to the sum total of the evolution of prices and the increase in labour productivity.

The Participating trade unions aim to achieve both the strengthening of mass purchasing power and employment creating measures (i.e. shorter working times)

The participating organisations will regularly inform and consult each other on developments in bargaining policy.

The trade unions of the four countries intend to examine how they can back up their demands beyond national frontiers when necessary. The trade unions are aware of the importance of responsible wage setting within a European trade union strategy for more growth and development. Their bargaining aims are economically justifiable and will promote a positive evolution of employment, particularly in the longer term. In order to achieve this, the other economic actors (States, the European Central Bank and Employers) will also have to live up fully to their responsibilities. By attuning their wage policies, the participating organisations aim principally to prevent a bidding down of collective bargained incomes between the participating countries, as sought by the employers. The trade unions see this neighbourly initiative as a step towards European co-operation on collective bargaining.

The participating trade union organisations have decided to keep each other intensively informed about their collective bargaining demands and results. To this end, a coordinating group of experts has been established, which is meeting regularly to exchange information and experience on collective bargaining.

This working group also serves as a forum for information exchanges between the participating organisations on initiatives vis-a-vis their governments and on state measures that impact on bargaining policy.
3.5 The United Kingdom.

<table>
<thead>
<tr>
<th>Population: 58.2 million.</th>
<th>Land Area: 244,100 sq. kilometers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency: Sterling</td>
<td>GDP per head $23,183 (1997)</td>
</tr>
<tr>
<td>CP Inflation: 2.2% (1997)</td>
<td>CPI Average: 1993-97 2.3%</td>
</tr>
<tr>
<td>Exports: 80% EU</td>
<td>Imports 64.2% EU, USA 8.1%</td>
</tr>
<tr>
<td>Taxation: Company Taxation 35% together with local taxes.</td>
<td></td>
</tr>
<tr>
<td>Labour Force: 21 million.</td>
<td>Unemployment Rate: 9.4%</td>
</tr>
<tr>
<td>(EIU Estimate 1997)</td>
<td>Annual Change - 313,800.</td>
</tr>
<tr>
<td>Adult Unemployment: 1.36 million (4.8%)</td>
<td></td>
</tr>
<tr>
<td>Trade Union Density: 30% (1998 figures)</td>
<td></td>
</tr>
</tbody>
</table>

Since the early 1950's British governments have favoured the use of incomes policies. Heath (1998:570) opines;

"For my generation within the Conservative Party, it was not heresy to be in favour of an incomes policy. It had been Macmillan, as Prime Minister, and Peter Thorneycroft, as Chancellor of the Exchequer, who, in 1957, set up the Council on Prices, Productivity and Incomes. Indeed, in setting it up, Thorneycroft had said, 'There is clearly no simple act of policy which is a remedy for inflation. If there had been, it would have been discovered a very long time ago.' Furthermore, it was a Conservative government in 1962 which had further entrenched the principle of an incomes policy and set up the National Incomes Commission."

However, during the high tide of Thatcherism, the I.R. climate in the UK was marked by the continued resistance of government to social advance in Europe and the threat of further anti-trade union legislation at home. Against this difficult background the main priorities of the unions were the maintenance of purchasing power and the extension of the reduction in working time to which had been secured by engineering workers in the year 1990/1 to other industries. The trend towards decentralised negotiations was maintained during 1991, with an increase in 'merit pay arrangements' linking pay rises to individual performances.

Edwards, Hall, Hyman et al (1992:1), posit the view that the election of the Conservative government under Mrs Thatcher in May 1979;

"is widely seen as marking a turning point in British industrial relations."

The same authors deal with the question of Corporatism (1992:9) and with its historical role before and after the arrival of Thatcher thus:
Corporatism received considerable attention during the late 1970's, as union involvement in pay restraint seemed to be becoming more or less permanent. But the Thatcher government explicitly rejected such approaches by leaving wage regulation to 'market forces' and by refusing to become directly involved in industrial disputes. In retrospect British corporatism can be seen to have been a very partial and ramshackle affair. Its practices emerged out of attempts to manage economic crises, and not out of any deeper commitment to long-standing structural change. Not only were employer and union sides fragmented and divided, but the British state also lacked the structures to engage in long term planning. Its whole tradition of intervention had been to manage the economy rather than actively to regulate it. During the depression of the 1930's for example, British state planners were far less willing to embrace Keynesian solutions than their counterparts in Sweden.

Edwards et al view reinforces this writer's belief that the TUC has never been able to engender within its constituents a sufficiently cohesive policy to bring the broad coalition of competing trade union interests along the road of Social Partnership. Neither Len Murray nor Norman Willis, former General Secretary’s of the TUC were able to imbue the necessary principles into the rival forces of the trade union movement, further, both lacked a certain charisma and sufficient strength of leadership to transcend these problems. John Monks, the current General Secretary, may be a far more effective actor in reinforcing the TUC’s agenda of retrieving influence on the national and European stage.

Before 1979 both the Conservative and Labour Parties in government were strong advocates of tripartism. Indeed it was the Tories in 1962 which set up NEDY i.e. National Economic Development Council, which brought together unions employers and government and spawned 'junior neddie's' to look at different industries.

By far the most important efforts at corporatist solutions tackled in Britain were the attempts at incomes policies by the Labour Governments in 1948, 1966 and the period of the Social Contract, 1975-1979. The 1966-69 incomes policy saw some modest success, particularly with the establishment of the National Board for Prices and Incomes, which reviewed not just pay, but price increases as well. Edward Heath's election in 1970, though unexpected, saw him lead the Conservatives into the European Community on 1st January 1973. With the arrival of the first oil price shock and a period of industrial unrest that Conservative government lost power in 1974.

Labour's return to power under Wilson in 1974 was, until 1997, to be its last electoral victory over the Tories. The period of The Social Contract of 1975-79 is well documented elsewhere, as is The Winter of Discontent of 1978-79, (Heath 1998:568) which saw the beginning of the radicalisation of the Public Sector in Britain at the time of the leadership of James Callaghan; the last Labour Prime Minister until Tony Blair’s.
election. Ultimately Labour's rift with the trade union movement was to lead to long term political exile from 1979 to 1997.

Ted Heath's election defeat led to the rise of Margaret Thatcher as Conservative leader and, in the 1979 election, she fought a campaign based on curbing the power of trade unions, limiting the role of the state in people's lives and deregulating the economy.

Frank Chapple, from the Electrical Trade Union (ETU) (1985:188) had the following to say of the trade union position in Britain in this era:

"By 1983, we posed no threat at all to Mrs Thatcher, defused as we were by our own behaviour and by four years of Tory rule, during which we had largely been ignored. We humiliated Callaghan, just as we had humiliated Wilson and Heath before him, but now the humiliation was ours. We could man illusory picket lines, but the British people walked straight through them. All this washed over the General Council in a slowly lapping wave of uncomfortable realisation."

The following U.K. Legislation enacted under Conservative Governments from 1979 to 1993 included a number of main provisions:

The Employment Act (1980)

1. It outlawed most secondary action
2. Banned flying pickets
3. Limited the closed shop
4. Offered funds to pay for trade union ballots

The Employment Act (1982)

1. The exposure of trade union funds to damages claims from employers
2. Political disputes were made illegal
3. Further curbs on the closed shop

The Trade Union Act (1984)

1. Compulsory strike ballot
2. Elections required for all executive officials
3. Ballots on political funds
4. The Courts' power to sequestrate assets
The Wages Act (1986)

1. Reduced the powers of Wages Councils
2. Allowed non money payment

The Employment Act (1988)

1. All trade union leadership elections to be by postal ballot
2. Trade union members had the right to ignore union decisions and not be disciplined
3. Post entry closed shops were abolished

The Employment Act (1990)

1. Rules on full time off for trade union officials/activists changed
2. Removal of the restrictions on the work of women
3. Enacted new procedures on Industrial Tribunals

The Trade Union and Employments Rights Act (1993)

1. Required employees to confirm the check-off system every three years
2. The withdrawal of government subsidies for trade union education
3. A requirement of trade unions to exert greater control over their membership in collective action

The latter part of the Conservative period in power saw it as a party at war over Europe. At many European summits it was the odd country out; standing alone against the others, particularly against the Social Contract provisions of the Maastricht Summit where it sought, and got, a derogation. It was also out of line with its European partners in relation to the Working Time Directive and European Works Councils. John Major’s wish to be at the ‘heart of Europe’ was perceived to be mere rhetoric, as he could not bind the two polarised communities of the ‘Eurosceptics’ and the pro-Europeans within his own Conservative Party.

Since the election of the Blair government on 1st May 1997 a number of notable changes have occurred:

1. Blair’s government has announced it will sign up to the Social Chapter
2. Discussions have begun between the TUC and CBI on a Trade Union recognition agreement. Though some differences remain over some of the clauses in the main all the major elements are agreed.

3. Professor George Bain was appointed to chair a new Low Pay Commission which has reported and whose main recommendations the Labour government will shortly enact.

At last year’s Trades Union Congress, John Monks pointed out that the restructured and modernised TUC was anxious to embrace the concept of Partnership. He stressed that the TUC must (EIRR 285:12):

"Earn the right to be a national social partner by dropping the easy habits of opposition and gesturism. It means straight and skilled dealing backed by exemplary democracy."

According to Bamber and Lansbury (1998:39/40) the largest trade unions in the TUC have with the return of Labour in 1997:

"presaged a more useful role for the TUC as a valued social partner with government, though this will be less close than under previous Labour governments.

Table 3.6 lists the dramatic decline in trade union density of the largest British unions in the period 1980-1995.

<table>
<thead>
<tr>
<th>Union</th>
<th>Membership (000's)</th>
<th>% Change 1980-1995</th>
<th>Summary description</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNISON</td>
<td>1,697</td>
<td>1,355</td>
<td>-20%</td>
</tr>
<tr>
<td>TGWU</td>
<td>1,887</td>
<td>897</td>
<td>-50%</td>
</tr>
<tr>
<td>GMB</td>
<td>1,180</td>
<td>740</td>
<td>-37%</td>
</tr>
<tr>
<td>AEEU</td>
<td>1,690</td>
<td>726</td>
<td>-57%</td>
</tr>
<tr>
<td>MSFU</td>
<td>683</td>
<td>446</td>
<td>-35%</td>
</tr>
<tr>
<td>RCN</td>
<td>181</td>
<td>303</td>
<td>+67%</td>
</tr>
<tr>
<td>USDAW</td>
<td>450</td>
<td>283</td>
<td>-37%</td>
</tr>
<tr>
<td>CWU</td>
<td>334</td>
<td>275</td>
<td>-18%</td>
</tr>
<tr>
<td>NUT</td>
<td>273</td>
<td>248</td>
<td>-9%</td>
</tr>
<tr>
<td>BIFU</td>
<td>141</td>
<td>124</td>
<td>-12%</td>
</tr>
<tr>
<td>GP&amp;MU</td>
<td>286</td>
<td>217</td>
<td>-24%</td>
</tr>
<tr>
<td>NASM&amp;UWT</td>
<td>156</td>
<td>234</td>
<td>+50%</td>
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<tr>
<td>AT&amp;L</td>
<td>90</td>
<td>171</td>
<td>+90%</td>
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Table 3.6 The Largest British Unions

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<td><strong>Total</strong></td>
<td>100%</td>
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<td><strong>CTC</strong></td>
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<td><strong>Training</strong></td>
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<tr>
<td><strong>Technical Assistance</strong></td>
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<tr>
<td><strong>Community Services</strong></td>
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<tr>
<td><strong>Support Services</strong></td>
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<tr>
<td><strong>Open Enrollment</strong></td>
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<tr>
<td><strong>Assistance</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total 100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
The Return of the Employee Prerogative

Storey (1982) opined that the raft of Conservative Government enacted legislation had led to the return of 'the managerial prerogative'. It could well now be argued that, with the publication of the White Paper on May 21st 1998 entitled 'Fairness at Work', many elements of this well balanced document will lead to the return of the employee prerogative.

The main provisions of the White Paper, according to the Guardian Newspaper of 22nd May 1998 are:

- **Creates a legal right to union recognition**

  In all firms employing 20 or more workers, there will be two alternative legal routes to union recognition for collective bargaining. If more than 50% of a particular 'bargaining unit', or group of workers are union members, recognition will be automatic. Otherwise, there must a majority for recognition in the workplace ballot and a minimum yes vote of 40% - a figure which will be subject to review. If the employer objects to the bargaining unit proposed by a union it can appeal to a beefed-up Central Arbitration Committee, which can turn down claims if there are inter-union disputes. The process will be time-tabled and recalcitrant employers ultimately liable to the sanction of contempt of court.

- **Creates a right to individual representation**

  All workers will have the right to be represented by a union official or fellow employee in disciplinary or grievance procedures. Unions will get access to all companies and workplaces where there is a union member.

- **Cuts the qualifying period for unfair dismissals**

  Employees will now be able to claim unfair dismissal at an industrial tribunal after one year instead of the present two, as is the case currently in Ireland following the amendment of the Unfair Dismissals Act. The TUC and the former leader of the Labour Party, John Smith, argued that unfair dismissal rights should apply from day one in the job.
The name of the organization is The National Science Foundation. The mission of the organization is to promote the progress of science, to advance the national health and welfare, and to enhance the national security of the United States by supporting research and education programs, providing leadership in mathematics and science education, and fostering the integration of science and technology into the curriculum of the schools. The organization is funded by the U.S. Congress through the National Science Foundation Act of 1950, as amended.

The organization is governed by a Board of Directors, which is comprised of members appointed by the President of the United States and confirmed by the Senate. The President designates one member of the Board as the Chairman, and the Board elects one member as the Vice-Chairman. The Board meets at least six times per year to consider matters of policy and to review the organization's programs and activities.

The organization has a number of internal committees and subcommittees that work on specific areas of its mission. These include committees on education, research, and international matters. The organization also has a number of advisory committees, which are composed of scientists, engineers, and other experts in various fields. These committees provide advice and recommendations to the Board of Directors and the President on matters related to the organization's programs and activities.

The organization is headquartered in Washington, D.C., and has regional offices throughout the United States. The organization also has a number of foreign offices and representation in countries around the world. The organization is committed to supporting research and education programs that promote excellence and innovation in science and technology, and to fostering international collaboration in these areas.

The organization is dedicated to providing leadership in science and technology education, and to working with schools, universities, and other organizations to promote the integration of science and technology into the curriculum of the schools. The organization is also committed to supporting research and education programs that address the needs of underserved communities, and to promoting diversity and inclusion in science and technology education.

The organization is also committed to promoting the public understanding of science and technology, and to working with the media and other organizations to increase public awareness of the importance of these fields. The organization is dedicated to supporting research and education programs that address the needs of underserved communities, and to promoting diversity and inclusion in science and technology education.

The organization is also committed to promoting the public understanding of science and technology, and to working with the media and other organizations to increase public awareness of the importance of these fields. The organization is dedicated to supporting research and education programs that address the needs of underserved communities, and to promoting diversity and inclusion in science and technology education.
• Makes the sacking of legal strikers ‘unfair’

Workers who are sacked for taking legal industrial action will be able to claim unfair dismissal at an industrial tribunal.

• Abolishes the limit on Employment Tribunal unfair dismissal compensation

The current maximum award for unfair dismissal of £12,000 is to be abolished, there will be no ceiling on future awards. This will give teeth to the new rights for sacked strikers, as mass dismissals now risk becoming disproportionately expensive for employers.

• Outlaws discrimination against trade unionists

The blacklisting of trade union activists is to be made unlawful and discrimination against union members - for example, by denying them pay increases if they refuse to sign personal contracts - will also be outlawed.

• Abolishes the Commissioner for rights for Trade Union Members

The office and staff of "Crotum", which was set up by the Conservatives to finance legal actions against trade unions, is to be scrapped, while the power of the Trade Union Certification Officer are to be strengthened.

• Promises to review employment contract abuses

These include ‘zero hours contracts’, where workers have to be available without any guarantees of work; waiver clauses, where employees are made to sign away employment rights; and employment agencies, which are used as a way round legal obligations.

• Implements the European Parental Directive

All parents are to have the right to up to 12 weeks unpaid leave while their child is under eight, as agreed under the Social Chapter, as well as time off for urgent family reasons, such as looking after a sick child.

• Increases maternity leave
The current 14 week maternity leave entitlement will be increased to 18 weeks, in line with maternity pay.

The Sunday Times (1998:5/4), in an editorial on May 24th 1998 had the following to say;

"The danger in this White Paper - like the social chapter and minimum wage - is that it is making us conform with work practices that destroy jobs. Rather than capitalise on our advantage, we are heading in the wrong direction. The country is gradually losing the edge it had under Thatcher. Mr Blair, who admired so much of what she achieved, must prevent us going any further down the wrong road."

According to John Jay of the Sunday Times(1998:3/2) however, such a reversal of role by Blair is unlikely, for he posits the view that:

"Optimists among Labour's business friends think Fairness at Work is a one off, a fudged fulfillment of a manifesto commitment and not a sign that Blair is retreating from the market. They say that will be shown when the minimum wage proposals emerge at a sensible level and in battles in Europe."

The Future
The Blair government has moved quickly to honour its commitments in relation to minimum wage, the restoration of trade union rights at GCHQ, and trade union recognition. They have also lived up to pre-election promises made in relation to 'opt outs', particularly the social chapter, which the previous Tory government had secured at EU summits.

The principal issue which the Blair government has still to deliver on is to become a member of the EMU at the earliest opportunity, although he has to go through a referendum to achieve this policy aim. Both sides of industry have seen the first eighteen months of Labour government as being firm and even-handed with little sign of any return to the industrial relations chaos of the late 1970's. In the future the following Labour policy pledges have to be legislated for:

- ending age discrimination
- working with the TUC and CBI to improve occupational health and reduce sickness absence.
- a new right for employees to be accompanied at disciplinary meetings
- streamlining the operation of industrial tribunals
- protecting employees against abuse of 'zero hours' contracts and home working.
In relation to Public Sector pay there is no sign of the Blair government loosening the tight fisted approach of recent Tory administrations - which limited increases to efficiency ratios generated within the baseline of the overall pay bill - although the issue of merit or performance related pay has been raised for the teaching profession.

3.6 The Netherlands.

<table>
<thead>
<tr>
<th>Population 15.57 million.</th>
<th>Land Area 37,291 sq. kilometers. Currency: Guilder</th>
</tr>
</thead>
<tbody>
<tr>
<td>CP Inflation: 2.2% (1997)</td>
<td>GDP per head $23,183 (1997)</td>
</tr>
<tr>
<td>Exports: 80% EU</td>
<td>CPI Average 1993-97: 2.3%.</td>
</tr>
<tr>
<td>Taxation: Company Taxation 35% together with local taxes.</td>
<td>Imports 64.2% EU, USA 8.1%.</td>
</tr>
<tr>
<td>Labour Force: 6.8 million.</td>
<td>Unemployment Rate: 5.6%</td>
</tr>
<tr>
<td>(EIU Estimate 1997)</td>
<td></td>
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<tr>
<td>Trade Union Density: 26% (ILO Report 1997/8)</td>
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</tbody>
</table>

The general climate of Industrial Relations in the Netherlands can be described thus:

- General collective agreements are open to the partners and so they can be concluded on a company basis, for an entire industry, on a regional basis (this is very rare) or at national level.

- There has been a tendency, since the end of the seventies, to much more decentralisation, that means in practice that there are many more company based collective agreements now than there were, 20 years ago.

- Although the number of cross-sectional agreements are low, they are still important. Collective agreements on a national level are also important, but the number of agreements which cover cross sectional issues are very rare at the moment.

In relation to the makeup of the Social Partners in the Netherlands, and how many employer organisations there are, there has been a merger (IGGY) between the two largest employer organisations and national employment organisations. There is Nederlands Christelijk Werkgevers (NCW) which is the Christian Employers Organisation and the second Vereniging Nederlandse Ondernemingen (VNO), a general organisation for employers. These merged six years ago, because many of the members belonged to both organisations, and of course they organise sectoral employers organisations, who also
organise companies, so companies are also members of these organisations on a sectoral basis.

On the trade union side, there are, four central trade union organisations, four federations.

- The most important one is the Netherlands Trade Union Confederation (FNV), it organises about 70% of all the trade unionised people in the Netherlands.
- The second is the Christian Trade Union Confederation (CNV), this organises 15%.
- Then there is the Confederation of Managerial Staff (MHP), the organisation for middle rank and higher staff.
- And finally the small General Trade Union Confederation (AVC), which is a collection of trade unions who are not organised to the other three.

Since I spoke to Dr Van der Voort (1996:EE3), the FNV has been further merged and is now known as the FNV Bongenoten. Commenting on the history of the main federations he says:

"FNV actually came out of a merger between the Catholic union and the more socialist based union in the seventies. The AVC, the last one I mentioned, the smallest one, talks at the moment about merging with the FNV, so then there will be three main federations. The largest one that has 70% coverage, its a federation thus a Congress and it organises sectoral or topic based unions. So for example you have an industry union, a service union, you also have a women's union, so it organises a lot of these unions. The same is true for the CNV, the MHP and the AVC, they are all organised sectorally and composed of issue based unions."

Pillarisation.

The term confessional union means that it is organised on a religious basis, so its actually a result of the concept of ‘pillarisation’ in the Netherlands, which means that society in the 1950's and before was organised into kind of pillars, where you had the Catholic pillar, the Protestant pillar, the Socialist pillar and a Liberal pillar. These pillars were quite independent from each other, people lived their own life within their pillar, and the leaders of the pillars co-operated on the highest political level.

Here, the conflicts which existed between the pillars were accommodated by a consensual decision-making system. The system was therefore very hierarchical; leaders could be political leaders but also trade union leaders, even the broadcasting system was organised in these pillars and still you see the remains of these societal organisation in the Netherlands. So there is a kind of cleavage line in the society still based on religion and
political ideology and therefore there are still people who want to be organised on the basis of their beliefs or religion for example.

In relation to a query about the neo-corporatist or social partnership style in the Netherlands, and its historical significance and where it is currently
Van der Voort(1996:EE 4) asserts that :

“If you talk about neo-corporatism in the Netherlands you have to go back actually to the 1950’s. You can go back further but it’s not important. I think the story you see after the second World War is that after 1948 the system of pillarisation and centralisation is translated into the establishment of formal structures whose role is to organise the reconstruction of the Dutch economy after the war.”

This reconstruction demanded a consensus to avoid any social conflict, and therefore structures were set up to support this, and the most important ones were the ‘Foundation of Labour’ and SER.

The Foundation is a bipartite structure, where the national employers organisations and the national trade union federations meet and talk on a continuous basis to try to conclude collective agreements on set conditions in which negotiations between the partners should take place on lower levels.

The Foundation also meets the Minister of Labour and Social Affairs and the Minister of Economic Affairs twice a year for concertation on a national level. Then you have the SER, the Social Economic Council. It is an advisory body, and it actually gives advice on social and economic policy matters. These two structures became very important in the 1950’s.

The SER basically did studies on how much the pay levels should rise in the next year, and then the Foundation of Labour actually brought this into practice. In this whole system of pillarisation, and accompanying centralisation this was possible.

This system was more like a triad. There was the Central Statistics Office (CBS) which produced studies about the Dutch economy. These studies were used for advice in the SER and the Foundation used them to conclude ‘responsible’ cross sectoral agreements. So these worked very well in the 1950’s.

Pay levels in the Netherlands were much lower than in all the surrounding countries, the kind of system on which it was based could be called neo-corporatist. It was cross sectoral, very centralised, again policy making in which the trade unions and the employers organisation were involved, because that was part of the deal.
The Future.

There is a perceived shift in the trade-off between wage moderation on the one hand by employees and on what they require in return. Heretofore employees attention was focused on shorter working time but recently trade unions have put training and workloads at the centre of the agenda while employers are looking for increased flexibility and performance based pay. Trade union restructuring is also on the agenda as is the proposal for a new Career Break Leave Financing Act (Wet financiering loopbaanonderbreking). Interestingly Visser (1998:308) in analysing the main reason for the success of the ‘Dutch Model’ gives the following reasons:

“According to the CGB (1995:268) wage moderation has been the country’s single most important weapon in international competition. For the second half of the 1980’s the Bureau estimate that two thirds of employment growth can be attributed to wage moderation and one third to the expansion of the world economy.”

1. Wim Koch’s government has been attempting to have passed into law a legislative framework which will ban age discrimination as a means of encouraging older workers back into the labour market. At the moment employers can stipulate minimum and maximum age limits without any penalty.

2. In the private sector Phillips have recently concluded a deal, as part of the renegotiations under the collective bargaining structure, with the VHPP, FNV, and CNV which caters for improvements in the pension scheme to allow for early retirements with an increased payment of circa £4,500. EIRR (1998:10)

3. The FNV is calling for wage increases of 4.5% in the 1999 wage round while the CNV has called for increases of the order of 3.25%. FNV is justifying the higher figure based on current awards over two years of 3% plus bonus payments which are being consolidated. The pay trends for 1997/8 were of the order of 3.2%.

<table>
<thead>
<tr>
<th>Table 3.7</th>
<th>Annual Wage Round Increase in the Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year</strong></td>
<td><strong>Subsidised Sector</strong></td>
</tr>
<tr>
<td>1997</td>
<td>+4.9%</td>
</tr>
<tr>
<td>1998</td>
<td>+3.7%</td>
</tr>
</tbody>
</table>

One of the main factors accounting for the increased cost in the government and subsidised sectors has been the decrease in working time which has been negotiated. The recent budget allocation allows for only 1.5% for government employees. Reacting to this
According to the CDC (2020), the number of cases has significantly increased in recent years. In 2019, there were approximately 10,000 confirmed cases. However, for the year 2020, the number of cases has doubled, reaching 20,000. This statistical data indicates a concerning trend that underscores the importance of continued public health measures to control the spread of the disease.

<table>
<thead>
<tr>
<th>Year</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>10,000</td>
</tr>
<tr>
<td>2020</td>
<td>20,000</td>
</tr>
</tbody>
</table>
FNV President Lodewijk De Waal (EIROnline 1998:4) pointed out that the Netherlands economy based on successful consultation is:

"mainly a matter of faith: it works as long as people believe in it, and people believe in it only as long as it works."

Recently EIROnline (1999:1) commented that:

"In January 1999, the main Dutch employers' organisation, VNO/NCW, demanded more stringent government implementation of the Occupational Disability Insurance Act. Despite the Prime Minister's cautious reaction, the state secretary responsible has pledged stricter application of the Act in future. The Liberal Party has called for the adoption of far-reaching measures, while the FNV trade union confederation's reaction to the employers' position has been highly dismissive."

Also in early 1999 there were some problems with the public sector 'Polder Model'. Because of falling unemployment, economic growth and shortages of labour the price of labour in the private sector has risen, fueling demands in the public sector. Grunell (1999:3/4) comments that:

"Even if the government succeeds in regaining the support of the unions with a public sector 'solidarity agreement' and in toning down pay demands, it will still need to find money to improve fringe benefits required to recruit the people to fill the vacancies and reduce workloads."

The coming two years will show whether the Purple II government will provide the foundations for further consensus or whether they will attempt to destroy that fragile relationship. Bearing in mind the Netherlands's ability to forge long term deals, the likelihood is that the consensual arrangement will continue.
3.7 Italy

Population: 57.6 million. Land Area. 294,060 sq. kilometers.
Real GDP growth: 1.5% Unemployment Rate: 12.3%
CPI: 1.7% GDP per head $19,878.
Unemployed: 2.805 million. Trade Union Membership: 10.6 million.(1993)
Exports: EU 54.6% USA 7.9%. Imports: EU 60.6%, USA 5.0%.

Prices and Earnings.

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumer Price</th>
<th>Index (%)</th>
<th>Producer Price</th>
<th>Index (%)</th>
<th>Basic Wage Index</th>
<th>Index (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>91.3</td>
<td>(4.2)</td>
<td>89.3</td>
<td>(3.7)</td>
<td>93.2</td>
<td>(2.8)</td>
</tr>
<tr>
<td>1994</td>
<td>94.9</td>
<td>(3.9)</td>
<td>92.7</td>
<td>(3.8)</td>
<td>95.2</td>
<td>(2.1)</td>
</tr>
<tr>
<td>1995</td>
<td>100</td>
<td>(5.4)</td>
<td>100</td>
<td>(7.9)</td>
<td>98.3</td>
<td>(3.3)</td>
</tr>
<tr>
<td>1996</td>
<td>103.9</td>
<td>(3.9)</td>
<td>101.9</td>
<td>(1.9)</td>
<td>102.3</td>
<td>(4.1)</td>
</tr>
<tr>
<td>1997</td>
<td>105.7</td>
<td>(1.7)</td>
<td>103.2</td>
<td>(1.3)</td>
<td>106.8</td>
<td>(4.4)</td>
</tr>
</tbody>
</table>

Indices (1991 = 100) unless otherwise stated; % change on year in brackets.
Main Trade Union Confederations; CGIL, CISL, UIL.

Italy is divided into two discrete parts in terms of wealth, productivity and resources; the northern part as far as Rome, which is industrial and tourist related and the south, otherwise known as the Mezzogiorno.

The Mezzogiorno has economic problems as serious as any of the deprived areas of the EU, i.e. below 75% of average EU GDP, and includes such regions as Abruzzo, Molise, Campania, Puglia, Calabria, Basilicata and the islands of Sardinia and Sicily.

This region accounts for 40% of Italy’s land area and 36% of its population. Despite massive state aid the gap between the output per head in the north and south of Italy has grown from a difference of 5% in the 1960’s to 57% in 1994.

According to EIU (1998/9:22):

“A major problem is that, although the cost of living is up to 30% lower in parts of the south than in the richest parts of the north, wages are the same throughout Italy.”

Other difficulties for the southern region are:
1. The European Commission has condemned the Italian government for subsidies for firms in the south.

2. Although the region is eligible for ERDF funding, the Commission have ruled that social security exemptions in existence in the south are in breach of EU competition law.

3. In 1995 Italy agreed to phase out these exemptions by 1999, which will have the consequential effect of increasing labour costs by 20%.

4. The EU have agreed the creation of a fund to guarantee bank loans for small and medium enterprises in the south where commercial banks interest rates are significantly higher than the north.

5. A new system of investment grants in the form of tax concessions linked to investment and the number of jobs created has also been agreed and to eliminate any element of bureaucratic delay these grants will be deductible at source from companies tax liabilities.

A new constitution established in 1948, post World War II, which was determined to combat the previous fascist tendencies under Mussolini and the collaboration with Hitler's Germany, has seen weak powers for the executive. This has resulted in very short periods in power for governments, with the consequential lack of long term policy making. However with the arrival of 'Tangentopoli'; which led to the investigation of corruption arising from an institutionalised system of bribes in exchange for public sector contracts; and the pursuant political fall-out for the established political parties with four different men holding the position of Prime Minister, Amato, Ciampi, Berlusconi and Dini from 1992 to 1996.

In July 1993 the Social Partners, along with the Italian government, reached a tripartite agreement which was seen as an attempt to overcome the dualist character of Italian industrial relations. Despite some tensions, the social pact has remained solid, so much so that at the 11th IIRA World Congress in Bologna in 1998, both representatives of employees and employer organisations were proudly asserting their wish to conclude a further deal.
Eventually an ‘olive tree coalition government’ was elected comprising of members of Romano Prodi’s party and the Partito Rifondazione Comunista. This government lasted from May 1996 to October 1998 and had the following successes:

- pension reform
- commitment to introduce 35 hour week by 2001
- revitalising of privatisation programme
- reduction of budget deficit to below 3% in 1997
- reforms of judicial, education, public administration and labour market systems

Regini (1998:494/5) asserts that:

“The Italian industrial relations system was conventionally described - at least until the July 1993 agreement - as having a low level of institutionalisation, in the sense of lacking formalised and stable rules covering relations between the actors.”

According to Regini (ibid) a dualism between voluntarism and informality and involvement in and intervention by public institutions undoubtedly stems from:

“the union’s economic and political weakness, which for many years allowed other industrial relations actors simply to ignore them.”

Regini (1998a:332) cites his own country, Italy, as among five where change has taken place:

“concertation has re-emerged as a crucial instrument for the regulation of an opposite direction to that prevailing in the 1980’s. Namely, macro-economy, and peak level interest organisations have acquired a key role in it. ... In relation to Italy, both highly successful tripartite agreements on incomes policy have been reached and major reform laws on social security and public employment have been negotiated with the social partners and then enacted.”

Tiziano Treu, Academic, and former Minister for Labour in Romano Prodi’s government, in his Presidential address to the 11th World Congress of the IIRA (1998:XVII) had the following to say about the waxing and waning of social partnership or territorial pacts as he describes them.

“Over the last 15 -20 years, concertation has suffered an oscillatory trend, alternating stages of expansion and contraction. The implementation of European Monetary union promises a new expansionary trend, because the initial laissez- faire policies should be replaced by the Governments’ attempt to rigorously contain the cost of labour. The absorption of any asymmetrical shocks may be more successfully achieved in a neo-corporatist environment, as the Dutch and Austrian experience has proved, when these countries have called to govern the process of realignment of their industrial relations systems with the German mark.

Pro Labour governments are not sufficient to guarantee the success of concertation, although they may support it. The incentive to social deregulation initially
introduced by the European Monetary Union, with the enterprise intent on focusing on their own interests, may be followed by the trend to re-regulation, which is already under way, if one takes into account the spread of the so called “territorial pacts” (Eire, Finland, Italy, Spain, and Portugal), the Community initiatives (directives) on social issues and the new European wide multilateral monitoring procedures in employment matters.

By adopting a concertation framework such as the one outlined in the Agreement on Social Policy attached to the Treaty of Maastricht, subsequently incorporated into the new Treaty of Amsterdam, one may project into the future plans of radical change and adaptation of labour regulations. We do not need to devise new techniques for increasing the precariousness of employment relations, to respond to the incessant requests of flexibility. The challenge is much more complex and consists in creating the adaptability on which the enterprises may fashion a new reliable and motivated labour force, certain of its employment perspectives, in a framework of continuous training. The challenge of globalisation cannot be won only by means of outsourcing or insourcing as mass practices, and there are many enterprises which, substantially going back on their footsteps, are reconsidering the return of previously outsourced functions.

The achievement of efficiency depends on new forms of employment, new forms of management and, therefore, on the participation of workers, which may also be developed at micro level, so as to constitute an added value continuously sought as part of the revised version of corporate governance.”

3.8 Conclusion.

3.8.1 Schulten (1998: 210) finds that in the EU the average wage quota (employees share of national income) has fallen from 74.3% in the 1960’s down to 69.9% in the late 1990’s. Schulten describes the situation thus;

“Whereas during the 1960’s the average adjusted labour share in national income remained virtually constant in Western Europe - and in the course of the 70’s even increased to the benefit of the workers- during the 80’s one can observe the decline in this adjusted labour share, which accelerated during the 90’s.”

An illustration of the downturn in real wages in EU countries over the period 1970 - 1997 is seen in the table (Table 3.8):

Table 3.8 Development Of Adjusted Share Of Labour In National Income (Wage Quota) In % Of GDP At Factor Costs, 1961-1997 In The European Union

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>69.6</td>
<td>74.5</td>
<td>73.2</td>
<td>71.5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>69.9</td>
<td>74.2</td>
<td>67.6</td>
<td>65.8</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>62.5</td>
<td>70.9</td>
<td>72.1</td>
<td>72.7</td>
</tr>
<tr>
<td>Germany *</td>
<td>71.6</td>
<td>73.7</td>
<td>70.9</td>
<td>67.7</td>
</tr>
<tr>
<td>Ireland</td>
<td>81.1</td>
<td>79.1</td>
<td>74.3</td>
<td>67.1</td>
</tr>
<tr>
<td>EU 15</td>
<td>74.3</td>
<td>75.4</td>
<td>73.1</td>
<td>69.9</td>
</tr>
</tbody>
</table>

3.8.2 There have been a significant number of additions to the social partnership/neo-corporatist club over the last decade, Greece, Portugal, Spain and many Eastern European countries. Varying reasons can be attributed for different countries, however achievement of the Maastricht criteria as well as accession to EMU in the first tranche were evidently in most country’s minds.

3.8.4 The fact that interest rates within those first entrants could converge on December 3rd 1998 at 3%, (Italy 3.5%), and that the differing national currencies have been able to agree their respective weightings with the EURO shows the capacity for European growth. The era of low inflation, allied to higher labour productivity and moderate wage demands, as well as taking on board globalisation of the market and world competitiveness have allowed for the beginning of the tackling of the scourge of unemployment.

3.8.5 However as Roger Blanpain (1998:20) pointed out in the 23rd Markievicz Lecture in Dublin in late November 1998, there are still a significant number of blockages to collective bargaining and employment policy on a European level becoming a reality.

“In short, the EU has no general regulatory competence whatsoever that might lead to a generally co-ordinated employment policy.”

In relation to the threats posed by globalisation and the ongoing march of multi national corporations (MNC’s) Blanpain (1998:33) suggests that;

“The question is then how to organise the labour market in order to suit the needs of the information society and, at the same time, to see to it that enough added value and wealth is created to be able to establish and guarantee an adequate system of social protection, which should shield the worker of the XXIst century as far as his needs for income, health and safety and social security (unemployment, sickness insurance, pension...) are concerned in a globalised volatile economy.”

3.8.6 Hayes (1998:1/2), commenting on Commissioner Padraig Flynn’s recent proposal for a directive on information and consultation of employees in enterprises with at least 50 employees has the following to say;

“Consultation between employer and employee will be based ‘on a dialogue and exchange of views’ including, in relation to work organisation and contractual changes, an attempt to seek prior agreement on the decisions concerned. Given the range of items that can be included under the headings of work organisation and contractual changes the onus on employers to seek prior agreement comes very close to an obligation to bargain collectively with employee representatives on these issues.”
If such is the case then an increasing number of enterprises in both the state and the private sector will have to change from top-down forms of management and decision making to more delayered and co-operative forms of enterprise where the partnership model can finally arrive at the micro/meso level from the supra-national and macro level where it has flourished of late.

3.8.7 The Doorn Accord has pointed the way in which trade unions from a number of countries can unite to form strategic alliances and endorse aspirational demands. This type of accord can be further built on by increasing the number of such agreements to cover all 15 member states of the EU and by moving in tandem to mobilise the collective power base of unionised membership within the EU to challenge the prevailing power influence of Multi National Corporations.

3.8.8 Trade Unions and Employer organisations have shown through their commitment to social partnership and to a lesser extent to European Works Councils (EWC’s) that there is an increasing relevance to the role of employees as stakeholders.

3.8.9 Throughout the last ten years across Europe various methodologies have been used by both sides of the capital labour divide to come up with solutions to fit common problems. Thus issues such as performance related pay, profit sharing, annualised hours, reduction in working time, trade-offs in relation to holiday pay and fine-tuning of working conditions to allay the unemployment ‘bulges’ have been negotiated. Trade-offs are also occurring at national level in relation to welfare and taxation issues, where extended longevity of life, as well as national difficulties in relation to demographic factors have to be taken to account. In most of these solutions the pain as well as the gain has been shared, though not proportionally.

3.8.10 At the same time tensions continue to exist between the representatives of employers and employees in relation to the division of the spoils of labour and increasing attempts being made to deregulate and peripheralise the world of work. On the plus side however recent happenings in State companies such as Air France, Aer Lingus and Telecom Eireann where employee share ownership programmes have been agreed, also point a possible way for the future.
CHAPTER FOUR - RESEARCH METHODOLOGY

4.1 Research Methodology.

This chapter describes the research methodology of this dissertation. Through the medium of 31 taped interviews; subsequently transcribed and delivered to the interviewees for alteration/editing a large volume of new evidence and data is now available. The 31 interviewees cover the main players in the Social Partnership arena, specifically Trade Unions, Employer Organisations and Government Ministers. The interviews include Ex-Ministers and Two Taoisigh, (Prime Ministers) as well as representatives from Non Government Organisations (NGO’s) who, at the outset of this research, were not parties in the Social Partnership process but have now become a new pillar of it through their involvement in the National Economic and Social Forum (NESF) and in the negotiation of the Social Exclusion Chapter of Partnership 2000.

This study covers the time period from 1970 to 1999. In 1970, following a very bitter maintenance craftsmen’s dispute of 1969, agreement was reached by all sides of industry to strive to bring order to the chaotic position of national wage bargaining in Ireland. From 1970 to 1981 a series of National Wage Agreements (NWA’s) and National Understandings (NU’s) were brokered, under the auspices of the Employer Labour Conference (ELC). Following that period, from 1982 to 1987, a two-tiered bargaining approach developed. In the private sector there was a return to free collective bargaining and in the Public Sector a number of Public Service Pay agreements were cobbled together. In 1987, the first of four Partnership agreements was negotiated between the three major players in Irish Industrial Relations; i.e. The Government, Employers and Trade Unions. These four partnership agreements, which I have christened ‘the Four P’s’, have been broadly three year consecutive agreements covering pay, taxation, employment legislation, the parameters within which government macroeconomic policy will be decided, employment and unemployment policies, and latterly the issue of marginalisation and social inclusion.

This qualitative research through the medium of person to person taped interviews is conducted according to Denzin’s (1998:3) assertion that;

“Qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them. Qualitative research involves the studied use and collection of a variety of empirical materials - case study, personal experience, introspective, life story, interview, observational, historical, interactional and visual texts - that describe routine and problematic moments and meanings in individuals’ lives. Accordingly qualitative researchers deploy a wide range of interconnected methods, hoping always to get a better fix on the subject matter in hand.”
4.1.2 The research covered in this chapter combines the following four methods of information collection and analysis:

1. **Participant Interviews** (see 4.4 and 4.5) for the 31 taped interviews.

2. **Attendance at Conferences/Seminars and Summer Schools**

3. **Trade Union Participation.**

4. **Document Research.**

During the course of my postgraduate research I was fortunate to attend a number of Seminars and Summer schools. In 1995, due to an EU grant, I spent two weeks at the Fifth International Summer School hosted by Sinnea International in Bologna, Italy. The school is based on studies in comparative industrial relations and labour law and is run by Professor Marco Biagi.

In March 1995, I attended a conference at the European Foundation in Loughlinstown, Dublin, entitled 'A European System of Industrial Relations Myth or Reality?' The main speakers were: Professor Wolfgang Streeck from the Max Planck Institute, Des Geraghty (SIPTU) and Professor Rory O'Donnell (then Director of the NESC).

Later in 1996 I attended a Conference during the Irish Presidency of the European Council of Ministers, hosted by the Junior Minister of Labour, Ms Eithne FitzGerald entitled 'Workplace Partnership for Competitiveness.'

In 1997, attendance at the Fifth European IIRA Conference which was held in Dublin was facilitated by a grant from SIPTU, which allowed me to prepare two papers for this conference, whose global theme was; The Employment Relationship on the Eve of the 21st Century.

In 1998, a small grant from SIPTU aided me to travel to Bologna for the 11th World Congress of the IIRA. The Conference theme was 'Developing Competitiveness and Social Justice'. The interplay between institutions and social partners was particularly appropriate for me as I contemplated the completion of my research.

Every year in Dublin there are a number of lectures held by organisations such as the IPD, IAIR, SIPTU and the Universities in Dublin. I have always looked forward to such key lectures as the Markievicz and Connolly lectures run by the IAIR and part funded by the Department for Enterprise and Employment and the Larkin Lecture, hosted by Dublin City University, funded by SIPTU. Such public lectures allow one to hear famous
scholars such as Professors Emmet Larkin, Roger Blanpain, Paul Teague, Keith Sisson Herr Ernst Breit, the late Dr Paddy Moriarty, and many others, whom one might not otherwise hear.

3. **Trade Union Participation.**

Throughout the period of my research as a part-time student I have continued my involvement in my own trade union, SIPTU, and in various committees of the ICTU. (See 4.8)

4. **Document Research.**

As mentioned in Chapter 2, at the time of commencing this body of research few articles had been written about the process of Social Partnership in Ireland. However, following PNR and PESP, an increasing amount of attention was paid to the process, not only by the main actors but by economists and academics. I have paid some attention to the continuing stream of articles and will discuss this in greater detail in Chapters Five and Six. I was also facilitated in this process by the generous return from some organisations of documents and files as a result of a letter I wrote in January 1994.

The research method uses Denzin’s (1998:4) method of triangulation which he maintains;

> "reflects an attempt to secure an in depth understanding of the phenomenon in question."

Hammersly and Atkinson(1983:198) also assert that;

> "Respondent validation...amounts to checking inferences drawn from one set of data sources by collecting data from others."

A particularly rich example of triangulation is that seen in the interviews in Chapter Five, which cover the political recollections of Ruairí Quinn and Garret FitzGerald. These shed interesting perspectives from two Ministers involved in the same Government from 1982 to 1987, who came from different parties and ideologies; the Labour Party (Socialist) and Fine Gael (Christian Democrat) respectively. I believe that exploring both their views as well as other perspectives, such as trade union and employer memories of such key moments, helps to conform to Denzin’s (1978) and Hofstede’s (1984) investigator triangulation.

The Research Method used in relation to the participant interviews was as follows:

1. A list of questions was provided prior to interview where requested.
2. The interview was taped and was to include questions from the list provided and supplementaries which might arise from responses from interviewees.

3. Interviews were to be typed and sent back to panelists for any alterations they wished to make.

4. Once returned the interviews would be collated and analysed.

4.2. How Was The List Of Interviewees Arrived At?

The area of Research involving Tripartism/Social Partnership/Corporatism, is a select one in which there are a few key players. As this body of work relates to the Irish experience of Tripartism/Social Partnership/Corporatism the stage is somewhat smaller than other European Countries, a fact which aids access to the main players. In the early years these were; Government Ministers (particularly the Minister for Finance who has overall responsibility for economic policy and Public Sector Pay), Employer organisations namely the Construction Industry Federation (CIF), The Confederation Of Irish Industry (CII), and The Federated Union of Employers (FUE), and with the Irish Congress of Trade Unions (ICTU) representing trade union interests.

From 1987 onwards, the approach of ‘the ruling elites’, as Professor Basil Chubb has dubbed the main architects of social partnership, reacted to a script largely agreed to by these representative bodies at another tripartite forum; the National Economic and Social Council (NESC). This body which, Gunnigle et al (1995:142) explain:

"was established by the government as a forum for the discussion of the principles relating to the efficient development of the national economy."


The Period of the Programme of Economic and Social Progress (PESP), 1991- 1993, was a period of stability which saw the result of a number of mergers, including the formation of the Services Industrial Professional Technical Union (SIPTU), the merger of the Irish Transport and General Workers Union (ITGWU), and the Federated Workers Union of Ireland (FWUI), as well as the Irish Business Employers Confederation (IBEC) which was the union of the CII and the FUE. Both of these agreements (PNR and PESP) were brokered by Bertie Ahern TD, the current Taoiseach, under the leadership of Taoiseach Charles Haughey.
The Programme for Competitiveness and Work (PCW) negotiated in late 1993, covered the period 1994-1996, while Partnership 2000 (P2K) negotiated in late 1996, covers the period 1997-2000 and were negotiated by Bertie Ahern and Ruairi Quinn under the leadership of Albert Reynolds and John Bruton respectively. Because social partnership (1970-1999) spans a period of just over twenty nine years, a number of additional interested parties have come on the scene.

In drawing up the list of interviewees an attempt was made to balance the representation of those who favour the notion of social partnership with those who oppose the whole notion of centralism in the conduct of negotiated bargaining. Originally the list comprised just 50 people, but now stands at 54 due to refusals, non-replies and the availability of some new players. Some of the NGO representatives were included in the belief that sometime in the future NGO’s might be included in the social partnership process. The full list of interviewees, including those who did not respond or were not interviewed are given in Appendix 4.1.

4.3 Sample Questionnaire.

From August to December 1994 time was spent constructing a questionnaire to be used as a basis for the taped interviews for the research element of this dissertation. The questionnaire and an explanation of the research methods used (C1-D1) is included as Appendix 4.2.

Initially I included a raft of questions in no particular order, but having spent a number of sessions with my supervisor, I decided to sort them into a number of specific areas. The questionnaire was refined following detailed consultation with my supervisor and a number of trial runs with interested participants who were not themselves to be part of the interview process. The makeup of the final list of questions covered five areas, with an extra sheet of questions each for employer and trade union representatives, where relevant.

The final breakdown of these five areas was:

1. The early agreements 1970-1981 covering the period of the seven National Wage Agreements (NWA’s) and the two National Understandings (NU’s). There are twenty two specific questions in this section.

2. This set of questions related to the relationship between the social partners and government; problems with the PESP; economic policy (particularly concerning the Ahern 10% devaluation), and economic policy in relation to EMU; the relationship
between debt reduction versus reduction of payroll taxes and the section finishes with the issue of new labour legislation and employment equality policy.

3. The third area centres on the areas of centralised and collective bargaining; trade union recognition; labour market deregulation; a possible new Commission on Industrial Relations; as well as the question of whether there is an ideology of social partnership.

4. The fourth set of questions relate to the specifics of the three national programmes, PNR, PESP and PCW, which had been negotiated at that time, as well as the issues of pay restraint and the curbing of the strike weapon. The benefits of social partnership are also examined as well as the question of deepening the social consensus.

5. The final twelve questions relate to the debate on a national minimum wage and the area of micro social partnership, as well as looking at the relationship between the social partners and interviewees' opinions on the role of the Oireachtas in Social Partnership/Tripartism.

The two additional lists of questions, mainly for employer and trade union interests, deal with the understanding of Social Partnership and whether it can be deepened. Finally the role of farmers in the process is addressed and if the process be enlarged to cover organisations such as CORI and the INOU.

These two organisations were chosen specifically because they had been to the fore in the lobbying for the setting up of what has become known latterly as the 'third strand' the National Economic and Social Forum (NESF). During the negotiations of the Partnership 2000 programme this group along with a number of other NGO's became known as the 'third pillar' of Social Partnership. This was something which I had anticipated as both organisations had long been vocal on the analysis of unemployment and social deprivation. I did not anticipate the National Women's Council (NWC) forming part of the social pillar; but from talking to a number of participants in that pillar, it seems that the NWC played a very marginal role and brought little economic analysis of their own to the discussions.

Overall there are one hundred and thirty eight questions in the questionnaire. It was never the intention that every interviewee would be asked the entire set, but overall it was hoped that the totality of the questions would yield a wide coverage. The final questionnaire is listed as Appendix 4.3.
In January 1995 letters were sent to fifty three people to ask them to participate in the research exercise. Dr van der Voort became available for interview during the Summer of 1996 while visiting Trinity College, Dublin, making the total requested fifty four.

A copy of the letter issued inviting people to participate in the process is listed as Appendix 4.4. While I was conscious that there are very few female players at this level of Social Partnership, a number of women were asked to take part in the process.

At the end of the day Dr Niamh Hardiman (UCD) was the only female interviewed; Ms Maureen Gaffney (NESF) refused due to time constraints in her academic work and role as chair of the NESF and Ms Mirette Corboy (Construction Industry Federation) offered the services of Terry Mc Evoy in her place, as he deals with the IR aspects for the CIF.

Some of the people who failed to respond to the initial letter were recontacted to allow for balance. Because of time constraints and the difficulty of time-tabling not all the respondees who agreed were actually interviewed. A number of respondents expressed the view that they might have little to contribute. In the main I did not interview these people.

The major exception was Dr Garret FitzGerald, for two reasons. First, the other Fine Gael person requested for interview, Mr Richard Bruton T.D., declined because of time difficulties and secondly Dr FitzGerald’s recollections of his period in Government from 1982 to 1987 were important as this was a central period of the free-for-all in the private sector; and a key period in Public Sector pay bargaining through the Employer Labour Conference between trade unionists and the government as employer.

4.4 Duration of Fieldwork.

The research process began in January 1995 and was finally concluded in July 1996. During that time 31 people were interviewed and the sum total of those interviews amount to approximately 1,000 pages. Because the research was conducted on a part-time basis different seasons produced higher or lower results in terms of the number of interviews conducted. A high proportion of the interviews were conducted in Dublin, mainly in the interviewees place of work or home, however it was also necessary to travel to Naas, Limerick, and Belfast.
The length of the taped interviews varied from forty minutes to three and a half hours and this is reflected in the length of the individual scripts. Each script has been given a designated letter or letters and are referred to in the text in this way e.g. A55, EE6, Z7. Throughout the interviews the general working arrangement was to allow the interviewees to deal with specific areas of expertise which they felt they had within the envelope of questions in the research outline. A secondary consideration was to get a wide coverage over all the areas in the questionnaire. While preparation was undertaken for all interviews, those who were interviewed on my trips outside Dublin benefited from the fact that, during my journey I was able to focus dearly on the relevant areas which led to less time being spent on finding a level in the interview and perhaps adding to the quality of the questioning.

Phillips (1987:72) comments on the danger of the time period appearing long and of the student being lulled into a false sense of security:

"At first three years (or six years part-time equivalent) will appear to be an extraordinarily long time for completing a single piece of research. Beware of this illusion."

Thankfully with regular meetings with my tutor and contact with fellow postgraduate students this was not a trap which I fell into. In an overall review the nineteen months of
the fieldwork process passed quite quickly and looking back the most difficult task was the actual time-tabling of the interviews.

In conversation with a number of overseas students at both the Sinnea Summer School in 1995 and the Special Workshop for doctoral students and other researchers held at the eleventh World Congress of the IAIR in 1998, I was made aware of how generous the access in Ireland is to key individuals compared to some other countries.

4.5 Method of Interview.

The methodology adopted was that all interviews were taped and, as soon as they had been typed and proof-read, they were returned to the interviewees for comment and/or amendment. Depending on the time of year and the pace at which interviews were being conducted, scripts were sent back either in weeks or months. Some of the scripts were returned with only minor alterations while others involved extensive redrafting, mainly for grammatical errors or typographical changes, but sometimes involving misapprehensions from the taped interviews. In the course of reviewing all of the scripts which were returned there was never any large alteration to the substance of the text as per the original interview. At least one of the academics interviewed said that in the course of his studies the same issue had been raised over previous use of tapes by people involved in politics. Only one person who refused to be interviewed suggested the taping as being the reason for the refusal (see 4.12).

4.6 Follow-Up on Scripts

During the period July 1996 to Easter 1997 a number of reminders were sent out to interviewees requesting the return of the typed scripts. The last reminder advised interviewees that, in the event that the script was not returned and in the absence of any correspondence, the analysis of the material would proceed as per the original agreement to interview. Twenty eight of the thirty one scripts have been returned and alterations included. Despite reminders three of the participants did not avail of the opportunity to make alterations.

4.7 Analysis Of Material Collected

During the course of collection of research data consideration was given to using one of a number of software packages to help analyse the material. The packages concerned were the Ethnograph, and the Nudist. However these software packages were not readily available to me. After deliberation I opted to analyse all the data manually. While inevitably this raised further questions and would increase the workload, it was felt that
having expended time taping and typing the interviews and having interviewees read and amend them that this was the better course of action. It certainly helped me to familiarise myself with the detailed comments and this certainly helped during the analysis stage.

The bulk of the analysis is contained in Chapters Five to Nine and was conducted as follows:

On each topic the broadest range of views are featured. Rudestam & Newton (1992:70) comment on the ability of researchers to construct questions that elicit open and honest responses, being a skill which must be learned, as is the ability to conduct such interviews. I hope that during the 31 taped interviews that make up the fieldwork that those skills have been well learned and well used by this researcher. In Chapters Five and Six much of the information elicited is of a historic nature particularly, from some of the key players of the early agreements. The period 1982 to 1987 unlocks for us a series of illuminating facts not hitherto revealed about some of the issues which led to the breakdown of the early agreements and the period of public sector pay agreements and private sector free-for-alls. In particular the reminiscences of Ahern, Attley, Cassells, Dunne, FitzGerald and Quinn give a cogent linkage between the early period of neo-corporatism, the emerging ‘new realism’ and the future concept of social partnership. Thus on a question such as trade union recognition, which is considered in Chapter Seven, there are views from the main players, i.e. trade unions, employers and government.

Other relevant issues are contained in the fieldwork, such as the existing constitutional position of unions, as well as a number of relevant cases. An attempt is made throughout these chapters to give the widest possible coverage of competing views, and these occur frequently. Thus while on the employer side both Dunne and Butler hold and articulate similar views from the level of the employer bureaucracy, O’ Sullivan’s view from the level of the enterprise differs in that he regards trade union input as having a ‘very significant role in the management of the enterprise’. Likewise there are variations in standpoints on the trade union side between Attley, Cassells and O’ Reilly, while Larragy’s opinions would express the view of the more ideological radical shop steward delegate. By highlighting the views of senior ministerial players such as Quinn and Rabbitte, and academics with strong research interests in this area such as Barry, Roche, Gunnigle, with Van der Voort giving a view of the European dimension, the multiplicity of opinions available in this area are covered.

The paper which McGinley and Filby produced for the 1997 Dublin Conference of the IIRA would have stated the broadest view of the position at that time. The fieldwork interviews were opinions expressed in the time frame of 1995 to 1997 and much has changed since
that period, e.g. the landmark High Court and Supreme Court cases in Nolan Transport V SIPTU and Others, as well as the disputes at Ryanair and Karavale. Other relevant data such as the tactic of de-recognition used on trade unions in the United Kingdom, a strategy not likely to be very successful in Ireland given the closeness of trade unions within ICTU and its rules on inter-union disputes and the attempted poaching of members, and the number of recognition disputes over a time period which are listed at Table 7.2, also the list of unions who have been involved in such cases in Section 7.2.

An interesting area which emerged as a sub-unit of the trade union recognition question is the role of the IDA, and the ongoing question of low trade union representation in green-field sites and certain computer and other MNC enterprises in the private sector. A further illuminating factor to emerge from the current data supplied by the ICTU is that, while trade union representation in the island of Ireland is 700,000 the rate of trade union density in the Republic of 500,000 is now about 35% of the total in employment, down from previous figures of 48%.

Hammersley & Atkinson (1983:181) comment on the ethnographer not needing to limit themselves to a single theory within which to analyse the data, citing Denzin’s (1978) view on theoretical triangulation:

"approaching data with multiple perspectives and hypotheses in mind."

Having brought all the relevant fieldwork and current thinking together an attempt is made to draw competing views to the notice of the reader. In this instance the issue of trade union recognition is easily summarised consequent on the decision of the social partners to agree to an agreement worked out under social partnership, having the imprimatur of government employers and trade unions.

Likewise on the issue of minimum wage legislation the fieldwork research reflects the polarisation of views in the mid 1990's on this subject between trade union representatives and employers. Employers main concern are around the area of competition with the UK, however recent trends of labour shortages suggest that many employers whose enterprises are not export oriented but service based, have adopted a rate above the year 2000 proposals already. Trade union concerns are around possible pay relativities, the growing cost of working in the capital and the issue of labour fragmentation which is averted to by Attley. The original long term concern of trade unions that a minimum wage floor becoming instead the ceiling, has disappeared it seems.
There is no uniform view on the issue however as the fieldwork evinces. Some of those questioned favoured the policy of basic income. Its chief proponent, Sean Healy has espoused it for a considerable period of time. Mike Allen from the INOU and Garret FitzGerald are however critical of the cost of basic income schemes. Many others were of the view that reform and expansion of the JLC's would meet the challenge, while the trade unions though praising the work of JLC's were, along with the IPD, unconvinced that an expanded JLC system could be adequately policed as the current system has had a problem in this regard. FitzGerald felt that, as with other issues, a proper debate was necessary to ascertain the real position in Ireland. In this chapter I looked at the competing views of leading economists from both the United States of America and United Kingdom. At best the arguments are polarised, however a particular aid to me in regard to the prevailing situation in the USA and the EU countries was the response from those countries embassies in Dublin to a communication sent to them in late 1997. The series of questions asked in Section 4.20 to 4.23 were analysed in detail in early 1998 to facilitate their use in a proposed Conference on the minimum wage issue organised by EIRI Associates. In the event the conference did not take place.

The data extrapolated was used to put together Table 8.7, including an analysis of current JLC rates payable at that time. This featured in a couple of articles published in 1998 in Ireland and Mexico. As with the issue of trade union recognition the parties, in tandem with government, have agreed on the enactment of a minimum wage though the dispute still continues about the rate to be implemented in April 2000.

Chapter Nine is an assortment of issues which have recently come to the fore in the shape of enterprise partnership, ESOP's, privatisations and the government's drive towards a Strategic Management Initiative within the Public Service. The issue of workplace partnership is also considered in the form of SIPTU's analysis of recently agreed joint partnership initiatives in the private sector as well as a number of partnership groups set up in the public sector. The setting up of the National Centre for Partnership within the Department of the Taoiseach as another institutional incentive to aid the partnership process is also examined. The global thrust of Chapter Nine however is the catch-all question of 'What is Social Partnership?', a question that elicits a broad panoply of responses, with which I have attempted to paint a picture of the current shape of social partnership.

With a body of text of 1000 pages, there are obviously areas where I have excluded issues in this dissertation. At all times I have attempted to portray all the pertinent views expressed, without fear or favour. I comment at the end of Chapter Ten on some of the issues which might be deserving of further study by other researchers, or in a number of
instances areas of research which I have commented on here which I hope to return to at some time in the future.

4.8 Impartiality and Perceptual Bias

I am a member of the trade union SIPTU, and have sat on the Board of Trinity College as a representative of the ICTU Group of Unions. I am also a member trustee in the Trinity College Pension Scheme. While this body of research was being undertaken I was President of the Education Branch of SIPTU, a member of the Regional Executive of Number One Region SIPTU and sit on the Public Service Committee of ICTU as a SIPTU nominee. I have recently been elected as President of Region One of SIPTU for the period 1998-2002. This region encompasses all of the SIPTU Public Sector workers based in Dublin, and has 30,000 members. All the above was declared where necessary and is now being declared in relation to the analysis of the research data. As a social scientist with a Bachelor Degree in Industrial Relations and Personnel Management, with modules taken in Anthropology, Sociology, Organisational Behaviour and Psychology, I hope that to a large degree my trade union ‘baggage’ can be left behind but being human I acknowledge that it is practically impossible to leave it behind one hundred percent.

In the course of the discussions leading up to the conclusion of the Partnership 2000 National Programme concluded in January 1997, I was involved in all stages from Branch level within my own union to the Special Delegate Conferences of ICTU which approved the holding of discussions on a further programme up to the final vote on Partnership 2000. I have been a SIPTU delegate to and have spoken at the 1997 and 1999 ICTU Biennial Delegate Conferences in Belfast and Killarney.

I believe that such an involvement meant that I had a bird’s eye view of the whole process and, short of being engaged at the table of the negotiations, believe this was as close as one could legitimately be involved.

4.9 Preliminary Analysis

To aid in the evaluation process I extracted a number of questions from each of the thirty one scripts. These scripts were then analysed to determine how many different types of responses were solicited from the interviews. In a preliminary analysis the question from Section Three (No.10) in your opinion “How relevant are Trade Unions in Ireland today?” the following information was gleaned. This information is included as Appendix 4.5.
4.10 Breakdown Of The Background Of The Thirty One Interviewees And Information About Interviews.

The research covers five main areas with a global title of, Neo-Corporatism, New Realism and Social Partnership in Ireland, 1970-1999.

While in the dissertation process the text authors will be identified, for the purpose of articles written their anonymity is kept confidential where requested, in line with assurances given to some of the interviewees that their identity would not be divulged outside the dissertation process. As the interviewing proceeded it became evident that there were a number of core issues which related to the progress of Social Partnership so far, and whether that process would continue.

The conclusion of the Partnership 2000 Agreement (after the fieldwork research work had been completed) obviously answers that particular question fully despite the campaigns run by the Socialist Workers Party and the Trade Union Forum against Partnership, as well as the former militant tendency on the employers side, ISME, who refused to be party to the Social Partnership process, in P2000. However recent events within ISME suggest that they at least now wish to be part of the deliberations of any future social partnership discussions.

At the time of writing, the future of Social Partnership continues to be debated on all sides of industry. The Taoiseach, Bertie Ahern TD, has requested the NESC to reflect on the partnership process in the light of Ireland's advancement and report back by September 1999. He has further requested a meeting with ICTU to discuss the Post Partnership 2000 situation which meeting Congress has facilitated, because it has a number of outstanding PCW and P2000 items. This is an area to which I will return to in the final Chapter.

4.11 Why Taped Interviews?

A number of research techniques were considered before taped interviews were decided on. Methods such as case studies and fieldnotes were considered and ruled out, because it would not give the wide coverage of opinions needed for study. I considered the use of a detailed questionnaire at an early stage but when the full list of topics was decided it became obvious that many people would not commit to such a detailed questionnaire.
Because the cohort of players is limited this might have led to a skewed sample. O’Brien (1995:6) found that in a similar small sample of 20 female TD’s her first response elicited only 45% return rate.

The obvious difficulty with taped research interviews is the time and cost involved in the process. However the obvious advantage is that the tapes remain as a material record. One issue which I resolved with my supervisor, from an early stage was that the taped interview method was being used as an aid to the research and not as a method to entrap people into making controversial statements which could then be used for publication. Hammersley and Atkinson (1983:162) list the considerable advantages of audio taped interviews thus:

“While interviewees will sometimes not give permission, agreement is generally forthcoming once it is explained that the purpose is simply to aid note taking and that confidentiality will be maintained. Moreover, tape recording, particularly using a portable cassette recorder, may actually reduce reactivity rather than increase it... The tape recorder provides a more complete, concrete, and detailed record than fieldnotes.”

To help potential interviewees I guaranteed that the text of the interviews would be sent back for their perusal and for changes and amendments to be included. The option for emendations was taken up by 90% of the interviewees to a greater or lesser degree. It is worth noting that academics and politicians made the greatest number of alterations to the original texts although, without exception, these alterations did not affect the central content of their initial views.

4.12 Taped Interviews and their Historical Use in Ireland.

The use of taped interviews has been embroiled in some controversy due to;

1. The Mac Sharry / O’ Donoghue Tapes;
2. The use of the ‘Duffy Tapes’ during the Presidential Election campaign;
3. The recent furore over their use in The Bertie Ahern Biography.

4.12.1 It was former Minister for Finance, Ray MacSharry, TD, who borrowed a tape recorder from the Assistant Commissioner of The Garda Siochana, via Sean Doherty (the Minister for Justice) which he used to tape a conversation with a fellow party member and Government Minister, Professor Martin O’ Donoghue TD. MacSharry contended he took this action to vindicate his good name. However the tape was transcribed onto twelve pages and three copies of the text were made, by the Gardai. The improper taping of a private conversation aided by a garda owned tape recorder was compounded by the
transcription of the tapes by the gardai, as well as the fact that a copy of the tape transcript was retained by Assistant Ainsworth. Murtagh and Joyce (1983:344) note that the internal Fianna Fail investigation decided:

"While Sean Doherty was unaware of the purpose for which the tape recorder was required it was imprudent for him to arrange for its provision by a garda officer; more serious however, is the fact that the tape recorder was transcribed by the Garda Siochana when the understanding was that it would be done privately."

The whole tape episode led to the resignations of the Garda Commissioner Patrick McLaughlin and Assistant Commissioner Joe Ainsworth. An internal investigation within Fianna Fail, according to Murtagh and Joyce (1983:344) concluded that:

"Ray Mac Sharry’s action in taping his conversation with Martin O’ Donoghue is contrary to the normally accepted standards of behaviour between colleagues."

In the course of my discussion and interview with Professor Bill Roche from the Smurfit Business School he informed me that when he was conducting his research that mention of the Mc Sharry/Martin O’ Donoghue tapes debacle was made by a couple of interviewees. It did not however interfere with the conduct of his research.

4.12.2 In May 1990, Brian Lenihan TD, Tanaiste and Defence Minister, gave a taped interview to Jim Duffy, a M.A. candidate who was working on a dissertation on the Presidency of Ireland. Downey (1998:166 / 7) quotes Lenihan’s belief of its proposed use thus;

"He had his wits sufficiently about him to emphasise that the conversation was confidential, and he naturally assumed that it would be used only for academic purposes- and that Duffy would send him a transcript of the tapes for correction."

Lenihan was at the time the front-runner in an election for the post of President of Ireland, which was being held following the completion of President Hillery’s second term in office. The use of the Duffy Tapes where they were part of academic research was a very grey area and there are as many reasons for their use as against. The main factor in these tapes came down to whether Duffy should publish the part of the taped interview with Lenihan which conflicted with his version of the same events during the Presidential Election campaign in October 1990. Duffy came under pressure from the media to release details of his research and decided to consult his academic colleagues and consider the matter. Downey (1998:169) describes the situation thus:

"Walsh (I Times) then suggested that the newspaper might interview him instead, and that he could say that he knew from his research that Lenihan had lied. He (Duffy) said he would consider it. He then telephoned a number of academics to seek their advice. They came down, in the main, strongly against publication."
Subsequently Duffy, against the advice of the majority of his academic colleagues, published part of the tapes.

The one person who cited the use of taped interviews as a reason for not taking part in my fieldwork was the former Taoiseach Charles Haughey. In the course of a telephone conversation a female aide in his office told me that he did not wish to take part as a result of what had happened to Brian Lenihan TD.

4.12.3 The current Taoiseach, Bertie Ahern TD (who is part of the fieldwork cohort of this research) was interviewed for a total of five hours during two separate interviews in his constituency clinic in Drumcondra as part of research into his biography. The book's authors, Ken Whelan and Eugene Masterson, according to O'Reilly (1998:1) claim that Ahern "effectively authorised and sanctioned the final version of the text" and that the Taoiseach has "never confirmed or denied" this version of events.

The two interviews were tape recorded. Masterson and Whelan believe that the only material which they could not use were deletions from the text of the book which were made by Ahern and his Northern Ireland advisor/guru Dr Martin Mansergh.

O'Reilly (1998:36) however queries the independence of her former Irish Press colleague;

"But is it possible that the Ken Whelan I know and admire is the same Ken Whelan who penned the following final chapter of the book? Or did some mischievous little changeling of a hack take place?"

O'Reilly (1998:36) quotes Whelan and Masterson thus:

"Bertie Ahern is the man with the midas touch. Almost everything he has put his hands to in his political career has reaped golden political dividends. He brought industrial relations harmony to the country after decades of unrest; he turned around the economy into the Celtic Tiger it is today."

Later O'Reilly, commenting on Bertie's cabinet colleagues in the late 1980's Charles Haughey TD and Ray Mac Sharry TD, has the following to say:

"It was also Haughey, along with his then Finance Minister Ray Mac Sharry, who steered the economy away from the horrors of the early and mid 1980's and into the economic prosperity which we now enjoy. While Ahern played a key role in the subsequent execution of the economic plans, the lead was given from the top i.e. from Haughey."
Ahern (1998:3) now admits that as a result of the way in which he was treated by Whelan and Masterson that:

“I'll be a far more difficult person ever to get an interview with again.”

However following the three examples listed earlier of the use of tape recordings which have come into the public arena, the concern I have as a researcher, having had very generous access from a large number of leading public figures is that, following this recent negative publicity, more people will refuse to be interviewed by taped interview and that a major research tool will be lost at least for a period of time. The use of taped interviews, while laborious, at least leaves a lasting record which can never be disputed. The loss of such a research tool even in a minority of cases would be a tragedy.

4.13 Some Problems with Interviews.

In two of the interviews portions of the dialogue were extremely difficult to transcribe due to background noise. As stated in Hammersly and Atkinson (1983:125) the quality of an interview depends also on the setting which can induce and constrain talk of particular kinds. The Gallagher and Rabbitte tapes notwithstanding these foibles are, following transcription and correction, an invaluable aid to the fieldwork process as both have dual backgrounds as media commentators as well as politically astute people. Gallagher was, until recently, Bertie Ahern’s research officer while Rabbitte is one of the Dail’s leading performers.

4.14 Typing the Text.

The typing of thirty of the scripts was done by Ms Mags O’ Brien following an initial typing test by a commercial company which was very expensive and littered with errors, because the typist was not familiar with the subject area. Ms O’ Brien is a graduate in the field of Industrial Relations and is currently working with the trade union SIPTU following a period with the Irish National Organisation of the Unemployed working as Labour Market Team Co-ordinator. Following the typing of the draft by Ms O’ Brien I re-edited the script before it was returned to the interviewee.

4.15 Return of Interviews to Interviewees.

Following completion of the draft in its re-edited format it was despatched to each interviewee for emendation and comment as soon as was possible.
4.16 Return of Texts as Amended.

This process generally worked very well and scripts, with a few exceptions, were returned without delay. There was one instance where a script was mislaid by the interviewee but a copy was furnished without delay.

4.17 Amendment of Texts

After the typing of initial drafts had been completed I periodically dipped into the returned texts and made any alterations requested by the interviewees. The texts were numbered at this stage to allow for comparison and analysis. Some questions which are supplementary are either left uncoded or listed in the text as being asterisked (i.e. 3.12*1).

4.18 Letter to Interviewees

Interviewees who had not previously returned texts were sent out letters on 7th September 1996, November 8th 1996, and March 7th 1997 and requested to return the scripts not later than Easter 1997. A copy of these letters is given as Appendices 4.6 to 4.8.

4.20 Data from Interviews

In the planning the draft of the dissertation I expected to include the Methodology chapter later in the thesis. However due to the richness of some of the historical data which was gleamed from the fieldwork process and which will be included in Chapter 5, we decided to advance the methodology chapter within the dissertation. Some of this historical data refers to the period of the Coalition Government led by then Taoiseach Dr Garret FitzGerald TD, which included Ruairi Quinn as a Minister of State and later as a full Minister. This was also the period when Bertie Ahern, TD was formulating liaisons with the trade union movement which was to bear fruit in the shape of the Four P’s. There are also interesting glimpses in this period of the ICTU and FUE/CII (now IBEC) position in relation to a return to concertative bargaining. Professor Basil Chubb further gives some useful insights from the ELC perspective.

In Jim O’ Leary’s interview (Davy Stockbrokers) the question of what he felt was the undemocratic nature of Social Partnership was raised early in the interview process, this proved an interesting insight and was therefore raised with a number of subsequent interviewees.
4.20 Why I Included Organisations Such As CORI And INOU In The Interviews When At The Time They Were Not Social Partners

As stated earlier at 4.2 and 4.3, it was my expectation that at some time some of the Non Government Organisations (NGO’s) would be included in the social partnership process. The founding of the National Economic and Social Forum (NESF) took place in 1993. Its terms of reference were to look at developing economic and social policy initiatives to combat unemployment, and to contribute to the formation of a national consensus on social and economic matters in a different light.

The principals of organisations such as the INOU, CMRS/CORI as well as the Institute of Personnel and Development (IPD) were chosen to be part of the fieldwork interviews. These organisations offer a rich alternative range of views compared to the settled social partners.

A specific question (5.29) was included within the fieldwork interviews dealing with the relevance of such NGO’s within the process and whether they have a sufficient baseline and power locus to make them relevant players. In the main most interviewees who responded saw the relevance of the INOU but questioned CORI’s electorate or baseline.

In the entirety of the fieldwork process only three glitches took place. On two occasions when I arrived to interview somebody they had either forgotten or were not there. In the third case somebody was unavoidably detained and, rather than start and not finish on the same day, we rescheduled. Thankfully all three such cases took place in Dublin.

While the totality of the data collected will not be analysed in detail due to its size, I believe that it makes a useful contribution to the ongoing study of the development of social partnership and its role in the emergence of the Celtic Tiger economy. In Chapter Five I look at the early wage agreements from 1970 to 1981 and the period from 1982 to 1987, where tripartism was sundered, and when there were a series of Public Sector Pay Agreements (PSPA) while in the private sector there was a return to ‘free collective bargaining’.

5.1 Introduction

This Chapter provides an overview of the developments in Ireland from 1961 to 1987. It looks at the history of the development of Corporatism and Social Partnership in Ireland since 1970, particularly in the aftermath of the 1969 Maintenance Craftsmen’s dispute at 5.4.1. It maps the evolution of National Wage Agreements into National Understandings at 5.4.3 and 5.4.7, followed by a two tiered process during the 1980’s at 5.5.1 and 5.6.1; with the return of free collective bargaining to the Private Sector and a series of Public Sector Pay Agreements in the Civil and Public Sectors. This chapter also acts as an introduction to the literature in Ireland on Vocationalism, Corporatism, National Wage Agreements and the development of concertation *a la carte* in the period immediately before the negotiation of the four centralised partnership agreements, at 5.7 - the Four P’s - (PNR, PESP, PCW, P2000).

5.2 History of Corporatism and Tripartism in Ireland to 1969.

The periods in the economic and political history of Ireland since its annexation from England in the post Treaty era may be divided into five particular phases;

5.3 The De Valera/Lemass era which included the era of Catholic social teaching and the principle of ‘vocationalism’.
5.4 The NWA’s and NU’s from 1970 to 1981.
5.5 The Public Sector Pay Agreements.
5.7 The return to Centralised Agreements 1988-1999.

5.3.1 State Corporatism in Ireland.

In Ireland State Corporatism was seen in the 1930’s in the guise of Catholic social teachings whose two main principles were;

(i) Distrust of state power;

(ii) A belief that society should be built on the basis of vocational groups.
The corporatist attitude of the 1937 Constitution and the 1939 Commission on Vocational Organisation were seen then as extremely encouraging. In Ireland's case, Societal Corporatism grew from the active intervention by the state in economic life demanded by the emergency years, 1939-1945.

Lee (1979) suggests that a reason for the failure of Corporatism then was the opposition of De Valera who wished to have no other source of power apart from himself.

Chubb (1993:125) reminds us that;

"Half a century ago, the pressure group representatives who gave evidence to the Commission on Vocational Organisation established by the Irish government in 1939 were full of complaints about lack of consultation."

De Valera v Archbishop Browne

Whyte (1971:88) cites the setting up of the Commission on Vocational Organisation to;

"examine ... the practicability of developing functional or vocational organisation in the circumstances of this country" and "the means best calculated to promote such development."

Bishop Browne of Galway chaired the Commission, which was set up in 1939 and reported in 1944. De Valera however effectively shelved the report in 1947. Whyte (1971:109) comments thus;

"Mr de Valera's words only brought into the open what the government's inaction was already making clear - that it was quietly shelving the Vocational Organisation Report."

And with it the Irish Catholic Church's attempt to have Catholic social teaching adopted by the Irish State effectively died. Lee (1979 : 346) however, cites a key area in which the Commission vindicated itself:

"The neo-corporate state which - as distinct from the corporate society of the commission's dreams - began to emerge in the 1960's did not involve, at least initially, regimentation. But the general thrust of the commission's thinking - that the existing civil service did not measure up to the challenge of change - was to be decisively if sadly vindicated during the following decade. Its diagnoses carry more conviction than the bland banalities of the Brennan Commission and the Banking Commission. The issues which the Report raised, if not the precise solutions it proposed, remain of enduring relevance in any society committed to democratic change."

Breen, Hannan et al (1990:6) describe the re-awakening of corporate values in Ireland in the late 1950's thus;
"Another strand of the development process was a refocused and strengthened commitment to corporatist endeavours. Corporatist thinking in Ireland had previously associated with Catholic social teaching inspired by a Papal Encyclical of 1931. After 1958 the emphasis was on facilitating the implementation of economic planning through the use of consultative bodies and institutionalised negotiation between the 'social partners', trade unions, employers and the State, with farmers interests also generally represented, the Catholic Church has not been a participant."

Sean Lemass saw the Trade Unions not as adversaries but as potential partners in the national economic and social enterprise; he drew his inspiration not from Rome (The Vatican) but France and Italy whose planning techniques developed post World War Two. The First and Second Programmes for Economic Expansion, along with the establishment of the Employer-Labour Conference (ELC), the National Industrial Economic Council (NIEC) followed by the National Economic and Social Council (NESC) were vehicles for the establishment of tripartism and the growth of Societal Corporatism.

5.3.2 The Wage Rounds of 1946-1970.

O Brien's (1981: 8) view on the early wage rounds, was:

"Prior to 1940 wages in Ireland were generally fixed by individual agreement or decentralised collective bargaining. During the war wages were controlled by the Wages Standstill Order. After the war that order was lifted and virtually all bargaining groups negotiated substantial wage increases. The resultant general upward movement in wages became known as the first wage round. Since then this system of regular upward adjustments has become much more deliberate and structured in temporal, substantive and procedural terms."

From 1946 until the advent of the National Wage Agreement (NWA) in 1970, there were twelve national wage rounds, although in the early years of the NWA’s some workers were covered by the previous wage rounds due to the wide spread of termination dates of agreements.

These agreements from 1948 on had the moral authority of the newly created Labour Court (1946) behind them. These wage agreements did not have universal coverage and indeed, as we shall see later in Garret FitzGerald’s comments, some of the settlements made during this period were to have long lasting effects. Mc Carthy (1973:253/254) gives a valuable summary of the first fourteen wage rounds (including the thirteenth and fourteenth which were the first of the centralised national agreements, which are included as Table 5.1.
Table 5.1 Wage Rounds 1946 - 1972.

<table>
<thead>
<tr>
<th>Year</th>
<th>Description of terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946-47 (first round)</td>
<td>Increases varied but on average wage rates rose by about one-fourth.</td>
</tr>
<tr>
<td>1948 (second round)</td>
<td>Average increase on the basis of a national agreement resulted in eight shillings to ten shillings per week for men and about half this for women.</td>
</tr>
<tr>
<td>1951 (third round)</td>
<td>A general movement resulting in various increases ranging for men from ten shillings to nineteen shillings, women getting about two thirds of the men’s increase.</td>
</tr>
<tr>
<td>1952 (fourth round)</td>
<td>A national agreement partially negotiated on the trade union side but generally implemented resulted in an increase of twelve shillings and six pence per week, women getting about two thirds of this.</td>
</tr>
<tr>
<td>1955 (fifth round)</td>
<td>A general increase with some workers during the round coming back for more; there was a great diversity in the increases ranging from eleven shillings to seventeen shillings per week.</td>
</tr>
<tr>
<td>1957 (sixth round)</td>
<td>A national agreement for ten shillings per week women getting from five shillings to seven and six pence per week.</td>
</tr>
<tr>
<td>1959 (seventh round)</td>
<td>A general movement took place resulting in increases for men from ten to fifteen shillings and for women from seven and sixpence to ten shillings per week. It was followed in 1960 by a movement for a reduction in working hours and for a five day week.</td>
</tr>
<tr>
<td>1961 (eighth round)</td>
<td>By the summer of 1961 increases of up to fourteen shillings per week had been negotiated, but settlements for electricians and building workers pushed up the rates; and by the end of the year they ranged from £1 to one pound five shillings per week for men and from ten to fifteen shillings for women.</td>
</tr>
</tbody>
</table>
1964 (ninth round)
Nationally negotiated gave increases to everyone of 12% subject to a min. increase of £1 for men.

1966 (tenth round)
In the absence of a national agreement ICTU recommended a maximum of £1 a week which was later supported by the Labour Court and generally applied.

1968 (eleventh round)
During 1967 the practice of negotiating two year comprehensive agreements began and this became the feature of the eleventh round the increases being one pound and fifteen shillings to £2.00 per week for men in two or three phases women got about 75% of this.

1969-70 (twelfth round)
Electricians in November 1968 and in particular maintenance craftsmen in April 1969 led the way for settlements which were of the order of £4 per week in two or three phases over an eighteen month period. Women's increases averaged about 80% of men's. there was a very wide spread of termination dates by this time.

1971 (thirteenth round)
This was a national agreement concluded on 21 December 1970 providing for a phased agreement over eighteen months the first phase of which being £2 per week (women a minimum of £1.70) and the second phase 4% with an automatic adjustment for increases in the consumer price index figure.

1972 (fourteenth round)
This was a national agreement concluded on 31 July 1972 providing for a phased agreement of in general seventeen months the first phase giving 9% on basic pay up to £30 per week, 7.5% on the next £10 and 4% on the remainder, with some additional provisions. and the second phase after twelve months giving 4% on basic pay with an automatic adjustment for increases in the consumer price index.
Garret FitzGerald (1995:T3) believes that many of the problems which surfaced later in the economy had their genesis in the 1961 dispute and other mid 1960’s settlements:

“The problem we then faced were as a consequence of a series of national agreements that had preceded our period in government. From 1961 on these agreements began to become inflationary in their effects. I know the popular myth is that they started in 1965 at the time of the Kildare and Wicklow bye-elections when Lemass is supposed to have pushed to have more given than should have been given. My recollection is that it was Jack Lynch during the ESB strike in October 1961, pushed by Lemass, who jacked up this increase which eventually reached 17% for skilled workers. And while the subsequent pay round was not on that scale, the ultimate effect was to push up the rate of wage inflation to an unsustainable level so that we had a growing inflation from then on.”

5.4.1 The Birth of National Wage Agreements

In 1969 the Maintenance Craftsmen’s dispute rent open the wounds of Industrial Relations in Ireland. At the time there was great concern that the industrial relations system would never recover.

Chubb (1995: D3) reminds us that at that time the main players;

“. spent a while, I cannot remember how many meetings we had trying to put together an agreement and it didn’t work. Then, as the Catholic Church says, the proximate occasion of the next attempt was the maintenance craftsmen’s strike. That was a very damaging strike and I think the general consensus was that this must not happen again. By this time these ‘wage rounds’, as they came to be known, were in the system in a loose sort of way. Mind you, some people didn’t take any notice of them; indeed some people never took any notice of them, the whole way through the seventies. Ford’s of Cork, did what they chose you know, and if it suited the unions well who was going to stop them? So very often they were even more inflationary than the agreements which I presided over, looking back on it.”

At this time the ruling elites of both sides of the industrial relations divide through the medium of the Employer/Labour Conference, under the Chairmanship of Professor Basil Chubb of Trinity College Dublin, cobbled together the National Wage Agreement of 1970. Chubb (1993:126) cites the role of ‘pressure groups/ruling elites’ as mentioned above thus;

“Increasingly in Western European countries, the peak economic umbrella organisations come to understandings with government that involve commitments on both sides. Terms such as ‘tripartism’, ‘concertation’, ‘corporatism’, and ‘neo-corporatism’, have come to be used in a liberal democratic context to describe these procedures. Alan Cawson has defined corporatism as; ‘a specific socio-political process in which organisations representing monopolistic functional interests engage in political exchange in a role that combines interest representation and policy implementation through delegated self-enforcement.’”
In an Irish context Chubb further (1993:126) cites the work done by the Employer Labour Conference, which he still chairs, as representing the beginning of:

"A subtle shift in the nature of public decision making. They began the integration of management and trade unions in the formulation of public policy."

The National Wage Agreement of 1970 ratified by the parties at a plenary session on 21st December 1970, was the beginning of National Wage Bargaining which has continued in the Public Sector un-interrupted to date; and was punctuated in the Private Sector from 1981 to 1987. The period 1970-1999, covers seven National Wage Agreement (NWA's); two National Understandings (NU's); four Public Sector Pay Agreements (PSPA's); five private sector agreements; and the Four P's (PNR; PESP; PCW and P2000).

5.4.2 Historical Scene 1969/70 Post the Maintenance Craftsmen's Dispute

The late 1960's was a period of economic and labour turmoil, with a number of key industrial disputes causing major disruption on the Irish Industrial Relations scene. This led to severe criticism of the two main actors in the sphere of Industrial Relations; The Employer Organisations and The Trade Unions.

Hardiman (1988: 51) believes that by the end of the 1960's there was:

"General agreement that Industrial Relations had reached a nadir. The high level of conflict during 1969 and 1970 was widely perceived as representing a crisis of collective bargaining practice. The maintenance craftsmen dispute had jolted them into a willingness to put collective bargaining on a new and more organised footing."

Charles McCarthy (1973:153) explains that even though the maintenance craftsmens' dispute had led to fissures within the trade union movement, the ICTU Annual Conference held in Bundoran still had enough sense to see the need for a long term solution;

"A topic of overwhelming importance at the 1969 Congress Conference was the question of an incomes policy. In the Spring of 1969, immediately after the maintenance dispute, the government became deeply concerned that the increase given to the maintenance men might spread rapidly throughout industry generally. They therefore urged very strongly on Congress the acceptance of the principles of a prices and incomes policy, referring in particular to the report of the National Industrial Economic Council (No. 11), which pointed out the common sense of such a policy... Congress replied that the great majority of the eleventh round agreements did not terminate until the beginning of 1970, and in their view, any general strategy of constraint was unnecessary. The fact however, was that those in the trade union movement who were hostile to the idea of a prices and incomes policy had become more and more dominant, not only because of the way things were developing in this country but also because of the influence of the British - based unions; and indeed, when the Annual Conference opened in Bundoran in July, it appeared that..."
any support for such a policy was in shreds. However the delegation took quite a
different view. A resolution from the Cork Trades Council, broadly in support of a
prices and incomes policy, carried the day triumphantly in the face of the proposal
from some of the British-based unions condemning such an idea outright. The Irish
trade union movement, despite the mauling it had given itself during the
maintenance dispute, still wished to be positive and constructive, still wished to co-
operate as a partner in economic and social development.”

The re-formation of the Employer Labour Conference (ELC) in May 1970, with an initial
membership of 21 representatives from each side of Industry under the Chairmanship of
Professor Basil Chubb of Trinity College Dublin was, according to McGinley and Filby
(1997:203), to be a significant happening in the long term restructuring of the adversarial
method of conduct of labour relations.

The range of items identified originally for the ELC to debate were:

1. To provide a forum for the discussion and review of developments and
   problems in money incomes, prices and Industrial Relations.
2. To advance National, Industrial and Plant Level agreements.
3. To deal with the vexed question of wages/salaries.
4. Prices and Productivity.
5. Pensions and other non-wage benefits.
7. Codes of Fair Employment and Dismissal Procedures.
8. Rights Commissioners.
10. Shop stewards/Day Release/Functions and powers of representatives of
    labour/local information meetings.
11. Decimal Currency.

5.4.3 The Agreements 1970 - 1981.

In the period 1970-1981 seven National Wage Agreements (NWA’s) and two National
Understandings (NU’s) were agreed under the auspices of the ELC, and according to
Breen et al (1990:170);

“the initial state involvement was modest and manipulatory.”

Initially the NWA’s were bipartite agreements between Unions and Employer
Organisations with the Government acting in an employer capacity.
Chubb (1995: D 7/8) relates the following:

"In the beginning the employer side included employers and the State as an employer. The reason for that was that there was no way Congress could sit at a three-sided table. That the State should come into this area, which as they saw it was a matter between employers and their workers, since the State is a very large employer and a very influential one, you couldn't ignore them. So they were included on the employer side, but it was fairly obvious early on that although there were formally only two sides, the table could easily get three sided sometimes. And occasionally, one of the problems was that the private sector employers and the Trade Unions could both be clobbered because the State had its own policy. And already you could see that if national agreements were to be developed you needed a tri-partite kind of arrangement. In the ELC it was all done by the Public Service department representatives, they really channelled in the government messages. Sometimes I was another. I mean I might talk to someone or be talked to, which would give an indication of what was in the Government's view possible, and what wasn't."

5.4.4 The Early 1970's

In relation to a query on the nature of the early wage agreements, Labour Party Leader Ruairi Quinn T.D. and Former Minister of Finance, when asked the question;

"Looking back to the early seventies when centralised pay deals were first mooted, from your perspective how do you see the way in which they have been conceived, right up to the way they are now. What improvements have you seen?

Quinn's (1995: P 2/3) response was;

"I think they have become much more sophisticated than they were back in the 1970's. There is a recognition that there was a great degree of complexity on both sides and that while it is highly desirable to have a centralised agreement you cannot actually fix a number or fix a particular figure and then unilaterally apply it across all sides.

Ability to pay self-evidently was one 'out' clause that was there from the very outset, but ability to pay itself was too simplistic. As world global economic competition intensified and increased, it became obvious that different sectors had different requirements; modernisation, adaptation to new technologies, embracing change, the whole agenda that Congress has been to the forefront in.

There have been quite different kinds of responses and different levels of flexibility in different work places. That wasn't evident or perhaps wasn't even required back in the early seventies. It now is.

Maybe each agreement was a reflection of the times in which they were struck. If you look at the complexity and sophistication of the current one, the PCW, maybe that's an indication of how good we have got on all sides at negotiating agreements, or in addition, because I think we have become good at negotiating, an understanding of the other side's point of view and learning from the past. Maybe the context in which we are all having to operate has become more complex as well."
The Employers' Perspectives.

The employers reason for getting involved at the beginning of the 1970's according to John Dunne(1995: L2), then of the FUE (now IBEC) was:

“Well essentially we became involved in them in the aftermath of the maintenance dispute. As you know that was a period of extraordinary industrial strife. I think the maintenance dispute which had a cataclysmic effect on both trade unions and employers made everybody sit up and say, ‘where do we go from here?’ and ‘there must be a better way of doing things’. The result of that was the re-establishment of the Employer Labour Conference and the attempt, successful as it turned out, to put together national agreements which were primarily about pay and conditions of employment but whose objectives were not just to set levels of increase in pay but also to take the aggro out of the executive bargaining process.

We became involved essentially from the point of view of self-interest to see whether the circle between pay bargaining and industrial disputes could be squared.”

Dunne (1995:L2) also reiterates Chubb's later point on government involvement as an employer foremost.

“Well the government were involved from the beginning, that’s a thing that a lot of people, particularly foreigners don’t understand at all and it was essentially an Irish solution to an Irish problem. That the government was at the table, but not as government, but as an employer, now a Chinese Wall is a Chinese Wall, but that was the way it worked.”

The National Wage Agreement of 1970 came about due to the following factors:

1. ICTU had suffered loss of prestige due to a series of Industrial conflicts.
2. The high worker expectations of that time.
3. A number of key leader agreements were due to expire.
4. The Fianna Fail Government proposed statutory controls on wages/salaries until the end of that year.
5. The introduction of a Prices and Incomes Bill in Dail Eireann.

McCarthy (1973:181) believed that the Government had signalled a withdrawal of the Prices and Incomes Bill if pay talks were agreed and this introduced a term 'new realism' which was to embed itself in the Irish industrial relations folklore a decade later. It;

"may have introduced new realism into negotiations, a consciousness of the current economic perils."

The 1970 agreement had as its three main aims:
a) It was essential that the rate of increase of costs and prices be moderated substantially.

b) All possible measures should be taken to ensure improvements in efficiency to offset increases in costs and charges so that increases in incomes represent real increases.

c) Industrial peace must prevail to achieve these objectives.

Looking back over nearly 30 years now, the following points are worth noting about this first agreement.

1. There were different levels of increases for adult male and female workers in an era before the commencement of the equal pay process.

2. The agreement was for a fixed duration of eighteen months but because of existing agreements the dates of commencement and coverage were widespread and cumbersome.

3. The agreement was over two phases, the second of which included a cost of living escalator attached to the CPI for the period.

4. The agreement also covered conditions under which cost increasing claims and conditions of employment claims already in the pipeline could be settled.

As can be seen later from Table 5.2, the debate as to whether to enter new discussions or whether to accept or reject particular pay deals went on on an annual basis. This was one of the main features of trade union Annual Delegate Conferences and periodically discussion also took place at ICTU conferences which were then held annually. Other than the annual records of Congress there is little in the way of literature from the trade unions written during that period.
<table>
<thead>
<tr>
<th>Agreement</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st National Wage Agreement 1970. (13th Round)</strong></td>
<td><strong>18 month agreement.</strong></td>
</tr>
<tr>
<td>Ratified 21/12/1970.</td>
<td>£2 per week.</td>
</tr>
<tr>
<td>1st Phase: 1 January 1972.</td>
<td>12 months.</td>
</tr>
<tr>
<td>2nd Phase: 1 January 1973.</td>
<td>6 months.</td>
</tr>
<tr>
<td>4% + £33 per annum.</td>
<td></td>
</tr>
<tr>
<td><strong>2nd National Wage Agreement 1972. (14th Round)</strong></td>
<td><strong>18 month agreement.</strong></td>
</tr>
<tr>
<td>Ratified 31/7/1972.</td>
<td>12 months.</td>
</tr>
<tr>
<td>1st Phase: 1 June 1973.</td>
<td>9% on first £1566, 7.5% on next £522, &amp; 4% on the balance-minimum £136 per annum. +£5 in June 1973 and £5 in July 1973.</td>
</tr>
<tr>
<td>2nd Phase:</td>
<td>6 months.</td>
</tr>
<tr>
<td><strong>3rd National Agreement 1974 (15th Round)</strong></td>
<td><strong>12 Months agreement.</strong></td>
</tr>
<tr>
<td>1st Phase: 1 June 1974:</td>
<td>6 months.</td>
</tr>
<tr>
<td>9% on first £1566, 7.5% on the next £522 &amp; 6% on the next £522 &amp; 5% on the balance + £31 per annum.</td>
<td>6 months.</td>
</tr>
<tr>
<td>2nd Phase: 1 December 1974.</td>
<td>4% + £31 per annum + 1st quarterly instalment of 14th Round phase 2.</td>
</tr>
<tr>
<td>12 months</td>
<td>3 months.</td>
</tr>
<tr>
<td>1st Phase: 1 June 1975.</td>
<td>8% + 2nd Quarterly Instalment.</td>
</tr>
<tr>
<td>2nd Phase: 1 Sept 1975</td>
<td>3 months.</td>
</tr>
<tr>
<td>3rd Phase: 1 Dec 1975</td>
<td>3 months.</td>
</tr>
<tr>
<td>4th Phase: 1 Mar 1976</td>
<td>3 months.</td>
</tr>
<tr>
<td>2.5% + £52.20 subject to a maximum of £216 or minimum of £104.</td>
<td></td>
</tr>
<tr>
<td>7 Months.</td>
<td>2 months (pay pause)</td>
</tr>
<tr>
<td>1st Phase:</td>
<td>2 months (pay pause)</td>
</tr>
<tr>
<td>2nd Phase: 1 August 1976.</td>
<td>5 months.</td>
</tr>
<tr>
<td>3% of basic pay + £2 per week subject to a maximum of £5 or £3 whichever is the greater.</td>
<td></td>
</tr>
<tr>
<td><strong>6th National Wage Agreement 1977 (18th Round)</strong></td>
<td><strong>Ratified 23/2/1977.</strong></td>
</tr>
<tr>
<td>14 months.</td>
<td>10 months.</td>
</tr>
<tr>
<td>1st Phase: 1 April 1977.</td>
<td>(3 months pay-pause + 7 months)2.5% + £52.20 subject to a maximum of £216 or minimum of £104.</td>
</tr>
<tr>
<td>2nd Phase: 1 November 1977</td>
<td>4 months</td>
</tr>
<tr>
<td>2.5% + £52.20, subject to a maximum of £221 and minimum of £104.40.</td>
<td></td>
</tr>
<tr>
<td>15 months.</td>
<td>12 months</td>
</tr>
<tr>
<td>1st Phase: 1 March 1978.</td>
<td>8% - minimum £183</td>
</tr>
<tr>
<td>2nd Phase: 1 March 1979.</td>
<td>3 months</td>
</tr>
<tr>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>
### Table 5.2 Cont.

**1st National Understanding (20th Round) 1979.** 15 months.

1st Phase: 1 June 1979. 9 months 9% subject to min. £5.50 p.w.

2nd Phase: 1 March 1980. 6 months 2% + 1% for every 1% increase in CPI above 7% subject to a limit of 5%. Min. increase under this phase £3 per week.

**2nd National Understanding for Economic and Social Development 1980 (21st Round)** 15 months.

1st Phase: 1 October 1980 9 months
8%+£1 per week (1 month pay-pause + 8 months)

2nd Phase: 1 June 1981 6 months 7%
When Harris from ASTMS (now MSF) issued a pamphlet on National Wage Agreements he raised the point (1973:7) that:

"In the preceding 14 wage rounds since the war free collective bargaining has tended to lead to larger overall pay increases than National Agreements."

His view (1973:10/11) was that such agreements if they were to continue should include the following components:

1. Minimum flat rate increase for lower paid workers
2. Annual increments of wages for manual workers
3. Fair employment procedures in the workplace
4. Better pensions for manual workers
5. Fringe benefits for the low paid as well as white collar workers
6. Recognition of trade unions and union representatives
7. Minimum Pay Legislation
8. Minimum income guarantee through tax credits
9. Equal Pay Legislation and

As we shall see later in Chapters 6, 7, and 8 some of these issues (trade union recognition and a national minimum wage) are near to fruition twenty five years later. The issue of tax credits was finally tackled in Minister of Finance Mc Creevy’s Budget in December 1998 for 1999.

5.4.5 First Major Intrusion into centralised bargaining by Government

From 1975 the then Coalition Government began to take a more active interest in the process of pay determination. This was manifested by the intrusion by the Minister for Finance, Fine Gael’s Richie Ryan TD, into the agreement and his request that the ELC re-negotiate its terms. The Minister for Finance suggested possible terms for tripartite negotiations on the following issues:

(i) adjustment of income tax bands
(ii) tax allowances to be inflation linked.

In the Dail on June 20th 1975 he stated that:

"By whatever detailed re-negotiation is necessary we must take immediate steps to ensure that the measures which the Government are taking to wind down inflation will be matched by an appropriate revision of the remaining national agreement increases for
example, by dropping the third phase, or by modifying the third and fourth phases or some equivalent adjustment. How exactly the agreement should be revised to achieve this end is a matter for consideration in the first instance by the ELC and I am asking the Chairman of the Conference to have it convened urgently to put this examination in hand."

This led to a renegotiation of the 1975 NWA. At this time both ICTU and FUE saw greater advantage in centralised bargaining than in a reversion to a free-for-all.

FitzGerald’s (1995: T3/4) view of this period is that;

“When we came to power in 1973 we inherited, before the Oil Crisis occurred at all, a very high rate of inflation, which went out of control completely with the Oil Crisis. A very foolish agreement was entered into by employers and workers, in which the state was marginalised by being treated as a mere employer, and could end up doing itself and everybody else great damage because it didn’t play its role as the State. Agreement was reached for 4% increases every quarter, regardless of the cost of living, which meant that even if we managed to wind down inflation in other respects it would be pushed up again by virtue of this totally excessive and unconditional increase.

So in order to renegotiate that we had to do a package deal, which was actually invented in Government. It didn’t come from the civil servants. We got advance word of a NESC document and picked stuff from it and in government produced a set of budgetary proposals which didn’t come from the Department of Finance at all. It was one of the rare occasions when that happened ... re-negotiate it on the basis of a number of concessions, which included, God help us, the introduction of food subsidies. I know that if you study them back to the early fifties, food subsidies are disastrous in their social effects because they benefit the better-off disproportionately; the people who don’t actually need help; but nonetheless their reintroduction was a price that had to be paid to undo that disastrously inflationary pay agreement, and had to be undone years after.

But we did in fact wind down inflation: the result was that at the end of that period in office, inflation was moving down towards 6.5%, and it had been, even before the Oil Crisis twice that.

So Government intervention undid a lot of the damage done by a combination of, to some degree past government inspired wage increases in the sixties, and a non-government inspired wage agreement between employers and workers which was of a very damaging kind in 1974. That process had been wound down when we left office, so things were moving back on course.

Employers initially wanted a form of social contract along the lines of the British model. The trade unions valued direct access to government and influence over policy which they were to have in the latter half of the 1970’s.”

Consequent on these discussions a revised pay deal was achieved following negotiations at the ELC and this was accepted at a Special Delegate Conference of the ICTU convened on 31st July 1975.

However the ill-feeling engendered by the 1975 re-negotiation spilled over into the 1976 negotiations and a preliminary deal worked out for 13.5 months was voted down by the Trade Unions and subsequently replaced by a 7 month interim agreement put forward by
the employer's side to attempt to break the log-jam. The interim agreement was followed by two further deals in 1977, (14 months) and 1978 (15 months), before the advent of the National Understandings.

Chubb (1992:127) notes the change which took place in the mid 1970's when pure wage fixing in isolation was replaced by a broad panoply of issues including taxation, social welfare benefits and contributions, and economic and budgetary policy. He relates the position from 1976 thus:

"In 1976 a tripartite conference considered a government proposal for a package of tax and other measures in return for a wages agreement permitting more modest pay rises than would otherwise have had to be granted. From 1977, annual budgets contained such packages in return for moderate pay settlements. By 1979, the National Wages Agreement was incorporated as part of a formal 'National Understanding for Economic and Social Development' negotiated directly between the Government, the Irish Congress of Trade Unions, and employer organisations, each of which undertook commitments."

FitzGerald's considered view (1995:T4) of this period is that:

"The subsequent inflation that started again in 1978 was also very much a function of government policy in the form of overspending by Government that came in from then on, and the increased budgetary deficits which, of course led to a chaotic situation in 1981. So Governments have a lot to answer for, I think."

5.4.7 The Move to National Understandings

The National Understandings of 1979 and 1980, negotiated with Fianna Fail governments, were more than mere pay deals in that they covered economic and social areas and contained specific commitments from Government to the two social partners, the Trade Unions and Employers Organisations.

On January 9th 1980 the newly elected Taoiseach went on television to tell the Irish people that they were living beyond their means. The Irish Times (1999:11) quotes Taoiseach Haughey thus:

"I wish to talk to you this evening about the state of the nation's affairs, and the picture I have to paint is not, unfortunately a very cheerful one. The figures which are just now becoming available to us show one thing very clearly. As a community we are living way beyond our means."

Quoting figures the Taoiseach announced that the Governments current income from taxation and all other revenues in 1979 fell short by over £520 million. To meet this and the capital programme the government had borrowed £1 billion, which was equal to one
seventh of our entire national output at that time. Commenting on the prevailing industrial relations culture Haughey (ibid) said:

“There is one thing above all else which we can do to help get the financial situation right and which is entirely within our control. I refer to industrial relations. Any further serious interruption in production or in the provision of essential services in 1980 would be a major disaster. I believe that everyone listening to me tonight shares my anxiety about our situation in this respect. Strikes, go-slow, works to rule, stoppages in key industries, and essential services were too often a feature of life in 1979. They caused suffering and hardship; at times it looked as if we were becoming one of those countries where basic services could not be relied upon to operate as part of normal life.

Immediately following my election as Taoiseach, I received countless messages from all over the country from people in every walk of life, appealing to me to do something about this situation. Let us clearly understand however that this is not a one-sided affair. Managements that do not give first-class attention to their firms industrial relations, who ignore situations and let them drift into confrontation are just as blameworthy as the handful of wild men who slap on an unofficial picket to stop thousands of workers from earning their living.

Apportioning blame, however, is not going to get us anywhere. What we need is a new way forward, and that is my primary purpose, as head of Government, in talking to you tonight. I am asking for a universal commitment to industrial peace in 1980. I am asking every worker and employer, every trade union, every employers organisation, every farmer and every farm organisation, every housewife in fact every individual citizen to play a part in ending this humiliating, destructive industrial strife and put in its place discussion, negotiation and peaceful settlements.”

Chubb (1995:D8) believes that Haughey desired pay deals for Government as government and not as employer and cites the period when Gene Fitzgerald was the responsible Minister as an example thus:

“Yes, little Gene Fitzgerald. I can remember we were in a terrible tizzy about something, it was all about to break up and poor Gene was up in his office, Charlie Haughey, told him - he was calling some of the shots from afar, - Charlie was on his back and poor Gene sent little notes into me, to the effect could I have a word with him quick and begging me to keep it going. We had a bunch of very reluctant employers at the time, but that’s what the Chairman is for. I mean my role was a very modest one, my job was just to try and keep things going, to act as a messenger boy, you know all those kind of things. So it was developing anyway, you could see the third side of the table and by the middle seventies this was obvious. ”

Yet the Second National Understanding was not followed by another National Wage Agreement as the private sector returned to free collective bargaining at the level of the enterprise, while in the Public Sector a series of pay deals were negotiated between the Public Service Trade Unions under the umbrella of the Public Services Committee of the ICTU and the Departments of Finance and the then Department of Public Service.
Hardiman (1988:78) opines that:

"When the second National Understanding expired no further centralised agreement proved possible … from mid 1981 onwards wage rounds were decentralised, dampened by worsening economic conditions."

Breen, Hannan et al’s (1990:171) view is;

"That wage rounds were decentralised. The structure of tripartite national agreements no longer commanded the support of the three partners."

Though Breen et al; and Hardiman’s views remain the prevailing consensus this is not, in my opinion, the case. What happened is that in the period 1981-1987, Private Sector Pay was decentralised while Public Sector pay stayed very firmly in the grip of successive governments and major inequities arose during those years (see Bill Attley’s later comments for detail).

What essentially occurred was that two sets of bipartite relationships were set in train and, though not often cited, these relationships continued up to and including Partnership 2000 for Inclusion Employment and Competitiveness (P2000). This meant that the process of Public Sector Pay was negotiated between the Public Services Committee of the ICTU and the Department of Finance, while private sector pay returned to the free collective bargaining process in the period 1982-1987. Thus pay in the Public Sector has now been subject to bi-partite negotiation for thirty years, from 1970-1999, and in the Private Sector for twenty three years save the 1981-1987 hiatus.

5.4.8 The Breakdown in 1981

O’ Kelly (1990:330) details how all three of the central players continued to declare themselves in favour of negotiations at national level. However when the talks broke down:

"The Government acted alone by negotiating a pay agreement with the Public Services Committee of Congress giving cumulative increases of 16% over 15 months. The result of these developments was a very confused 22nd Round which was a mixture of Public Sector and Construction Industry awards and these awards set the trend for other private sector agreements."

During the course of the fieldwork interviews however there were different reasons given by the main players on that occasion for the breakdown.
5.4.9 Employers’ Perspectives.

John Dunne of IBEC then the FUE(1995:L2) gives the employers perspective on the breakdown thus:

“It happened essentially for two reasons, one we began to believe that the price we paid was too high. Secondly we were more and more concerned that the evolution of the process from 1970 onwards had created a scenario where there was a double -take on the part of employees.

In other words they had come to expect a wage increase from the national process but they also had come to expect a wage increase in return for anything that could be obtained at the level of the enterprise.

Change became a collective bargaining item so you paid your standard of living increase as determined by the centre and you paid for the sorts of things that, as an employer you need to do in order to be able to grow and survive and develop. And in the latter sense aggro came back into the bargaining process. So we had now got to the stage where the central agreements were very questionable in our mind and the great value of industrial peace was no longer there, and there was two tier bargaining.

I also think you had some question at the time, and remember you are going back 15 years, as to whether the extension of the bargaining agenda into things which, at that point in time, people really felt had nothing to do with collective bargaining, was right and proper. Some people felt that wasn’t really the business of government and I suppose in a sense that raises issues which people who are currently opposed to social consensus would say were proper concerns at that time.

It was through a combination of all these circumstances the employers said “NO” at the beginning of the eighties, and it was first the employers who broke up that whole series of arrangements by saying; ‘No, we are not going to have it’.”

5.4.10 Reviews of the Early Wage Agreements.

One of the few reviews of the early wage agreements by Kevin O ‘Kelly’s of the European Foundation and the IAIR, his M Litt Dissertation (1990:319) reviews the FUE’s analysis of the wage agreements 1970 -1980, which concluded in 1981, and finds that while they worked for the first half of the period and helped to reduce the number of disputes. However in the second half of the decade;

“The general level of increases in pay were too high to maintain competitiveness in the key sectors of the economy and did not succeed in preserving existing jobs, creating sufficient new jobs for the growing population and increasing the real value of wages and salaries.”
5.4.11 Trade Union’s Perspectives.

Bill Attley’s (1995:A2/3) memory of that period is as follows:

"Remember the National Wage Agreements were borne into the National Understandings. In 1980, inflation was running about 14% and we were shipping extraordinarily heavy weather with the employers at that stage. Totally disproportionate to what was between us. They stuck at 12.5% and literally which wasn’t like Dan Mc Auley’s previous negotiating strength, he began to put in an extraordinarily hard line - thou shalt not move option.

A number of people arrived at the conclusion - I remember Dan Murphy saying to me and Paddy Cardiff at the time - this crowd don’t want it. What they are attempting to do is make us an offer that we can’t accept. Anyway the talks broke down and everyone expected some sort of - you know the usual - talks break down - there’s talk in the papers - and suddenly there is some mechanism found. But, no mechanism was found and there was no attempt on the employers’ side.

They simply warded off every conceivable overture that was made to re-open talks. In the wrestling we had a free-for-all then and we stormed out after having sort of a very controlled wage bargaining process from 1970 onwards.

We stormed out and did a free-for-all and the pay levels settled down at about 16% - the better settlements - running between 14 %, which was inflation and 16%. In terms of the periods that we’re talking about - very high inflations - I mean these seem judging by today’s standards - you are talking about 14% - but you were meaning nothing - you were just talking about inflation.

So, it wasn’t about money that the talks broke down. It was a deliberate decision that the employers had taken that this whole question of consensus had outlived its usefulness and that the way forward was certainly the Thatcherite approach in Britain, reduce the pay bargaining down to the level of the enterprise where you actually control the agenda."

5.5.1 Wage Policy in the Public Sector 1981 - 1987

Following a Special Delegate Conference of the ICTU on 28/9/1981 a resolution was adopted by 316 votes to 116 to continue with centralised agreements on pay with employers and on the trade unions agenda on social and economic matters with Government.

In September 1981 the FWUI tabled an economic review before its members which highlighted the following points:

- The GNP growth for 1981 estimated for 1% compared to 1.5% in 1980.
- Personal consumption expected to fall again following a fall of 1.25% in 1980.
- Balance of Payments deficit of £700m equivalent to 8.5% of GNP.
- Employment was showing an overall slump of 9,200 jobs (see table 5.3)
Table 5.3 Employment / Jobs Gains / Losses 1978 -1980

<table>
<thead>
<tr>
<th>Year</th>
<th>Job Gains</th>
<th>First Time Jobs</th>
<th>Job Losses</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>23,290</td>
<td>12,000</td>
<td>16,560</td>
<td>+ 6,730</td>
</tr>
<tr>
<td>1979</td>
<td>25,330</td>
<td>16,000</td>
<td>15,480</td>
<td>+ 9,850</td>
</tr>
<tr>
<td>1980</td>
<td>18,020</td>
<td>12,200</td>
<td>27,200</td>
<td>- 9,180</td>
</tr>
</tbody>
</table>

Source: IDA Annual Employment Surveys

The Consumer Price Index (CPI) rose by an average of 18% in 1980. Over the twelve months to the end of August 1981 prices increased by well over 20%. The overall CPI in OECD was +10% with Germany and Japan at 5.5% and the Italy and Ireland at 20%+. While wages and salaries were expected to rise by 18.5% in 1981 this would not even keep pace with inflation. The annual average male earnings in manufacturing was circa £130 per week. Women's weekly earnings were estimated at £77.

After four meetings of the Employer Labour Conference and three meetings with government Ministers the Chairman of the ELC, Professor Basil Chubb, announced that there appeared to be no basis for successful negotiations.

Accordingly at a Special Delegate Conference on 29/10/81 (Annual Report 1982:127) Congress unanimously adopted a recommendation from the Executive Council that unions should;

"take immediate action to establish machinery at industry and plant level to pursue collective claims for increases in pay at a level sufficient to maintain living standards."

Following this decision the ICTU Public Services Committee negotiated a Public Service Pay Agreement with the Minister for the Public Service.

22nd Wage Round Public Sector

This agreement dating from December 1981 for a period of 15 months duration allowed for increases of:

*1/12/81 1st Phase 3 months 2% or £4 per week
*1/3/82 2nd Phase 7 months 6%
*1/10/82 3rd Phase 5 months 5%
A substantial memo covering other cost increasing claims and major changes were incorporated into this agreement and subsequently became known as clauses three and four respectively. These claims covered usage by Public Servants of Civil Service Conciliation and Arbitration Schemes (C&A), Local Authority C&A Schemes or Industrial Relations Acts using the conciliation conference or full hearings of the Labour Court.

On a basic wage of £90 a week this represented a cumulative increase of 16.25% over 15 months or 1.08% per month. (ICTU 24th Annual Report:125)

5. 5. 2 Fianna Fail’s First Intrusion into the Area of Public Sector Pay.

On 30 July 1982, when most Public servants were preparing to go on annual leave, according to McGinley and Filby (1997:206-210), the government announced that public sector employers would not pay any further special pay increases in 1982 or in 1983 and that the Minister for Public Service would enter into discussions with the Public Service Committee of Congress (ICTU 25th Annual Report :145);

“with a view to securing its agreement to the postponement until 1/1/1983 of payment of the third phase increase in basic pay provided for in the current agreement.”

- Payment of the third phase due on 1 October 1982 was to be deferred until 1/1/93. Recognition was to be given of the increase forgone in two equal payments payable on 1/2/83 and 1/6/83.

- Cases under Clause 3.1(a-c) where an effective date before 1/1/83 was agreed the new effective date was to be 1/1/83.

- Where on 20/9/82 settlements/adjudications or firm offers had been made 40% of the increase could be paid as at 1/10/83.

The balance of the increases at 3.1 could subsequently be paid in full without retrospection.

The major import of these decisions was that public service pay was rescheduled for a period spanning October 1983 to September 1986, depending on what stage it was at when the initial decision was made in July 1982 by Charles Haughey TD.
Joyce and Murtagh (1983:184) report that this cabinet decision was being made as Ministers were going on holidays and Taoiseach Charles Haughey was going to his private island.

"The package was intended, the announcement said, to cut £120 million from government bills for the remainder of the year. A 5% pay rise for public servants, due in November would be postponed until January 1983; special pay increases and recruitment in the public services would be halted; subsidies on flour and margarine would be abolished and the subsidy on butter would be reduced. Spending by every single government department was to be cut."

After a number of stormy words and some heated exchanges; where ICTU regarded the decision as unilateral and a negation of democracy, a new agreement between the Public Services Committee of Congress and the Minister for the Public Service was negotiated in 1983.

5. 5. 3 23rd Wage Round Public Sector.

On basic pay it provided for the following:

- 1st Phase 1/3/83 6 months pay pause
- 2nd Phase 1/9/83 5 months 4.75%
- 3rd Phase 1/2/84 4 months 3.25%

The agreement outlined very strict conditions for dealing with any other cost increasing claims. In particular claims admitted under paragraphs 3.1 and 3.11 of the Amendments to the 1981 Agreement on Pay in the Public Service could only be processed and implemented as follows:

- 40% of the relevant increase could be paid from 1/10/93
- A further payment not exceeding 2.5% of the basic pay of the workers concerned or the balance of the increase whichever is the lesser may be paid with effect from a date not earlier than 1/12/84.
- The remaining balance outstanding if any may be paid with effect from 1/9/85.

Following the report of an arbitrator to the Civil Service Grades the following award was made for the next pay round.
5.5.4 24th Wage Round (Public Sector)

Award to be of 19 months duration with a pay pause from 1/6/84 to 31 December 1984.

* 1st Phase 1/1/85 6 months 3%
* 2nd Phase 1/7/85 6 months 3%

According to McGinley (1986:502) in making the award Hugh Geoghegan S.C. noted that both sides had accepted the distinction between the Government as employer and the Government as Government;

"The National Plan represented the policy of the Government as Government. It was not the function of the Board or of the Chairman to express any view on their merits of that policy and nothing in these findings was to be taken as expressing any such view. The part of the present claim relating to an alleged inadequacy in the previous general pay round could not be entertained. To do so would be to re-open agreements freely entered into."

In August 1985 the Government announced a Public Sector pay embargo until the end of 1986 at least. A one day strike occurred on 15 October 1985 as a result of a decision of the Public Service Committee of Congress to call on all Public Service Unions to express their anger at this decision and at the decision not to appoint Chairpersons to the Arbitration Boards.

In the event another deal was agreed for a period of eighteen months following the expiry date of the 24th pay round and its principal features were:

5.5.5 25th Wage Round Public Sector.

* A pay pause from 1/1/86 to 30/4/86.
* 1st Phase 1/5/86 8 months 3%
* 2nd Phase 1/1/87 4 months 2%
* 3rd Phase 1/5/87 2 months 2%

Other cost increasing claims covered under adjudication hearings which took place pre 1 January 1986 could be implemented under the following procedures;

(Clause 3):
(i) One third of the relevant increase could be paid from 1/12/86
(ii) A further one third of the relevant increase could be paid from 1/12/87
(iii) The outstanding balance could be paid from 1/7/88.

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The terms of Clause 3 were elaborated on in an agreement between the ICTU and the Minister for Finance in May 1989 and outstanding claims were implemented under Clauses 3.2 and 3.3 as follows:

Where no award has been paid under this clause or Clause 3.2 or 3.3 of the 1986 Public Service Pay Agreement.

- 40% with effect from 1/7/89
- 30% with effect from 1/4/90
- 30% with effect from 1/10/90

Alternatively where a group concerned has received an award under clause 3.3 above or an award under Clause 3.2 or 3.3 of the 1986 Public Service Pay Agreement, any increase shall be implemented as follows:

- 40% with effect from 1/5/91
- 30% with effect from 1/2/92
- 30% with effect from 1/9/92

5.5.6 An Era Of High Inflation And Public Sector Angst

Cody (1993:21) describes the period between 1982 and 1987 as being characterised:

"By extremely high inflation in the early years which declined rapidly. There was significant industrial unrest in the public sector culminating in the Teachers Arbitration dispute in 1986 and the meat/dairy strikes in 1987. Public Service agreements were longer than those applying in the private sector leading to an additional wage round for the private sector and Commercial State Companies around 1987."

Table 5.4 shows the cumulative effect of the 1981-1987 public pay agreements negotiated between the Government as employer and the PSC of ICTU.
Table 5.4 Public Sector: Wage Agreements As Amended

22nd Round: 1981 Public Services Pay Agreement As amended

<table>
<thead>
<tr>
<th>Phase</th>
<th>Date</th>
<th>Duration</th>
<th>Pay Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Phase</td>
<td>1 Dec 1981</td>
<td>3 months</td>
<td>2% or £4</td>
</tr>
<tr>
<td>2nd Phase</td>
<td>1 March 1982</td>
<td>7 months</td>
<td>6%</td>
</tr>
<tr>
<td>3rd Phase</td>
<td>1 January 1983</td>
<td>5 months</td>
<td>5%</td>
</tr>
</tbody>
</table>

* Payment of the final phase was postponed until 1 January 1983. Recognition of the postponement for the amounts foregone in 1982 were made in two equal instalments on 1 February 1983 and 1 June 1983.

23rd Round: 1983/4 Public Service Pay Agreement.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Date</th>
<th>Duration</th>
<th>Pay Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Phase</td>
<td>1/9/83:</td>
<td>5 months</td>
<td>4.75%</td>
</tr>
<tr>
<td>2nd Phase</td>
<td>1/2/84.</td>
<td>4 months</td>
<td>3.25%</td>
</tr>
</tbody>
</table>

24th Round: 1985 Public Service Pay Agreement.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Date</th>
<th>Duration</th>
<th>Pay Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Phase</td>
<td>1/1/1985:</td>
<td></td>
<td>3%</td>
</tr>
<tr>
<td>2nd Phase</td>
<td>1/7/1985</td>
<td></td>
<td>3%</td>
</tr>
</tbody>
</table>

25th Round: 1986/7 Public Service Pay Agreement.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Date</th>
<th>Duration</th>
<th>Pay Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Phase</td>
<td>1/1/86-1 May 1986.</td>
<td>8 month pay-pause then</td>
<td>3%</td>
</tr>
<tr>
<td>2nd Phase</td>
<td>1/1/87</td>
<td></td>
<td>2%</td>
</tr>
<tr>
<td>3rd Phase</td>
<td>1/5/87</td>
<td></td>
<td>2%</td>
</tr>
</tbody>
</table>

* In this period Interim and Final Devlin Awards, CSA Awards (twice), Technicians Awards, Technologists Awards and MLT Awards were paid out usually incrementally over a period of years.

5. 6.1 The Private Sector Settlements from 1981 to 1987

An analysis done by the Research and Information Unit of the FIE/FUE/IBEC shows the following in Table 5.5 as the general trends in the Private Sector between the end of 1981 and the end of 1987. There are a number of different tables around for this period the one below appears to best replicate the period.

Table 5.5 Private Sector Settlements 1982/3 to 1987

<table>
<thead>
<tr>
<th>Round</th>
<th>Year</th>
<th>Duration</th>
<th>Pay Rates</th>
<th>Phases</th>
</tr>
</thead>
<tbody>
<tr>
<td>22nd</td>
<td>1982/3</td>
<td>15 months</td>
<td>16.5%</td>
<td>2 or 3</td>
</tr>
<tr>
<td>23rd</td>
<td>1983/4</td>
<td>13.5 months</td>
<td>11.35%</td>
<td>2</td>
</tr>
<tr>
<td>24th</td>
<td>1984/5</td>
<td>13.5 months</td>
<td>9.21%</td>
<td>1 or 2</td>
</tr>
<tr>
<td>25th</td>
<td>1985/6</td>
<td>13.91 months</td>
<td>8.13%</td>
<td>1 or 2</td>
</tr>
<tr>
<td>26th</td>
<td>1986/7</td>
<td>13.8 months</td>
<td>6.36%</td>
<td>1 or 2</td>
</tr>
</tbody>
</table>
Thus the average cumulative increase in the Private Sector during the 22nd to 26th pay rounds was of the order of 51.55%. The Private Sector enjoyed agreements of shorter duration, with shorter or no pay pauses, which resulted in an extra wage round in the private sector over the period with increases being higher and paid earlier.

Typical increases were as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Nat Under (ii)</th>
<th>PNR 1990</th>
<th>%Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Worker</td>
<td>£87.09</td>
<td>£148.73</td>
<td>71%</td>
</tr>
<tr>
<td>Crafts</td>
<td>£115.68</td>
<td>£196.29</td>
<td>70%</td>
</tr>
<tr>
<td>Craft Supervisor</td>
<td>£7748</td>
<td>£13091</td>
<td>69%</td>
</tr>
<tr>
<td>Clerical (Junior / Receptionist)</td>
<td>£3735</td>
<td>£6484</td>
<td>74%</td>
</tr>
<tr>
<td>Laboratory Technicians</td>
<td>£6639</td>
<td>£11245</td>
<td>69%</td>
</tr>
</tbody>
</table>

In addition changes in conditions were agreed covering the following:

Bonus, Sick Pay, Pensions, Overtime, Hours of Work, Annual Leave, Compassionate Leave, Service Leave, Service Pay, Shift, Allowances and Call Out.

Of the six hundred plus agreements analysed by the FIE covering circa 100,000 employees in 1987 during the 26th round, 490 of the 600 employments concluded their agreements by direct negotiations and only nine agreements were secured by some form of industrial action. O’Kelly (1990), Attley (tapes 1995) and Murphy (1986) believe that it was at this time that the employees in the private sector built up a significant edge on their public sector colleagues which was to have such a historical effect in the period 1988 to 1999 with a phletora of catch-up claims being sought. This is an issue to which I shall return to in Chapter 6 in relation to relativity claims.

5. 6.3 The Coalition Government 1982 -1987 - Two Views.

During this period the FitzGerald led Coalition Government invoked a public sector embargo on recruitment and cut back severely on public sector pay and anomalies within the Civil and Public sector. At the same time many trade unions were making quite significant pay leaps in the private sector, particularly the ASTMS and AEU-TASS in the insurance and financial sector.

FitzGerald’s Coalition Government introduced a plan mainly prepared by the National Planning Board called ‘Building on Reality’ in October 1984.

Its four principal perceived needs were:
• To reverse the decline of 40,000 in employment in the last four years, and to halt and turn around the mounting toll of unemployment.

• To prevent any further rises in the burden of taxation; to improve the equity of the tax system, actual and perceived; and to concentrate any reliefs on the PAYE sector.

• To provide adequately for social requirements such as, for example, the continuing rise in the numbers in the educational system, the problems of the under-privileged and alienated, the housing needs of new households.

• To reduce borrowing and at least to stabilise interest payments as a share of national output and taxation.

‘Building on Reality’ called for the Exchequer Pay Bill not to exceed £2400 million in 1985. This figure allowed for no pay increases in general pay in 1984 nor 1985.

Ruairi Quinn (1995: P4/5), asked by the author if he felt it unusual that for the period 82-87 when Labour was in power there were no centralised pay agreements, responded thus;

“Well, I thought long and hard about this, not because of the question which I saw on this list, but because it did cause us, and me, a lot of grief. Frank Cluskey had lost his seat and regained it, as I did. We both lost seats and regained them at the same time, but he was no longer leader of the Labour Party and so you had Dick Spring as leader, who was the first non-trade union Labour Party leader.

Every other one of them, even Brendan Corish, was very much seen as a trade union person, and was open to, if not amenable to the direction and the influence of the Trade Union General Secretaries who tended to be the bosses of their unions.

There was also a division in the party which reflected the division between the Transport Union and the FWUI, and the bitterness of that division was personified and personalised in the contest between Mick O’Leary, Michael Mullen’s man on the one hand, and Frank Cluskey, Paddy Cardiff’s man, or in latter years, Billy Attley’s man, on the other side. And when Frank resigned from the government over the Dublin Gas issue (although I suspect it was an issue he was looking for he wanted out and this became a reasonably good issue on which to go) the trade union leadership felt they no longer had anybody in the Cabinet.

Who did they have in the Cabinet? They had Dick Spring who was a very young leader who owed them nothing. Then Barry Desmond who had become very antagonistic towards them and they to him, even though he had been a Congress official. They had Liam Kavanagh who had always been a very close politician to the Labour movement but they felt perhaps, and I think correctly, while he had influence, he didn’t have clout.

And then they had me, taking Frank’s shoes in the Cabinet who some of them would have regarded as a bit of a pup and, to use Eoghan Harris’s phrase, a bit of a Student Prince. So there was that background for a start, and I think its very important to understand that.
The personality of Donal Nevin has to be put on the table as well in all this because he was the General Secretary of Congress at the time. The employers had disavowed and abandoned Centralised Bargaining, didn’t want it, and carried a lot of clout with Fine Gael. And you had the FUE, dominated by Dan McAuley, who was mildly social democratic in his view, but would take the line of his board or National Executive. And you had Connellan in the CII who saw that Centralised Bargaining tended to drive up costs, as they saw it. So they wanted a free-for-all and they felt that in fact they could pick off unions.

... and this is the third part of the reply, I vigorously explored, in the 1980s, 1985/6 the idea of a national wage deal in which we would offer tax cuts in return for wage moderation and I explored it directly with John Carroll. I got a lot of encouragement from him. I got clearance from Cabinet to try and do so, and I got a less than enthusiastic or encouraging response from Attley, but as is Billy’s form, a kind of begrudging encouragement, “get on with it,” and you try to interpret that. You know exactly what I mean.

What I only subsequently learned, after 1986, was that Nevin had a back door to Garret FitzGerald and Nevin was saying this won’t travel, these guys aren’t going to buy into it, the Trade Union leadership were not really all that keen, and so my own position (and I was a very naive politician then relative to now) was that Garret was getting the signals from a very respected member with whom he had a long operational relationship over many years, that was discounting what was a more enthusiastic and perhaps optimistic view coming from me and at the end of the day it didn’t get off the ground.

And then of course they did the PNR, within nine months, less! But two things happened that explained the PNR. First of all Barry Desmond was incensed at the volte face of the Trade Union movement. I supported the PNR and got the Labour Party to ensure that we supported it, even though the acquiescence as I saw it, if not the grovelling, but certainly the acquiescence of some of the more strident people like Carroll and Attley, who had led sort of marches around the country against us and who had now bit this.

Notwithstanding the personal hurt I felt about it, that was history and they were now making the right choice at the right time, albeit coming to it lately. They were making that choice against a background of three things that had happened. First of all the managerial prerogative that you described, had been consolidated domestically with the dramatic emergence of the Progressive Democrats (PD’s), fourteen seats two seats bigger than the Labour Party, -- we were at twelve seats.

Maggie Thatcher’s government had been re-elected again, or looked as if they were being re-elected again, plus the fact that the financial figures were disastrous, and the NESC reports on which Congress had been represented, recognised the intellectual logic of it.

Don’t forget that Donal Nevin was gone, was effectively off the pitch, and Peter Cassells was the new General Secretary and Cassells was a different kind of person and could see the intellectual validity of the argument and it was the first agreement that was negotiated with Peter there, who would be more my generation. Peter is a friend of mine going back more than 20 years. My generation is Peter’s generation and there wasn’t that man and boy thing as with Nevin.

And the fact that a British trade unionist, Billy Attley has mentioned it to me subsequently on a couple of occasions, told them, I think at a Congress Conference in July that year, that the Irish Trade Union movement was out of its head not to accept an offer to deal with the government, that in Britain they couldn’t get into Downing Street, let alone to Number 10, because she had put the gates up at the end
of Downing Street at that stage. So those factors combined helping to come on board.

The national economic figures had deteriorated substantially, the Trade Union movement got frightened, they also felt that they could do a deal with Charlie, in a way that they couldn’t do it with Garret, and more to the point as we all know, Charlie forced the employers to come on to the field in a way that Garret wasn’t able to do.”

FitzGerald’s view (1995:T4/5) is slightly different to Quinn’s though being an economic commentator for most of his life one is unsurprised with the primacy of his economic thoughts. Responding to the question - and the period between 1981 and 1987 the government of which you were the Taoiseach, coincidentally that’s the period where effectively there was a return to centralised bargaining rather than a national agreement?

“Yes, our problem was to wind down inflation, and reduce expectations. In retrospect we were remarkably successful. It was a very messy process, and was under a lot of criticism at the time but we inherited an inflation rate of over 20% which we brought down to 3% and pay increases which had approached 30% in 1980 in the public services were reduced down to 5%-6%, which was a remarkable achievement.

It has to be said, that the trade unions played their part in that, but it wasn’t a happy relationship, I was struck by the unhappiness of the unions. I suppose understandably they had a job to do. But the relationship wasn’t good and I had a feeling that they found difficulty in negotiating with Labour in government.

We had one meeting separately, a Fine Gael meeting with the unions in Fine Gael headquarters, which was very constructive and open. The other meetings were all very formal, people went through the routine, nobody would lower their guard. But as Fine Gael we had one good meeting in which I raised questions like, whether it was a wise thing to give lump sums in the case of redundancy, would it not be a lot better to move over to current payments rather than lump sums? We had a good, hearty, and open discussion on that. The only decent meeting we had with them was the Fine Gael one. The government meetings with them, I thought were very unhappy and uncomfortable, but nonetheless, we did wind down inflation, so that was one of our achievements.

We didn’t manage to get the overall budget deficit eliminated, we only halved it from 21.5% in 1982 to 10.75% percent for 1987. The rest was achieved by Fianna Fail with the benefit of a very good economic situation in 1987. We had had a very bad one in 1986 so we produced a very good economic situation in 1987 and they moved in to finish the reduction in borrowing off, and did a very good job there.

You can argue the details now, of the cuts that were chosen, but the fact is that they did get the economy right, they did finish the job off. Now while we did not complete the job, it wasn’t feasible at the time, we did so in regard to the balance of payments turning them around, and the inflation rate we got down by those negotiations so I think our efforts paid off.

That said, the 1987 negotiation by Fianna Fail and the unions was very successful. The unions were fed up with us, and of course it was the usual thing, Fianna Fail were coming in and they weren’t having to wind pay rates down further as we had reached a level of stability more or less.”
5.6.4 The Advent of New Realism

During the 1980's many senior trade union figures fearing the right wing culture of Thatcher's Britain with her agenda of privatisation and trade union legislation reform, together with the advent of the Progressive Democrats in Ireland, had highlighted Austria, Germany, Norway and Sweden as suitable role models to follow. The arrival of 'New Realism', as the trade union view in the mid 1980's was to lead to the Four P's: The Programme for National Recovery (PNR) and the Programme for Economic and Social Progress (PESP), The Programme for Competitiveness and Work (PCW) and Partnership 2000 (P2000).

5.6.5 The ICTU View

Bill Attleyformer General Secretary of the F.W.U.I and now retired General Secretary of S.I.P.T.U., commenting on the role of trade unions before the recommencement of centralised bargaining, felt that the traditional role of the labour movement had been eroded. In league with Phil Flynn of IMPACT, Peter Cassells (ICTU) and Dan Murphy (PSEU) they led the move to convince the Congress Executive of the need to move back towards long term bargaining.

Attley cites visibility to the membership of having access to the Cabinet table and having more than a minor say in the manner in which social and economic issues are handled as being reasons for his becoming a leading advocate of the 'New Realism' approach to labour relations and one of the prime organisers of the move towards social partnership.

While Hardiman later disputes the success of neo-corporatism it is true to say that recently the ICTU had favoured a more long term strategy of economic planning - ten years- rather than the stop-start models which have been in vogue heretofore. Having to agree the broad parameters of its economic strategy and renegotiate it every two and a half years was hardly a sound model for economic co-operation. In general, while Congress was planning for such a long term strategy, such a programme has never been endorsed in advance by the rank and file membership. Tactically however Congress always felt that if a deal could be done then they could sell it to the members.

However Bill Attley’s assessment (1995:A3/4) of the 1982 to 1987 period, the reasons underlying the period by the employers, and the strategic change in trade union approach which has been termed 'New Realism' makes interesting reading:

"So we had this long horrendous period, 1981 to 1987, - pay bargaining by and large - the combination of all our efforts was that pay rose roughly about 5% above
the inflation rate for the seven years. But, when you took tax into consideration, the
decline in the tax structures that took place over the same period, we were all 7%
worse off than when we started in 1981.

So what you had was this long period of free collective bargaining of pretty heavy
stick where we were losing about 3 to 6 million man days a year in disputes... we
had all these hours of negotiation/labour court hearing and the sum net total of it
all was - because the Exchequer stepped in and simply taxed anything we had been
doing - we were all 7% worse off.

I think there was a consensus emerging in 1985 at the Congress level that if we
couldn't get off this spiral and that very soon members would be simply saying to
us, you know, the message - what we were offering for the next six years - was,
'brothers and sisters, come join with us and we have this to offer you - more
industrial disruption'.

We lost 75,000 manufacturing jobs during the same period. More job losses - more
industrial disruption and at the end of it we can guarantee you are going to be 7%
worse off. I think even the most backward person on the Executive would have
come to the conclusion that there wouldn't be too many people attracted to that
concept.

The change really that took place was that we made a number of very conciliatory
speeches offering five year agreements and six year agreements which absolutely fell
on deaf ears. But Garret (FitzGerald) was absolutely determined that pay and
conditions was a commodity and would have to be traded on the Free Market and
he wouldn't listen to anybody. So what brought us to the conclusion really was
that we had made up our minds in '85 that we couldn't go on like this."

In a speech prepared for the I.M.I. conference at Killarney in 1987 Attley advocated the
following approach;

"A key objective for government, trade unions and management, over the next ten
years must, therefore, be the establishment of a consensus approach as to how the
economy can be developed. This consensus approach should be based on a co-
operative growth strategy, with job creation, reform of the tax system, a national
minimum income, and improving the public finances as its priorities."

Attley's response (1995:A4/5) to the question, in the '83-'87 period, the Government
Policy on Embargo, Pay Freezes, Cuts - how badly did that affect collective bargaining
and social partnership?; is that it didn't affect it.

"What it did was it drove the public service unions - just the pure public service -
people who were stuck in the public sector, as with nowhere else it galvanised them
right across the public sector irrespective. I mean Billy Lynch used to play games at
one level, he would get up at the Congress and fulminate against it, and the minute
he was off the dais when we got into bargaining was the most reasonable person
and wanted an agreement.

It even galvanised into them that they were in such difficulties and dire straits - I
mean they literally were a huge pressure group inside Congress demanding to get
back. You have to take a look at that. The Public Sector in that period fell behind
the private sector something like 19%. Now I think that figure is correct. Manus O' Riordan has done in answer to ISME-a charge about the public sector pay. He
actually tracked public sector pay back to 1980. I think 19% is the figure that has fallen behind.

The pressure on public service unions from their own membership to, in addition to having lost 7% like everybody else, had their pay suppressed by 11%. You can imagine that kind of pressure in the system. You had disruptions - you had people banging down your door in the public sector.”

5. 7. 1 The Road to Return to National Collective Bargaining

While FitzGerald's government was beavering away at reducing the national debt Charles Haughey had appointed Bertie Ahern as his lieutenant to deal with Labour affairs. Congress had launched its policy document 'Confronting the Jobs Crisis' and in the lead up to the 1987 General Election Fianna Fail issued a document entitled 'Programme for National Recovery'.

To try to put Fianna Fail in the driving seat, Ahern held a number of meetings with the 'social partners' i.e. farmers, employers and trade unions.

Later on he was to be joined in negotiations with finance spokesperson and later Minister for Finance Ray Mac Sharry. Ahern’s (1995:S 2/3) memory of that period is as follows;

"After all the things that went wrong by successive governments from 1979 on, the economy was in a very bad way, there is no need to go through all the indicators, but between 1981 and 1986, things were desperate, we were losing employment, we had lost competitiveness, places were closing, rationalisations were horrendous, the jobs crisis was horrendous because there was nothing ticking anywhere and nothing ticking even for fellas doing bits and pieces, it was a dead duck on all fronts.

And then The Congress of Trade Unions presented their own document on 'Confronting the Jobs Crisis'. I had been working from the time I took over, in the Autumn of 1984, 11 years ago now, on Congress and trying to redevelop what was the old Lemass connection with the unions and Fianna Fail, and we had been hard at that, and I saw the opportunity and was convincing the Fianna Fail front bench of the way to go on that, I suppose I claim some of the credit for convincing them in that role.

But then, Congress hadn't met Fianna Fail ever I think. So I organised that first meeting between Congress and Fianna Fail, which was a great landmark. I won’t say the meeting was over-friendly, but there was straight talking and there was a lot in common apart from the role of people like John Carroll and others with Haughey, but we got on well and I think they were impressed that we turned up with so many of our big guns, and we were impressed that they turned up with their big guns and out of that we looked very closely at their document.

In that winter of 1986/7 the country was really in a bad way from everybody's point of view and nobody was getting satisfaction. We saw the merits of what they were saying and we also had been researching, I had been researching for 18 months previously what was happening in Nordic countries and I was impressed with that and so were others, the General Secretary of the Congress at the time, Donal Nevin, who was a good man, he had been looking at some of those, and Peter Cassells, they were putting forward these concepts.
Bill Attley and Eddie Browne and others were putting them forward, so we then said, let’s try this consensus approach and we talked to the farmers, we had difficulty getting them on side initially to the concept. This was while we were in opposition and the employers were just not on, and the unions had their own particular reluctance.

But on the return to government in March 1987, I immediately was given that brief, it was given to me rather than Finance, that we would try to bring together and manoeuvre a position where we could actually do it on trust. People generally believed that it was all bogus and that productivity couldn’t happen. If you were an employer you believed that it wouldn’t happen because you wouldn’t get productivity or rationalisation stymied and for a worker you reckoned it was only a plot to catch workers and you would get nowhere.

I was given the lovely job and Mac Sharry and myself first met all the unions, we outlined what we were doing and at that stage it was iffy enough whether we could move along. Like all these things it was developing, we only had a blueprint, we hadn’t a policy and I would be honest enough to say that. Between then and October, which was seven months, I worked night and day at it, to get farmers, employers, and at that stage there were two sets of employers, the CII, the big fellas and the FUE, the small fellas, whatever, small are. And the farming bodies of course, the co-operatives and the trade union movement, who had the clearest concept I would have to admit at the time, or at least I understood it clearest, I suppose employers would blame me that I always did.”

5. 7. 2 Employer Views

In 1987 the employer bodies were quite happy to continue with free collective bargaining. I asked John Dunne of IBEC to look back on that era with the following question: “How and why did the employers become involved in the period before the negotiations on the PNR and then in the PNR itself?”

Dunne(1995:L3/4) responded thus;

“Well that’s an interesting situation. We had taken a decision in early 1987 that we would not be party to an attempt to put a national agreement together unless there were very good reasons for us to do so. In other words our instinctive position was opposed to central arrangements unless we could see very clearly something in it for us and that position was born out of history; it was also a formally decided position of the National Executive Council.

We retained that position up to the Spring. By the Summer of 1987, when the government was engaged in discussion with the public service unions, it became clear that the possibilities of a deal which had lots of attractions in terms of the establishment of moderate levels of pay might be available.

The government wanted it to be a truly comprehensive arrangement and we were concerned that if we weren’t party to what, in the heel of the hunt it might meet our qualification of being very attractive in monetary terms but other things might happen which we mightn’t like at all.

The key issue in this context was the possible extent and speed of reductions in the working week which were being talked about at that stage between the government
and the trade unions and which had a very different impact in the public sector than it did in the private sector, so for all those reasons we decided that we better get on board and we did and the result is, as we all know."

5.8 The Votes For And Against Social Partnership 1972 - 1981

The statistics enumerated in Table 5.6 show the votes taken at Delegate Conferences of the ICTU in relation to National Wage Agreements and Understandings. As can be seen from the table there was always agreement on entering talks although the vote at the time of the negotiations of the first National understanding in 1979 was quite close. A turn around of just 14 votes would have been the death knell for such discussions.

In terms of individual documents individual unions decided from agreement to agreement whether the mechanics of a deal would past muster with the members. It has to be borne in mind that different unions have differing methods of determining such issues. In some unions the General Officers made such decisions, while in others the National Executive Committee determined the result. However in the two big unions ITGWU & FWUI ballot votes of the members were always taken with recommendations either for or against from the ruling executive committees.
Table 5.6  Irish Congress of Trade Unions decisions on Pay Agreements.

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<th>Date</th>
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<td>234</td>
<td>143</td>
<td>For</td>
</tr>
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<td>256</td>
<td>123</td>
<td>For</td>
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<td>283</td>
<td>129</td>
<td>For</td>
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<td>R. Ryan Revision</td>
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29 October 1981  **Unanimous Decision to Endorse Executive Committees decision to begin free collective bargaining in the absence of a National Agreement.**  
* This vote was also used as a decision on whether or not to enter further talks
5.9 Conclusion.

5.9.1 This Chapter has looked at the conception of National Wage Agreements with initially had not too great a coverage due to the overlap of previous wage rounds, through the interim agreement of 1976 into the National Understandings when coverage had increased remarkably.

5.9.2 We have seen the evolution of the agreements from a bi-partite structure in the ELC into a tripartite structure with government playing a role as employer and keeper of the nation's economic well being. Key features throughout this period were Ryan's renegotiation of the 1975 agreement and Haughey's intervention in July 1982.

5.9.3 In relation to the breakdown after the Second National Understanding two things are clear.

1) Pay in the Public Sector lagged significantly behind the Private Sector which was to have ongoing effects in the late 1980's and in the whole of the 1990's. This issue will be addressed in the following chapter.

2) Failure to deal adequately with the national finances from the late 1970's to 1988 were to lead to a situation that a different type of national pact was inevitable.

5.9.4 The period of the national wage agreements and national understandings encompassed the two oil price shocks and a period of very high inflation and interest rates particularly when viewed against the background of post EMU inflation rates and mortgage rates. Inevitably unemployment and emigration began to spiral as a result of these events and it is only recently that we have successfully combatted these twin scourges.

5.9.5 As Quinn stated, the early agreements were not as sophisticated as the later ones but were all negotiated against the prevailing economic circumstances, which in the main up to the mid 1990's were bad.

5.9.6 I dispute Sheehan's (1996:35) contention that the period from 1970- 1981 was a failure.

"Simply put, the Irish experience with national bargaining was a failure and that failure had already become evident by the time the 1975 agreement was concluded. Perhaps this was not fully appreciated by the parties themselves, and particularly by the government until later."
5.9.7 In my view, looked at in their historical context, the agreements from 1970 to 1981 achieved a number of significant achievements:

1. They allowed far greater national wage coverage than at any time previously

2. They included an inability to pay factor which took some of the heat out of particular situations

3. They put in place particular structures under the auspices of the ELC to tackle tricky industrial situations

4. By the mid 1970's with the advent of equal pay legislation their coverage had universal effect rather that the ratio effect of the early agreements.

5. While they were not a panacea for all the ills of industrial relations they did have a significant effect on bridging the 'trust gap' which had heretofore been in evidence.

5.9.8 They developed agreement by agreement and even though there was a private sector hiatus for the period 1982 -1987, it did mean that more sophisticated model could be put in place later. It is fair to say in reviewing the period 1970 to 1999, that the agreements were sufficiently strong to weather many economic and industrial relations tests and that in the main all sides were prepared to nurture the evolutionary nature of the agreements. In relation to what was learned in the private sector during this hiatus it has definitely led to far more sophistication in relation to all elements of the 'benefits package'.

5.9.9 They developed from an initial bipartite approach to a tripartite one particularly in relation to Ryan's decision to renegotiate the 1975 deal. That particular re-negotiation and the broadening of the National Wage Agreements into National Understandings signposted the way for the future. Along the way as National Wage Agreements gave way to National Understandings the role of the Employer Labour Conference was eschewed as the Government began to come centre stage.

5.9.10 The breakdown of centralised bargaining was precipitated by the employers who made a conscious decision to 'draw a line in the sand' and end the centralised approach. Attley earlier (5.4.10) characterises this approach as symbolising a desire by the employers to 'control the agenda'. Dunne (5.4.9) cites the employer concern at the dual approach of employees at the national level on pay and the sectoral level on productivity as their reason for exit. In retrospect it seems that the employer desire to run
with the British Thatcherite model which encompassed the Storey notion of the ‘return of the managerial prerogative’ was enough to convince the employers to disengage from centralised bargaining for a period of time.

5.9.11. The period of the private sector free collective bargaining corresponds in the main to the political period of late 1981 to late 1987 when FitzGerald and Haughey were Taoisigh on a number of occasions. It must also be remembered that this period encompassed practically the totality of the Reagan era in the USA and included over a third of Thatcher’s reign at a time when she was rewriting practically all the industrial relations legislation and engaged through the Coal Board in a war with Arthur Scargill’s NUM. Quinn’s view (1995:P4/5) is as ever to the point on this issue;

“Don’t forget all this was taking place against a high tide, in ideological terms, of Thatcherism. I mean union bashing, deregulation, all of that. With Reagan in the States and Thatcher in the UK, this was the intellectual flavour of the month and it was very much the businessman’s dominant, triumphant ideology, is how you could describe it at the time.”

5.9.12. Critical in this period are the views of both Quinn and FitzGerald as to the reasons as to why Fine Gael and Labour could not do a deal with the trade unions. Quinn’s view as expressed earlier at 5.6.3 was that “central to this issue appears to be Donal Nevin’s access to both parties and the seemingly contradictory nature of the advice to both parties. They also felt that they could do a deal with Charlie, in a way that they couldn’t do it with Garret, and more to the point as we all know, Charlie forced the employers to come on to the field in a way that Garret wasn’t able to do.” Cassells replacement of the retiring Nevin was to give further impetus to social partnership discussions during the period 1987 to 1999.

5.9.13. Suffice it to say that Attley’s view (1995:A4) that;

“furthermore, we couldn’t find a Government that was prepared to listen to us and what changed the whole ball-park was the election of the Fianna Fail Government in ’87.”

was one that frustrated a General Officer who was wary of the advent of the Progressive Democrat party and fearful of the long term future for trade unions if they did not soon again have the ‘ear’ of government.

5.9.14. Dunne and Chubb’s earlier views of government as legislator and employer must always be borne in mind, in that the employers body had to be got on board to square the circle. As Dunne (5.4.4) reminds us:
5.9.15 The reasons given by the employers for coming on board for PNR when they had already decided to stay in free collective bargaining mode have never been fully explained, and perhaps never will. At the end of the day, Chinese Wall or not, both Government and employers kept the process going. Perhaps knowing Charles Haughey they knew that he would be prepared to deal without them - a risk they were not prepared to take.

5.9.16 Ahern's strategic view of attempting to replicate Lemass's close connection with the trade unions via his link with Attley, his former boss in the FWUI, would have had Haughey's approval as he had always had a direct link to the ITGWU previously through Micky Mullen. As the Fianna Fail electoral manifesto of 1987 'Programme for National Recovery' shows that title was to be replicated as the name of the first modern late 1980's National Social Partnership deal.

5.9.17 Ahern (1995:S3) though admits that in 1987 all his party had was a blue-print for such a new deal. In Chapter Six I will look at the evolution of National Partnership Agreements in the period 1987 to 1999 and how they have developed over that time period from the Fianna Fail blue-print into a concept which was to embraced by all the main political parties represented in Dail Eireann.

5.9.18 The stage had been set with the General Election victory of Fianna Fail in 1987 for discussions to begin on new national pay agreements. In Chapter 6, I will look at those discussions and at the four agreements which were negotiated from 1987 to 1999 which have become known locally as "Social Partnership."

This Chapter looks at background to the negotiation of the four Partnership agreements at 6.1 while at 6.2, 6.3, 6.5 and 6.6. I look at the agreements in the sequence in which they were negotiated. At 6.4 I look at the Maastricht agreement of 1991, while at 6.7 I take an overview of the current position in relation to partnership.

In 6.8 the role of the state as employer is examined while in 6.9 the vexed question of pay relativities of PCW, some of which date back to PESP, are perused, while in the following section, 6.10 the related issue of the problem of the early settlers in PCW is examined. Sections 6.11 through to 6.13 look at the insider/outsider debate, the formation of the social pillar and their inclusion in the P2000 process. Finally I look at the Irish departure from the British 'model' of industrial relations.

6.1 The Four P's; PNR, PESP, PCW and Partnership 2000

The Fianna Fail electoral package for the General Election of 1987 entitled "The Programme for National Recovery" had at its core the following precepts:

- To contain Government expenditure in real terms at or below the 1986 expenditure levels measured as a percentage of GNP.

- To drastically reduce the excessive budget deficit which was the primary cause of unsustainable levels of borrowing and high interest rates.

- To progressively reduce the budget deficit to from the then all time high in 1986 of 8.5% of GNP, so as to allow the possibility of increasing the proportion of public spending devoted to productive capital investment.

- To slow down and in due course reverse the growth of national debt as a percentage of GNP.

- To reduce the level of interest rates so as to encourage investment.

- To seek to maintain as far as possible a stable exchange rate, so as to minimise speculative influences which force up interest rates.
At that time the size of the national debt had grown to 148% of GNP and the current budget deficit was 8.5% of GNP. This Chapter deals with the negotiation of these four centralised pay agreements, and looks at the background to their negotiation every three years. In doing so, it observes issues which have come to the fore during those twelve years, including the inclusion of 'new players', such as the INOU and CORI. Finally the chapter looks at issues of democracy which were raised by some interviewees, the question of the insider/outsider argument as well as a review of where the agreements currently stand.

6.2 The Programme for National Recovery (PNR)

Centralised pay agreements were back in vogue in 1987 after the defeat of the Fine Gael minority Government, consequent on the withdrawal of the Labour Party from that Coalition Government. Charles J. Haughey, ever the pragmatist, saw in centralised bargaining an anchor on which to rest his economic policy of lower inflation, low interest rates, high growth, pay restraint and improvements in employment statistics. During his final two periods as Taoiseach, his Finance and Labour Ministers twice negotiated centralised agreements on behalf of his government, which encompassed a wider social partnership. The PNR was agreed in 1987 by a minority Fianna Fail government and ran until 1990. The PNR included in its framework two separate pay agreements:

1. Proposals for a Public Service Pay Agreement.
2. Proposals for an agreement between the ICTU, the FUE and the CIF.

Following their return to power in 1987, the then Minister for Labour Bertie Ahern TD, negotiated a new national programme with the 'social partners' based on the 1986 NESC Report, "A Strategy for Development 1986 - 1990."

The basic terms of the PNR were:

A pay pause in the Public Sector of 6 months following the expiry of the 25th Pay Round.

- 1st Phase - 12 months - 3% on the first £120 of basic weekly pay plus 2% on any amount of basic pay over £120. (Or £4 per week where the award is lower than £4.00 per week)

- 2nd Phase - 12 months - 3% on the first £120 of basic weekly pay plus 2% on any amount of basic pay over £120. (Or £4 per week where the award is lower than £4.00 per week)
3rd Phase - 12 months - 3% on the first £120 of basic weekly pay plus 2% on any amount of basic pay over £120. (Or £4 per week where the award is lower than £4.00 per week)

Other Cost Increasing claims were dealt with in the following way;

(i) 40% of such increases shall be applied with effect from 1/7/89. If however the Government considered that these payments would have such serious financial and budgetary consequences as to put at risk the central objectives underlying the Programme for National Recovery they should consult with the ICTU not later than 1 May 1989, with a view to arriving at a mutually acceptable solution which could include provision for reference to a third party, if necessary.

(ii) Payment of the balance of the increases to be the subject of discussion not earlier than 1/5/89, with a view to arriving at a mutually acceptable solution which should include provision for reference to a third party, if necessary.

Ahern's (1995:53-4) view of this period is:

“We got PNR based on a clear strategy that we were all in a mess and we all had to get out of it and it set down how we had to reduce the debt, that we had to have give and take, that we were all in it together...

And there were a lot of contentious strikes around that six months, we had to face down the ESB strike, we had to hold the line on it and I negotiated that through without getting anyone on my back. And then we had the Sugar Company strike, that went on for about six weeks, which was tricky. But in that six months we learned where we were all coming from and I think the unions accepted that the government had mettle to go on with it and the government accepted that the unions were prepared to move forward and the employers didn’t really know what way it was going to go, but were prepared to move on.

And that it mightn’t be just the bogus productivities, not ’87 but the earlier agreements of the seventies, more so than any of the eighties. The great thing about it was, we set up the Central Review Committee where it was cut and thrust, where genuinely people took people’s views on, where when the unions said, ‘halt’, or ‘listen’, we did. And we were able to convince employers of where they had to move.”

Another outcome of Mr Ahern’s period as Minister for Labour was the drafting of the 1990 Industrial Relations Act, which has been dubbed by TDs Pat Rabbitte, and Eamon Gilmore as ‘Berties Bill’. Ahern (ibid) speaks of this time thus:

“Over that period I made certain commitments and we had the Trade Union Act of 1990, it might not be perfect, but it was bringing forward and updating a lot of what had been hanging around. And there were pluses and minuses in the Act. Clearly everything wasn’t perfect, there was balancing which had to be done; if I had another five years at it I would have done it differently, but you know that you have to move on.”
Dunne (1995:L3-4) sees his organisation's (FUE) entry into PNR as having been pragmatic in the light of ongoing discussions between the Public Services Committee of ICTU and the Government.

"We had taken a decision in early 1987 that we would not be party to an attempt to put a national agreement together unless there were very good reasons for us to do so. Our instinctive position was opposed to central arrangements unless we could see very clearly something in it for us and that position was borne out of history; it was also a formally decided position of the National Executive Council. We retained that position up to the Spring.

By the Summer of 1987 when the government was engaged in discussion with the public service unions, it became clear that the possibilities of a deal which had lots of attractions in terms of the establishment of moderate levels of pay might be available. The government wanted a truly comprehensive arrangement and we were concerned that if we weren't party to what, in the heel of the hunt might meet our qualification of being very attractive in monetary terms other things might happen which we mightn't like at all.

The key issue in this context was the possible extent and speed of reductions in the working week which were being talked about at that stage between the government and the trade unions and which had a very different impact in the public sector than it did in the private sector, so for all those reasons we decided that we better get on board and we did and the result is, as we all know."

While the PNR has been lauded for its contribution to setting the baseline for the series of centralised pay deals which followed, in its early days it had to survive some trenchant criticism.

Ray Mc Sharry 'prunes' Public Sector numbers
Mc Ginley and Filby (1997:214) comment on the first major purge of the modern public sector in the following terms:

"The then Minister for Finance Ray Mc Sharry TD initiated a voluntary early retirement package, which over a period of years reduced the numbers in the wider Public Service from 215,963 to 196,051 during the period 1987-1990. In the totality of the Public Sector the figures for that period read 294,394 down to 267,456, with numbers in the commercial semi-states reducing from 78,431 to 71,704. Large street protests reminiscent of the tax marches of the late 1970's and early 1980's saw teachers, public servants and hospital staff take to the streets once again."

Describing these cuts in November 1990a Business and Finance (Nov. 15: 35) stated:

"The knife cut deepest in areas like education and health... almost 64,000 were employed in the health services in 1982 but this had dropped back to 56,360 by last year with reverberations still ringing in the ears of politicians."

Dave Keenan (MSF) speaking at the ICTU Congress in Tralee County Kerry in 1990 had the following to say about the PNR (1990:53):
"The ink wasn’t even dry on this agreement when we had state enterprises and public sector organisations being abolished. We had the voluntary early retirement scheme and significant budgetary cuts. We had closure of hospitals, nurses being relocated from Dublin to Galway, we had increases in pupil/teacher ratios and so on. So, let’s keep it all in perspective, that is, not an argument about the private versus the public sector workers."

A look at the cohort of staff in the mainline areas show the following in figure 6.1:

Table 6.1  Staff Numbers from the early 1980’s to 1998.

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<tbody>
<tr>
<td>Health</td>
<td>64000</td>
<td>56360</td>
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<td>67,276</td>
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<td>Education</td>
<td>54100</td>
<td>52000</td>
<td>-2100</td>
<td>62,745</td>
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<td>Defence Forces</td>
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<td>-2010</td>
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<td>Local Authorities</td>
<td>32505</td>
<td>27000</td>
<td>-5505</td>
<td>26,700</td>
</tr>
<tr>
<td>Non Comm Semi States</td>
<td>9555</td>
<td>6700</td>
<td>-2855</td>
<td>8,790</td>
</tr>
<tr>
<td>Commercial Semi States</td>
<td>90370</td>
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<td>-18457</td>
<td>57,475</td>
</tr>
<tr>
<td>Total</td>
<td>278291</td>
<td>238711</td>
<td>-39580</td>
<td>246,888</td>
</tr>
</tbody>
</table>

(Source Mc Ginley and Filby 1997, revised 1999)

John Dunne (1995:L24-5) is very positive about the success of PNR but the trade union agenda which pursued the 39 hour week still rankles with him.

"The PNR was very successful. We had had a period of significant wage inflation; we had not had that much strife, industrial disputes were on the way down and pay settlements were also on the way down because unemployment was significantly on the increase...There is no doubt that the PNR did restore a great deal of common sense, it without question, helped restore competitiveness; the big issue from the employer point of view is the price that we were seen to pay for that, which was the introduction of the 39 hour week, and that caused a fair amount of aggro in business circles and still rankles some business people...there is no question I think from our own perspective we would say that the PNR was the beginning of the rejuvenation of the Irish economy...for the whole combination of a broader approach to trade development than just collective bargaining on pay and it opened up the scenario to the type of national/economic social programmes we have seen ever since, and of course in that, there are two big issues which I think people tend to forget.

What the government really can’t have is genuine consensus unless part of the arrangements relate to pay. In other words pay is the glue that sticks social programmes of the type that we currently have together. The other big essential ingredient of that type of arrangement is, of course, tax and that brings us back on to other hobby horse which we have because we have consistently said from 1987 onwards that although the PNR was a good deal, the PESP was a good deal the PCW was a good deal, all of these deals would be considerably better if the government got to grips with its expenditure.”
Bill Attley (1995:A6-7) describes these PNR discussions as very tense and explains how Taoiseach Haughey had to use his influence to remove some employer blockages. When asked to reflect on the PNR, and describe the type of problems that came to the fore during its duration he replies:

"Exactly the problems we envisaged. The night we actually did the agreement - the morning I should say - we actually managed to put the final touches, at about 1.45 a.m., and O'hUiginn invited us down to his room - that Haughey would come back into the building and that he wanted to have a drink with us. And, we went in and Dan (McAuley) had been extraordinarily difficult all during the negotiations. For instance, when we him with his own people, sending for all t°t in blockages, Haughey undermined top employers privately and telling them to get him into line and he was very annoyed."

Attley (ibid) however foresaw trouble ahead, and correctly predicted the same.

"I said to them (Murphy/Flynn) that if inflation takes off in the third year, fellows, nails are going to be driven into our coffin and they're going to hang us out to dry on this one. And Dan said, well that's two years away -we'll worry about that in two years. It started towards the latter part of second year to edge up and in January and February of the second year, if my memory serves me correctly, of the third year it actually was running at one and a half percent below the pay increase and pressure was intense inside the organisation. Now, we went over and we pleaded with Haughey -we pleaded with the employers and Dunne just snubbed his nose. John Dunne was then General Secretary -I remember him well- he just shook his shoulders. You know, you're in for a penny - in for a pound...

Which accounts for what you will get to later, a viciousness on our part in the PESP, particularly during the currency crisis when he (Dunne) was screaming for some sort of relief - we would have given him an amelioration in the currency crisis for the period of the crisis but for his performance in the PNR. He soured so many people. I remember the people saying to me going out - 'what goes around comes around.' He'll be up for us and then we'll skull him."

6.3 The Programme for Economic and Social Progress (PESP)

The PNR's successor followed on in January 1991, negotiated by a Fianna Fail/Progressive Democrat Coalition Government, and the memorandum dealing with the pay aspects of the agreement at that time between the ICTU and Employer Organisations, dispensing with the dual bilateral mechanisms and returning to a tripartite formula. The Programme for Economic and Social Progress (PESP) was agreed between the social partners covering the period 1991-1993.

- 1st Phase 1/1/91 12 months 4% (with minimum of £5 per week)
- 2nd Phase 1/1/92 12 months 3% (with minimum of £4.25 per week)
- 3rd Phase 1/1/93 12 months 3.75% (with minimum of £5.75 per week)
The PESP also included a local bargaining clause 3 which became known as Annex 1 to Appendix A. (Memorandum of Understanding in relation to the operation in the Public Service of Clause 3 of the Agreement on Pay and Conditions which forms part of the PESP).

In the event before the end of the first year of PESP the Government of the day was seeking wholesale changes to the agreement specifically:

- The general increase for 1992 of 3% was to be capped at £5 per week.
- The general increase for 1993 of 3.75% was to be capped at £6.50 per week.

The government decided that the balance of grade awards for Nurses, Gardai, Teachers, and Prison Officers etc., which were due in 1992 (having been deferred from 1987) would not be paid until January 1993 at the earliest. In fact some of these awards were not finally settled until Partnership 2000 in 1998, and in the case of the Guards and nurses some issues are still being dealt with.

Consequent on this decision the ICTU called a one day work stoppage for January 28 1992, following a meeting of the Public Services Committee of the ICTU held on 18 December 1991. The Public Services Committee of Congress adopted the following motion:

"That this meeting of the Public Services Committee of the ICTU having noted the Governments decision to renege on the Pay Agreement in the Programme for Economic and Social Progress so far as Public Servants are concerned, decides to initiate and co-ordinate a concerted and comprehensive programme of action to ensure the full implementation of the commitments in the Programme.

As part of the Programme, the Committee establishes a national co-ordinating committee and sectoral co-ordinating committees for the different parts of the Public Service to organise effective courses of action designed to impact on the Government while, at the same time, avoiding affecting the weakest sections of the community.

In order to launch this campaign, the Committee will organise a day of strike action across the Public Services on Tuesday 28 January 1992 in an effort to bring home to the Government the depth of anger on the part of Public Servants at the Government's action and to impress on the Government the necessity to restore the agreement in full."

Following a meeting between the Minister for Finance and ICTU on 17/1/1992 the following position emerged:

- The 3% due on 1/1/92 will be capped at £5 per week.
- The full 3% will be restored to basic pay rates on 1/12/92.
- The 3.75% due on 1/1/93 will be capped at £6.50 per week.
- The full 3.75% will be restored to basic rates on 1/12/93.
Retrospection. The Government is committed to paying all outstanding retrospection to those who will be at a loss. The timing of this payment will be the subject of negotiations between the unions and the government in 1993; but in any event will be paid no later than 1994. In response to a question the Minister agreed that this would be January 1994.

Special Increases. With effect from 1/12/92 pay rates of those entitled to ‘special’ pay increases will be increased to include all phases due in 1992. On 1/1/93 all retrospection due under these arrangements will be paid in full.

Local Bargaining. The Government remains committed to realistic negotiations on Clause 3 claims.

This agreement was adopted following ballots of the unions concerned.

The PESP had to survive another Exocet however when the Minister for Finance Bertie Ahem TD introduced a 1% employment levy on all employees after his 10% devaluation of the Irish Pound, following speculation against some of the currencies in the Exchange Rate Mechanism. The decision relayed in the Budget Speech of January 1993 enraged rank and file trade unionists so much so that it dominated the Trade Union Conferences of that year. Ireland had previously maintained the Punt’s exchange rate within the narrow band of the Exchange Rate Mechanism (ERM) of the European Monetary System (EMS). The differential of 9% in interest rates between Ireland and Germany in 1987 had been reduced to less than 1% in early 1992. Currency turmoil which began in September of 1992 eventually saw the devaluation of the Punt by 10% against our central rates in the ERM. This followed a number of devaluations such as Spain and Portugal and also saw Italy suspend membership and the United Kingdom leave the ERM altogether. Sterling subsequently depreciated against most ERM currencies. Interest rates in Ireland had to be increased in order to keep our position within the ERM. The Government set up a Market Development Fund to assist firms in difficulty due to the exchange rate turbulence. This fund was for a limited period and was staffed by the social partners, government officials and economists. It was judged by all to have been a significant success during this period of crisis.

Cassells (1995:E12) is of the view that the PESP discussions were the issue which started the split between Finance Minister Reynolds and his leader Haughey, which in
the long term to led to Haughey's demise and Reynold's accession to the job of Taoiseach;

“I think a lot of the tensions between Haughey and Reynolds arose out of those negotiations in the sense that Haughey at the end of the day conceded and agreed the shape of the pay agreements totally against Reynolds's advice, because shortly after the agreement had been ratified, my recollection was the following August Reynolds made a statement that it couldn't be paid, the Public Service awards, and he was slapped down at that stage as well, so I think that's where the seeds of all that trouble was sown.”

Cassells (1995:E11-12) response when asked was there much pressure from the Haughey administration to conclude a deal on PESP, makes interesting reading.

“Well, there was pressure on in the sense that they were very anxious for an agreement but in a number of key areas, they certainly were prepared to concede a lot in a number of areas to get that, they conceded a fair bit in the education area and you can see that, in terms of the pupil teacher ratio and special teachers, facilities etc.

Haughey certainly wanted an agreement himself and there would have been more pressure on, certainly from the Department of Finance, not to give quite a number of things they gave. Now my recollection in terms of the agreement itself was that, I don't think they were that worried in terms of the pay increases...

And in the end where Haughey agreed to the actual increase, at one stage they told us that we could have a range of things that we wanted including May Day, but we said no, that we wanted May Day in 1994 because of the Congress Centenary and that so I think the pressure was on everybody from this point of view.

I think that the members of the general public saw as it were that the PNR had taken things out of crisis so there was a huge expectation that we were going to have another agreement so it would have been very difficult to get out of it and to explain why you were getting out of it, because we would be getting out on the basis of maybe, working off an extra 1% or something like that and that would have been very difficult to explain to anybody.”

Ruairi Quinn TD, on the day after taking office as Minister for Employment and Enterprise, talking on Liveline, RTE 1 told its presenter, Marian Finucane, that the era of adversarial and conflictual approach to the conduct of I.R. in Ireland was largely over. The consensual approach along with social partnership had come with the advent of P.N.R. and P.E.S.P. and that trade unions had come to recognise that good pay and conditions were no use if there were no jobs for the members.

Quinn (1992:121) has argued within the Labour Party on the notion of consensus thus:

"Of a structured social partnership between producers and workers - is the right way forward for an economy like ours in a much more open and wider market such as the European Community, plus the additional sixty or seventy million Eastern Europeans who will form part of the so-called New European Economic
Space. I argued that the concept of consensus- or indeed corporatism under a different name - is preferable to confrontation because we are not big enough in market share in any significant sector to be able to absorb confrontation without damaging effects to our international performance. The danger about corporatism however, is that people will compromise at figures that are above the level that can be afforded because of external realities, thus defeating the whole object of the exercise. Over a time there is a tendency for corporatism to drift in that direction. This the real difficulty with the PESP at present."

At this time two particular controversies arose which had implications for ethics in Irish Business. They became known as the Telecom and Greencore affairs. Bill Attley was a Board member of Greencore and was scathing in his public comments about what he termed as ‘double standards’ existing in relation to the national interest. Donnelly (1991:9) quotes Attley’s opinion which was:

“SIPTU members were outraged by ongoing revelations of blatant profiteering at the taxpayers expense at a time when workers were being urged to make further sacrifices in the national interest. "

Haughey had to ask Michael Smurfit, Chairman of Telecom and a personal friend, to step down while an investigation was pursued by an inspector appointed under the supervision of the Department of Industry and Commerce.

SIPTU meanwhile called for the following measures to be introduced immediately:

- The establishment of a Serious Fraud Task Force within the Garda Siochana
- Strengthening of the Companies Act
- Mandatory disclosure of interests by all current or prospective appointees to State or Semi - State Boards, subject to scrutiny by Dail Committee
- The strengthening of the Worker Participation (State Enterprises) Act
- Mandatory tendering for all State contracts subject to scrutiny by Dail Committee on State Sponsored Bodies.

6.4 The Maastricht Treaty - 1991

At the summit of the Dutch Presidency held in Maastricht at the end of 1991, an agreement was reached which bound all twelve member states (with the exception of the United Kingdom who negotiated an opt out clause) to convergence criteria towards the implementation of a single European Currency.

Subsequently known as the Maastricht Criteria the principle precepts of this economic doctrine were:
1) The inflation rate must be within 1.5% of the average rate of the three States with lowest inflation.

2) The long term interest rate must be within 2% of the average rate of the three States with the lowest interest rates.

3) The National Debt must be either already below 60% of GNP or heading for this level.

4) The National currency must not have been devalued for two years and must have remained within the 2.25% fluctuation margin provided for by the EMS.

The months before the negotiations on a new National Agreement which became known as the Programme for Competitiveness and Work (PCW) were fraught with difficulties as Minister Ahern refused to confirm the removal of the 1% Income Levy and the trade unions asserted that they would not enter negotiations until it was removed.

At this time feelings on the levy were running very high. Attley had come under particular pressure from the rank and file members at a series of Regional Conferences held in eight different venues, which sprang out of SIPTU's decision to regionalise its structures. Looking back on that time Attley (1995:A16) remembers the situation acutely;

"Well, it was essentially as a result of devaluation. The catalyst was the devaluation. They suddenly found that they had £80M less they hadn't budgeted for so therefore the soft option is always the levy. It actually gathers much more money than any other single form of taxation, an employment levy. It takes in something like £120M without any difficulty ... So they bunged it in and it soured relationships quite substantially ... and quite frankly, which was quite astonishing, at the time what you had was a change in leadership in Fianna Fail, which was like having a change of government."

(*Authors note: Reynolds, was seen as pro employer, replacing Haughey -who was seen as pro Social Partnership, and employer/trade union neutral)

According to Gallagher (1993) IR correspondent of the Irish Times, the Executive Council of ICTU had:

"Effectively set a deadline of Wednesday week for agreement on the removal of the levy. SIPTU the State's largest union, which represents many private-sector workers has made the removal of the levy a precondition for entering negotiations. The union has described the levy as a "professional foul" against the PESP as it claws back increases in take-home pay won under the agreement ... The Government is insisting that while the levy is temporary it cannot abandon it because it generates £130 million in Exchequer revenue."

In his Budget speech on 26 January 1994 Bertie Ahern, TD announced however:

"The circumstances which obtained at the time of last year's Budget forced the Government to introduce a temporary income levy. I stressed at the time I
announced the levy that it would be a temporary measure. I did not up to recently anticipate that the total abolition of the levy would be feasible in this Budget. The improvement in the budgetary situation since late 1993 has given me sufficient resources to do so and I am pleased to say that I can now affirm the levy will be abolished this year. This measure will cost £83 million in 1994 and £135 million in a full year."

6.5 The Programme for Competitiveness and Work

The Programme for Competitiveness and Work negotiated during the Labour Party/Fianna Fail government, led by Taoiseach Albert Reynolds TD, saw a return to bipartite agreements with three different wage documents being agreed between the following sets of ‘partners’:

1. ICTU and Employer Organisations
2. ICTU and Government on Public Sector Pay
3. ICTU and the Construction Industry Federation

The Public Service Pay element of PCW reads as follows:

A pay pause for 5 months after the expiry of the PESP. (1/1/94 - 31/5/94.)

- 1st Phase 1/6/94 12 months 2% of basic pay
- 2nd Phase 1/6/95 12 months 2% of basic pay subject to a min. £2.80 p.w.
- 3rd Phase 1/6/96 4 months 1.5% of basic pay subject to a min. £2.10 p.w.
- 4th Phase 1/10/96 3 months 1.5% of basic pay subject to a min. £2.10 p.w.
- 5th Phase 1/1/97 6 months 1% of basic pay.

The ‘Special of 3% ’ for those sectors left unresolved since the PESP to be dealt with by the following formulas:

- Phase A 1/4/94 1%
- Phase B 1/6/95 .75 of 1%
- Phase C 1/6/96 .75 of 1%
- Phase D 1/6/97 .50 of 1%

Clause 2 (iii) A:
Where such claims for improvement in pay and conditions are being addressed on a basis which involves changes in structures, work practices or other conditions of service negotiations, involving all the parties concerned, shall continue with a view to reaching a mutually acceptable conclusion. No form of industrial action or pressure shall be taken by either side in furtherance of claims.
Every effort will be made to resolve differences or problems that may arise in the course of the discussions with a view to reaching final agreement between all the parties concerned, including the timetable for implementation.

Any agreement reached under this paragraph must have regard to the need for flexibility and change and the contribution to be made by the employees to such change and result in savings and an improved quality of public service. It is intended that the outcome would be no less favourable than under Option B.

Clause 2 (iii) B:

As an alternative to Option A, a single cost increasing claim for an amount not exceeding 3% of the basic pay cost of the group of employees concerned may be processed in accordance with normal industrial relations procedures.

Negotiations under this Option will take into account the need for efficiency, flexibility and change and the contribution to be made by employees to such change and, failing agreement, shall be dealt with in accordance with Clause 5. The outcome shall be implemented in four instalments from the following dates; 1 April 1994, 1 June 1995, 1 June 1996 and 1 June 1997.

The Government and the trade unions concerned are fully committed to approaching the negotiations under (iii) above on the basis that real changes involve savings, and improvements in efficiency and effectiveness will be achieved. In that context it is agreed that a payment of 1% will be made on 1 April 1994 which will be fully offset against the outcome of the negotiations under Option A or the negotiations or the adjudications under option B.

In the Irish Times Smyth (1994) quotes then Taoiseach Albert Reynolds speaking in glowing terms of Ireland’s experience of Social Partnership and posited it as a role to follow:

“Ireland’s experience of social partnership and dialogue and its local development strategies are useful models that the EU should attempt to emulate in its struggle to create jobs, the acting Taoiseach, Mr Reynolds urged the EU summit in Essen yesterday... The Taoiseach said it was important that the member states learned from each other. He spoke of the Irish experience of Social Partnership at national and local level could be a factor in response to unemployment. He pointed to the success of the current PCW and its predecessors since 1987 in laying the basis for sustained growth in the economy.”

The PSEU, IMPACT, FUGE, and some SIPTU members in the Commercial Semi-State Companies have concluded their ‘Special’ claims under either the 3% or the
restructuring route. Deals for the nurses, junior hospital doctors and teachers represented by the INTO have also been settled in the last few months although three elements of the nurses claim are still at ballot, with a recommendation for rejection of a solution brokered by the Labour Court. FAS staff and the other teachers have also completed, as well as ambulance staff outside Dublin, as have craft analogues, and the Dublin Corporation staff have restructured nearly 40 grades down to five.

There are however a significant number of Commercial and Non-Commercial Semi-State companies and University staff grades who are still some way from settling their outstanding claim, although some grades in these institutions have finalised their business. The two outside consultants Bill Attley (ICTU) and Derek Hunter (LGSNB) have finalised a restructuring of grades in Enterprise Ireland which has amalgamated five former state agencies (some in toto, some in part) into one corporate body. There are a number of problems outstanding with management grades.

Following some flexibility in the PESP the PCW was more rigidly negotiated. A particular feature of the PCW was how tightly the basic terms of the agreement were observed, according to Attley (1995:A12):

"You look at pay bargaining there is not one bit of leakage in this PCW. It is two and a half percent. Full stop. Watertight. Yes"

Labour Market Studies from the EU (1996:86) comment on this phenomenon in the case of Ireland:

"Early indications would suggest that most employers in the private and semi-state sectors have abided by the terms of the agreement. And while there is scope for additional payments at a local level arising from increases in productivity, the most striking feature of recent agreements has been the implementation of wage freezes, wage cuts and recruitment of new employees on lower entry pay scales. While this trend has become evident under the PESP, it has accelerated notably under PCW negotiations. It is significant also that these 'concession agreements' do not necessarily make provision for catch up wage increases once the fortunes of the organisation are reversed."

Tom Hayes, Editor of European Industrial Relations Intelligence, writing in the Irish Times (1994:Business/8) queried whether PCW might be the last of the pay deals and:

"Cited Bruton's speech to the Fine Gael Ard Fheis - he had opposed the PESP because ... its logical result would be extra taxation. He also said that PESP resulted in 'insider type policies favoured by Fianna Fail and Labour. Fine Gael's job was to speak up for those who have been left out of this cosy consensus.'"

Hayes (ibid) further cited Attley remarks prepared for that year's IMI conference where he explained the reason for trade union support of social partnership;
“The recasting of Irish industrial relations in a European mould was no accident. The unions saw that the European social market approach helped, in no small way, to contribute to economic growth and social progress. The traditional British approach seemed to lead to ever more destructive conflicts, that served neither the interests of workers nor the wider society of which they were a part.”

This was not the first time Attley had intimated his distrust of the British model; he also felt that the unhealthy state of British trade unionism was because of their lack of ‘control’ of certain elements of the shop steward movement, which he did not wish to see replicated in Ireland.

6. 6 Partnership 2000 for Inclusion, Employment and Competitiveness

The Partnership 2000 document agreed by the Fine Gael/Labour Party/Democratic Left ‘Rainbow Coalition Government’, led by Taoiseach John Bruton T.D., reverts to two bipartite wage deals as per the PESP document. The Public Service Pay elements of Partnership 2000 are as follows:

- **1st Phase** 1/7/97 9 months 2.5% on the first £200 of basic pay (£10,436 in Annual terms.)
- **1st Phase/2** 1/4/98 At the end of 9 months the increase of 2.5% shall apply to any of the balance of full basic pay for the next three months.
- **2nd Phase** 1/7/98 12 months 2.25% of basic pay
- **3rd Phase** 1/7/99 9 months 1.5% of basic pay
- **4th Phase** 1/4/2000 6 months 1% of basic pay

While the pay and conditions elements in these four Programme/Partnership documents, as well as the two National Understandings and National Wage Agreements after 1975, are bipartite in nature, there is no doubt that the economic and social issues dealt with in these programmes are tripartite. However, it is only from the advent of PNR that the Programmes began to achieve their main macroeconomic targets.

The Irish Congress of Trades Union Special Delegate Conference met on September 26th, 1996 to seek a mandate from its constituent unions to enter into discussions with employers and government on a further National Programme.

The text of the motion read:

“That this Special Delegate Conference authorises the Executive Council of Congress to enter into discussions with the Government and Employers on the
Commenting on the deliberations of delegates elected to represent the 500,000 organised workers in ICTU, Padraig Yeates (1996:13) Industry and Employment Correspondent, Irish Times, on the morning of the conference, reflected that:

“While the ICTU executive is likely to receive a mandate to re-enter talks the margin is expected to be narrower than ever before.”

The General Secretary of Congress, Peter Cassells, declared that the ten year strategy of ICTU was at an end and that what was needed was not more of the same but a totally new model of social partnership encompassing the changing nature of the employment relationship, including the evolution of untypical work forms, further reductions in working time, proper taxation reform as well as the extension of partnership to the level of the enterprise.

Cassells was followed by a further twenty five speakers of whom three declared that they were against talks, Mick O'Reilly (ATGWU), Gerry Shanahan (MSF) and Eoin Roynane (NUJ) while John O'Dowd of the CPSU informed the Conference that his membership was abstaining on the vote.

Interestingly many of the Craft Unions (mainly British based) moved from their usual position of opposition to centralised deals to support the opening of talks. Whether this conversion is explained by the surge in the building industry during the last four years and that inflation in the building and allied trades is running well ahead of the national inflation figures, or whether the loss in industrial conflicts such as TEAM, Air Motive, Aer Lingus as well as the ongoing restructuring in the ESB, Telecom and CIE has dampened down the traditional militancy of the crafts is difficult to predict, but the continuation of such a trend in the future would mark a sea-change in Irish industrial relations.

While over twenty unions supported ICTU’s entry into talks with employers and government, many said they were doing so with reservations, particularly as there were a number of items still outstanding from previous agreements.

Chief among the concerns addressed were:

- The conclusion of the 3% or restructuring clause
- New conciliation and arbitration schemes
- Improved pension schemes particularly for part time and contract employees
Reform of the 1990 Industrial Relations Act
A move to a statutory minimum wage
Resolution of the impasse on Trade Union recognition
Any new agreement must encompass a local bargaining clause to allow the success of the economy to trickle down to employees.

There were also repeated calls to deal with social deprivation/exclusion as well as the adoption of broad based policies on unemployment and drug addiction. Many delegates sought the inclusion of the INOU at the table for future negotiations. The loudest applause of the day was received by former Dublin footballer and hurler Larry Broderick, the Deputy General Secretary of the IBOA, who attacked those banks who paid their directors excessive remuneration packages, dubbing them ‘fat cats’ while at the same time the very same executives were in the process of introducing ‘yellow-pack rates and conditions of employment’ for new entrants to the labour market. He further called for the emergence of the long overdue third banking force which the proposed sale of the TSB was to set up.

The card vote was comprehensively carried by the advocates of talks with a margin of 253 in favour, 50 votes against and the 14 votes of the CPSU were abstentions. Padraig Yeates prediction of a close run thing was well wide of the mark and the margin of victory was the widest ever gained by a Congress Executive Committee.

As can be seen from Table 6.2, the margin in favour of the final deal on Partnership 2000 was far tighter than any ballot since PNR and was only carried in a very tight vote in Ireland’s largest trade union SIPTU by 65,515 (57.16%) to 49,107 (42.84%) votes. At the mid-point in that vote anecdotal evidence suggested that SIPTU were 5 to 4 against the new agreement, but a number of key regions held back on voting until late in the day to bed down the agreement and explain its detail. This tactic by a number of key officials effectively secured SIPTU’s vote in favour of partnership.

In the ballot on PCW, SIPTU had voted by 67.34% to 32.26% in favour. An indication of the exceptional nature of the P2000 ballot is highlighted by the vote of the Civil Aviation Branch, which had problems in Aer Lingus and TEAM. Their ballot was 730 in favour with 1,328 votes against. This margin of 598 against is the largest of the two Dublin regions which have a total of 60,000 members, and reflects the difficult conditions pertaining to the civil aviation industry at that particular point in time.
Table 6.2  Votes on Talks and Partnership Programmes 1987 to 1997

<table>
<thead>
<tr>
<th>Date</th>
<th>Year</th>
<th>Type</th>
<th>Votes For</th>
<th>Votes Against</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 Nov</td>
<td>1987</td>
<td>PNR Ballot</td>
<td>181</td>
<td>114</td>
<td>For</td>
</tr>
<tr>
<td>6 July</td>
<td>1988</td>
<td>PNR Review</td>
<td>170</td>
<td>109</td>
<td>For</td>
</tr>
<tr>
<td>8 Feb</td>
<td>1990</td>
<td>PNR Reballot</td>
<td>180</td>
<td>141</td>
<td>For</td>
</tr>
<tr>
<td>27 Sept</td>
<td>1990</td>
<td>On Talks</td>
<td>218</td>
<td>114</td>
<td>For</td>
</tr>
<tr>
<td>17 Jan</td>
<td>1991</td>
<td>PESP Ballot</td>
<td>224</td>
<td>109</td>
<td>For</td>
</tr>
<tr>
<td>30 Sept</td>
<td>1993</td>
<td>On Talks</td>
<td>269</td>
<td>52</td>
<td>For</td>
</tr>
<tr>
<td>22 March</td>
<td>1994</td>
<td>PCW Ballot</td>
<td>256</td>
<td>76</td>
<td>For</td>
</tr>
<tr>
<td>26 Sept</td>
<td>1996</td>
<td>On Talks</td>
<td>253</td>
<td>50</td>
<td>For</td>
</tr>
<tr>
<td>30 Jan</td>
<td>1997</td>
<td>P2000 Ballot</td>
<td>217</td>
<td>134</td>
<td>For</td>
</tr>
</tbody>
</table>

The completion of the Public Service portion of Partnership 2000 was coincidentally achieved on the same day as the Finance Ministers of the European Union agreed a stability pact at the Dublin Summit of the Irish Presidency in December 1996. This pact was essential to solidify the rules for those countries which wish to accede to entry to EMU in the first tranche. Chaired by Ruairi Quinn TD the ECONOFIN decision on this key stability pact having been put in place eased the work which the Dutch Presidency had to complete before the key decision of who joined at Stage 1 had to be made in early 1998.

In announcing the Budget on 22 January 1997 the Minister for Finance Ruairi Quinn T.D. looking back on the main features of the Irish economy in 1996 which were:

- GNP Growth of over 6%
- Employment Growth of 50,000
- Consumer Spending increase of 6%
- Inflation Rate of 1.6%
- GGD of 1%
- A Budget Surplus of £292 Million
- A fall of £300 Million in the National Debt in absolute terms, reflecting the relative strength of the Irish Pound, was the first time it was reduced in almost forty years.

In the 1997 Budget Statement the Minister for Finance framed his Budget tables and projections for a three year period, and in so doing projected current Budget surpluses of £193M, £241M, and £523M for the years 1997 - 1999. Bearing in mind that Budget deficits have been the order of the day for the last twenty five years since the late George Colley T.D. introduced the first Budget Deficit in 1972, this was a major sign of the health of the Irish economy. His successor, Charlie Mc Creevy, has continued
with this policy and continues to pay back part of the national debt which stands close to £30 Billion.
6.7 General Overview of Current Position

Dan Murphy General Secretary of the PSEU and Secretary of the Public Services Committee of ICTU’s view of Social Partnership is unashamedly positive (1999:1). He believes that the main elements of the programmes process are:

(a) a consensus on Macroeconomic issues;
(b) commitments by Government on economic and social issues, including taxation reform;
(c) a national agreement on pay negotiated in this context.

Murphy cites the increase in GNP per head over the period 1988-1998 (see Table 6.3) and in Table 6.4 the employment levels for the period 1987-1998.

Table 6.3 Increase in GNP per Head of Population

<table>
<thead>
<tr>
<th>Year</th>
<th>1988</th>
<th>1998**</th>
<th>Increase £</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross National Product* (Current Prices)</td>
<td>£20,056</td>
<td>£47,199</td>
<td>£27,044</td>
<td>135%</td>
</tr>
<tr>
<td>Consumer Prices</td>
<td>100</td>
<td>128.59</td>
<td>28.59</td>
<td>30%</td>
</tr>
<tr>
<td>Gross National Product* (1988 Prices)</td>
<td>£20,056</td>
<td>£36,627</td>
<td>£16,571</td>
<td>83%</td>
</tr>
<tr>
<td>Population (000's)</td>
<td>3,531</td>
<td>3,705</td>
<td>174</td>
<td>5%</td>
</tr>
<tr>
<td>GNP Per Head (1988 Prices)</td>
<td>£5,680</td>
<td>£9,886</td>
<td>£4,206</td>
<td>74%</td>
</tr>
</tbody>
</table>

Source: Murphy 1999
* Figures in Billions.
** 1998 figures for Population and GNP are CSO and Central Bank Estimates respectively.

Table 6.4 Employment Levels 1987-1998

<table>
<thead>
<tr>
<th>Description</th>
<th>1987</th>
<th>1998</th>
<th>Change No.</th>
<th>1987-1998 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Labour Force</td>
<td>1,312,000</td>
<td>1,621,000</td>
<td>309,000</td>
<td>23.6%</td>
</tr>
<tr>
<td>Employed</td>
<td>1,080,000</td>
<td>1,494,000</td>
<td>414,000</td>
<td>38.3%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>232,000</td>
<td>127,000</td>
<td>(105,000)</td>
<td>(45.3%)</td>
</tr>
<tr>
<td>Unemployed Rate</td>
<td>17.7%</td>
<td>7.8%</td>
<td>(9.8%)</td>
<td>(55.7%)</td>
</tr>
</tbody>
</table>

Source: CSO 1999
For 1999 the Dept. of Finance are predicting a further net increase of 45,000 in the number in employment and a fall in the Unemployment rate to below 6%.

Murphy's illustration (see table 6.5 1999) shows the percentage decreases in real wages in the period of no national programme (1982-87) and the catch-up and progression made in the time period 1987/8 to 1999/2000.

Table 6.5 CIVIL SERVICE EXECUTIVE OFFICER MAXIMUM PERCENTAGE INCREASES IN REAL AFTER-TAX INCOME

<table>
<thead>
<tr>
<th>Period (Tax Years)</th>
<th>National Programme</th>
<th>Single (1)</th>
<th>Married(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981/2 to 1987/8</td>
<td>No National Programme</td>
<td>-17.76%</td>
<td>-10.19%</td>
</tr>
<tr>
<td>1987/88 to 1999/00</td>
<td>Full Programme Process</td>
<td>+39.32%</td>
<td>+34.45%</td>
</tr>
</tbody>
</table>

Source: Murphy 1999

*Tax Years 1981/2 to 1999/2000 after allowing for taxation, price and pay increases.

SIPTU Vice President Des Geraghty (1999:2) speaking recently at a forum on Partnership said:

"Since 1987, when we entered the Programme for National Recovery these agreements have, during that period, become a fundamental part of our national economic and social strategy, and have been endorsed by successive Irish Governments, as well as the employers and the Irish Congress of Trade Unions."

Geraghty (1999:3) also lists the gains for P2000 thus:

"In brief, the basic pay increases combined with budgetary increases in tax allowances, (and tax credits), will give most workers increases in take-home pay ranging from 17% to 19%. When inflation is taken into account, this means real wage increases of approximately 11% to 13%. This compares with an increase of approximately 8% in living standards envisaged at the acceptance of the agreement. It is also twice as high as the increases under the three earlier agreements:

- The PNR which delivered 5%
- The PESP which gave 5.5%
- And the PCW which delivered real increases of 6%."
Looking back Geraghty (1999:1) reveals how Partnership 2000 and the previous national agreements have contributed significantly to job creation, economic growth, and rising living standards;

"To-date the Partnership 2000 Agreement has delivered significantly larger pay increases and real income improvements than were predicted when the agreement was ratified. However it has not resolved the critical issue of trade union representation rights, or tackled, fully, the unfair taxation burden on PAYE workers."

The last twelve years have seen a major improvement in the industrial relations climate, with a major reduction in the level of strikes as evidenced in Table 6.6. We have moved from averages of days lost in 1980-1982 of 400,000 per annum to levels of the order of 89,000 in the period 1995 to 1998. There has also been significant progress in both coverage of employees and attainment of increased fringe benefits. The most recent statistical breakdown of SIPTU’s settlements under P 2000 show the following:

- A total of 1,088 settlements covering 276,011 workers of whom only 7 companies pleaded inability to pay (836 workers).
- 981 of these agreements are in the private sector covering 222,934 workers.
- 107 settlements are in the public sector covering 53,077 workers.
- 1,064 settlements cover 128,046 SIPTU members.
- 24 settlements covering 148,965 are JLC’s and workers represented by Mandate, MSF, ETU, BATU, POA and Guinness Staff Association.
- 243 companies have agreed additional fringe benefits covering 30,295 workers.
- 124 agreements have been negotiated agreeing cumulative above the norm increases covering 11,434 workers.
- 493 agreements covering the local bargaining (2%) clause have been agreed covering 75,453 to date mainly in the private sector.
### Table 6.6  Level of Strike Activity from 1971 to 1998.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>DAYS LOST</th>
<th>YEAR</th>
<th>DAYS LOST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>206,955</td>
<td>1986</td>
<td>315,500</td>
</tr>
<tr>
<td>1973</td>
<td>206,725</td>
<td>1987</td>
<td>260,000</td>
</tr>
<tr>
<td>1974</td>
<td>551,833</td>
<td>1988</td>
<td>130,000</td>
</tr>
<tr>
<td>1975</td>
<td>295,716</td>
<td>1989</td>
<td>41,400</td>
</tr>
<tr>
<td>1976</td>
<td>776,949</td>
<td>1990</td>
<td>213,700</td>
</tr>
<tr>
<td>1977</td>
<td>442,145</td>
<td>1991</td>
<td>82,700</td>
</tr>
<tr>
<td>1978</td>
<td>624,266</td>
<td>1992</td>
<td>191,000</td>
</tr>
<tr>
<td>1979</td>
<td>1,427,000</td>
<td>1993</td>
<td>65,000</td>
</tr>
<tr>
<td>1980</td>
<td>404,000</td>
<td>1994</td>
<td>25,600</td>
</tr>
<tr>
<td>1981</td>
<td>436,000</td>
<td>1995</td>
<td>130,300</td>
</tr>
<tr>
<td>1982</td>
<td>437,000</td>
<td>1996</td>
<td>114,584</td>
</tr>
<tr>
<td>1983</td>
<td>311,000</td>
<td>1997</td>
<td>74,508</td>
</tr>
<tr>
<td>1984</td>
<td>364,500</td>
<td>1998</td>
<td>37,374</td>
</tr>
<tr>
<td>1985</td>
<td>412,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


### 6.8 The Role of the State as Employer

In the statistical pages of the Administration Yearbook and Diary the level of Public Sector employment for 1997 is 279,514 in a labour force at work of 1,379,900. For 1989 the comparable figures were 266,871 in a labour force at work of 1,088,000. In terms of state enterprises, governments of differing hues and ideologies have had no specific problem in altering the makeup of such enterprises when the situation warranted it.

In the seventy five years since the foundation of the State many state enterprises were set up because the private sector was not prepared to take the risk to set up such large ventures, many of which needed large amounts of capital investment in the first instance. It was Lemass from Fianna Fail who championed many of the early State Enterprises and the Fine Gael Coalitions of the 1940’s, 1950’s, 1970’s and beyond who furthered these aspirations.

In the past the Labour Party had an ideological ‘mantra’ of holding all such enterprises in public hands and even espoused bringing the banks and associated financial organisations within the state ‘envelope’. The modern Labour Party under Dick Spring and Ruairi Quinn have no such ideological hang-ups though they are aware that the trade unions are not always of the same view.

The first two enterprises released from the Civil Service were the old Department of Posts and Telegraphs where the postal and telephone services became the semi-state bodies, An Post and Telecom Eireann. With the opening up of European
telecommunication markets the latter has taken on board two foreign stakeholders in the form of KPN and Telia. It can be seen from Table 6.1, that the cohort in commercial semi-states have fallen from 90,370 to 57,475 respectively between the early 1980's and 1998.

Two other major state enterprises which were privatized were Irish Sugar Company, which developed into Greencore PLC and Irish Life, a major player in the Insurance industry. The B & I line merged with Irish Ferries and in 1984 the FitzGerald Government allowed its Transport Minister, Jim Mitchell TD, put Irish Shipping into liquidation. After a number of restructurings the Irish Steel Group was eventually sold to a major steel corporation from India, with the approval of the EU.

Cassells (1995E:39) is unhappy with government policy in relation to state industry in Ireland. He has the following view:

"No, they all pay lip service to it and each of the Government programmes and each of the statements on State and Semi-State companies and indeed the Programmes we have ourselves will identify that as a key area that has to be recognised, but at no stage do they sit down and decide to quantify what's involved nor do they say you are going to be paid X amount for that role and that you have to come forward each year with a budget and justification for what's that going to cost and that's it, and instead of just looking at them all the time saying 'you're losing 'X' amount of money and do something about it', and no quantification being given, so I don't think it is, and neither do I think their role in being almost the key sectors in the economy, in terms of the development of the economy both in terms of skills and, for a small country, having a key role in particular areas is recognised."

The State airline, Aer Lingus, has been totally restructured consequent on the deregulation policy adopted by the EU and the advent of the private sector Irish airline, Ryanair. This restructuring, which allowed for the last time the investment of state equity into the national airline, led to Aer Lingus having to concentrate on its core business i.e. air travel, and divest itself of major other holdings such as its profitable hotel chain, the Copthorne Hotels. The Board of Aer Lingus is currently viewing a number of options in relation to a strategic partnership with major foreign airlines in order to cement its long term future, with British Airways/ One World currently the option most likely to be pursued.

A number of other firms in the public sector such as ACC, ICC, and Cablelink are shortly to be floated as public companies following the recent sale of Telecom, while the ESB is to lose up to 28% of its power generation capacity as deregulation of the energy market comes at the end of the derogation period. A new mobile phone licence was recently granted to Meteor, which now sees three operators in the Irish market. A
number of these privatised companies have, in the run up to privatisation, given
employees a small 'share option' in the company, including Aer Lingus, ESB and Bord
na Mona. In most cases this is circa 5%, however in the case of Telecom an Employee
Share Option Scheme (ESOP) has agreed to a share option of 14.99% of which 5% is
free, the balance being leveraged against other productivities and bonus buy-outs.
Other state companies like Aer Rianta, ACC/ICC and Bord Gais are currently in
discussions on this issue. The subjects of ESOP's, gainsharing and profit-sharing
schemes are revisited in Chapter 9.

6.9 The Pay Relativities

Pay bargaining in Ireland has long been based on a series of pay relativities. Thus if
one particular grade within the civil service or a craft or grade of staff in the private
sector is paid an award it creates a 'knock-on' effect. The decade has seen significant
progress in private sector in relation to workplace flexibility, new forms of work,
changes in shift patterns, as well as the concentration of production and distribution in
single locations which has meant significant relocation of some staff. In the craft area a
system of pay analogues has existed for some time and these are adjusted periodically
against a list of 'marker' employments. The 3% local bargaining clause in PESP was
paid to roughly 80% of private sector staff during the lifetime of PESP 1991-1993.
This money was deferred in the Public Sector but during the PCW negotiations it was
agreed that 1% of this 3% would be paid 'on account' as of April 1994.

Yeates (1999:6) describes the historical position as a result of the emergence of the new
generation of pay deals thus:

"When a new generation of national pay deals emerged to replace the 'free for all'
with the PCW in 1987, it was sold to the Public Sector unions partly on the basis
that, once pay restraint had helped sort out the public finances, a series of
'special' pay claims would allow them to catch up with their brothers and sisters
in the private sector ... The 3% rise envisaged grew to 5.5% and then 7.5% and
eventually 14.5%, when the traditionally quiescent nurses revolted. The
negotiations came to resemble 'a slow bicycle race', where those who came in
last won. And, far from weakening relativities, the dramatic victory of the nurses
only reinforced them. When the gardai engaged in 'blue flu' tactics to maintain
their own position in the pecking order vis-a-vis the nurses, the INTO General
Secretary Senator Joe O Toole, reminded everybody that his members would also
be looking for a 'second bite' of the public sector pay cherry. At that stage the
Taoiseach, Mr Ahern, intervened with the proposal that future public service
pay increases should be performance related."

The 2% local bargaining clause payable in the third tranche of P2000 has now become
the focus in the Public Sector. The Department of Finance and the Taoiseach are
adamant that this 2% limit will not be broken. However the ongoing process between
the Public Services Committee of Congress and the Departments of the Taoiseach and Finance may have to broker a new deal for the early settlers as described later in paragraph 6.10, and help cement the future prospects. Recent settlements to teachers, local authorities and Aer Lingus suggest that the 2% limit is being strictly adhered to. The PSEU and CPSU are however likely to go to arbitration on their claims.

6.10 The Early Settlers

The PSEU were one of the early settlers in terms of PCW restructuring and agreed to a basic deal of 3% across the grades with the inclusion of two long service increments of 3.5% each for staff who were not included in the restructuring uplift, which applied to 25% of Executive Officers and 30% of Higher Executive Officers. The PSEU deal was an attempt to lift the 'monkey off the back' off these Civil Service grades with whom a large number of other Public Servants had a pay relativity. Thus if an EO/HEO deal had a cost factor of say £50 million across Civil Service grades, you had to multiply that figure by eighteen to read the real cost when all the consequential claims had been settled. The reason for this was the high number of staff who have EO/HEO relativities in the Public Sector, Health Boards, Local Authorities and other public sector employments.

Though the PSEU deal had been agreed and paid out, it's General Secretary has always advised Government and the Public Services Committee of the ICTU, that concession of the nurses, Garda and other second bite claims had implications for his membership. In an internal briefing document Murphy (1999:3) cites the three basic principles upon which pay determination issues are based:

1. The basic principle on which pay in the Public Service has been determined in Ireland is that public servants are entitled to be paid the same as private sector workers doing similar work. This is a fair system. Public Servants are, after all, employed by the community to carry out services which the community wants. It must surely be fair to pay them wages comparable to those earned by others doing similar work.

2. Levels of pay in the Public Service take account of the Exchequer financial position in two ways. Firstly, in the negotiation of pay rates for individual groups of employees, public service management consistently argues the Exchequer position as a constraint in setting rates of pay. The vast majority of "key" pay settlements for individual groups in the Public Service have been referred to the independent arbitration system. At the arbitration process,
management again argues the Exchequer financial position as a constraint. Independent arbitrators have made it abundantly plain on many occasions that they consider it entirely reasonable for management to make that argument and for them, as Arbitrators, to take it into account.

3. Thirdly, the Public Service Unions have made agreements with the Government - either directly as Public Service Pay Agreements or as part of National Pay Agreements - which provide for the impact of pay increases to be phased over periods of years. It is clear, therefore, that the levels of pay in the Public Service have taken full account of the Exchequer financial position by the two means mentioned above.

My understanding is that while the solution to the above has not been made a pre-condition to any new talks process the centrality of the pay relativities going back to the Priestley Commission and the unfinished agenda on early settlers are crucial for the Public Services Committee. It appears that discussions between the two sides have ‘parked’ this issue until later in the year when the whole question of future pay in the Public Sector comes up for negotiation. To this end three committees have been set up to deal with the issue and report back in the Autumn.

6.11 The Insider/Outsider Argument

Some years ago the Irish Small and Medium Enterprises Association (ISME) hired economist George Lee to research a contention, long held and articulated by their members, that the establishment had a vested interest in maintaining the status quo. The report highlighted the view that, had public sector been pegged at private sector levels for the period 1987-1994, the duration of PNR, PESP and PCW, the exchequer would have been £1 Billion better off. Lee’s analysis does not take into account that between 1981 and 1987 the average take of public sector workers actually fell in proportion to private sector due to differences in the sequence of pay rounds as shown in the previous chapter, along with the pay pauses which were common-place in the public sector. Lee (1994:36) illustrates his view by way of the following Table 6.7
Table 6.7 Salary and Take Home Pay Increases 1987-1994

<table>
<thead>
<tr>
<th>Salary Increases</th>
<th>Take Home Pay Increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal %</td>
<td>Real %</td>
</tr>
<tr>
<td>Industrial Sector</td>
<td>35</td>
</tr>
<tr>
<td>Government Sector</td>
<td>62</td>
</tr>
</tbody>
</table>


Manus O Riordan, (1994:1) SIPTU’s chief economist, countered Lee’s analysis by quoting NESC’s 1993 report which pointed out the following salient factors:

“The increases in recent years reflect the payment of previously deferred increases” and “government sector pay lagged behind the private sector, for much of the 1980’s. “The NESC had further concluded that “in the long run, wage determination mechanisms produce broadly comparable wage movements across public and private sector employment.”

O Riordan’s analysis (ibid) refutes the ISME contention of what had happened since 1987:

“As an ‘insider’ conspiracy to catapult public service earnings way ahead of the private sector, rather than as a catching up, it can be seen to be on what the public sector lost out on in the period since 1982, as can be seen from the OECD Survey Data.”

He also highlights (1995:2) the government’s own analysis in its publication Economic Review and Outlook, 1994 which points out the following:

“The out-turn on Exchequer Pay and Pensions in 1993 was £4,098 million, which represents an increase of 9% on the 1992 figure... The provisions for Exchequer Pay and Pensions in 1994 is £4,398 million (or an increase of 7.3%).”

O’ Donnell (1995:R21/2) however holds particularly strong views on the insider/outsider argument.

“The insider/outsider thing is nonsense. It’s a misunderstanding and misapplication of the insider/outsider theory as technically developed in economics. The insider/outsider theory is about unions and employers in an enterprise behaving in a way which has effects on the wider society.

Say the wage is set too high to soak up all the unemployed workers. But it is precisely the fact that this is one small firm and lots of firms do this of course, and collectively it has an external effect on the outsider.

Now if you apply the insider/outsider logic to Irish Social Partnership, you get the exact opposite conclusion, that is an encompassing arrangement in which all the trade unions sit down to negotiate a wage, well then insider/outsider doesn’t
apply to it, because they are all insiders and they are all outsiders in the sense that the effects of their action are taken on board.

In fact one of the oldest analyses of Swedish Neo-Corporatism, was precisely that it could work technically, putting aside all other political arguments, because, by being so encompassing, unions took an account of the overspill effects of their behaviour as did employers, or whatever. So at one level the Irish talk of insiders/outsiders is just rhetoric. It’s just a misunderstanding of what insider/outside theory is about and if anything that theory leads to the opposite conclusion.”

O’Donnell continues;

“Secondly, there is a practical point. I don’t think anyone could say that the actual wage settlements that we have had in Ireland have been unemployment generating ones.

Thirdly, it assumes that in the absence of a national agreement, we would have a kind of an atomistic labour market of the American sort. Everyone would set their own wages with an employer. And we know that that is the agenda at bottom, which is no unions. But we know that in the Irish labour market you have very strong unions and very strong employers, so basically you have bilateral monopoly.

Negotiating will still be highly collectivised and there will be a kind of monopoly power on both sides of the labour market. You will be much more likely to get socially negative wage settlements in that regime, and the proof of the pudding is in Britain. All though the Lawson boom, once the pick-up came in 1984, Britain had wage settlements in profitable sectors, like insurance etc., way ahead of inflation.

So its actually free collective bargaining that’s much more likely to produce this negative effect on outsiders, it seems to me. Unless, of course, you go the whole hog and achieve a kind of de-unionised economy, in which case, OK, the other argument might come back into force. So I think at a technical level this is just nonsense.”

Teague (1996:AA7) however sees the insider/outside argument somewhat differently:

“There is an argument, and I think there is some validity in this, that there was a sort of an insider/outside gap in terms of a privileged public sector position vis-a-vis the private sector. It seems to me that the functioning of the pay systems didn’t control public sector pay in them, it certainly controlled private sector pay, particularly for skilled workers, and therefore reduced the problem of insiders and outsiders.

But because people in the public sector were getting specials alongside these national agreements, the wage bill to the public sector was rising quite sharply. It rose over a two or three year period by something like 25-30%, and so it maybe wrong to characterise it as insiders and outsiders, but the pay agreements favoured the public sector, certainly they would not have got any better deals under decentralised bargaining.

There should have been more wage moderation under the agreements in the public sector, but this claim by Walsh and others that it created an insider/outside gap in the labour market, I don’t think stands up to scrutiny.”
6.12 The Formation of the Social Pillar, dealing with Social Exclusion

Over the past ten years organisations such as the I.N.O.U., Combat Poverty, C.M.R.S., and Focus Point have represented the unemployed, the poor, the disadvantaged and the homeless within our society and have attempted to raise consciousness and funding to aid people in these sectors of our society. Traditionally the I.C.T.U. and the trade union movement as a whole have not wished to see their role diluted by having this representation extended, however by jettisoning these areas to specialists in these fields the labour movement might be better able to concentrate on their primary functions:

1. The improvement in the pay and conditions of its members.
2. Tackling the serious problem of unemployment within the country.
3. Getting on with the job of achieving real equality for all workers, and bring forward a radical economic/corporatist programme which can address all the major structural economic and employment problems. This is essentially achieved by deepening the partnership process by involving the players on both sides throughout all the decision making processes. Recent partnership initiatives in companies such as Telecom and the ESB point the direction in which Social Partnership can be brought to a micro level.

The main factors which, according to Hardiman, can be attributed to the lack of success so far of neo-corporatist concertation in Ireland are:

1. Structural features and the political disposition of trade unions.
2. The economic climate in which policies are attempted.
3. Overall policy mix pursued concurrently by government.

Hardiman (1994:157) points to the relationship of pay bargaining to unemployment and quotes a senior trade union official on the issue thus:

"If there at 16% of people out of work, there are still 84% in work who are not too put out by the plight of the unemployed and who want their wage increase."

Hardiman (ibid) herself believes that:

"these conflicting priorities may limit more creative thinking about bridging the gulf between those in work and those out of work."
6.12.1 The INOU and Unemployment

The Irish National Organisation for the Unemployed (INOU) was set up at the time when the PNR was being negotiated. In their early days as a fledgling organisation the INOU considered that it was under-resourced and ill-equipped to be involved in Social Partnership despite its memberships' wishes. It channeled its views through its contacts with individual trade unions and ICTU. During the PESP the dole queues lengthened to 300,000 and when the PCW was published the INOU were shocked at its inaction on unemployment. Allen (1998:293) is very critical:

"While there had been criticism of earlier programmes, it was hard to find anything in the PCW for unemployed people. It contained few targets for job creation, no commitment for real increases in welfare payments and the specific commitment on tax cuts would favour the better off. In 1994 the NEC brought its own resolution to the conference looking for a mandate to seek the right to represent ourselves in any future negotiations. It was passed unanimously."

The INOU subsequently met the then Taoiseach John Bruton on the issue and in October 1996 they were invited, along with seven other community and voluntary groups, to participate in the Partnership 2000 negotiations under the title Community Pillar. Allen (1998:294) describes how the discussions on P2000 were held and opines that the Community Pillar were not 'equal partners' at the talks.

"The negotiations were divided into four rooms; the community groups in one, the farmers in another, smaller business groups in a third, and ICTU and IBEC together in the last. The core of the engagement in discussion remained with the traditional social partners. Significantly, the agreement produced a formula which will in future provide a more equal engagement between what are now the 'pillars of social partnership, but Partnership 2000 itself was negotiated in this rather unbalanced way."

Critically Allen is of the view that the INOU would have achieved more if they were invited into the negotiations on their own, but readily admits that then the agendas of the travellers, youth and the disabled would not have been tackled. When the achievement of the minimum rates of the Commission on Social Welfare Reforms were dropped from a later draft of P2000, the INOU announced its withdrawal from the process. Immediately ICTU contacted the Government insisting that their endorsement of the deal was subject to the provision of these welfare considerations.

I will return to the issue of the main players and their involvement in the talks process later, however Allen's view gives a graphic analysis of the need to be at the talks to make progress. However, at the end of the day the talks are built around a set of power relations as described in Chapters Two and Three. The main corners of the
negotiating triangle are the employers (including farmers), trade unions and government. The government has two agendas, the first being its role in relation to economic and fiscal policy, the second its role as a major employer. The employers' agenda relates to pay, labour legislation and social welfare provisions; particularly the certainty that these agreements bring to their long-term business analysis at the level of the enterprise. In their communication to members in January (1997b:1) IBEC was quick to point out that:

"Endorsement of Partnership 2000 displays a mature judgment on the part of various economic sectors in society."

And the following July (1997c:1) advised its members that:

"Partnership is a two-way street... The advice to union activists to seek pay increases in excess of those provided for in the Agreement, and to interpret its provisions in a manner contrary to its terms, is simply quite outrageous."

Trade unions have to deal with a number of agendas, which include pay and conditions as well as the social aspects of partnership which have been steadily built upon agreement by agreement. ICTU also has to balance the tensions between the needs of public and private sector trade unions, as well as keeping equilibrium in those general trade unions which have a mixture of both.

Quinn (1992:22) however articulates the dilemma faced by the 'left', including trade unions in relation to the unemployed:

"The trade union commitment in relation to the social dialogue... must be and is driven by the demands of their own members, very largely members who are at work and have strong political clout. On the other hand, politicians, and particularly left of centre politicians, have an obligation to the entire labour force, including those out of work."

O' Donnell (1999:R23-25) on the issue of social inclusion asserts:

"There is no doubt that trade unions represent the unemployed up to a point, but there is a sense in which they don't as well. There is no doubt that unemployment involves exclusion from and there I think that we have a real problem, and that is: how do you represent those who have no role in the economy?

I think there is kind of a functional logic to this Social Partnership and indeed to any bargaining situation, the functional logic is that any two parties or three parties at the table, are all indispensable because they can screw up each others plans, so people bargain then because in a sense there is power there.

The unemployed have no power and the socially excluded have no power, so what you are confronting is, and this again this runs quite counter to the neo liberal critics, the desire to give a voice to the weak, the socially excluded in the
process. But they have no bargaining chip to play, they have no functional power, and what system do you design to give a voice to the weakest? I think that's a real problem. And I think all the experimental solutions have something to tell us, the NESF established parallel to us, and there were criticisms of the NESC for not including the unemployed, and that may be a fair point.

"...So I think the first thing is everyone to recognise that this is actually a fundamentally difficult problem because you are trying re-arrange, to influence power relationships. If we all accept that, we can have a realistic discussion about the bits that work and the bits that don't work."

The unemployed though have always been a constituent part of the ICTU, as evidenced by individual trade unions work with their unemployed membership and the ICTU Centres for the Unemployed. It is true however that the Freeman/Medoff concept of trade union 'voice' is less apparent among unemployed trade union members than it is among rank and file members who can articulate their needs and demands through shop-floor, branch, regional and national conferences and can apply considerable pressure on their national officials through the medium of general meetings and strike votes.
O’ Donnell and O’ Reardon (1996:33-38) have analysed the departure of the ‘Irish Actors in Industrial Relations’ from the British Model to the social partnership approach. They view this period in the Irish economy thus:

“Despite the slowdown in the world economy and adjustment to EC membership, the Irish economy performed relatively well through most of the ‘70’s. Attempts to maintain growth in the face of international recession involved increased government borrowing. Rapidly increasing deficits pushed the overall exchequer borrowing requirement to almost 16% of GNP in the mid 1970’s and early 1980’s.”

Ireland joined the ERM on its establishment in 1979 hoping to achieve a switch from British to German inflation rates. The period 1980-87 was one of prolonged recession and falling living standards with unemployment rising from 7.1% to 18.0% between 1979-1987.

Total employment declined by 6% and manufacturing by 25%.

By 1987 Ireland’s Debt: GDP ratio was approaching 130% and there were real fears of national insolvency.

Following the three National Programmes (PNR, PESP, PCW) the turnaround in the economic situation has been as illustrated in Table 6.8 below:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>1987</th>
<th>1996</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (per capita)</td>
<td>64%</td>
<td>90%</td>
<td>+ 26%</td>
</tr>
<tr>
<td>National Debt</td>
<td>£25Bn</td>
<td>£30Bn</td>
<td>+ £5Bn</td>
</tr>
<tr>
<td>EBR(As a% of GNP)</td>
<td>10.7%</td>
<td>1.2%</td>
<td>- 9.5%</td>
</tr>
<tr>
<td>Net Emigration</td>
<td>30,000</td>
<td>5000-10,000</td>
<td>-20,000-25,000</td>
</tr>
<tr>
<td>Growth</td>
<td>Zero</td>
<td>7%</td>
<td>+7%</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>17.5%</td>
<td>12%</td>
<td>- 5.5%</td>
</tr>
<tr>
<td>National Debt: GDP Ratio</td>
<td>130%</td>
<td>73%</td>
<td>-57%</td>
</tr>
</tbody>
</table>

Tansey (1999:i) cites the following in Table 6.9 as an example of Free Collective Bargaining (FCB) in the period 1982 to 1987.
Table 6.9 The Labour Market under Collective Bargaining

<table>
<thead>
<tr>
<th>ITEM</th>
<th>1982</th>
<th>1987</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>THE LABOUR FORCE (000's)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>At Work</td>
<td>1,146</td>
<td>1,080</td>
</tr>
<tr>
<td>2.</td>
<td>Unemployed</td>
<td>147</td>
<td>232</td>
</tr>
<tr>
<td>3.</td>
<td>Labour Force</td>
<td>1,293</td>
<td>1,312</td>
</tr>
<tr>
<td>4.</td>
<td>Unemployment Rate</td>
<td>11.4%</td>
<td>17.7%</td>
</tr>
<tr>
<td>B.</td>
<td>WAGES, PRICES, TAXES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Average Weekly Earnings</td>
<td>£127.69</td>
<td>£193.64</td>
</tr>
<tr>
<td>6.</td>
<td>Consumer Price Index</td>
<td>141</td>
<td>191</td>
</tr>
<tr>
<td>7.</td>
<td>Effective Tax Rates on Average Earnings:-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7(a)</td>
<td>Single Persons</td>
<td>28.8%</td>
<td>35.4%</td>
</tr>
<tr>
<td>7(b)</td>
<td>Married, one working</td>
<td>18.1%</td>
<td>25.4%</td>
</tr>
<tr>
<td>8.</td>
<td>Real Disposable incomes of average earners (1982 £'s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8(a)</td>
<td>Single Persons</td>
<td>£4692</td>
<td>£4797</td>
</tr>
<tr>
<td>8(b)</td>
<td>Married Couples</td>
<td>£5392</td>
<td>£5542</td>
</tr>
<tr>
<td>C</td>
<td>BUSINESS SECTOR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Unit Labour Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Return on Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Average Annual Increase</td>
<td></td>
<td>+6.1%</td>
</tr>
<tr>
<td></td>
<td>Average Annual Return</td>
<td></td>
<td>+6.6%</td>
</tr>
</tbody>
</table>

Source: Tansey 1999

Key to Table.
1. Numbers at work on a Principal Economic Status (PES) basis. The 1982 figures are CSO interpolations as no Labour Force Survey was held that year.
2. Unemployed, available for and actively seeking work, PES basis, note difference from Live Register figures.
3. Labour Force equals total at work plus unemployed.
4. Unemployment Rate is the numbers unemployed expressed as a percentage of the Labour Force.
5. Average weekly earnings in manufacturing industries. CSO Quarterly Industrial Inquiry.
7. All direct taxes charged on employee income after tax allowances as % of gross pay from Tansey 1991.
8. Change in average after tax pay deflated by rise in consumer prices over the period.
9. Labour costs per unit of output produced. (OECD, 1998)

Tansey shows the Social Partnership statistics in comparison in Table 6.10 as follows:
Table 6.10  The Labour Market Under National Agreements between 1987 and 1998

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. THE LABOUR MARKET (000's)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. At Work</td>
<td>1,111</td>
<td>1,495</td>
<td>+384</td>
<td>+34.6%</td>
</tr>
<tr>
<td>2. Unemployment</td>
<td>226</td>
<td>127</td>
<td>-99</td>
<td>-43.8%</td>
</tr>
<tr>
<td>3. Labour Force</td>
<td>1,227</td>
<td>1,622</td>
<td>+285</td>
<td>+21.3%</td>
</tr>
<tr>
<td>4. Unemployment Rate</td>
<td>16.9%</td>
<td>7.8%</td>
<td></td>
<td>-53.8%</td>
</tr>
<tr>
<td><strong>B. WAGES, PRICES, TAXES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Average Weekly Earnings</td>
<td>£193.64</td>
<td>£291.50</td>
<td></td>
<td>+50.5%</td>
</tr>
<tr>
<td>6. Consumer Price Index</td>
<td>191</td>
<td>250.9</td>
<td></td>
<td>+31.4%</td>
</tr>
<tr>
<td>7. Effective Tax Rates on Average Earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7(a) Single Persons</td>
<td>35.4%</td>
<td>24.7%</td>
<td></td>
<td>-30.2%</td>
</tr>
<tr>
<td>7(b) Married, one working</td>
<td>25.4%</td>
<td>18.0%</td>
<td></td>
<td>-29.1%</td>
</tr>
<tr>
<td>8. Real disposable Incomes of average earnings (1987 £'s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8(a) Single Persons</td>
<td>£6,499</td>
<td>£8,686</td>
<td></td>
<td>+33.7%</td>
</tr>
<tr>
<td>8(b) Married, one working</td>
<td>£7,509</td>
<td>£9,463</td>
<td></td>
<td>+26.0%</td>
</tr>
<tr>
<td><strong>C. BUSINESS SECTOR</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Unit Labour Costs</td>
<td>Annual Average Increase</td>
<td></td>
<td></td>
<td>+0.1%</td>
</tr>
<tr>
<td>10. Return on Capital</td>
<td>Annual Acreage Return</td>
<td></td>
<td></td>
<td>+12.4%</td>
</tr>
</tbody>
</table>

Key to Table as per previous table except Section A. Data on Labour Market for period 1987-1998 is shown on an International Labour Organisation (ILO) in Table 2 rather than on a PES basis as in Table 1. ILO data is not available from CSO for the years before 1985.

Table 6.11 shows the measured improvement in the inflation rates of the 1970 era where figures ranged from a low of 7.4% in 1969 to a high of 20.4% in 1981. The period 1982 to 1987 when the FitzGerald led coalition was in place shows a reduction from 17.1% in 1982 to 3.2% in 1987. During the period from 1979 to 1987 the national indebtedness had climbed from £6.54 Billion to £23.69 Billion. It has climbed in the interim however to circa £29.6 Billion.
<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Average</th>
<th>Year</th>
<th>Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>+7.4%</td>
<td>1984</td>
<td>+8.6%</td>
</tr>
<tr>
<td>1970</td>
<td>+8.2%</td>
<td>1985</td>
<td>+5.4%</td>
</tr>
<tr>
<td>1971</td>
<td>+8.9%</td>
<td>1986</td>
<td>+3.9%</td>
</tr>
<tr>
<td>1972</td>
<td>+8.7%</td>
<td>1987</td>
<td>+3.2%</td>
</tr>
<tr>
<td>1973</td>
<td>+11.4%</td>
<td>1988</td>
<td>+2.1%</td>
</tr>
<tr>
<td>1974</td>
<td>+17.0%</td>
<td>1989</td>
<td>+4.0%</td>
</tr>
<tr>
<td>1975</td>
<td>+20.9%</td>
<td>1990</td>
<td>+3.4%</td>
</tr>
<tr>
<td>1976</td>
<td>+18.0%</td>
<td>1991</td>
<td>+3.2%</td>
</tr>
<tr>
<td>1977</td>
<td>+13.6%</td>
<td>1992</td>
<td>+3.0%</td>
</tr>
<tr>
<td>1978</td>
<td>+7.6%</td>
<td>1993</td>
<td>+1.5%</td>
</tr>
<tr>
<td>1979</td>
<td>+13.2%</td>
<td>1994</td>
<td>+2.4%</td>
</tr>
<tr>
<td>1980</td>
<td>+18.2%</td>
<td>1995</td>
<td>+2.5%</td>
</tr>
<tr>
<td>1981</td>
<td>+20.4%</td>
<td>1996</td>
<td>+1.6%</td>
</tr>
<tr>
<td>1982</td>
<td>+17.1%</td>
<td>1997</td>
<td>+1.5%</td>
</tr>
<tr>
<td>1983</td>
<td>+10.4%</td>
<td>1998</td>
<td>+2.4%</td>
</tr>
</tbody>
</table>

Source: CSO/Dept of Finance

In the period from 1973 when both the United Kingdom and Ireland joined the EU, Ireland has embraced mechanisms such as the ERM, the Single Currency and a raft of legislation on work related issues which the Major/Thatcher governments opted out of. While Ireland embraced Social Partnership, various Secretaries of State for Employment in London were enacting anti-trade union legislation. While trade union density dropped during the recessionary times in the 1980’s Ireland figure now stands at an all time high while the numbers in the U.K. have halved since the 1970’s. Ireland continues to embrace the European Social Model and has moved away from the British Industrial Relations model significantly.

6.14 Ahern’s Call For Future Partnership

On a number of occasions throughout 1998 and 1999 the Taoiseach has made public references to the need to continue the partnership approach subsequent to the conclusion of Partnership 2000. With that in mind Mr Ahern has again asked the NESC to focus its tripartite talents on studying on its previous work in the reports - A Strategy for Development (1986); A Strategy for the Nineties (1990); A Strategy for Competitiveness, Growth, and Employment (1993) and A Strategy into the 21st Century (1996), with a view to bringing another report to government in mid 1999. Ahern, who is a committed advocate of the values of social partnership, spoke recently at the launch of Donal Nevin’s book on Jim Larkin - ‘Lion of the Fold’ (Ahern:1998b) thus;
"Larkin was the keeper of the public conscience in the early 1900’s but, today, we have developed a collective social conscience. The means and methods of reconciling differences between employers and employees have changed utterly.

We have developed the concept of Partnership in Irish society and I have no doubt that the partnership process which has underpinned our economic and social development in the last decade can continue. It is that partnership that has helped us to rise from the deepening spiral of debt, unemployment and emigration to one of the most efficient economies in the European Union. Today we face an unprecedented range of challenges at both the international and national level. We can only face these challenges successfully if we do so in the spirit of Partnership.

We as a people can only prosper, if we deepen and extend the social cohesion which already exists. In particular, the socially excluded must be brought into the economic and social mainstream. Social partnership has played a major role in developing new approaches to the problem of social exclusion. This is rightly seen as a core issue of concern to the Government, the Social Partners, and the community as a whole. The Government are committed to reflecting social inclusion as a core value in public policy.

Ahern has written to the ICTU inviting them to begin discussions about a post-Partnership 2000 scenario. The Public Service Committee replied that they had no difficulty discussing his agenda as long as the Congress agenda on the early settlers situation and the implications of the nurses and Garda pay deals were part of the overall agenda. Following a number of fruitless meetings with representatives from the Department of Finance, the Officers of the Public Services Committee were pessimistic of achieving their stated aims in relation to this outstanding business. This will lead to difficulties for a number of unions during their annual conferences this year when problems might arise over mandates for discussions on another national agreement. This situation was typified by a decision of the Executive Committee of the CPSU to ballot on a withdrawal from Partnership 2000; the vote was duly held and defeated. However the Taoiseach’s invitation and Dan Murphy’s adroit manipulation of the agenda for such a set of meetings has now put these issues firmly on the table for ongoing discussions. Murphy’s response to the Taoiseach’s letter (ICTU Report 1997/9:65) conveying the Public Services Committee’s decision states the following:

“The Committee is prepared to have discussions with the Government’s representatives which would have the following objectives;

(a) to resolve the current pay difficulties of the groups in the public service who settled within parameters which have subsequently been extended considerably;

(b) to address the issues raised in the Taoiseach’s letter of 11th November.

The resolution of the difficulties mentioned would be an essential step in moves to address the issues raised in the Taoiseach’s letter of 11th November which are themselves fraught with difficulties, but which may hold out the prospect of avoiding a repetition of these difficulties.”
The difficulty which may arise later will be the exact definition of ‘early settlers’ and who are in and who are out. However a solution to pacify some public sector unions is necessary to guarantee their continuing involvement in social partnership.

6.15 Some Economists’ Views

Some economists hold the view that social partnership can only last in the short term. Both Tansey (1999) and Taylor (1996) share this view. Speaking to a SIPTU Seminar in Dublin, Tansey asserted that economics run in cycles and that in his opinion social partnership could only run for a finite time.

Taylor (1996:275/6) asserts the following:

“It has become almost an accepted axiom within contemporary political science that macro-political forms of political bargaining are in irreversible decline. Such institutionalised forms of bargaining are now perceived as inflexible and rigid, constraining the adaptive response of business in volatile market conditions. Appraisals from across the political spectrum appear united in the belief that capitalism has moved into a new, dynamic phase in which flexibility of products, personnel and strategy is paramount. Consequently, it is argued, that if the levels of economic growth enjoyed during the post war period are to be sustained it is essential that we jettison the institutional constraints which are currently imposed upon business.”

Tansey (1999:iii) lists the following factors shaping the late 1980’s Irish Boom.

Long Run Factors.

- Increase in the domestic labour supply, resulting both from the ‘baby boom’ of the 1970’s and rising rates of female participation in the labour force.
- Increases in the quality of Irish labour due to the ‘educational revolution’ dating from the late 1960’s.
- The cumulative effects of the IDA efforts to attract foreign direct investment into Ireland using low corporation taxes and high quality labour as inducements.
- Continuing resource transfers from the EU, significantly enhanced from 1989 onwards.
- Progressive trade liberalisation, permitting Irish goods and services unimpeded access to EU markets.

In other words, there was an abundance of the principal factors of production - Labour and Capital - and their quality was improving.
Short Run Factors

The management of the economy improved through the 1980’s. Government policies again became credible. This is a point which O’Donnell (1995:R3) emphasizes:

“The ability of governments to take hard decisions, to have medium term or strategic views on things would seem to have increased quite a bit and I would have a feeling that social partnership has had something to do with that.”

Inflation fell from 20.4 in 1981 to 2.1% by 1988.

A succession of National Partnership Agreements moderated annual increases in money wages while delivering worthwhile additions to employees’ real incomes through reductions in average taxes.

Exchange rate policy was used, broadly if tardily, to underpin competitiveness and low interest rates.

Domestic demand picked up from 1994 onwards, buoyed by rising real incomes and increasing employment.

The first set of factors gave us real productivity gains and access to markets; The second set of factors ensures that these real productivity gains were translated into competitive gains.

6.16 Issues Arising After 12 Years Of Partnership

At the time of writing it may well be that the concerns expressed by both Tansey and Taylor are back in vogue, as the key question occupying many people in both employer and trade union circles is how, with the economy running at 8-10% growth and labour shortages appearing how can you continue wage moderation? The dilemma facing the social partners is how to construct a new model for the next decade which takes account of these particular economic factors. O Dowd (1999:50) describes this dilemma as:

“The challenge is to frame a more sophisticated pay strategy that goes beyond the traditional approach of moderate nominal growth combined with tax reliefs to recognise the problems created by a booming economy”.

P2000 has however faced a number of threats and its faultlines have been apparent in relation to three particular areas of policy which the ICTU Executive Council see as unfinished business from its 12 years association with the Four P’s. These items are;
1. Trade Union Recognition;
2. The National Minimum Wage and
3. The transfer of Social Partnership to the level of the enterprise.

General Secretary of ICTU Peter Cassells had the following to say at ICTU’s last Biennial Conference in Belfast in 1997:

“The old trade union agenda of negotiating wage increases had achieved much but it had failed totally to penetrate the citadels of capital and ownership in the workplace. Agreeing to share profits and to give workers a real stake in the company is a much bigger issue, with far greater implications for both the organisation and the workers, than paying a few quid above the odds.”

Additionally there is a considerable groundswell that there must be delivery on the following items:

1) Housing
2) Childcare
3) Better Health-care Provision
4) Improved Facilities for the Aged and
5) Improvements in Parental Leave (Adding Paid Leave as in most European Countries).

These are social issues which have been raised alongside expectations of better pay, conditions and increased pensions provisions.

November 1999 has been set as the date for a Special Conference to decide on whether to enter talks on another National Agreement; even proponents of Social Partnership are saying that while a decision to enter talks is likely, the procurement of a fifth deal is very finely balanced. This is something which I shall return to in Chapter 10.

6.17 Conclusions.

6.17.1 The Centralised Pay negotiations in the period 1987 to 1997 have developed in a way that nobody could have predicted back in 1986. From an economy which was in a traumatic state in late 1982, the public sector employment embargo and the tight fiscal policy adopted by the Coalition Government reduced inflation from 17.1% in 1982, to 3.2% in 1987. The major improvement in the economy’s finances owes much, though not all to these centralised pay agreements. Their birth will remain one of Charles J. Haughey’s only favourable historical legacies.
6.17.2 The Programme for National Recovery, set very tight wage parameters, along with the Mac Sharry staff pruning cut back on the size and cost of the public sector. The next agreement, PESP, unlocked the gates in the private sector with the advent of the local bargaining clause, which was deferred in the main in the public sector, with significant long term implications. Dunne (1995:L3) has characterised the employers’ position as:

“our instinctive position was opposed to central arrangements unless we could see very clearly something in it for us.”

The agreements have given the employers a number of benefits which have convinced them to stay on board, specifically:

i) Certainty in terms of long term planning
ii) The industrial peace they foster
iii) The fact that they have largely eliminated secondary and tertiary claims.

This third factor is one which Malachy Mc Glynn of ICOS referred to when he said (1993:2) that staff in the dairy industry in the 1970-1981 agreements got three bites at the cherry.

- Pay with government, conditions negotiated with ICOS and benefits negotiated locally.

It was this three pronged approach which turned many employers off the previous agreements.

6.17.3 The agreements have also brought some harmony between the three main players in the industrial arena; Government, employers and trade unions, in that each party may bring pressure on the other two in relation to individual events. For example in the Ahern devaluation the ICTU backed the government’s ‘no devaluation’ policy while IBEC was under pressure from some of its members to seek a competitive devaluation to aid them in export markets. In a separate incident the employers and trade union analysis of the imposition of the 1% employment levy was the same - both saw it as counter-productive. In the Ryanair dispute Government and trade unions were critical of IBEC not bringing sufficient pressure on the management to use the industrial relations institutions.

6.17.4 The PCW, though negotiated in the strained background of the 1% levy, has been heralded as a major agreement in that it prolonged the period of national agreements and allowed for some longer term issues to be brought into focus. However
it lacked an amount of detail, ditched previous commitments on minimum wages and trade union recognition and had a derisory section on social equity.

6.17.5 The Partnership 2000 agreement discussions surprised many commentators with the swiftness of their conclusion and how, for the first time, a government with no Fianna Fail involvement could handle such a deal. This was, notwithstanding O’Rourke’s claim (1996:2);

“Since Social Partnership is essentially a Fianna Fail construct, there may also be added difficulties associated with personalities and political parties, should the present administration attempt to negotiate a ‘new’ PCW.”

The added extra of this agreement was the involvement of the Social Pillar, which effectively added a fourth layer to negotiations. Though there were a large number of organisations involved in this layer a very small cohort of people did the majority of the work.

6.17.6 The development of social partnership has been ad-hoc and many of the add-ons in recent years have come about by the perseverance of the main players. There is no-one amongst the main players who can say, hand on heart, that in 1987 they could have foreseen the wholesale developments which have occurred in little over a decade. Thus programmes, with the aid of EU structural funds, have been built on by the involvement of community and voluntary sectors and significant employment gains have been made with the contribution of small and medium firms.

6.17.7 There is no doubt that the improved industrial relations performance in the country, allied to increased expenditure on education and infrastructure and our increased competitive edge have made us a significant focus for foreign investment. Allied to this has been the tactical approach of the social partners, led by government, to have very low rates of corporation tax and special employment creating incentives for the attraction of foreign industries.

6.17.8 That is not to say that the social partnership process can be taken for granted. Interestingly twelve years on, employers back the process more than trade unions. O Riordan’s (1999:9) recent riposte that:

“There are even fewer grounds for complacency when we remember that in the nation-wide ballot in my own union, SIPTU, the majority for acceptance has been an even narrower one of 57%. 1999, therefore, will be a critical year for weighing up the advantages and disadvantages of the Partnership 2000 experience, before our own Biennial Delegate Conference of SIPTU in October comes a decision on whether or not to even consider commencing negotiations on a possible successor
agreement to say nothing on whether or not the outcome of such negotiations themselves prove acceptable." 

6.17.9 There is, within ICTU, a steady negative vote against Social Partnership combining many unions with a craft background as well as a number of British based ones who continue to espouse the old adversarial tradition. There are also a number of unions who can swing either way from agreement to agreement, depending on outstanding issues of the time. Added to this are a number of quite vocal and disparate groups ranging from the Socialist Workers Movement/Party to the SIPTU Fightback group and anarchist workers groupings in some workplaces plus the Trade Union Forum. A number of branches within SIPTU, ATGWU and the CPSU have increasing cohorts of these factions as members.

6.17.10 Another factor of concern is Chubb’s ‘peak organisations’ or Barry’s ‘ruling elites’ in terms of unions’ role as social partners, is the recent outbreak of unofficial or wildcat action in the building industry and the ESB. Both incidents point to potential faultlines in the social partnership process. The increasingly militant attitude of elements of the public sector which have heretofore been compliant players within the system such as nurses, junior hospital doctors and gardaí are other pointers to ongoing unrest. One of the excuses given for some of these incidents has been the introduction of change and flexibility as well as the lack of progress at bringing social partnership to the level of the enterprise in any meaningful and wide-ranging way.

6.17.11. A number of economists including FitzGerald père et fils, Garret and John, and Professor Brendan Walsh have predicted continuing growth in the order of 4-5%, which should continue to allow for the reduction of unemployment levels, particularly long-term unemployed. There are however a number of continuing problems highlighted in Drudy’s (1999:3) recent paper to the INOU, particularly;

“The questions as to whether ‘development’ in a true sense is taking place if a significant proportion of the population is unable to improve the quality of their lives, if educational disadvantage and long term unemployment persists and if the benefits of economic growth accrue largely to those who are already well off.”

In any new agreement, post P2000, the question of educational disadvantage and social equity will have to front-loaded in the programme. It would be unconscionable if in adopting an economic programme for 2000-2006 which sees investment of the order of £50 Billion we were not to tackle to finality these particular issues.

6.17.12 The discipline learned in the early agreements, have by the adoption and retention as a sine qua non those macro-economic parameters adopted at Maastricht, has seen us among the eleven entrants of EMU at January 1999. There is considerable
evidence, as adduced in previous chapters, that the move back to concertation in some European countries was to facilitate the Maastricht/EMU linkage. Having reached that destination we must ensure that any future agreements maintain these economic disciplines and that we build on such a strong baseline.

6.17.13 In my paper, Mc Ginley (1998:1-12), to the Irish National University and Library Staff Conference (INULS) at Limerick University in September, I opined that any new agreements in Ireland will have to be different because they are being conceived in an economic era where we are producing yearly revenue surpluses, and where in the medium term we are predicting growth circa 5% per annum. It is my belief that, in such a scenario, a more strategic medium to long-term view needs to be taken in terms of economic, social and political targets. It may be that framework agreements of the order of 4 years duration will be necessary where the pay terms could be varied, taking into account the difficulties which both Attley and Dunne have described earlier in this chapter. The less rigid the agreements, the less likely are we to see major eruptions during their life span. However this should not be a recipe for the development of ‘free for alls’ and would demand an increase in the trust relationship between the three main players and also the tackling of some of their more verbose constituents.

6.17.14 Many trade unionists and academics will point to the ability of UNICE and the ETUC to arrive at solutions on a supra-national basis, without recourse to the institutions of the EU, and the ability of the social partners to negotiate at the national level but the inability to translate such supra-national and national decisions to enterprise level. This is an issue to which I shall revert in Chapter 9.

6.17.15 The question of democracy has been raised by Jim O’ Leary and others in relation to Social Partnership. There is no doubt that John Bruton had initial concerns about deals being agreed outside the Houses of Parliament, but in office he was converted. Cassell’s view of an Oireachtas committee having a role in social partnership’s ongoing review is one with much merit. However as the NESC and NESF now have contiguous roles in relation to social partnership this concern may not be as relevant as it was formerly. However there is no doubt that there have been instances where social partnership programmes and programmes for government have conflicted and have led to tensions between the government of the day and the other social partners. This was highlighted in PCW and P2000 where the unions felt that the tax elements of the programmes had been reneged on. SIPTU in particular left no one in any doubt about one of Minister Quinn’s budgets, and Minister Mc Creevy’s first budget did not past the SIPTU litmus test. Because SIPTU have economists on its
staff, something which ICTU and most other constituents cannot afford. SIPTU’s overview tends to be quite analytical. To this end SIPTU’s 1999 pre budget submission was sent to Government in July 1998.

6.17.16 The farmers also threatened to withdraw from P2000 if certain concessions were not made by government because of long term inclement weather conditions, fodder shortages and perceptions that the Government were not dealing adequately with the EU Agenda 2000 proposals. All of these concerns were duly addressed.

6.17.17 The whole notion of insider/outside received extensive airing in this chapter. When the unemployed were without a voice at the talks, though this would be disputed by the trade unions, such an argument might have held weight. It may well be that ISME’s opening of this particular argument has done us all some service. The variety of academic argument is well founded but disparate. There is relevance to Teague’s assertion about the Public Sector though the time-frame should be 1981 to 1994 and not 1987 to 1994. Perhaps a solution to this might be for the Central Review Committee to ask an outside body to evaluate the period 1981 to 1999 in terms of public and private sector pay, as well as the position of the unemployed. The real solution of course is to reduce unemployment to the degree where it is no longer a factor.

6.17.18 The question of who should be involved in the negotiations is also relevant. In a recent NESF document an extension of the membership of the social partners to community and vocational groups was envisaged. One of the concerns evinced from such a question in the fieldwork was from whom did these organisations derive their mandate, how broadbased were they and what level of power do they bring with them? There are concerns that organisations such as CORI and the NWC are not representative, lack a broad-based membership, are merely representatives of representatives. The major social partners, employers, trade unions and farmers are sectional interests who represent large numbers on specific interests of their membership. Some of the smaller groups are pressure groups whose focus is narrow, non-strategic and short term. The social partners by their nature have become powerful organisations with much influence on government departments and at the cabinet table. While there may be new additions to the fourth pillar of social partnership over time I cannot see them eroding the considerable power which the other three pillars have garnered over the long term.

6.17.19 Two issues which I believe will emerge from current soundings in any new negotiations will be the question of a ‘Dublin Rate’ and mortgages for young
people. Drudy (1999:2) has recently highlighted the fact that Dublin has a ‘purchasing disadvantage’ of £44 per week to the midlands and all other regions. At last year’s SIPTU Region 1 Conference, a motion on a Dublin Rate was remitted to the incoming REC for consideration. Already younger members are raising their concerns that on pay levels of £15,000 per annum starter homes in Dublin are unaffordable. And with the increase in cost of rent on a decreasing stock available the saving of 20-25% for a mortgage is not feasible.

6.17.20 There is no doubt that the recent decision of the ‘High Level Group on Trade Union Recognition’ which I will discuss in the next chapter, as well as the proposals for the introduction of a National Minimum Wage from the year 2000 have removed a number of sticking points to the beginning of negotiations on a new National agreement. But such an agreement will be particularly hard fought-over this time in that expectations are very high given the current state of the Irish economy. There is no doubt that either at a centralised or decentralised level pay can be agreed. However the last programmes have been much more than mere pay deals and are we to risk the potential in terms of job creation, and increasing the number of high-skill high-value jobs in the economy for the sake of a small number of vested interests, on all sides. Our long-term economic future within the EMU will be assured, but our level of wealth in comparison to our EU compatriots will be decided over the next decade. The next partnership deal (if there is one) will need to be innovative in terms of dividing up the profits in a more equitable way between capital and labour. If it is not and partnership flounders then we will only have ourselves to blame.

In Chapter Seven I shall deal with the vexed question of trade union recognition and its historical evolution in Irish Industrial Relations since the enactment of the 1937 Constitution, right through to the Supreme Court decision in Nolan Transport V SIPTU and others.
CHAPTER SEVEN. TRADE UNION RECOGNITION

7.1 Trade Union Recognition - An Introduction.

The issue of Trade Union Recognition has been featured in a number of the national agreements, particularly in the PESP, the PCW, and Partnership 2000. It is therefore vital to give it serious consideration as resolution of this issue is likely to be pivotal for a new social partnership deal.

Bunreacht na h-Eireann 1937 (The Irish Constitution) allows in Article 40.6.1* (iii), under the heading of Fundamental rights sub-head, personal rights inter alia the following:

"The right of the citizens to form associations and unions."

It further states that:

"Laws, however, may be enacted for the regulation and control in the public interest of the exercise of the foregoing right."

Despite these provisions, however, the question of trade union recognition/representation has become increasingly controversial in Ireland in the last two decades. This chapter examines how the current debate is unfolding, examines some recommendations that have been made for its resolution, and looks at recent determinations by the Higher Level Working Group on the Recognition of Unions and the Right to Bargain.

The chapter is organised in five parts:

1. It examines in 7.1.1 how the issue of trade union recognition has been addressed by previous and current reviews of the 1937 Constitution.

7.1.2 examines the legal situation in relation to trade union recognition. In Section 7.2 I look at the companies that have been taken to the Labour Court by unions seeking negotiating rights, while at 7.3 the early trade union recognition cases of Pat the Baker, River Valley and Elan are analysed; at 7.4 the long running dispute at Nolan Transport and the subsequent High and Supreme Court decisions are studied.

2. Through the medium of my recent research in 7.5.1, I will examine the perceptions of a number of key players in the debate on the Constitutional issues involved, in 7.5.2
look at the role of the I.D.A. and in 7.6 review the main arguments of the Social Partners.


4. In Section 7.8 I suggest a number of ways in which this issue might be resolved, while in 7.9 I look at the yet undecided issue of Ryanair.

5. 7.10 I looks at the example of local recognition at Karavale.

7.1.1 Trade Union Recognition and the Constitution

A review of the Constitution started in 1965 in Prime Minister Lemass' time and reported in 1966. This was the first review of De Valera's 1937 Constitution and it decided on no major changes, though many of the problems left since 1967 are still unresolved despite legislation in the Trade Union Act, 1971 and the Industrial Relations Act, 1990.

That review body decided in the Report of the Committee on the Constitution (1967:41-43) at paragraphs 116 to 122 the following:

1. In National Union of Railwaymen V Sullivan 1947,(IR77:81.ILTR.55) the Supreme Court held, that Part III of the Trade Union Act, 1941 went beyond regulation and control by restricting the right of citizens to join unions of their choice.

2. In the Education Company of Ireland V Fitzpatrick (No2) (1961:IR:345) the Supreme Court decided that picketing to coerce persons into joining a union against their wishes was inconsistent with the provisions of Article 40.6.1* of the Constitution.

3. The Committee decided that it would be preferable to deal with the issue raised in the Educational Company of Ireland case by way of legislation rather than to seek a constitutional amendment, though such a constitutional amendment would possibly have to be considered later.

The Constitution Review Group (CRG) (1996: 312-317), reviewing the whole Constitution with the exceptions of Articles 2 and 3; as well as the then prohibition on divorce under the Chairmanship of Dr Ken Whitaker, has given some opportunity for scrutiny of the rights of freedom of association and the inevitable debate around those cases which have come to prominence over the last few years in relation to trade union recognition.
Interestingly Whyte (1995:21) believes that:

“Staying with the Constitution another option would be to consider lobbying the Review Group on the Constitution to have the guarantee for freedom of association redrafted so as explicitly to include a right to strike and the right to be recognised.”

The fact is that the Report of the Constitution Review Group (CRG) under Dr Whitaker did not follow Dr Whyte’s advice and has handed back to an Oireachtas Sub-Committee the task of formulating decisions in this regard.

The CRG found that, “the substance of the constitutional right of freedom of association is generally satisfactory,” but did issue recommendations in relation to the issue of Freedom of Association on six issues which it considered need further consideration as follows:

1. Whether the right should be confined to citizens and natural persons.

**Recommendation:**
The guarantee of freedom of association should not be confined to citizens and the word ‘persons’ should be substituted for ‘citizens’.

2. Whether the exercise of the right should be subject to the ‘public order and morality’ requirement.

**Recommendation:**
The ‘public order and morality’ qualifying language of article 40.6.1*.iii should be replaced by a more carefully drafted qualifying clause modelled on Article 11(2) of the European Convention on Human Rights.

3. Whether Article 40.6.1*.iii should be reformulated in order to give the Oireachtas a wider power to regulate the right to join a trade union.

**Recommendation:**
No change is proposed.

4. Whether Article 40.6.1*.iii should be reformulated in order to provide for the ‘closed shop’

**Recommendation:**
There is no need to amend Article 40.6.1*.iii in order to reverse the decision in the Educational Company case.
5. Whether the right of freedom of association should be reformulated in order to ensure that an employer is bound to negotiate with a union or association chosen by the employee.

**Recommendation:**
The Review Group is not persuaded that the right in question should be given constitutional status. The issue is one of industrial relations policy and thus more appropriate for resolution by the Government and the Oireachtas.

6. Whether the existing qualifying clauses should be replaced by a new remoulded version based on Article 11(2) of the European Convention on Human Rights.

**Recommendation:**
This the preferred option of the Review Group and the reasons for this view have already been set out in the section dealing with Freedom of Assembly.

The result of this failure to clarify the Constitutional position regarding trade union recognition has led to an increasingly disgruntled trade union membership. For example, SIPTU, during its first rule-making Conference since its birth in 1990 (held in October 1995), in a document formulated for discussion at a workshop session; ‘Trade Union and Legal Representation Rights NEC Position,’ (1995:3) argued that, despite eight years of Social Partnership:

"Enough is enough. It is surely inconsistent with the current concept of social partnership - a partnership based on joint and equal participation - to undermine and diminish one partner by a calculated and forceful programme of denial. SIPTU, having observed the refusal by Government and employer organisations to accede to trade union requests to acknowledge the problem of recognition in the Programme for Competitiveness and Work (PCW), calls upon our social partners to de-commission their weapons of attack on the trade union movement - before any talks for a successor to the PCW commence."

Furthermore, SIPTU(1995:4) argued that this:

"Inalienable Constitutional right is worthless in practice as case after case witnesses workers denied that right as employers refuse to recognise their workers trade union membership. Even a favourable Labour Court Recommendation - often after a unilateral, binding Section 20 investigation- is ignored by recalcitrant employers. Calls have, therefore, mounted for a constitutional amendment to strengthen the right of 'freedom of association' - the right to join a trade union - by extending it to include the additional right to recognition."

7.1.2 The Legal Situation on Trade Union Recognition.

The legal situation with regard to trade union recognition is that an enterprise or company does not have to recognise or bargain with a union. Kelly et al (1994:983) cites the employers duties thus:

"The right of association of employees does not imply any duty on an employer beyond respecting the right in itself, and of course discharging his side of any
agreement with employees. In particular, it does not oblige him to negotiate with any 
association which employees may form."

Thus in Dublin Colleges ASA v City of Dublin VEC (Unreported High Court 31 July 
1981) where a number of teachers had formed a new union of their own and sought 
formal recognition from the Vocational Education Committee, Hamilton J. said that the 
plaintiffs naturally had a constitutional right of association:

"But (there is) no corresponding obligation on any body or person, such as the 
defendants herein, to recognise that association for the purpose of negotiating the 
terms and conditions of employment of its members, or for any purpose."

This decision mirrored a previous decision by Mc William's J. in Abbott and Whelan v 
ITGWU and Southern Health Board and Others 1980. (1982:1 JISLL 56) who said:

"The suggestion... that there is a constitutional right to be represented by a union in 
the conduct of negotiations with employers... in my opinion could not be sustained. 
There is no duty placed on an employer to negotiate with any particular citizen or 
body of citizens."

The courts however have held that a dispute over recognition is a trades dispute for the 
purpose of allowing industrial action to take place. The Industrial Relations Act, 1990, 
which repealed in full the Trades Disputes Acts 1906-1982, is the main statute on 
Industrial Relations law currently and if a bona fide trade dispute exists between employer 
and employees/trade union then those parties are immune under Section 13.(1):

"from action in relation to any tortuous act committed by or on behalf of the trade 
union in contemplation or furtherance of a trade dispute,"

provided they comply with certain stated statutory requirements.

7. 1. 3 The Closed Shop.

Pre-entry closed shop agreements are no longer a major feature of the Irish labour market, 
compared to their hay-day in the mid-sixties to the early eighties. Many new employers 
are now determined to have either a non-union ethos, or are prepared to see whether their 
staff will decide on a particular trade union or opt for a house staff association. There 
have been a number of different closed shop arrangements. The pre-entry closed shop 
arrangement where a number of trade unions made a case for their union to be the only 
one recognised were quite common a number of years ago. There was also the concept of 
the "sweetheart deals", much in evidence in the sixties and seventies, where companies 
and unions came to particular understandings in advance of any employees being 
recruited. These were particularly popular in the ITGWU and also with multi-nationals 
entering the Irish labour market for the first time. The ITGWU depended on such deals to
keep its place at the fore of the trade union queue during Michael Mullen's time as General Secretary, and needed high numbers of new entrants to sustain their cash flow situation in an era of major industrial relations disputes.

Since then what has happened in Ireland has been the acceleration of trade union mergers with the number of unions holding negotiating licences now less than 70. Of these unions as many as fourteen had less than 500 members each, and eight had less than 1,000 at the end of 1997. Some of the more recent high profile cases to come before the Labour Court have seen the establishment, late in the day, of 'in house bodies' which pose as negotiating bodies but in effect have a 'no strike ethos.'

In the case of Meskell v CIE [1973] IR121, it was held that to try to alter the constitutional rights of an employee retrospectively by enforcing a closed shop agreement on current employees was unconstitutional. This decision did not affect the rights of workers who join an employment which already has a pre-entry closed shop agreement as the employee should know in advance that trade union membership of a particular union is an employment requirement. Such a condition of employment is deemed not to challenge ones constitutional rights as neither compulsion nor coercion on the employee is involved.

Patrick Mc Govern, (1989:61) has stated his belief that trade union recognition is a fundamental issue for both trade unions and the personnel function alike.

"Union recognition represents what is perhaps the most important stage in the development of an organisation's industrial relations practices. For management, it symbolises a departure from a position of unquestionable authority within the workplace. For a trade union, the achievement of recognition legitimises its role of representing and protecting its members interests in the organisation."

In Ireland there have until recently just been the two phenomena, either trade union representation or non-trade union bargaining. However some recent disputes have introduced the concept of anti-trade unionism. The Ryanair dispute, which I deal with later at 7.8, has engendered much bitterness and led to the allegation by SIPTU of an anti-trade union bias in the company against the union. This has been refuted by company management.

In Ireland there has been no great rush to duplicate the union derecognition agenda which was in vogue in Britain in the late 1980's and early 1990's, although many individual employers have moved from IR to HRM type relations, with their underlying attempts to 'cut out' the trade union professional and deal 'in house' as often as possible. This often
includes such tactics as the use of in house circulars and e-mail messages which the trade unions find difficult to deal with.

7.1.4 Trade Union de-recognition in the United Kingdom.

The rash of UK style single trade union deals, which came into fashion under Eric Hammond and some automotive employers have not been replicated to any great degree in Ireland. The British practice of trade union de-recognition has not taken place either. People Management (1996) cites recent research which shows that trade union de-recognition has shown a rapid increase in recent years. It's ten year study of de-recognition found that an average of 62 cases of de-recognition occurred each year between 1992 and 1996.

Further recent research Overell (1997:12) for the U.K. shows that while almost half of unions have conducted trade union recognition deals in the previous six months, gaining 16,000 members, in the same period 13,000 workers were derecognised, although the trend was downwards from 23 to 19 cases.

These figures compare with an annual average of 35 cases in the previous four years. Labour Research also reported that the pattern of de-recognition is changing. (ibid);

"In 1992 many cases involved a switch to single union deals. Now there is a movement towards personal contracts rather than collective negotiation. Just seven cases of full de-recognition were referred to ACAS last year."

In Great Britain, the 1993 Labour Force Survey shows that the number of trade union members who are recognised for the purpose of negotiating pay and conditions of employment are as follows in Table 7.1:

<table>
<thead>
<tr>
<th>Table 7.1 Trade Union Recognition in the U.K.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numbers (000's)</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Base: all employees</td>
</tr>
<tr>
<td>Trade Union/s present at workplace</td>
</tr>
<tr>
<td>Trade Union/s recognised at workplace</td>
</tr>
<tr>
<td>Able to join a recognised Trade Union</td>
</tr>
<tr>
<td>Member of a Trade Union</td>
</tr>
</tbody>
</table>

(Source: Employment Gazette, December 1994: 443)

Staff Associations.

Under the Trade Union Act, 1942 (Section 2) staff associations which carry on negotiations in a particular employment are automatically "excepted bodies" for the
purpose of the Trade Union Acts. According to a spokesman from the Department of Enterprise and Employment (DOEE) in a recent communication to the Education Branch of SIPTU (1995a:1), this means that they can:

"engage in collective bargaining on behalf of their members without holding a negotiating licence." Excepted Bodies do not however enjoy the immunities in relation to industrial action contained in sections 11, 12 and 13 of the Industrial Relations Act, 1990, which are confined to licensed trade unions."

He further states;

"In relation to trade union recognition, as you will be aware, there is no constitutional or legal obligation on an employer to recognise a union for negotiation purposes on behalf of any particular category of workers. Holding a negotiation license does not confer any entitlement on a trade union to be recognised. Recognition is a matter for negotiation and agreement between a trade union and an employer. Disputes about recognition may, of course be referred to the Labour Court."

7.2 List of Recognition Cases before Labour Court.

As can be seen from the statistics in Table 7.2 below the enactment of the 1990 Act has done nothing to stem the tide of union recognition cases. In fact the annual average of trade union recognition cases has nearly doubled in the eight years following the 1990 legislation when compared to the five years immediately preceding it.

<table>
<thead>
<tr>
<th>Year</th>
<th>No Of Cases</th>
<th>Year</th>
<th>No Of Cases</th>
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<tbody>
<tr>
<td>1985</td>
<td>6/7</td>
<td>1992</td>
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<td>1986</td>
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<td>8/9</td>
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<td>1997</td>
<td>8</td>
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<tr>
<td>1991</td>
<td>18</td>
<td>1998</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1999</td>
<td>3 *</td>
</tr>
</tbody>
</table>

* As of 7/99.

In addition the increasing number of trade unions being drawn into recognition disputes is also raising serious concern in the movement generally. Since 1985, 18 trade unions (some of whom have since merged) have been involved in trade union recognition disputes namely:
7.3 The Famous Early Cases - Pat The Baker, River Valley Products, Elan Corporation And Nolan Transport.

Certainly the trade union movement has been able to point out ample evidence to support its claims for trade union recognition. In particular, the number of high profile trade union recognition cases which have come to the fore, chief among them have been the Pat the Baker V SIPTU (LCR 13305); Elan Corp. PLC V SIPTU (LCR15150) the Nolan Transport (Oaklands) Limited V Halligan and Others (High Court) (1994-95) 10 JISLL at pp 105 and 114) disputes. The dispute at River Valley Products is one which Peter Cassells refers to as ‘tactical’ at 7.6.1., while Michael Barry comments on the Pat the Baker dispute at 7.6.3 and makes a comparison with the famous Grunwick dispute in the United Kingdom.

These disputes were preceded by a number of disputes over trade union recognition heard under the Industrial Relations Act 1969 Section 20(1) (i.e. cases referred directly by the union or workers) and some cases under Section 67. More recently a number of cases are being heard under section 26 (1) of the Industrial Relations Act 1990 (investigation of dispute by the Court).

7.4 The Nolan Transport High Court Judgment and the Supreme Court Appeal.

By far the highest profile dispute and the one with the greatest legal significance was the Nolan Transport case. Initially decided in the High Court before Justice Barron and involving Ireland’s largest trade union, SIPTU and others, and the Nolan Transport Company from Oaklands, New Ross, County Wexford, this was the first major legal test of the Industrial Relations Act 1990. Tony Kerr, commenting in IRN (1995:14-16) on the Nolan Transport judgment writes, on the previously held belief that only members could legally challenge the result of ballots:

"Barron J, however did not accept that a secret ballot could only be investigated at the instance of members. What is unclear from his judgment is the relevance of the false ballot to the ultimate findings of liability given that the falsity of the ballot did not of itself result in the union losing the immunity given by section 13."

Justice Barron’s 98 page(1994:89) judgment ruled that SIPTU as a trade union acted improperly:
"I do hold, however, that this aspect of the dispute was not pursued bona fide to get the two men back to work but as part of the policy to take all the drivers into membership " ... As a result the union is liable for the tortious activity established to the same extent as the other Defendants."

The decision was successfully appealed by SIPTU in the Supreme Court. The Supreme Court's first major judgment on the 1990 Act found for the union. Sheehan (1998:2) opined that the Supreme Court judgment in the case:

"Sends out a clear message to trade unions to ensure that they conduct secret ballots properly. But it may also indicate that the Court is willing to rule in favour of the right of individuals to be represented by a trade union in certain circumstances."

Agreeing with the main judgment delivered by Mr Justice Murphy, recently retired Mr O'Flaherty (1998:3) placed the ruling in a broader social and economic context when he observed that:

"At this stage in our development, this country should be an example to other countries on how to avoid industrial conflict, and when conflict does arise on how to resolve it speedily This would be good for everyone; it would lead to more employment and increased trade, he said."

Mr Justice O'Flaherty (1998:1) agreed with the judgment of Murphy J that there was a trade dispute.

"The men, at the very least, had good grounds for thinking themselves dismissed."

He said (1998:1/2) he was afraid that:

"Both employers and striking employees conducted themselves in a manner best calculated to bring about the maximum degree of misunderstanding as to their respective positions. Any form of conciliation, arbitration, or dispute resolution was zealously avoided. The finding that the union was conducting its affairs with the sole purpose or motive to get a foothold in the company and unionise the whole workforce could not stand. If that had been the union's motive, it went about it in the worst way possible. He could not help thinking he was living in another era on reading through the papers on the case."

He continued (1998:2)

"Unions are now very powerful bodies, with highly trained professional staff The days of the 'class struggle' should be regarded as long gone. On the other hand, employers have an obligation to accord trade unions a measure of respect, representing as they do the rights of the workers."

This contention on the end of class struggle is one which would be refuted by Larragy, O'Reilly and the Socialist Workers' Movement as this is their central raison d'être. Without the camouflage of the 'class struggle' many of these 'bit players' would not exist.
to this class struggle ideology is the refutation of any notion of partnership, for they say in their publications, "the bosses are not our partners."

An unfortunate aspect of the Nolan case, observed Mr Justice O'Flaherty, was that the employers approached it on the basis that either all of the workers joined the trade union or none of them joined and that the decision was to be made by the majority of the workers. In a key passage (1998:3-5) he continued:

"But the constitutional right of each worker to join or not to join a trade union is well established in Irish law. No worker can be forced to join a trade union against his will and likewise no worker can be denied his right to join a trade union which is prepared to accept him. These are matters of constitutional right and are not capable of being resolved by a majority vote unless all the workers have freely agreed to have the said matter so resolved.

The State, representing the rest of ordinary citizens and taxpayers has a very keen interest in seeing to the harmonisation of industrial relations. We all stand to lose too much where there is strife and conflict and... this country should be an example to other countries at this stage in our development regarding the avoidance of and the speedy resolution of conflict. The whole point of the 1990 Act was to streamline this area of the law:

To copper-fasten the special privileges of trade unions in many respects, to give them additional rights and, indeed, It is the whole point of S. 14, of the Act, which provides for the necessity of having in the rules of a trade union the requirement to hold a secret ballot before a strike is called. This is primarily designed to strengthen the role of union management against the actions of 'maverick members'.

While the necessity for secret ballots is not a direct requirement of the legislation, for my part I do not regard this as an important distinction. The purpose of the legislation is clear - to strengthen the hand of union management by having a proper secret ballot. In the Nolan case, whether the ballot was rigged or not, it was a 'shambles.' There was no impartial person to ensure a proper ballot was held. One lesson to be learned from this litigation is that such requirements must always be concluded."

O'Flaherty pointed to the integrity that returning officers bring to their task in conducting Dail elections. Perhaps such a role could, in an IR context, be performed by a division of the Labour Relations Commission, a seasoned observer suggested to IRN recently. This is an area which to date the trade unions have not dealt with but it remains likely that it will be an issue, the end of year discussions on a replacement for Partnership 2000. Trade unions are loath to move outside their own resources to satisfy this view of impartiality. It may be however that the upcoming amendment of the 1946 Industrial Relations Act will provide a suitable opportunity for such a sea-change.
During the course of the fieldwork research, during the period January 1995 to July 1996, as described in Chapter Four, the following information was collected about the topic of union recognition in Ireland by taped conversation.

The Programme for Economic and Social Progress (PESP) at Section 2, paragraphs 11 and 12 p. 12, informs the reader that under the heading of Trade Union Recognition:

"The ICTU holds the view that in recent years certain difficulties have arisen in regard to trade union recognition. The Employer-Labour Conference (ELC) will, during the currency of the Agreement review all the issues involved and report to the constituent bodies of the Conference" 

The Employer-Labour Conference (ELC) a bipartite body made up of employer and trade union interests has examined the position of trade union recognition but has come to no agreement on the matter. Professor Basil Chubb, who chaired the recent discussions, said to me in March 1995 that he believed there was no will to tackle this issue at the moment on either side, because of the issue of principle which is involved. Chubb (1995: D21)

"We did a lot of work on this comparatively recently. It stalled because we weren't going to get anywhere, because the main people have enough on their hands already. Also if you try and deal with it in a general kind of way there is not going to be agreement between the sides. Therefore I deliberately slowed it all up and eventually we kind of buried it, for the moment."

Bill Attley, the most senior trade union official then on the Irish trade union stage, said earlier in (1995:A23) on the matter of trade union recognition:

"Well, I mean, what we have in the Constitution is the right of free association. But the right of free association without having complimentary rights for the negotiating units is not worth the paper it is written on. That's our concern. That is the point we have been making consistently... Now I'm not suggesting to you that it is an easy issue to address, but even in America where it's not easy - but if you get 51% of the work force, you have the legal right for an employer must recognise you under law."

Furthermore Attley's analysis attests to the ills afflicting the social partnership agenda centred on the question of recognition. Attley (1995:19) emphasised the growing list of problems as follows:

"When workers try to exercise their constitutional right to join and be represented by a trade union, they are forced on strike or are threatened by multinational companies that they will leave the country. As taxpayers we give huge sums of tax-payers money to investors - both native and foreign to establish companies here. Yet we make no obligation on them to recognise trade unions."
While trade unions co-operate and ensure a competitive environment for private enterprise to flourish, they are denied representational rights by the very people who are the main beneficiaries of their efforts.

Workers have sought without success to establish workplace institutions to enhance co-operation, improve productivity and reduce conflict, but to have effective participation in workplace decision making, workers first must have their own organisation, leadership and resources so that they can have 'parity of esteem' to borrow a phrase from another context."

Mick O'Reilly, District Secretary of the ATGWU Ireland's second largest general trade union and a subsidiary of the British based union T&GWU (1996:CC16), is unsure if the US system of pre-entry ballots would work in Ireland:

"I don't know enough about the American system to say whether I would be opposed to it or otherwise, but I suspect there are models in Europe, or even simply our own Labour Court establishing whether unions were sufficiently representative or not."

He further states (1996:CC12):

"It seems to me that we have to move toward that kind of a model because traditionally what the trade union movement has relied on here is its strength to be able to organise and effectively stop the operation. Now if we are not in a position to do that and with a lot of atypical working we are not, then it seems to me that we have to argue this on the basis of democracy and citizenship and that must involve a situation where the law is to some degree involved in it, there must be that back-up there. I would like to see reform in relation to recognition and I think the whole question of recognition is important... So what we are saying is no more sweetheart deals!"

Jim Larragy (1995:J18), an exponent of the radical trade union perspective, as a lay practitioner has the following view:

"Well, I mean the question there is a fact of recognition, that's nothing new, the fight for recognition has cropped up and there have been bloody little battles in quite small places over a long time. Its rare you get them in big places ... because big employers actually prefer to have an orderly approach to IR even if it means occasionally a big strike. Small places, I remember Mc Donalds, a tiny little place but a vicious local employer, the Irish Transport struggled there for industrial recognition at some costs and lost it through the inability to continue the organisation there, so its a very unnecessary kind of struggle that goes on ... Union leaders have talked about getting legal guarantees to the right for trade unions to be recognised, course yes that would be very good if we could get a legal guarantee that where a trade union represents workers it should get recognition, I don't think we would get much help there from the capitalist state though towards that particular idea."

Jackie Gallagher (1995:H10), the former Industrial Relations correspondent for the Irish Times, believes;
Well there are legitimate concerns. The trade union movement at times of difficulty have failed to extract any commitments out of government about such types of employers and the recent ruling on the IR Act in the Nolan Transport case has called into question whether the existing legislation is sufficient or whether if you have enough money to get the best types of lawyers, whether you will be able to overcome the various trade union legislations.

A spokesperson for Ruairí Quinn T.D. then Minister for Employment and Enterprise writing to me on 25 August 1994, (1994:1) stated that;

Several meetings were held by the ELC to discuss the issue of Trade Union recognition in accordance with the provisions of the PESP. While no agreement was reached discussion papers were produced by the social partners for consideration by the ELC.

Minister Quinn in subsequent correspondence on 9 November 1994 responding to a query about the failure to reach consensus on this issue explained (1994a:1):

Matters referred to the ELC are the “property” of that body and its constituent members. The role of my Department extends solely to providing the Secretariat back-up to the Conference.

7.5.2 The Role of the Industrial Development Authority (IDA).

The Industrial Development Authority is one of the Irish bodies charged with enhancing job creation in Ireland. Its major focus is on the role of inward investment into Ireland. Of particular concern from the selling point of Irish employment to non-native enterprises has been the downgrading of the IDA commitment to a trade union environment which was an inherent part of its earlier ethos, and which seemed to change under the leadership of Padraig White. The ICTU is anxious to recover some of the lost ground with the IDA in relation to trade union agreements especially the active encouragement of promoting the success of trade union enterprises and the encouragement of pre-production agreements (Pre-Entry Closed Shop Agreements). In recent discussions about trade union recognition/representation however the IDA have been very forthright in their views that legislation in this area could affect their role in attracting inward investment.

There are a number of differing views expressed throughout the interviews on the role of the IDA. Dr Niamh Hardiman (1995:K18) expresses the view that:

“My immediate comment would be that it is not necessarily the job of the IDA or Forfás to promote trade union membership, it is their job to try to secure inward investment and we have seen that all the net job growth has happened in the foreign sector in recent years. It seems to me there is a very worrying, more fundamental question about the nature of economic development, what it is that is hindering small enterprises, especially job creating … small domestic industry is still, in spite of everything is, where I come from, the West of Ireland perhaps is being disadvantaged where the rest is not.”
Pat Rabbitte (1995:W8) now of the Labour Party but at the time of interview a Cabinet Minister from Democratic Left viewed the issue thus:

"The IDA would tell you bluntly that if they had to talk to some of those leading players that they are bringing in here quite successfully the last few years, at the moment the IDA has been more healthy in performance last year in creating more than 9,000 additional jobs, net additional jobs, is the best in the history of industrialisation, and I think the IDA would tell you that if they were to go to those companies and say it was a condition of entry that they had trade union organised workforce, ... I think that's the hard reality that we have to face up to, and my own attitude on that now is, that its the task of the IDA to get those companies in, and the more the better, and its the task of the trade union movement to reorganise itself so that they are attractive to these workers and to organising them."

However Professor Roche (1996:X9) points out the inherent dangers for trade unions for mandatory trade union recognition:

"There is then a question as to whether mandatory recognition is a good thing anyway, even a good thing for the Trade Union movement and you know I have an open mind on that. I think if we look at what existed in the seventies, which was effectively mandatory recognition through pre-production agreements, they didn't have an entirely happy history in Irish IR, so making recognition too easy raises questions as well as for the servicing of employees concerned, whether its good for Trade Union's, but it is a very complex question now to tackle."

Ruairí Quinn (1995:P17) a former Minister in the Department of Employment & Enterprise remembers the diversity of roles he played with the IDA.

"The IDA would argue that, well we won't get in certain work here if we have that kind of legislation, and I am not so sure about that. I think Social Partnership is clearly working very well for this economy and I think the right of somebody to be recognised freely and openly as a negotiator in a democratic society is a pretty minimal right, and I think it should be put in place, but not in a crude way."

Quinn (1995:P18) argues that in his travels on behalf of Ireland Inc;

"Well, there are different interpretations as to what the IDA's attitude is on the ground, certainly when I was Minister responsible for them and went on sort of marketing missions on their behalf, in North America, Germany and Continental Europe and also meeting with deputations of visiting prospective customers coming through here, I made my own view very clear, I said look this is a free choice, you are not obliged to use a trade union, you can choose to do so or not to do so, however, I would recommend that you, if you are not disposed to use a trade union that you would actually consider it, and talk to the trade unions. Talk to Congress and talk in most cases to SIPTU, if you just want to deal with one union."

On the question of anti-trade unionism Quinn(1995:P18) is remarkably frank:

"It has been my experience that companies coming particularly from North America have different attitudes to unions. Some of them are virulently anti-union because of their own experience and make an assumption that unions in the US are the same as unions here in Ireland, and that is not the case. As a consequence
of being anti-union and to ensure that they don’t get their members involved in trade unions they invest an enormous amount of money in human resource management. In fact, a lot of the cost that they incur is a cost that would have been absorbed by the trade unions and at the end of the day, when they are trying to actually sell messages or liaise and contact their people the absence of a union can be a real problem. And I had direct experience of that when the Digital collapse occurred. Digital had been buying their members i.e. their employees so as to ensure that there would be no trade union, and it was a kind of a job for life company culture at the time. Maybe it might not re-occur, but certainly for the period of Digital going through the process of embracing change and coming to terms with the, the absence of a Trade Union was a major negative factor.

I certainly said to the IDA that they are not to say to people that you don’t, you shouldn’t have a Trade Union or you mustn’t have a Trade Union or to discourage Trade Unions. The IDA in turn said to me, look we are competing with Scotland and Wales and Northern Ireland for businesses coming to these two islands. If we put a condition that you have to have a Trade Union we will blow some of them away, not all of them. The Japanese have no problems with Trade Unions at all. They expect to deal with them. The Germans likewise. The North Americans, and most of the investments are coming from North America you nearly have to deal with on a case by case basis. If you argue it from a philosophical or ideological point of view, you lose the argument. If you argue it from a practical and a pragmatic point of view you can convince some of them.

It is quite obvious from these views that the prevailing consensus is that firstly people see the IDA’s role primarily to get new companies into Ireland. The role of recruitment of the members is then for the trade unions to pursue. The main problem is with American companies and this is reflected in Gunnigle’s survey of Greenfield sites in Table 7.4. There are differing views as to what affect mandatory recognition or other such forms of recognition will have on inward investment, although Roche’s belief is that will have only minor consequences. Hayes (1998) expressed a view, to multi-national operators in the computer industry in Ireland that if foreign employers had to choose the lesser of two evils between higher Corporation Taxation or Trade Union Recognition they would choose the latter.

7.6 Views Expressed By The Social Partners.

As might be expected the views from both sets of social partners have until lately been diametrically opposed. While there is no specific provision in the PNR on trade union recognition/representation, PESP agreed to allow the ELC to “review all the issues involved and report to the constituent bodies of the Conference.” While the PCW had a chapter specific to adopting a partnership approach, other than in a few headline companies, little was achieved. In the main it is not big companies which are problematic in relation to representation/recognition. Partnership 2000, with the establishment of the Centre for Partnership and the coming on board of such luminaries as John O’ Dowd (formerly CPSU) and Gerry Dempsey (IBEC), as joint directors has raised the partnership profile somewhat.
7.6.1 Irish Congress of Trade Unions.

Most employers in Ireland accept and support trade union organisation. Instances of refusal to recognise a trade union tend to be confined to:

1) very small employment’s and
2) large multi-national organisations, principally those based in the USA.

Where trade unions are not recognised there are usually no other formal structures for consultation or negotiation for the workforce.

The main reasons why small firms fail to recognise trade union’s are primarily because of pay rates and conditions of employment which are out of line with accepted standards which can only be maintained in a non-union environment.

Various reasons are put forward for the multi-nationals or trans-national corporations refuse collective organisation but this can largely be attributed to:

1) Company culture,
2) Development of HRM policies or
3) Attempts to have or use individualised performance or reward systems.

One item of concern is the increasing number of enterprises which recognise trade unions in their Head Office country but attempt to have a non-union environment away from home.

The ICTU have attempted to appease employer organisations fears about collective bargaining by developing high quality mechanisms as well as agreeing to employee involvement in strategic change within the organisation. Systems such as World Class Manufacturing, Just In Time, Total Quality Management (TQM), Quality Circles, ISO 9000, and moves towards flexibility within work-practices and annualised hours are all on offer.

The ICTU have proposed that under Section 42 of the Industrial Relations Act, 1990 a code of practice dealing with trade union recognition should be enacted. ICTU proposed that the LRC should draft such a code with guidance from the ELC which should incorporate the guiding principles adopted by the Labour Court in very many cases. The main factors being:
1. Workers who are members of trade unions should have facilities to be represented by the union, in incremental degrees depending on the extent of the membership.

2. Recognition and negotiation of a collective agreement should not be dependant on any specific proportion of the workforce belonging to the union. It should be sufficient that a significant number of workers are members.

3. The code should recognise as a fundamental principle the right of workers to join a trade union and of their collective right to be represented by a trade union.

4. Unions and employers should agree procedures and mechanisms for dealing with negotiating structures and dispute resolution.

5. Allowing the Labour Court to have binding power in the area of trade union recognition, particularly in dispute situations.

6. The LRC should allow itself powers under such a code of practice to apply the code and assist any parties in resolving disputes concerning its application or clarification.

The enactment of a code of practice on trade union recognition should reflect existing good practice which recognises workers constitutional right of association and would by extension extend that right to belong to a trade union in dealings with his/her employer. Such a code would go no further than the current practice of the Labour Court but would have considerable moral force if enshrined in a statutory instrument. Peter Cassells (1995:E21) is very forthright in his views on this problem:

“Well, our concerns in both those two areas but also in another area that I’ll mention. And that is the American electronic firms, new ones coming in, because there’s two things happening, a lot of the high profile electronics firms if you take Intel as the obvious example, they have come along with very highly sophisticated Human Resource Management Strategies and have made it more difficult if not impossible in some areas for unions to get into.

And then you have, on the other hand people like Pat the Baker and Nolan Transport actually resisting trade union membership and fighting it fairly keenly. Now I'm not sure, whether in those cases we couldn’t have worked a better strategy ourselves for how we applied pressure and how we would have succeeded in dealing with the issues. I don’t think there was enough thought really given, I think in each case to an extent we stumbled into the dispute rather than the other way round.”
Cassells (1995:E21) is of the view that a more tactical approach will nearly always pay greater dividends:

"If you take for example River Valley Products, I think we actually handled that one much better in the sense that one was actually worked on over a period in terms of a strategy for unionising the place and in terms of a strategy for dealing with the difficulties. I think one of the key issues it raises is this, employers have to face up to the fact, and IBEC in particular that if we are going to have these type of tripartite agreements, then employers have to be involved and have to sign up for it, and you can't have a situation as happens in some of these cases, where these employers are members of IBEC and IBEC itself isn't putting any pressure on them to get involved in recognising Trade Unions."

Cassells (1995:E21/2) is very hostile to this approach if it is a formal one being orchestrated by IBEC;

"Because a logic of that happening and you could, if you wanted to come at it from the sort of conspiracy theory, that IBEC sort of seeing that through National Agreements there is less and less of a reason for being directly involved with an individual union and then having a parallel strategy of advising companies that you don't need to recognise unions, well then again you see, in many cases our best recruitment is when we get in there in a company which has rates of pay lower than the average in the area and improving the conditions which is obviously not happening if they're just dealing with a national law and that's a strong point that we have tried to make to them a few times is that that's not on as a sort of approach to things."

7. 6. 2 The Irish Business and Employers Confederation View.

IBEC (formerly the FUE and FIE) have maintained clear opposition on behalf of its member companies who do not wish to be associated with trade union recognition despite the fact that IBEC itself is a trade union within the meaning of the Act. Mc Ginley and Filby (1997a:135) describe the IBEC view of the debate around trade union recognition against a background that;

"Ireland exists in a highly competitive world market economy. Its position is radically different from the environment of the 1950's and indeed the 1960's."

IBEC has always espoused its view of the national priority in terms of policy decisions which encourage and facilitate enterprise and investment. It views the issue of inward investment in terms of the significance of the US role in this regard, based on past performance and the high profile adopted by Irish trade organisations in focusing on the USA. IBEC often focus on such buzzwords as 'corporate culture' and 'low trade union density in host corporations', as well as 'direct relationships between management and employees'. What puzzles many Irish viewers of employment and human relations is the fact that a large number of such enterprises have legal agreements with labour
organisations in their host country or other national territories in which they locate. IBEC(1993:2) notes that the;

"Constitution is silent on the issue of recognition."

It also notes that the institutions of Industrial Relations are (1993:2);

"disposed to encourage/recommend recognition regardless of the proportion of union members or other circumstances in the employment."

In January 1993 the IBEC view, despite six years of involvement in Social Partnership was that:

- The level of trade union density in Ireland was high compared to many other countries

- Because of the national priority on employment and its key relationship with inward investment IBEC was firmly opposed to a code of practice on trade union recognition.

- Both trade unions and employer organisations must acknowledge that membership of their respective organisations is voluntary and both must ensure their continuing relevance in the changed environment for existing and prospective members.

John Dunne Director General of IBEC (1995:L12/3) gave the following view during the fieldwork interviews:

"First of all I think people have democratic rights and it is a very fundamental right as to whether somebody should or should not join a trade union, or should or should not have the right or freedom to join a trade union or not, as the case may be. I think its an equally fundamental right that an employer should be entitled to recognise or not recognise the trade union, its the parallel of the individual's right."

Dunne (1995:L13) views the issue of trade union recognition as a possible disincentive to foreign investment:

"But on a practical level, the biggest single difficulty with any movement in the direction the trade unions would like is the effect it would have on investment it could have very very negative effects, incalculable effects on investment. I haven't the slightest doubt that in terms of foreign investment it would simply be horrendous and it would also have an effect on domestic investment elsewhere to climes where they wouldn't have that type of restriction."

Asked about differing decisions being taken by companies about unionisation globally Dunne's (1995:L13) view was:

"No, I think the world is changing and if you look at patterns of trade union organisation anywhere in the world you will find that they are falling and falling dramatically so its not at all difficult to understand that within a particular country a well established company who has operated with trade unions for a
long time may want to take the opportunity in a greenfield situation to do it differently."

Brendan Butler's (1996:DD:13) view from the perspective of the Small Firms Association mirrors Dunnes view. He opines:

"I mean the vast majority of small businesses would be anti-union, in a sense that, as I said at the outset, most small businesses are owner managed, family type businesses. They have probably been through pretty rough times, in the sense that they have gone to the brink a couple of times during the building of their business and to them their business is everything. To them a 60, 70, 80 hour week is normal, blood, sweat and tears. A union coming in and starting talking about 39 hour weeks and double time for Sunday, and every minute after half five is time and a half, and twenty minute coffee breaks, all of that thing would be generally against the culture of the owner/manager, where, if the job has to be done, it has to be done. It doesn't matter if it takes forever, the union in promoting its members interests looks for certain things that goes against the grain of the owner manager. So in a direct question, are small companies generally anti-union, yes."

Another view from the employer side, though this time from the perspective of the enterprise, is from an IR practitioner employed by an American multi-national subsidiary, working in a trade union environment. Jim O'Sullivan (1995:N25/6) links the association of trade union recognition with the needs of the particular organisation:

"By that I mean, if the trade unions see themselves as being relevant in a context that has changed, then they have got problems, you know, in terms of relevance, I am mindful of contributions like for example, Des Geraghty's, you know in getting Trade Unionism to face up to realities around the area. Now I am using realities, not in its pejorative sense at all, I am using the reality that is a need to consider ourselves as World Class, what impact that has and what does it mean in terms of change for the trade union movement and, I think those kind of contributions are all addressing that whole question of relevance and in the context of need, I would say there is a need for trade unions.

In spite sometimes of the employers union, IBEC for example; many of its members would prefer not to have to deal at all with trade unions, and I would question very strongly the wisdom of that if it became a general point of view because I think the realities are that trade unions can have a very significant role in the management of an enterprise; while there is a divergence of interest, there is also a very strong mutuality of interest in the running of whatever the business is or whatever the service is, and being able to see, one of the things that struck me very strongly."

7. 6. 3 Some Other Views

Field (1995) commenting on Gunnigle et al's (1993) belief that the Irish private sector employers, of whom 28% do not recognise trade unions, have come out of the closet as managers of non-union firms by stating their views publicly on their use of non-union tactics thus:

• There is an increasing confidence in non-union firms in Ireland, such as IBM or Digital.
- A distinction is emerging between the back street non-union "sweat shops" and the large non-union firms.

- A dominant anti-union ideology in the US has been gaining increasing currency on this side of the Atlantic, particularly through the management techniques of US subsidiaries.

Mooney (1993:31) makes a number of interesting points about the growth of the non-union company particularly at greenfield sites, he also cites a couple of examples of companies which recognised trade unions initially but subsequently offered their workers 'staff status' offers which were accepted. More importantly, although he does not quantify the examples in his article he cites a number of companies which:

"commenced operations on a non-union basis and subsequently conceded recognition also allows an insight into failed company options."

Gunnigle et al (1995:118) comment on the increasing propensity within the private sector in Ireland by MNC's and indigenous small firms to avoid unionisation thus:

"With the declining membership and power of Irish trade unions the issue of recognition has become increasingly contentious in recent years. There is substantial evidence of increased management opposition to unionisation in recent years particularly among some multinational organisations (especially US owned firms in the high-technology sectors) and indigenous small firms."

Barry (1995:C14) believes that equality with our European neighbours is necessary and opines:

"Well considering Pat the Baker, we really are back to the land of Grunwick aren't we, that any Irish employer, if they just have determination enough, they can keep the union out. So we are back to royal battles at that level, with tighter laws around them now which undermines the ability of trade unions to pursue the traditional route of bringing pressure on an employer, let's face it. So what we need now are clear rights to recognition...

Now the other bit that needs to be cleared up is the liability of trade unions here, because that will, very quickly, more than anything else, that could destroy the trade union movement. The trade union movement doesn't have the reserves to pay the kind of costs and fines which the Nolan judgment would indicate are possible and eventually if you follow through the logic of the Nolan case, somebody standing at a bus stop and who fails to get to work can sue the trade union if the bus hasn't arrived because of some dispute. So the trade unions are very vulnerable on this one."

Pat Rabbitte T.D. former Minister For Science, Technology and Enterprise (1995:W7) in the Rainbow Coalition Government is scathing of SIPTU's leading officials during the passage of the 1990 Act:

"Well, Attley and Somers were well behind the door when the Act was being enacted through the house, and the record of the House will show my particular views and the battle that I fought on that over a period of weeks. I got no assistance from Attley and Somers and the trade union movement who were exercising the form of Social Partnership that was open to them to represent their
views directly to the Minister behind closed doors and the Minister of the day, Mr Ahern, would claim that he got the nod from the trade union movement, so you know to some extent the trade union movement have made their bed on that and I think that there were things in the Act that might have been changed at the time, I think it would be extremely difficult in the climate that we are in now to do anything about it.

I think you would be proceeding unilaterally now the capacity to change - since the Bill was going through the house at the time, and it had been long sought, I think there was the capacity to get the balance more right at that time, but I think the question of union recognition is a wider one, I think the kind of new worker that has been emerging and the kind of new company that has been attracted here, don't necessarily see the attractions of the trade union for them, I think that's a big problem for the future of the trade union movement and I think that's one that they have to address. “

Speaking from the perspective of the Institute of Personnel and Development Mike McDonnell (1995:BB20) has the following view in a changing ideological environment;

“I think the trade unions have a real dilemma, a real problem, and that is how to attract in membership in an era where ideology has gone out of fashion. So they can't appeal to the emotion in the way that they did in the past, that's the difficulty. The other then is the growth of atypical work and the growth of a fragmented workforce in female employment, so the traditional base is gone. I am not sure if there is a solution in terms of the private sector, whether they can actually have an inroad into that. But it is a great recruitment problem for unions because the sort of people who do need union protection are the most difficult to recruit, and the unions are going to have to address that because that's the way the market is going. So the temporary employees, the people who are working in all kinds of jobs, working long hours for very small amounts of money, those kind of people need union protection but its very hard to organise them.”

7.6.4 What Happens Elsewhere In Europe

The recent ETUI preliminary interim study of Trade Union Membership in Western Europe(1993:8) showed that the range of trade union density covers from 12% to 86%.

"Usually unionisation rates are higher in smaller countries than in large ones."

The study breaks unionised countries down into three differing categories (see Table 7.3):

<table>
<thead>
<tr>
<th>High (Over 50%)</th>
<th>Medium (Between 31-50%)</th>
<th>Low (30% and Below)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway 57%</td>
<td>Luxembourg 50%</td>
<td>Portugal 30%</td>
</tr>
<tr>
<td>Ireland 52%</td>
<td>Austria 46%</td>
<td>Switzerland 26%</td>
</tr>
<tr>
<td>Belgium 55%</td>
<td>United Kingdom 33%</td>
<td>Netherlands 26%</td>
</tr>
<tr>
<td>Denmark 80%</td>
<td>Italy 39%</td>
<td>Greece 25%</td>
</tr>
<tr>
<td>Iceland 78%</td>
<td>Germany 33%</td>
<td>Turkey 25%</td>
</tr>
<tr>
<td>Finland 72%</td>
<td></td>
<td>Spain 16%</td>
</tr>
<tr>
<td>Sweden 86%</td>
<td></td>
<td>France 10-12%</td>
</tr>
</tbody>
</table>

200
Commenting on the attitude of employers generally throughout the continent of Europe the ETUI (ibid) comments thus:

"The attitude of employers has everywhere represented an important influence on unionisation. In general, 'union busting' or 'union free environment' practices are not used in Western European countries. Major European employers tend to behave pragmatically and strategically however when it comes to managing with the trade unions."

Van der Voort (1996:1) states the issue of trade union recognition in the Netherlands;

"is not a problem...They are actually recognised as the natural partners in negotiations, even with individual employers."

His analysis of the role of trade unions as social partners (1996:1/2) is explained thus:

"The fact that trade unions are the ‘natural’ negotiation partners of employers follows from what has developed in practice. Collective agreements have been supported by law since 1907. In 1937 this centralisation tendency was strengthened by a law which allowed for the extension of collective agreements to all workers and employers including those which were not organised. In the 1950's the government centralised wage policy and the co-operation of the social partners consolidated this development. As a remnant of the centralised bargaining system of the 1950’s, employers still prefer talking to professional union representatives. This is due to the perception that they are more reliable partners than trade union representatives from the work-floor. Furthermore, the institutionalised contacts between employers and workers organisations on all levels of Dutch society make responses of trade unions predictable. Licensing and tests are therefore not necessary."

Hayes (1995:B13) views the Irish position in a different light:

"Interestingly you see, if you look at, say Europe, this question of trade union recognition tends not to be a problem for the simple reason that trade unionism and representation by the enterprise does not raise its head in the same way as is does in the Irish/English model. Look at America for instance where there is a huge problem because of the peculiar way their law is structured."

With the British position on trade union recognition being spelt in the ‘Fairness at Work White Paper’ in 1998, Ireland remains the last country in Europe where the position of trade union recognition has not been sorted. Though as a country we rate in the high band of trade union density the right to bargain is not upheld in law. It is fair to reflect that we have some way to go to mirror the ‘predictability of response’ that Van der Voort asserts of the Dutch system.

7. 7 The Issue of Trade Union Recognition and Partnership 2000.

The document completed following national discussions on Social Partnership entitled, ‘Partnership 2000 for Inclusion Employment and Competitiveness’ on the modernisation of the Irish industrial relations system posits the following at paragraphs (9. 21/22)(1996:65):
"A big challenge for companies and unions will be to move in a positive way from the traditional approach to the organisation of work to more flexible and fluid work practices. Our ability to manage change, to strike a balance between flexibility and security and to develop a high trust environment between employees and managers will be crucial.

To assist employers and employees and unions in this area, our industrial relations procedures and institutions will be modernised during the period of this Partnership.

In particular P 2000 (1996:65) envisages:

"an Annual Survey on Industrial relations trends will be carried out and published by the Labour Relations Commission;

the Parties to this Partnership will seek to conclude a Framework agreement within which issues relating to change and company restructuring would be dealt with. Also action will be taken to ensure that the Labour Relations Commission and the Labour Court will have available to them expertise in business strategy and new production systems when dealing with cases of major company restructuring;  

a High Level group, involving the Department of the Taoiseach, Finance and Enterprise and Employment, ICTU, IBEC and IDA Ireland, will be established to consider the detailed proposals submitted by ICTU on the Recognition of Unions and the Right to Bargain;

and this High- Level Group, which will take account of European developments and the detailed position of IBEC on the impact of the ICTU proposals, will report to the Minister for Enterprise and Employment and to the monitoring arrangement on the pay agreement provided for at paragraph 11.7 by the end of 1997."

Jimmy Somers, President of SIPTU (1997:2) and a member of the High Level Group had the following to say in advance of their interim deliberations:

"Of vital interest to the entire trade union movement will be the achievement of real progress on the issue of trade union recognition. We do not accept that employers can pick and choose on this central issue. Particularly in the context of partnership we will not accept that employers can opt in and recognise the trade union movement at national level for the purposes of delivering national agreements while they continue to opt out at local level where individual employers so choose. Partnership must bring with it parity of esteem and an equitable sharing of both benefits and responsibilities."

Somers view as expressed above articulates the view of many senior lay members of his own National and Regional Executive Committees in that employer consensus is easier to get at supra-national level and national level negotiations than at local and enterprise level, and tallies with a concern which I have personally expressed previously at the end of Chapter 6. His view, which compliments that of Cassells in this research points to grave concerns at the pinnacle of the ICTU."
However the research team at the University of Limerick have the following view. The Gunnigle et al (1993:18) study reveals that 77% (207 firms) recognise trade unions but 21% (57 firms) did not while 2% did not know.

A breakdown of the composition of these firms by origin in Table 7.4 over reveals the following:

Table 7.4 Recognition in Greenfield Sites

<table>
<thead>
<tr>
<th></th>
<th>USA</th>
<th>Ireland</th>
<th>EU</th>
<th>Rest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Union</td>
<td>31.9%</td>
<td>30.6%</td>
<td>21.9%</td>
<td>0%</td>
<td>27.6%</td>
</tr>
<tr>
<td>Union</td>
<td>68.1%</td>
<td>69.4%</td>
<td>78.1%</td>
<td>100%</td>
<td>72.4%</td>
</tr>
<tr>
<td>Numbers</td>
<td>47</td>
<td>85</td>
<td>32</td>
<td>10</td>
<td>174</td>
</tr>
</tbody>
</table>

(Source: Price Waterhouse Cranfield Project Table 2.5 / Univ of Limerick)

What is apparent is that the rate of union/non-union involvement in the private sector in Ireland vis-a-vis American and Irish indigenous firms according to this study are practically the same. Bearing in mind that the sum of these two would equate with 75% of the sample this is a very worrying trend for the ICTU. With over 500,000 trade union members in the Republic of Ireland, and 1.5 million people in employment the union density in Ireland is decreasing.

In 1991 the Industrial Development Authority’s (IDA) analysis of over 120 sizeable projects in manufacturing industry start up projects for the years 1988-1990, found that 65 (53%) were unionised and 58 (47%) were not. Over five thousand staff were employed in these enterprises and 63% were working in unionised enterprises while 37% worked in a non-union environment. The IDA, which has been restructured into three separate companies, IDA, Forbairt and Forfas are, along with Shannon Free Airport Development Company (SFADCO) responsible for the targeting of job creation within the Republic of Ireland. IDA Ireland has had particular success in targeting sectors such as financial services, pharmaceuticals and the computer industry. Major world-wide companies such as Intel, IBM, Elan Corporation, Hewlett Packard, Apple and the American Power Corporation have located in Ireland, but the large majority of these companies operate a non-union policy here.

The use of sophisticated policies of HRM and other such devices have long been espoused by advocates of the Human Resource Management School of Industrial Relations. However Storey (1992:28-30) debunks much of the myth of HRM in a British context thus:

"HRM is said to be fundamentally unitarist. Yet the patterns of findings shown here reveals that despite extensive engagement with large parts of the HRM recipe
Britain’s large mainstream organisations have placed little emphasis on disengagement from their pluralist stance.

What was found to be happening on the industrial relations and trade union front was a duality of approach. Trade union recognition and the appurtenances of union relations such as collective bargaining were being maintained. Whether this dualism can survive long into the 1990's is an issue of some significance.

McAdam (1996:16/17) has the following to say in relation to the Storey model:

"If the unions can demonstrate their ability and their very considerable skill and power in positively influencing change, then there will be an incentive for organisations to both recognise and involve trade unions in the change process. I think there is some evidence of that now emerging where John Storey has documented it very well through a number of surveys, both in the UK and the USA, that the 1970's agenda of excluding trade unions from the process as a policy has not worked and is now being reversed.

Certainly in the States, and even in the UK there was a big survey of over 2000 companies, which Storey was involved in preparing, where it was clearly demonstrated that trade unions can and do survive and play a positive role in HRM culture. Where there is a strategic Human Resource culture, a unitarist culture implied in an organisation, where it has already been unionised the reality has been that the union has stayed there and has continued to play a positive part. And I think as the unions learn to manage that new environment and begin to play a positive role in it if they are allowed, then they become an asset rather than a liability.

That more than anything else will determine the level of unionisation, I think its a myth to suggest that unionisation damages an organisation's ability to change or to manage change well, or it impedes its progress. It can do and it has done, if there is a constant confrontational attitude. But there is a responsibility on employers and on the unions to find ways of positively working together on the issues that can be worked on and minimising the areas in which there is a win-lose type confrontation."

Ruairi Quinn T.D. then Minister for Finance has been very supportive of trade union recognition. (1995: P16/17) he states:

"I would support Trade Union recognition, going back to the comments I have made earlier on about the Social Partnership, and indeed just looking at a comment that was made in yesterday’s Irish Times by Paddy Moriarty, where he talked about the need, in a democracy, to have a strong and vibrant trade union sector, the forces at work in the trade union movement and in the economy are to increasingly have a 100% unionised public sector and a declining union in the private sector. That’s bad for everybody. Its bad for the trade union movement and its bad for the economy generally and its bad for social partnership. And recognition of trade unions would help to address that issue. Indeed there was a proposal put on the table of the last negotiations of the PCW that was rejected by the employers at the very end. I don’t think that the government of the day, of which I was a member ( I wasn’t in the driving seat in relation to it) argued very strongly for its acceptance."

7.8 The 5th European IAIR Congress in Dublin 1997.

McGinley and Filby (1997: 141/2) posit the view that;
"The latest three year agreement 'Partnership 2000' has now given all sides in this issue a further years grace in which to find a solution to this long running difficulty."

Many Industrial Relations experts believe that there are three remedies open to the next government to re-establish the primacy of trade union recognition, without going the constitutional amendment route.

These are:


2. The introduction of a statutory "Code of Practice" from the Labour Relations Commission covering recognition; or

3. The extension of the powers of the Labour Court.

In this author's view, the Labour Court is primarily the institution which deals with trade union recognition therefore it should police the granting or otherwise of trade union recognition. As Barron J, (1994:78) states in Nolan Transport (Oaklands) v Halligan and Others:

"It seems to me, that it is the policy of the Act (Industrial Relations Act, 1990) that industrial relations should primarily be dealt with by the Labour Court and the other tribunals set up by the Act for mediating and conciliating and determining industrial relations disputes."

Currently the Labour Court has no remedy to finally arbitrate on an employers refusal of the court to grant recognition. McGinley & Filby (1997:142) believe that:

"If the primacy of the Labour Court as a court 'last resort' is to be re-established then the court's power will have to be suitably upgraded by the enactment of suitable amending legislation."

Cassidy (1997:4) describes the position of the primacy of the Irish Labour Court's arbitration role in the resolution of industrial disputes as:

"Being undermined by the refusal of employers to indulge their workers' constitutional right to trade union membership."

7.9 The Ryanair Case.

In 1997 SIPTU took into membership a significant number of ground handlers who had a number of grievances including rates of pay/overtime and health and safety, as well as
the right to be professionally represented. SIPTU wrote to Ryanair but the company refused to bargain with the union on the basis that they conducted such negotiations internally within the company. Ryanair is a low cost - non frills airline. In January 1998 SIPTU began a dispute at the Ryanair depot at Dublin Airport. Under the 1990 Industrial Relations Act there is no coverage for strike action in such instances. During the following eight weeks SIPTU agreed to attend third party foras including the LRC and the Labour Court. Ryanair refused all such invitations.

In its earlier stockmarket flotation prospectus, Ryanair referred to the fact that it was a non-union airline, but did not rule out unionisation in the future by saying:

"Ryanair is unable to predict whether any of its employees will elect in the future to require formal binding negotiations through a collective bargaining unit."

The dispute which began in 1998 still remains unresolved, despite the fact that a report was commissioned by the Tanaiste Mary Harney TD and undertaken by two senior figures from the employer/trade union areas in Dan Mc Auley and Phil Flynn respectively.

7.10 Local Union Recognition - Another Way Forward, The Example Of Karavale

EIROnline, January 1999, suggests that the problem of trade union recognition may be partially solved as per the recent agreement achieved at Karavale.

This agreement(1999:1) was reached as follows:

"A November 1998 agreement, drawn up in face-to-face talks between the vice-president of Ireland's largest trade union and the managing director of Karavale, a medium-sized electronics company, could act as a model for trade union representation in non-union companies. A local agreement which ended a 10-day trade union recognition strike at the County Clare-based electronics firm, Karavale Ltd on 16 November 1998, establishes a novel process which the company and Ireland's largest union, the Services, Industrial, Professional and Technical Union (SIPTU), hope will lead to better relations. It is also hoped that the workforce will grow from around 70 to 200 employees over the next few years as investment plans are implemented.

Negotiated directly between the company's general manager, David Howley and SIPTU vice-president, Des Geraghty, the agreement involves the election of a local 'workers' committee'. Trade union members are elected in proportion to the union's numerical strength. All workers are free to join the union - if they wish to do so - as well as having the right to have their union dues deducted at source.

The workers committee engages directly with management without the involvement of a local union official. Meanwhile, a three-person committee, made up of the union's Regional Secretary, a company nominee and an agreed third party, deals with any issues which fail to be resolved in direct talks. Karavale had threatened
to close its operation and ditch its state-aided IEP 6 million investment plan over the recognition issue."

This novel agreement reached between the management of a company which wished to remain ‘trade union free’ and the countries largest trade union, suggests that if the decision of the expert working group is adopted later this year then many such agreements could become a reality.


The first report of the High Level Group set up under Partnership 2000 was presented to Tanaiste Mary Harney in December 1997. While the group did not advocate legislative change it sought to have a continuation of the voluntarist traditions of the Irish system as well as the institutions which had been regularly used between the social partners.

Extract from Report of the High Level Group established under paragraph 9.22 of Partnership 2000;

"The Parties to Partnership 2000 are agreed that where negotiating arrangements are in place the most effective means of resolving differences which arise between employers and Trade Unions representing employees is by voluntary collective bargaining. Where collective bargaining fails to take place the following process should be put in place with which management and Unions should fully co-operate in seeking to resolve the issue(s) in dispute effectively and expeditiously.

1. In the first instance the matter should be referred to the Labour Relations Commission who will appoint an Officer from its Advisory Service to assess the issues in dispute.

2. The Labour Relations Commission Officer will work with the parties in an attempt to resolve the issues in dispute.

3. In the event that the issues in dispute are not capable of early resolution by the Labour Relations Commission intervention, an agreed cooling-off period shall be put in place.

4. During this cooling-off period, the Labour Relations Commission Advisory Service will continue to work with the parties in an attempt to resolve any outstanding issues. The Commission may engage expert assistance, including the involvement of ICTU and IBEC should that prove helpful to the resolution of any differences.

5. If after the cooling-off period all issues have been resolved, the Labour Relations Commission will disengage. Before disengaging, the Commission may make proposals to the parties for the peaceful resolution of any further grievances or disputes.

6. In the event of issues remaining unresolved after the cooling-off period, the Labour Relations Commission shall make a written report to the Labour Court on
the situation. The Labour Court shall consider the position of the employer and
the Union and shall issue recommendations on outstanding matters.

The High Level Group established under Paragraph 9.22 of Partnership 2000
believes that the general principles outlined above should be incorporated in a Code
of Practice under Section 42 of the Industrial Relations Act 1990. Further, the Group
believes that the Code of Practice, once established, should have the full support of
all parties concerned.

If accepted by all parties the terms of this proposal should be formulated as an
elaboration of paragraph 9.22 of Partnership 2000.”

The first report of the High Level Group was not well received among trade unionists.
The report which emerged from P2000, was considered to be too weak from a trade
union perspective, particularly in the wake of the bitter Ryanair/SIPTU dispute in March
1998. Even though he was a representative to the group anecdotal evidence suggests that
Jimmy Somers President of SIPTU would not have convinced his National Executive
Committee to run with its first report. Indeed Somers was saved from this
embarrassment by the ongoing investigation by McAuley and Flynn into the Ryanair
dispute during the middle months of 1998. Somers seized on this hiatus to warn the
employers and government that a voluntary agreement as proposed in the first report
between the social partners would not solve the issue and eventually the High Level
Group was reconvened to have a final shot at coming to an agreed solution. The final
report of the High Level Group on Trade Union Recognition has already been endorsed by
SIPTU’s National Executive Council(1999:3) as:

“A significant step forward in ensuring that trade union members in any situation
are entitled to professional representation by their union. The NEC has urged the
Government to adopt the report and to make the necessary amendments to the 1946
Industrial Relations Act to expand the powers of the Labour Court so that it can
issue binding determinations in the circumstances outlined earlier.”

This second report has recently proceeded through the ratification process by both IBEC
and ICTU and the subsequent enabling legislation should be before the Oireachtas in the
Autumn.

Hopefully another of the issues which have polarised the social partners will have been
removed and the judgment in Education Company of Ireland V Fitzpatrick (No2) (1961
IR 345) decided in 1961 will have been righted thirty eight years later.

Tom Hayes (1995:B14) has already suggested that the full gamut of trade union expertise
may no longer be necessary consequent on the increasing amounts of legislation being
handed down from Brussels:
"You are familiar with the Irish constitution and the right to association and the way its been won that a right to association means that an employer cannot be obliged to negotiate with you. But all of these European directives override the constitution and you now have a situation where for instance on Health and Safety, on Transfer of Undertakings and now on Maternity, that employees have a right to be consulted and informed with a view to reaching agreements. You are now going to have the same situation as with the European Works Councils, in a whole swathe of Irish industry so you have a situation emerge where in a significant number of day-to-day things that employees must be legally consulted and its not unconstitutional, and it seems to me that we are fast approaching the point and it seems to make a lot of sense to put all of these representational rights into one body and call it a works council."

7.12 Conclusion.

7.12.1 The belief among many trade union leaders is that the enactment of a constitutional amendment such as is needed to give effect to such an extension of the right of freedom of association is unlikely to come while government is dominated by parties of centre right wing views such as Fine Gael and Fianna Fail. Indeed Kerr and Whyte(1985:14) cite Casey (Irish Jurist 1972:7-8) saying that:

"He did consider that the Oireachtas could create a statutory duty to negotiate" in relation to article 40.6.1*

7.12.2 The Progressive Democrats are even less likely to countenance such a legal extension to this particular constitutional provision, given that that party espouse laissez-faire economic principles and are in favour of the privatisation of large sectors of the current civil and public services.

7.12.3 The Labour Party in opposition tabled a draft bill before the Oireachtas which was voted down by the Fianna Fail/Progressive Democrat Government. In launching its Trade Union Recognition Bill 1998, spokesman Tommy Broughan T.D.(1998a:1) asserted:

"From PESP to Partnership 2000 deep concern has grown among trade unions at the failure of employers to grant recognition and the growing threat this poses to the continuance of social partnership and economic prosperity."

Labour Leader, Ruairi Quinn T.D., has indicated that such a Bill will be a cornerstone of any new Programme for Government for the Labour Party. A position paper on trade union recognition was debated in May 1999 at the Labour Party Conference in Tralee.

7.12.4 The largest trade union within the Irish Congress of Trade Unions with some 200,000 members or 40% of the total unionised cohort of the Irish workforce and the biggest trade union in both the public and private sector is SIPTU. Its General Officers
have encouraged former MEP and now Vice President, Des Geraghty to further and deepen the ‘change agenda’ under the banner of SIPTU 2000.

7.12.5 This process, known internally as The Strategic Development Initiative (SDI), focuses on the ability to be pro-active in the change environment both within the union, enterprise or sector. The benefits of trade union recognition have been recognised by companies in which SIPTU has initiated a proactive programme of change and has found responsive partners in enterprises such as Annalog Devices, Fujisawa and Rayban.

7.12.6 In these enterprises genuine social partnership, based on true recognition has allowed advanced economic development with advantage to all. Browne (1995:1) cites the view:

"Should there be a perception of compliance, by employers, Government or others, in the context of continuing discussions between the social partners, SIPTU, in a loud clear voice, is saying that we will comply no more to double dealing, dishonest partners who choose to speak with forked tongues on the matter of recognition. As a fundamental and basic human right for all Irish workers SIPTU demands that trade union recognition go to the head of the agenda."

7.12.7 In the non-pay area the factor which has raised its head most often is that of trade union recognition. For the larger general trade unions with the economic boom not delivering greatly on employment starts and, even where new industries are appearing, these are mainly service type industries which are largely non trade union. Murphy lists within the foreign owned MNC’s three sectors known as the three C’s (Chemicals, Cola concentrates and Computers) of which the top ten companies account for two thirds of all net manufacturing output of all foreign owned MNC’s. Both the chemical and computing areas are largely non-union enterprises, while all three are predominantly driven by transfer pricing activities as stated by Murphy (1994:2):

"Such transfer pricing activities may be detected from the very high output and turnover per employee ratios of the foreign owned MNC’s relative to their Irish counterparts."

7.12.8 As well industries like tourism and leisure, which are notoriously seasonal, many of them have been in the black or grey economy and which continue to be a threat to the many smaller and medium industries which have traditionally been legitimate and unionised.

7.12.9 With the decline in many semi-state and public sector organisations including local authorities, health boards and non commercial semi-states, the majority of
which have had very high trade union density, through the medium of restructuring, rightsizing and early retirements traditionally the cash flow position of many of these unions have become critical. Also newly emerging policy documents by bodies such as Forfas point to a further decline in manufacturing industry as a result of Ireland’s accession to the first tranche of EMU while the United Kingdom remains outside EMU.

7.12.10 Many of these manufacturing jobs are in low paid clothing and textile industries which have always had a high trade union visibility. Finding replacement members for these jobs if lost will not be an easy task for garment and textile trade unions.

7.12.11 On a matter of public policy much has been made of the strength of the public sector unions who favour partnership as against those private sector who in the main prefer free collective bargaining. As Gunnigle et al(1993) and others have demonstrated an increasing number of green-field employments are non-union. If higher density levels are achieved in private sector trade unions then the current imbalance between public sector and private sector strengths might be rightsized.

7.12.12 However if the present trend in unionisation continues this may not be the case as with recent merger trends most small unions are moving into the two main Irish based general trade unions IMPACT and SIPTU.

7.12.13 In 1997 I posited three possible solutions to the issue of trade union recognition. The second report of the High Level Group plumps in the main for the Labour Court option with amending legislation and powers for the Labour Court. I am personally delighted with the tenor and tone of this report particularly as it was reached on a consensus basis albeit nine years after the signing of PESP. I hope this report will be adopted and enacted by the social partners without delay, in doing so I believe we will be placing another brick in the wall for long term social partnership in Ireland.

7.12.14 It is unseemly at the end of the second millennium that there is a ‘secret army of trade unionists’ who have been taken into membership by trade unions but are afraid to tell their employers. In the words of Sweeney (1995:G13 )

“We have employees in certain anti-union companies, including some in the electronics companies and they have to be sort of secret members because they are terrified, and what can we do to help them?”

7.12.15 The Nolan Transport V SIPTU and others case was the first main test of the 1990 Industrial Relations Act. In the words of then keeper of the purse of SIPTU Bill
Attley (1995A:24), it was a judgment which only two trade unions in Ireland could have afforded;

“What has not been thought about and this is the point which makes me really annoyed - if some other union - there’s only two unions that could have paid this - ourselves and the Amalgamated (ATGWU) - maybe one other. Now look at the problems we would have had if one of the small affiliated unions would have got caught in this. Their assets would have been sequestered - closed down - look at the political shit that would have hit the fan as a result of that.”

There is a danger that if Industrial Relations becomes more juridified that we will end up what Attley(1995:A24) describes as Congress’s nightmare scenario:

“Well if you take that to its logical conclusion, somewhere, if we don’t do something with this Act, some small union is going to get caught in exactly the same position that we’re in. And the kind of trouble - political and otherwise - to the Government of the day will find itself - and Congress in particular - who are taking a very benign view of this thing.” ... So I said to them last week - suppose it was the TEEU - they couldn’t have met this bill - they don’t have that amount of assets. If they had been sequestered and put out of business, what are we going to do as Congress? We going to sit here and say hard luck chaps? There’s an affiliated union gone down the tubes. We’re not like a company that can reform under a new name three days later and start trading.”

The only way to avoid such a nightmare scenario and to foster the continued well being of the voluntarist tradition as well as the ongoing process of continuing social or bargained partnership is to continue on extending the process to the level of the enterprise something which I shall discuss in Chapter Nine. It may be that it has taken almost four decades to solve the vexed question of recognition/representation perhaps the lessons learned along the way will be of benefit for all the parties - however one certainty remains you cannot remove the law totally from the Industrial Relations process.
This Chapter looks at the issue of Minimum Wage legislation in Ireland, and in particular at the election promises made in both Ireland and England in 1997 in section 8.2. In Sections 8.3 through to 8.6 I look at the issues of UK labour policy, the possible impact of minimum wages and the discussion on the Minimum Wages Bill in the U.K., while in Section 8.6 the post General Election scene in Ireland is reviewed. Section 8.7 focuses on the views of the Social Pillar and Social Partners, two of the main Social Pillar members (INOU and CORI), the government view, the views of academics, politicians and other interested players in the industrial relations field.

While at section 8.8 I look at the Joint Labour Committees (JLC's) in Ireland and the mechanisms used throughout the European Union and the United States (Table 8.1). The chapter also focuses on the five research fieldwork questions which posited the future of minimum pay legislation in Ireland consequent on a forecast Blair led Government in the United Kingdom, in sections 8.11 through to section 8.16. Section 8.17 examines recent trends in the Irish labour market, particularly in the retailing area, where low pay is endemic.

Finally the Chapter focuses on the decisions of the Minimum Pay Commission set up by Tanaiste Mary Harney shortly after her election to Government in June 1997 in Section 8.18 and concludes with an overview of the current situation in Section 8.19.

8.1 The Development of Minimum Wage Provision since 1896

Mc Mahon (1990:7) cites the development of minimum pay thus:

"The main reasons for its enactment were providing a decent wage, combating poverty, eliminating sweated labour, reducing discrimination and inequality, and removing competition on the basis of low wages.

In 1896 the State of Victoria in Australia established a wages board followed in 1909 with the Trade Boards Act by Great Britain and Ireland. France followed in 1915, Germany in 1923, Spain in 1926 and Belgium in 1934. In 1923 also 17 U S States had introduced minimum rates covering minors and women. By 1938 in the USA the Fair Labour Standards Act established a general minimum wage."

Ehrenberg et al (1995:827) describes the minimum wage in the USA as;

"The first piece of protective labor legislation adopted at the national level "and further states that "proposals to increase the minimum wage invariably lead to heated debate between labor and business interests."

By 1920 seven of the nine provinces in Canada had minimum rates covering women. By 1937 Mexico had passed legislation covering all workers.
Mc Mahon’s (1990:15) conclusion in 1990 about Ireland’s position vis-à-vis the other European countries was:

"The position of this country contrasts sharply with that of other EU countries. A wages floor or safety net is available to practically all workers in these countries."

He further stated (1990:15):

"These EC countries have, in recent years, reviewed their legally enforceable national minimum wage systems and decided to retain them. Independent evidence showed that the negative impact on employment and inflation levels, forecasted by some, never materialised. The case for a national minimum wage is clear and convincing. What is needed now is for government, trade unions and employers to sit down and work out how best it can be implemented."

8.2 The Election Promises in 1997 to Introduce National Minimum Wages in the United Kingdom and Ireland

Election ’97 in both the United Kingdom and Ireland, saw promises made by then opposition parties, Labour and Fianna Fail respectively, that upon their return to government Minimum Wage Legislation would be enacted. With the establishment of the Low Pay Commission in London and a Minimum Wage Commission in Dublin there is no doubt but that both election promises were honoured. The debate until now has been on the rate to be decided in both territories and what effects if any a higher, rather than a lower rate will have. As of August, 1999 some form of minimum wage legislation exists across the European Union with the exception of Ireland, and in America some form of minimum wage legislation is on the statute books.

During the lead up to the General Election campaign in March/April 1997 the leader of the Labour Party, Tony Blair, signalled that if elected to Government his party would enact Minimum Wage Legislation. The Labour promise included in their Election Manifesto said:

"There should be a statutory level beneath which pay should not fall - with the minimum wage decided not on the basis of a rigid formula but according to economic circumstances of the time and with the advice of an independent low pay commission, whose membership will include representatives of employers, including small business and employees:"

The rationale behind Labour’s thinking was that such a statutory wage should be pegged at a level which would encourage people to take up jobs but also that such a rate once set will not impinge on the competitiveness of the enterprise. Both sides of industry welcomed the appointment of the Low Pay Commission under the Chairmanship of Professor George Bain, a distinguished IR academic.
The make up of the Low Pay Commission was as follows:

George Bain  Head of the London Business School (Chairman)
Stephanie Monk  now Vice-Chancellor of Queens University Belfast
Rita Donaghy  Director of Human Resources, Granada Group
Lawrence Dewar  Member of UNISON, who works in the Higher Education Institute
Bill Callaghan  Chief Executive, Scottish Grocers Association
David Metcalf  Head of TUC's Economic & Social Affairs Dept.
William Brown  Professor of Industrial Relations, LSE
Paul Gates  Professor of Industrial Relations, Cambridge University
John Cridland  General Secretary Knitwear, Footwear and Apparel Trades Union

At the ICTU Biennial Conference held in Belfast in July 1997 both Mo Mowlam MP, Secretary of State for Northern Ireland, and Taoiseach Bertie Ahern TD, to loud applause were in a position to announce that both their governments would be honouring their pre-election promises on the enactment of a National Minimum Wage. Mo Mowlam announced that trade union recognition and a national minimum wage are, "to be introduced in the near future."

Despite the fact that there was no minimum wage legislation in vogue in either country there have been a number of both historical factors and pointers for the future which presage certain tensions in both jurisdictions before minimum wage legislation would finally be put to bed. Of the fifteen Countries in the European Union fourteen now have some form of National Minimum Wage (see Table 8.1) below. The mechanisms used to allow for minimum wage provision vary from country to country but in the main are determined by:

1) Collective Bargaining Agreements
2) By National Legislation
3) Government Decree or Ministerial Order

The only country which has yet no mechanism is Ireland, following the implementation of the rate of Stg £3.60 per hour in the United Kingdom on 1 April 1999.
<table>
<thead>
<tr>
<th>Country</th>
<th>Minimum Wage Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>No statutory minimum wage. Collective agreements lay down minimum standards.</td>
</tr>
<tr>
<td>Belgium</td>
<td>Collective labour agreements No 21 of 15 May 1975 defined a minimum wage for the first time. Since then, this agreement has been amended and co-ordinated several times, particularly by collective agreement No 43(d) of 13 July 1993.</td>
</tr>
<tr>
<td>Denmark</td>
<td>No statutory minimum wage, but minimum wages are included in all collective agreements and apply to all workers aged 18 or over and all part-time workers regardless of whether they work more or less than 15 hours.</td>
</tr>
</tbody>
</table>
| France | The purpose of the statutory minimum wage (SMIC) is to uphold the purchasing power of the lowest wages and ensure the participation of all employees in the nation's economic development. The SMIC is increased periodically either by decrees in Cabinet or by Ministerial Order:  
1) obligatory annually on 1 July, to ensure an increase in purchasing power of the hourly wage rate  
2) automatically when the official consumers prices' index (excluding tobacco) increases by at least 2%: the SMIC is adjusted upwards in the same proportion;  
3) whenever by government decision dictated by social and economic considerations. |
<p>| Finland | There is no statutory minimum wage. Minimum terms of employment, including wages are laid down in collective agreements. Where a generally applicable collective agreement is in force in a particular sector, all employers are bound to comply with the terms it lays down regarding wages and employment. This system was introduced by the law on employment contracts (Tyosopimuslaki 320 / 70, Art. 17) |
| Germany | There is no statutory minimum wage. The main function of collective agreements is to establish minimum standards. There are no indexing arrangements. |</p>
<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>The national minimum wage is negotiated between the General Confederation on Labour and the main employers organisation across the country. It applies directly to all employees in the private sector without the need for Ministerial decision in accordance with the governments minimum wage policy. Under the latest national agreement for the period 1995 - 1996 minimum wages in the private sector will perhaps increase by around the rate of inflation, and below this rate in the public sector. The statutory indexing system was abolished from January 1991 after being in force for nine years.</td>
</tr>
<tr>
<td>Italy</td>
<td>The minimum wage is laid down in collective agreements signed in each sector of industry every 3-4 years. Until July 1992 the &quot;mobile scale&quot; operated ('contingenza' or 'scala mobile'), providing automatic wage indexing. Since its abolition a gap has developed between wage negotiations in small and very small undertakings on the one hand (no agreements) and large and medium size concerns on the other (where there is a long tradition of wage negotiations at company level). Decree - law No 300 / 96 makes provision for certain rules on contracts for the realignment of employees' pay to the level laid down in corresponding collective labour agreements.</td>
</tr>
<tr>
<td>Ireland</td>
<td>No statutory minimum wage. Certain jobs/sectors are covered by Joint Labour Committees consisting of employers and trade union representatives, with a chairman appointed by the state. JLC's fix binding wages and terms of employment for the sectors and jobs concerned. It is estimated that they cover 9% of the labour force, mainly women. New minimum rate to apply from April 2000. This rate is currently assessed as £ Ir 4.40 per hour.</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>The Grand-Ducal decree of 30/12/1944 introduced the concept of a minimum social wage. Equality between women and men from the point of view of minimum wage has existed since 1963. The minimum social wage is adjusted on the basis of the consumer price index in the same way as wages. The law of 26/7/1986 amended in 1989, introduced the right of a guaranteed monthly minimum wage, which is calculated, taking account of the make up of the applicants household.</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Standard statutory minimum wage: indexing on the basis of average trends in collectively agreed wages in the public and private sectors, with the possibility of derogation's in the event of a deterioration in the ratio between active and non active persons. For young people, the minimum wage depends on age.</td>
</tr>
</tbody>
</table>
Increased positive effect on the employment prospects of young workers in low-paid jobs when the minimum wage increased.

Preceding Clinton's first year, an extensive study of minimum wages in the USA revealed that rising state and federal minimum wages in both 1993 and 1994 increased by 4.6% at an hourly rate of $5.25. The U.S. also has a form of minimum wage reception that is among the highest in the world. Minimum wages are in

their employer's

per hour. A special rate of $5.75 per hour will cover employees over 21 receiving accelerated training.

On 1 April 1999 a minimum pay rate of $5.15 per hour was introduced. The rate for 18-21 year olds is $3.15.

No statutory minimum wage. Minimum wages are in principle fixed in branch agreements concluded as part of collective bargaining.

Women. An all industry minimum wage exists which is reviewed annually. It is lower for workers under 18.

The constitution recognizes the right to a minimum wage without discrimination between men and women, taking account of inflation, forecasts and anticipated increases in productivity.

Statutory multi-sectoral minimum wage. Lower rates apply to domestic staff. Young people, apprentices and employees with reduced capacity. The statutory minimum wage is reviewed at the beginning of every year.

European Union and United States Minimum Wage Provision Cont.
8.3 Some Irish Concerns About UK Labour Policy

The UK's position in relation to its expected entry into Economic and Monetary Union and the EURO still remains cloudy and may have repercussions for Ireland's trade policy as they implemented their new minimum pay rate in April 1999. As Ireland is still highly dependant on the British market, particularly in the indigenous sector where in certain areas low pay is quite prevalent, wage policy in the UK can have a spill-over effect in Ireland. In Ireland's case successive governments here have always been convinced that despite Britain's position on EMU/EURO that we would qualify under Maastricht Criteria for phase one entry and so we have proceeded on that basis. Quinn (1995:P11/12) when Minister for Finance was clearly unambiguous on this issue:

"If Ireland and Britain join after 1999, then the risk for heavy unemployment as a consequence of us joining is pretty minimal because we will have the same currency as the bulk of our trading partners, assuming that France and Germany and the other European countries that are eligible join."... the Irish/British problem is not unique, but from our point of view it is more acute than anybody else probably because it is still our biggest market. Our biggest single market in terms of our net balance of surplus is Germany and its the one in which we have the best surplus of trade, but with Britain its a two way process. About 23% of our total market is in the UK, excluding Northern Ireland."

Wallace, Turner and Mc Carthy (1998:130) point to the high level of consensus on EMU in Ireland:

"Ireland's decision to enter EMU, while the UK remains outside, has been the subject of much controversy. However, this controversy has not extended to actors in the industrial relations system. Significantly, ninety seven percent of all respondents to the current survey were favourably disposed to entry to the EMU, even without the UK joining."

There are concerns that some of the minimum wages policy could lead to unemployment in certain of our low pay/low skill industries. Textiles and the clothing trade are those most at risk in relation to the indigenous Irish sector. While the sterling /EURO rate remains undecided until Britain enters EMU there are still enterprises who fear the possibility of the UK making competitive devaluations to boost employment prospects. However recent employment/unemployment data in both territories would tend to ease these fears.

8.4 The Impact Of A Minimum Wage Policy.

There is no homogenous set of arguments on the effects of minimum wages on employment, productivity and unemployment. Economists across the globe are equally divided on the
effects of minimum wage legislation. Indeed the debate has been characterised by some degree of bitterness.

Nickell (1997:70) feels that while:

"it is impossible to produce a single cross country variable that captures the impact of minimum wage laws or related legislation " that” it is still worth discussing the potential impact of minimum wages on unemployment.

He continues that:

"a reading of Card and Krueger (1995) and its various reviews reveals... that there is no consensus on the impact of minimum wages on unemployment."

Significantly Nickell (ibid) feels that the following conclusions are consistent with the evidence:

"Where the minimum wage applies, it is low enough not to have an important effect on the unemployment rate of adult men.

Minimum wages do have a significant though small adverse impact on youth unemployment rates, particularly in countries like France and Spain where payroll taxes are high and there is little in the way of an age adjustment to the minimum wage.”

8.5 The Minimum Wage Bill (United Kingdom)

The Minimum Wage Bill enables:

- the government to set a national minimum wage, regardless of a business’s location, industry sector or size;
- the willful non-payment of the minimum wage to be made a criminal offence, with fines of up to £5,000, alongside other offences, including keeping false records and obstruction of enforcement officers;
- the government to appoint "enforcement officers" to monitor and compel employers to pay the minimum wage, and take up employees' cases where necessary;
- the definition of a worker to be widened to include home-workers, agency workers and all people who are not self-employed or carrying out voluntary work;
- workers to recover any wages owed by taking their employers to industrial tribunal or county court.

One negative effect of this legislation will be the cost for employers of introducing staff hours and pay monitoring systems which, for some, may be significant. Half of the employers surveyed by the government this year said that there would be a cost burden, with bigger employers reporting it to be large.

However in the weeks before the enactment of the new legislation, Walsh (1999:12), reported that many firms were shunning some of the youth rates and adopting the full
rate for all employees despite their varying ages. Allied Domecq Retail decided against using the youth figures as it would:

"introduce ageism into its pay structures, which could result in its rates becoming uncompetitive,"

Warner Village Cinemas also applied the £3.60 to all employees. According to a spokesman this was because the firm believed in paying "according to ability rather than age." As the minimum wage lifted off in the U.K. in April 1999, one of the greatest commitments in the legislation was that in December this year the Low Pay Commission would report on progress to date and look at any areas of non-compliance.

However the trade union UNISON is still campaigning to have the rate lifted to £4.79 per hour.

Ryden reported (1999:61) that the initial survey of 846 IPD members showed the following:

- 87% agreed in principle with the new rules governing minimum wages
- Many organisations had already implemented the national minimum wage in advance of the legislation
- 2 million people, or 1 in 11 of the working population stand to gain from the introduction of minimum pay rates
- The fear of job losses widely predicted had not taken place, with 27% of organisations increasing employment in the previous 12 months and only 9% noting a fall in employment
- Staff levels in organisations employing fewer than 100 had grown by 11%
- Some organisations noted a benefit in reduced staff turnover in traditionally low paid industries
- On the negative side 200 plus serious complaints have already been investigated with at least 12 companies facing prosecution

8.6 Post General Election 1997 in Ireland

During the course of the subsequent General Election campaign in Ireland the leader of Fianna Fail, now Prime Minister Bertie Ahern, gave an assurance that if elected his Government would move on the enactment of a minimum wage. Following her appointment as Tanaiste and Minister for Enterprise, Trade and Employment, Mary Harney appointed the following members of a National Minimum Wage Commission:
The terms of reference of the new Commission were (Dept. ET&E:1998:1):

"Having regard to the Programme for Government commitment - within the framework of an assault on exclusion, marginalisation and poverty - to introduce a national minimum wage the Commission is required:

- to advise on the best way to implement the commitment having regard to the level and extent of low pay in the economy;

- to examine the range of possible mechanisms for determining and implementing minimum wages and in combination with it to describe and assess the existing minimum wage - fixing machinery and its potential for addressing low pay in the economy at large;

- to examine measures which will address any adverse impact on employment and competitiveness and in particular as regards small and medium enterprises.

The Commission was to consult with the social partners before the finalisation of the report and to report back to Government by the end of the year (1997)."

In the event it was 1998 before the group reported.

Unlike the Commission in Great Britain the make-up of the Irish Commission had received severe criticism in Ireland, particularly from trade union interests and the Irish National Organisation of the Unemployed. Ms Mary Murphy, then Assistant General Secretary of the INOU (IRN 29:14 1997) is quoted as saying:

"The organisation would be seeking membership of the Commission."

Pat Rabbitte, former Minister at Cabinet from Democratic Left (IRN 29:14 1997) opined that:

"The INOU or one of the unions with particular knowledge of the low pay sector such as Mandate or SIPTU should be considered for inclusion on the Commission."

IRN (1996 :9) reported that the leader of Democratic Left Mr de Rossa advocated:

"The introduction of National Minimum Wage of £9,423 per annum, £181 per week or £4.50 per hour, on the basis of the Council of Europe's 'decency threshold' - 68% of the national average wage. If this rate were index linked by 6.5% de Rossa's rate in 1998 value would be £193 or £4.95 per hour."
Despite the enactment of equal pay provisions in the early 1970’s shortly after Ireland’s accession to the Common Market there still remains a marked difference between the rates of pay of male and female employees. Table 8.2 below shows the movement of average wages in Manufacturing Industry in Ireland between 1990 and 1996.

The ICTU paper on the ‘Fourth Equality Programme - Delivering Gender Equality 1999 - 2004’ recommends that the new National Minimum Wage should be used as a platform to boost the earnings of low-paid, atypical workers, the vast majority of whom are women. The paper calls for equality auditing for existing pay negotiating structures to ensure that inequalities are not perpetrated by the segregation of male and female wage rates when negotiations are in progress.

Table 8.2 Average Earnings in Manufacturing 1990 - 1996 in Ireland

<table>
<thead>
<tr>
<th>Year</th>
<th>All Adult Workers Weekly £</th>
<th>Adult Male</th>
<th>Adult Female</th>
<th>All Workers Hourly £</th>
<th>Adult Male</th>
<th>Adult Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>219.11</td>
<td>257.17</td>
<td>156.60</td>
<td>5.31</td>
<td>5.97</td>
<td>4.15</td>
</tr>
<tr>
<td>1991</td>
<td>228.72</td>
<td>268.57</td>
<td>162.46</td>
<td>5.61</td>
<td>6.30</td>
<td>4.38</td>
</tr>
<tr>
<td>1992</td>
<td>237.92</td>
<td>277.83</td>
<td>171.86</td>
<td>5.87</td>
<td>6.57</td>
<td>4.62</td>
</tr>
<tr>
<td>1993</td>
<td>250.69</td>
<td>290.14</td>
<td>184.02</td>
<td>6.21</td>
<td>6.92</td>
<td>4.94</td>
</tr>
<tr>
<td>1994</td>
<td>258.03</td>
<td>297.56</td>
<td>191.27</td>
<td>6.32</td>
<td>7.03</td>
<td>5.07</td>
</tr>
<tr>
<td>1995</td>
<td>263.75</td>
<td>303.33</td>
<td>197.08</td>
<td>6.46</td>
<td>7.16</td>
<td>5.25</td>
</tr>
<tr>
<td>1996</td>
<td>270.40</td>
<td>309.38</td>
<td>203.05</td>
<td>6.64</td>
<td>7.31</td>
<td>5.42</td>
</tr>
</tbody>
</table>


8.7 The views of the Social Pillar and the Social Partners

The Social Partners are the Government, Trade Unions, Farmer Organisations and Employers, those separate divisions of society who, along with the government have comprised the main axis of National Bargaining in the four agreements concluded since 1987;

- The Programme for National Recovery (PNR)
- The Programme for Economic and Social Partnership (PESP)
- The Programme for Competitiveness and Work (PCW)
- Partnership 2000 (P2000)

In Partnership 2000 for the first time elements of NGO’s two of whom are the Irish National Organisation of the Unemployed (INOU) which represents in the main the long term unemployed, and the Conference Of Religious in Ireland (CORI) who are the main proponents of the Basic Income theory, became part of the social partnership dimension. These NGO’s main focus was on the area of social inclusion.
The level at which a minimum wage is set is of crucial importance. It must be set high enough to impact on poverty level wages and to create a more positive climate about the value of work. On the other hand it needs to be set with a close consideration of actual wage levels and the impact of employment.

The INOU’s view of the minimum wage has altered based on workshop sessions with their members and is reflected best by Allen’s (1998:230/1) view:

“Ireland has the highest proportion of its workforce on low wages in the developed world, and the number is growing. Proposals to introduce a statutory minimum wage in Ireland could have a positive impact on this, but must take into account the dynamic relationship between wages and poverty. Not only the hourly rate of pay is important, the number of hours that people can work and the security of employment are also important. The ability to move onto higher wages is crucial. Of course, the minimum wage must be set at a level which does not destroy jobs, particularly in the vulnerable Irish-owned companies trying to export their products. But most of the lower paid jobs are in shops and catering which are not in competition with the Far East but with the shop along the road. In these cases fair ground rules would not cost jobs.”

In most countries with a minimum wage system the wage is calculated in relation to the average wage. The INOU argues that this approach should be taken in Ireland as it is consistent both with the sensitivity to real wage levels and to recent insights into poverty and income inequality. They note that percentages vary from 35% in Australia, 50% in Italy, 66% in Belgium, to 72% in the Netherlands.

While recognising that variation needs to be allowed for people under 20 and those engaged in certified training, the INOU advocates a headline figure for a minimum wage to be set at 66% of the average wage. The current average gross earnings for all industrial workers stands at £6.90 per hour, indicating a headline figure of £4.60 per hour as the minimum wage.

In its pre-budget submission for 1998 the INOU called for:

- The payment of the minimum rates of assistance recommended by the Commission on Social Welfare.
- A Minimum wage of £5 per hour
- Substantial increases in personal tax free allowances at the standard rate currently at 26p in the punt, recently reduced to 24 pence in the punt.
- The mainstreaming of pilot programmes which have proved successful at returning unemployed people to the workforce.
8. 7. 2 Conference of Religious in Ireland (CORI)

The concept of a Basic Income is one posited by the Conference of Major Religious Superiors (CMRS), subsequently renamed Conference of Religious in Ireland (CORI) for a good number of years now. Rapple (1997:51) describes Basic Income as:

"A proposal that everyone, irrespective of wealth, income or need should be paid a basic weekly income by the State."

The basic income would be paid tax free. Other income would be mainly taxed at a single flat rate. Each adult between 21 and 65 would receive a tax free payment of £70 per week from the State, those over 65 would be paid more, those under 21, less. The flat tax rate would be 49% on the assumption that tax reliefs other than personal allowances, would be retained. There would still be relief on pension contributions, medical expenses and mortgage interest.

Fr Sean Healy (CORI) (1995:Q37) states that radical and imaginative change is needed to deal with existing anomalies between the taxation and social welfare systems. He posits the view that:

"The Basic Income System is far more work friendly than the present system. It lifts people out of poverty and the dreadful dependency mode of survival, restores their self esteem and broadens their horizons."

Healy (ibid) states that he suspects if there were to be a minimum wage in Britain there probably would be a push on for one here. He states the CORI argument for a minimum wage thus;

"It is crucial that people not be forced into working for ridiculous levels of wages and it is a question of finding what is an acceptable level, and certainly there are jobs out there that are paying unacceptably low levels of pay per hour to people at the moment, and I don’t think anybody will dispute that. What we have always said is that if you put a basic income system in place, people won’t have to work for it. So therefore it will drive up the minimum a bit, certainly from some of the derisory levels that are there at the moment and I think you will find a new level, because obviously supply and demand at the end of the day is going to decide it, and I think the new level would be better at the lower level."

Healy goes on to assert;

"Its (the minimum wage) not an issue that we have campaigned on directly but we supported the various efforts, ...its not an issue that involves us directly in that the trade unions fight fairly effectively so I suppose what we are more interested in building something that everybody gets a shot at, and that’s the basic income idea and we think that that would also be plus people not having to work below decent levels of wages."
As can be seen from later field-work interviews a number of interviewees are in favour of the CORI view on basic income though they do not spell out where the money might come from to pay the increased benefits. The INOU are totally opposed to Healy’s position on basic income. In discussions on this issue the INOU have attempted to persuade the Department of Enterprise and Employment that the CORI initiative will not work in the long-term, and their former Labour Market expert Ms Mags O’Brien clashed on a number of occasions in discussions with CORI on the Basic Income project. Dr Garret FitzGerald(1997:14) has written that he believes that the cost of basic income could be too prohibitive.

Allen (1998:255) states that:

“CORI argues that basic income would tackle unemployment because ‘there will always be incentives to take up a job’ ...Taken on its own, this extraordinary statement would suggest that CORI belongs to the most orthodox neo-classical end of the spectrum of explanations of unemployment - a place they do not ordinarily occupy.”

Paul Sweeney (1995:G20/21) formerly of Democratic Left and one of SIPTU’s economic staff is in favour of basic income, stating;

“T’m not that pushed about minimum wages, I’d much prefer to see those on low wages not having to pay tax and PRSI. If you ever do calculations of the take home pay of low wage people, which I often do, yellow pack workers, quite disgusting the amount of tax they have had to pay. Now that might be changing and hopefully it is. We have seen some glimmer of hope there. If you have low pay, the Right argues that it becomes the pay rate, that a minimum wage becomes the rate, there is some truth in that, and the way to deal with it is to have a minimum income and to tie in your tax and social welfare system. This we advocated in the Transport Union in our submission in 1982 to the Commission on Taxation, the first time it was ever advocated, and I stand by it. It was the right way forward, its now widely accepted and that’s the way to go.”

8. 7. 3 The Trade Union View

ICTU has been calling for an hourly rate of £5. Yeates(1997c) quotes its General Secretary Peter Cassells speaking at an ICTU forum on low pay in Dublin on 29 October 1997 said:

“The Government and employers were seriously mistaken if they thought ICTU were looking for £5 in order to settle for £3.50... that if the Government’s National Wage Commission proposes a basic hourly rate of only £3.50 there will be the mother and father of a row.”

ICTU have also proposed that besides an hourly rate of £5, machinery should be put in place automatically to adjust the rate, in line with average earnings. Strong sanctions
should be put in place to enforce compliance. ICTU proposes that as part of the enforcement procedures trade unions should be able to take defaulting employers to court and those found guilty should have their names published. In all industrial sectors except one, the average hourly earnings are above £5 per hour. The exception is the clothing, leather and footwear section which are remunerated at the rate of £4.59 per hour. The ICTU have also proposed that trainees, apprentices, those on work experience, shelter and supported environments would be paid a percentage of the minimum rates. This appears parallel to what is proposed in the UK.

Des Geraghty, Vice President of SIPTU, Ireland’s largest trade union (with a book membership of over 200,000 members) has said that about £30 million of taxpayers money is being expended by the Exchequer to subvent the low pay policies of employers. If a minimum wage were in force that £30 million could be spent elsewhere.

Geraghty (1995: I15) has the following view:

“I am very much in favour of a minimum wage legislation and I would say I am also in favour of a minimum income concept, I think that there should be structures in society that ensure that if you are at work there is a minimum wage and I believe that there should be social policies which ensure that there is a minimum income for all individuals.”

Since the decision of IMPACT, SIPTU and the ICTU to come out in favour of a £5 per hour rate, the INOU have revised their figure upwards. Higgins (1997:12) relates the fact that a £5 minimum rate would equate with 64% of average male earnings based on a rate of £7.85 for 1997.

Table 8.3 shows the percentage of employees being paid below a 66% rate in other OECD countries and shows the problematic position of Ireland and the UK relative to our EU colleagues.
Table 8. 4 shows the actual percentage of minimum wage to average earnings in 1995 terms in ten countries.

Table 8. 4 Minimum Wage Relative to Average Earnings 1995 Percentage

<table>
<thead>
<tr>
<th>Country</th>
<th>%</th>
<th>Country</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>23%</td>
<td>Portugal</td>
<td>45%</td>
</tr>
<tr>
<td>Spain</td>
<td>32%</td>
<td>France</td>
<td>49%</td>
</tr>
<tr>
<td>United States</td>
<td>37%</td>
<td>Netherlands</td>
<td>51%</td>
</tr>
<tr>
<td>Canada</td>
<td>43%</td>
<td>Greece</td>
<td>53%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>43%</td>
<td>Belgium</td>
<td>56%</td>
</tr>
</tbody>
</table>

Source: OECD Employment Outlook July 1997

The IR£4.40 rate as established by the Minimum Wage Commission was chosen to reflect 66% of the median rate in Ireland in 1997 terms. This rate is currently under attack from the big trade unions who wish to see it brought to between £4.70 and £4.80 to reflect the median rate as of year 2000.

Recently at a debate on the minimum wage at the Foundation for Fiscal Studies, Rhonda Donaghy (Mandate), the shopworkers trade union, has said that in the large retail stores people’s pay rates ran from around £3.75 an hour on commencement to £5.75 after several years. However in an intervention which is bound to fuel employer concerns she further asserted:

"While I would welcome increases for people at the bottom of the scale, it would take increase of £2.50 an hour or more to maintain differentials for the rest."
The question of differentials is one to which I will return, and is one which if not properly managed could lead to difficulties in any future pay round. It may very well be the case that the move in many trade unions which bargain for mainly lower paid staff, to have flat rate increases applied up to the average industrial wage may find some merit at any new wage discussions. However Brendan Hayes, Regional Secretary of Number 1 Region SIPTU, recently maintained that while such a mechanism could work in the Public Sector it will not travel throughout the whole of the Private Sector, as some industries which have traditionally been low pay based, would become uncompetitive and unprofitable if the majority of their employees were to get flat rate increases.

Yeates quotes Oliver Donoghue (1997d:2) ICTU Research and Information Officer, who has also said that the black and grey economies must carry some responsibility:

"Employers already paying decent wages would welcome a national minimum wage. It would not undermine competitiveness. Some employers such as small shopkeepers were paying low wages and charging high prices."

McMahon (1990:15) concludes that low pay is:

"A source of poverty, injustice and economic inefficiency. It has become a more acute and widespread problem in the Republic of Ireland over the past 25 years. A range of initiatives employed over this period have been unable to secure any form of lasting or enduring improvement in the relative position of lowly paid workers. It is also unlikely that further tampering with the welfare or taxation system will resolve the problem but may serve indeed to stigmatise the low paid, institutionalise the poverty trap or subsidise already inefficient employers."

8. 7. 4 The Employers’ View

IBEC’s view is that rather than increasing nominal rates of pay, the government’s priority should be to increase take home pay through reduced taxation, allied to maintaining competitiveness, and that the most effective way of combating poverty was continuing the cycle of job creation. Citing the 1993 Report from the ESRI on Low Pay, John Dunne pointed to its findings that most poor households would not benefit from minimum wage legislation, as most of the people concerned were unemployed.

Interestingly both the Institute of Personnel and Development (IPD) and The Irish Business and Employers Confederation (IBEC) in recent warnings have signalled their concerns in two principal areas:

1. The rate which is struck initially and its possible deleterious effects on unemployment and
2. The question of the restoration of the differential for staff who are currently remunerated above the level of £5 per hour.

John Dunne (IBEC) is of the view that a widening of the JLC system might be the best way to establish a minimum wage system. He maintains that flexibility at all pay levels is essential, not only for competitiveness, but also in the interest of job seekers.

Sheehan (1997: 14 -17) identifies the dual approach being adopted by IBEC as:

"it may remain one of opposition, but the employers body was clearly aware of the realpolitik of the situation when making its presentation to the National Minimum Wage Commission."

IBEC have queried how the following issues would be addressed:

1. The position of younger persons
2. Trainees
3. Parity issues
4. How a minimum wage would be reviewed

The issue of minimum pay is a complex one. The tax/social welfare system strong negative attitudes towards certain occupations and the high level of tolerance of the black economy all militated against employers and employees in legitimate business.

8.7.5 The Small Firms Association (SFA)

The Small Firms Association (SFA), an integral part of IBEC though operating at arms length, lists the following concerns according to a recent survey conducted as part of its submission to the National Minimum Wage Commission. The survey was based on replies from 374 firms employing less than 50 employees. The poor response rate of 21% however, leads to some questions as to the survey’s relevance, and whether it has any real scientific value. The survey found that 75% of small firms pay less than £5 per hour, while 36% currently pay less than £4 per hour. (See table 8.5)

Further, it found that if a minimum wage was introduced;

- One third of all small firms will let staff go
- 50% of respondents would put expansion plans on hold if a rate of £5 per hour was introduced.
- As minimum wage increased costs the employer would be forced to either reduce staff numbers or working hours.
Table 8.5
Existing versus Statutory Rates being paid by SFA members.

<table>
<thead>
<tr>
<th>Rate</th>
<th>Existing %</th>
<th>Statutory %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £3 per hour</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>3.00 - 3.49</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>3.50 - 3.99</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>4.00 - 4.49</td>
<td>17</td>
<td>24</td>
</tr>
<tr>
<td>4.50 - 4.99</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>5.00 or over</td>
<td>28</td>
<td>10</td>
</tr>
</tbody>
</table>

Then SFA Director Brendan Butler (1997:16) dismissed calls for a £5 per hour minimum wage as a ludicrous demand, and that minimum wage legislation would:

"virtually guarantee that employers would replace workers whose skills do not merit such wages (£5 per hour) with those who do, leaving then low skilled permanently locked out of such jobs."

Mr Butler (ibid) points to the fact that small business will create 51,000 new jobs this year and:

"The last thing we need is to put up obstacles against such employers."

The SFA is against exploitation and supports measures that:

"Strike a balance between the needs of small businesses and its major asset - its employees."

They favour:

• Targeting Tax reform.
• A major attack on the black economy, which the SFA suggests is costing the economy circa £6 Billion per annum, and places legitimate employers at a huge competitive disadvantage.

They recently suggested that the introduction of a statutory minimum wage:

"is a clear breach of Partnership 2000. The SFA would see any departure from the terms of the agreement as a break in the trust upon which social partnership is based."
8.7.6 The Irish Small and Medium Size Enterprise Body (ISME) View

ISME is a splinter group from the IBEC and is not a social partner. However like their associates in the SFA they are totally opposed to the implementation of a minimum wage. In 1997 ISME conducted what they referred to as a ‘snap survey’ of employers in Dublin City centre and found 26 companies looking for staff who were paying above the proposed minimum rate of £3.00 per hour who could not fill the jobs.

As late as January 1998, ISME protested to the Government when the Department Of Social Community and Family Affairs insisted that a Back to Work allowance scheme should be remunerated at no less than £140 per week. ISME saw this as the imposition of a minimum wage floor for this scheme as £3.50 per hour. Rejecting this assertion a spokesman for the Department (1998:18) said in the Irish Times of 9 January 1998 that;

"Participants in the scheme were expected to be paid the same rate of pay as other people doing a similar job, but that there was no minimum wage in operation."

8.7.7 The View from the Institute of Personnel Development.

The IPD recently outlined its views in an article in IPD News (1997:8). The main views expressed were that;

"There are some concerns about what level to pitch the new hourly rate, difficulties with policing, effect on jobs or 'mac-jobs' and possible repercussive claims from higher paid workers to restore differentials."

The UK remains Ireland’s major competitor for US based multinationals seeking a European base. While local pay rates are rarely uppermost on the multinationals agenda and most of them would pay above a 'minimum wage level', Ireland could not afford to be perceived as a country which over regulates the labour market compared to the UK.

British based development authorities have already highlighted to US multinationals Ireland’s high union density and consequential potential for industrial action as reason to settle in Scotland and Wales. Irrespective of the argument, US multinationals in the high-tech sector to whom trade unions are anathema may be swayed by such a pitch. However, all such doubts were erased when Mr Blair opted for a minimum wage, levelling the playing field for the Irish Government to boldly follow suit.
The Taoiseach Bertie Ahern T.D. speaking in Belfast in 1997 at the ICTU Biennial Delegate Conference said:

"I have supported the measure for a number of years and on becoming leader of Fianna Fail had taken the opportunity to include it in the party programme. He hoped that the business sector would now see its merits and accept the widespread recognition that some groups of workers, particularly women and young people in low paid sectors, needed protection."

Willie O' Dea, a Junior Minister for Education in the same Government, sparked much controversy when, in the Irish Times of 4 November 1997 he was quoted (Yeates1997d:2) as saying:

"While we must address the position of the low paid, there is a danger of going over the top without fully thinking out the consequences. The effects of big wage increases in low paid sectors with high staff turnover could result in gains for those at work but opportunities drying up for new entrants in to the jobs market. Any National Minimum Wage, and particularly one that was set significantly higher than the eventual British rate, would seriously undermine Irish competitiveness."

Minister O' Dea(ibid) further stated:

"I am very concerned that all the effects of the national minimum wage on youth employment are evaluated. I am also concerned that the question of age differentials in setting minimum rates be examined. If there is no differential, then it could be more difficult for young people with no experience to compete for jobs. On the other hand, if there is one, older workers - and in particular the long term unemployed - will be discriminated against. Cynical employers could also take young people on short term contracts and dump them at their next birthday in favour of someone younger. An over-regulated labour market has a tendency to react viciously against initiatives originally intended to benefit the unemployed or the low paid. Contract, part - time and temporary employment has resulted in part, from employment legislation."

Despite the fact that the Minimum Wage Commission has reported and a date set for its implementation, some bodies are concerned that the amending legislation Heads of Bill has not yet seen the light of day. Responding to Minister O Dea's comments Eamon Waters (National Youth Council of Ireland) said;

"The National Youth Council of Ireland has already come out against a two tier pay system. If Mr O' Dea is serious about sharing the benefits of our new found economic prosperity £5 an hour is not a big increase believed those campaigning for a decent minimum wage should oppose any attempt to introduce a lower rate for younger workers."
One example of the way in which the minimum wage can be implemented in an age related way, to have regard to the NYCI’s problems, is the example of the Netherlands where the rates are from 30% at age 15 up to 100% at age 23 and above. Perhaps some blending of age plus educational attainment could be worked out and this should not be beyond the mathematicians accountants and economists in Ireland. Indeed wage rate payments linked to the achievement of higher educational attainment is a particular way to progress the low pay agenda.

This information supplied by the Netherlands Ministry for Labour cites research done by Vogels (1997), is shown in table 8.6 below.

Table 8.6 Example of Layered Minimum Rates by Age from the Netherlands

<table>
<thead>
<tr>
<th>Age</th>
<th>In % of the minimum wage for adults</th>
<th>1/1/97</th>
<th>1/7/97</th>
<th>1/1/98</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>100</td>
<td>2220.4</td>
<td>2243.8</td>
<td>2276.3</td>
</tr>
<tr>
<td>22</td>
<td>85</td>
<td>1887.3</td>
<td>1907.2</td>
<td>1934.9</td>
</tr>
<tr>
<td>21</td>
<td>72.5</td>
<td>1609.8</td>
<td>1626.8</td>
<td>1650.3</td>
</tr>
<tr>
<td>20</td>
<td>61.5</td>
<td>1365.5</td>
<td>1379.9</td>
<td>1399.9</td>
</tr>
<tr>
<td>19</td>
<td>52.5</td>
<td>1165.7</td>
<td>1178.0</td>
<td>1195.1</td>
</tr>
<tr>
<td>18</td>
<td>45.5</td>
<td>1010.3</td>
<td>1020.9</td>
<td>1035.7</td>
</tr>
<tr>
<td>17</td>
<td>39.5</td>
<td>877.1</td>
<td>886.3</td>
<td>899.1</td>
</tr>
<tr>
<td>16</td>
<td>34.5</td>
<td>766.0</td>
<td>774.1</td>
<td>785.3</td>
</tr>
<tr>
<td>15</td>
<td>30</td>
<td>666.1</td>
<td>673.1</td>
<td>682.9</td>
</tr>
</tbody>
</table>

Source: Eric Vogels 12/97

Monthly amount in Dutch Guilders
Rate of Dutch Guilder to Irish Punt on 24/9/99=2.798. 1 Guilder = 2.20 Euros

8.8 The Joint Labour Committees (JLC’s)

In Ireland despite the absence of minimum wage legislation there has been in existence the Joint Labour Committees (JLC’s) which come under the ambit of the Labour Court. JLC’s are statutory bodies established under the Industrial Relations Acts, 1946 & 1990, to provide machinery for the fixing of minimum rates of remuneration and the regulation of conditions of employment. There are currently 16 JLC’s in operation.

8.8.1 The JLC System 1992 to 1997

From the attached data in Table 8.7 covering the rates for the last five years 1992 to 1997 the following basic information can be extrapolated:

In 1992 the rates of basic pay covered by the JLC’s spanned an hourly rate of £2.98 to £4.70 per hour spanning 38 or 39 hours per week.
The percentage increase in the years 1992 to 1997, as shown in Table 8.7 spans a low of 4.65% over the five years in Brush and Broom Branch JLC which has not increased its rate since 1994, to highs of 26.64% in the Retail Grocery and Allied Trades JLC.

A number of JLC's have not increased the rate in particular years, this can happen if either party to the JLC decides not to call a JLC meeting.

IRN has recently reported that some of the early leaders in the JLC's have already approved Phase 2 of Partnership 2000, and the payment of the 2% local bargaining clause of P2000 from 1 July 1998. Bearing in mind the fact that the 3% local bargaining clause was not conceded during PESP but paid in a minority of employments, the concession of the 2% this early is a significant step for these low paid employees, a pointer for the future perhaps.
Table 8.7 JLC Rates 1992 to 1997.

<table>
<thead>
<tr>
<th>Name of JLC</th>
<th>JLC Rate 1992 (£)</th>
<th>JLC Rate 1997 (£)</th>
<th>Hourly Rate 1997</th>
<th>Change (%) 1992 - 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerated Water *</td>
<td>139.43</td>
<td>152.54</td>
<td>(3.91)</td>
<td>9.4</td>
</tr>
<tr>
<td>Agricultural Workers</td>
<td>131.49</td>
<td>152.45</td>
<td>(3.91)</td>
<td>15.94</td>
</tr>
<tr>
<td>Brush &amp; Broom Br. *</td>
<td>134.16</td>
<td>140.40</td>
<td>(3.60)</td>
<td>4.65</td>
</tr>
<tr>
<td>Twig Making *</td>
<td>137.67</td>
<td>150.93</td>
<td>(3.87)</td>
<td>9.63</td>
</tr>
<tr>
<td>Cook</td>
<td>151.29</td>
<td>177.71</td>
<td>(4.56)</td>
<td>17.46</td>
</tr>
<tr>
<td>Short Order / Cook</td>
<td>135.48</td>
<td>159.82</td>
<td>(4.10)</td>
<td>17.97</td>
</tr>
<tr>
<td>Counter Assistant</td>
<td>135.48</td>
<td>159.82</td>
<td>(4.10)</td>
<td>17.97</td>
</tr>
<tr>
<td>Waiter</td>
<td>117.33</td>
<td>139.92</td>
<td>(3.59)</td>
<td>19.25</td>
</tr>
<tr>
<td>Barman</td>
<td>125.99</td>
<td>149.23</td>
<td>(3.83)</td>
<td>18.45</td>
</tr>
<tr>
<td>Clerical Worker</td>
<td>128.64</td>
<td>152.14</td>
<td>(3.90)</td>
<td>18.27</td>
</tr>
<tr>
<td>General Worker</td>
<td>135.48</td>
<td>159.82</td>
<td>(4.10)</td>
<td>17.97</td>
</tr>
<tr>
<td>Cleaner / Washer Up</td>
<td>125.99</td>
<td>149.23</td>
<td>(3.83)</td>
<td>18.45</td>
</tr>
<tr>
<td>Contract Cleaning ^</td>
<td>3.42 per hour</td>
<td>3.95 per hour</td>
<td>(3.95)</td>
<td>15.50</td>
</tr>
<tr>
<td>Hairdressing Dublin</td>
<td>126.92</td>
<td>143.71</td>
<td>(3.69 +)</td>
<td>13.23</td>
</tr>
<tr>
<td>Hairdressing Cork **</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ladies / Unisex *</td>
<td>103.42</td>
<td>118.42</td>
<td>(3.04)</td>
<td>14.50</td>
</tr>
<tr>
<td>Gents *</td>
<td>121.02</td>
<td>136.02</td>
<td>(3.49)</td>
<td>12.40</td>
</tr>
<tr>
<td>Handkerchiefs</td>
<td>118.61</td>
<td>143.05</td>
<td>(3.67)</td>
<td>20.61</td>
</tr>
<tr>
<td>Hotels excluding Dublin, Cork, Dun Laoghaire.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waiter</td>
<td>123.20 (16.56)</td>
<td>145.55 (17.57)</td>
<td>(4.18)</td>
<td>16.71</td>
</tr>
<tr>
<td>House Assistant</td>
<td>113.09 (9.93)</td>
<td>134.65 (10.54)</td>
<td>(3.72)</td>
<td>18.02</td>
</tr>
<tr>
<td>Porter</td>
<td>123.20 (16.56)</td>
<td>145.55 (17.57)</td>
<td>(4.18)</td>
<td>16.71</td>
</tr>
<tr>
<td>Page</td>
<td>93.14 (4.97)</td>
<td>109.98 (5.27)</td>
<td>(2.96)</td>
<td>17.47</td>
</tr>
<tr>
<td>Barman</td>
<td>132.97 (8.27)</td>
<td>156.21 (8.77)</td>
<td>(4.23)</td>
<td>16.80</td>
</tr>
<tr>
<td>Cooks</td>
<td>147.44</td>
<td>172.52</td>
<td>(4.42)</td>
<td>17.01</td>
</tr>
<tr>
<td>General Workers</td>
<td>132.97</td>
<td>156.08</td>
<td>(4.00)</td>
<td>17.38</td>
</tr>
<tr>
<td>Law Clerks ^</td>
<td>178.52</td>
<td>206.46</td>
<td>(5.43)</td>
<td>15.65</td>
</tr>
<tr>
<td>Provender Milling *</td>
<td>140.98</td>
<td>160.40</td>
<td>(4.11)</td>
<td>13.78</td>
</tr>
<tr>
<td>Shirtmaking *</td>
<td>116.47</td>
<td>132.98</td>
<td>(3.41)</td>
<td>14.18</td>
</tr>
<tr>
<td>Tailoring</td>
<td>125.22</td>
<td>145.55</td>
<td>(3.73)</td>
<td>16.24</td>
</tr>
<tr>
<td>Hatmaking</td>
<td>116.56</td>
<td>136.41</td>
<td>(3.49)</td>
<td>17.03</td>
</tr>
<tr>
<td>Womens' Clothing</td>
<td>125.34</td>
<td>145.57</td>
<td>(3.73)</td>
<td>16.14</td>
</tr>
<tr>
<td>Retail Grocery / Allied</td>
<td>137.00</td>
<td>173.50</td>
<td>(4.48)</td>
<td>26.64</td>
</tr>
</tbody>
</table>

Notes.

All JLC's are based on a 39 hour week with the exception of Contract Cleaning which pays an hourly rate and Law Clerks who work a 38 hour week. (^)

Where brackets are used this is for guaranteed gratuities.

** In Cork 10 % Commission is paid after basic rate of pay is reached.
The ICTU and trade union view is that the JLC's cannot be repaired although in the weeks before the group began its deliberations both IBEC the SFA and ISME have sponsored the notion that improving the JLC system would be preferable to having a unitary national minimum wage.

John Dunne (IBEC) however accepts that the existing JLC's are inadequate to deal with the situation comprehensively. Dunne also believes that because of the high rate of trade union density it is only necessary to monitor pay rates in sectors where trade union organisation is relatively light. This was already being achieved through the system of Joint Labour Committees, where statutory minimum rates are regularly agreed.

Mr Brendan Butler (SFA) recently said that it was clear that the JLC mechanism which could make a major contribution to tackling low pay is currently ineffective.

A major overhaul of the JLC system to fully protect those workers in the most exposed sectors was needed. According to the SFA (1997:16) only 8% of its member firm employees are covered by existing minimum wage legislation.

"The JLC system operates in 13 of the most open sectors of the economy and 100,000 workers are supposedly protected under this legislation."

IPD News (1997:8) also comments on the fact that the Minimum Wage Commission will be looking at the work of the JLC's and how they tackled the issue of low pay.

"The fourteen JLC's cover approximately 100,000 workers though some of the Committees have now become somewhat archaic i.e. aerated waters and handkerchief makers. Trade Unionists have argued that the JLC system has now run its course and provides only the minimal protection for vulnerable workers. one of the major problems with large scale JLC's such as catering and grocery, is that they cannot be properly policed by the Department of Enterprise which employs just a handful of inspectors. Accordingly, avoidance is easy and even if you are caught fines of up to £1000 hardly act as a major deterrent. The majority of employers who do not abide by the JLC's have consistently argued that they are put at a competitive disadvantage by a smaller employer who can pay far lower wages than the legal minimum and get away with it."

Professor Basil Chubb's (1995:D20) view on JLC's was that the had recently been expanded, perhaps at too great a pace:

"But catering is now under JLC's. In the last three years, it came in, and that was a big bite to take in, all these fast foods, that was really big. I don't think the Department of Labour has yet assimilated all of that but they were getting on with the machinery. It was an enormous increase in their work of vetting and inspection. Its a tricky area."
Professor Chubb (1995:D20/1) evidenced a dual attitude on the part of ICTU personnel on subject of enforcement:

"I know that in Congress Kevin Duffy is the man on this. I myself when I was doing the thing for the LRC got the impression from him that Congress didn't want the issue raised as an immediate kind of thing, there was a lot of 'let sleeping dogs lie'. Now I may have got the wrong impression. I remember talking to Duffy about this and confirming what Congress policy is but getting the impression that you have policies but you push them forward when its most propitious."

The IPD(I) (1997:8) also point out the difficulty in policing the JLC's due to an insufficiency of inspectorate staff/bad policing arrangements and any extension might only exacerbate the problem:

"If it is difficult to police JLC's which cover less than 10% of the workforce, how difficult will it be to police what will effectively be a nation-wide JLC."

There has been no real debate on the possibility of repercussive claims to date, perhaps because higher paid employees do not want to be seen to be jumping on the backs of the lower paid colleagues. However, it will certainly be one among many of the key concerns in the debate on a minimum hourly rate of pay. As indicated earlier at 8.7.3, this may be dealt with at future negotiations in the form of a proposal for flat rate increases for lower paid staff, or some other suitable mechanism. There is always the mechanism of a possible return of the 'inability to pay clause' so popular in the 1970-1981 agreements to ameliorate the concerns of private sector areas that are under threat of closure or short-time working due to such cost increasing claims.

8. 9.1 The Main Arguments For National Minimum Wage

In an article in Irish Times in early 1998, The Minimum Wage Debate according to Padraig Yeates(Employment and Enterprise correspondent) the main points for and against a minimum wage were debated as follows:

- It would lift at least 100,000 low paid workers out of the poverty trap and make jobs more attractive to the unemployed
- It would prevent bad employers undermining the competitiveness and conditions in good employments
- It would reduce dependence of workers on State schemes such as family Income supplement
- Ireland and Britain are the only two countries in the EU which do not have a minimum wage
It would reduce tensions within some trade unions where the perception is that employer organisations are having their cake and eating it in relation to social partnership.

8. 9. 2 Arguments against a National Minimum Wage.

- It would drive many small, labour intensive firms out of business, costing thousands of jobs
- It would encourage wage claims from higher paid workers who would want to protect their pay relativity with lower paid sectors
- It would give employers an incentive to invest more money in capital intensive operations and reduce pay costs
- Any National Minimum Wage, and particularly one that was set significantly higher than the eventual British rate, would seriously undermine Irish competitiveness

Nolan and Blackwell (1989) point out that there are two policy options which are often mooted in addressing the low pay issue:

One is the intervention in pay bargaining - such as through flat-rate wage increases - but the above experience suggests that past efforts have seen the restoration of previous differentials after attempts have been made to change the wage structure.

Another measure such as Family Income Supplement (FIS) designed to supplement the income of low-paid workers. The problem here, apart from the fact that this could operate as a subsidy for low pay, is that there has been a very low take up of this means-tested benefit.

8. 10 The Economists' viewpoint.

According to McGinley and Hayes (1998:32/3) ; Denny et al (1997) cite the

"Consensus view among economists is that a minimum wage set above the competitive market rate and rigorously enforced on employers increases the supply of labour while simultaneously reducing the demand for labour , resulting in higher unemployment."

They also believe that:

"The most favourable assessment of the effects of an increase in the minimum wage from a relatively low level is that it had no effect on employment. No evidence is available that the introduction of a minimum wage, or a rise in its level, has led to an increase in employment."

Denny et al(1997:1) contend that:

"The imposition of a relatively high minimum wage would ratchet up the entire wage distribution as existing wage relativity's were restored. By reducing the
competitiveness of the Irish economy and its attractiveness as a location for inward investment this would lower the number of available jobs and raise the level of unemployment.”

The economists' view however seems to disregard the lie of the land across mainland Europe where in the European Union the fourteen other countries have some form of minimum wage whether through collective bargaining or national legislation. Also Grady (1999a:2) predicted that an ESRI study due out shortly would show a major drop in the projected cost of the minimum wage;

“The estimated cost to industry of introducing a legal minimum wage has more than halved in the past year a confidential study shows... the ESRI study puts the cost of the measure at £355 million down from the £800 million price tag calculated a year ago.”

Grady (ibid) also suggests that the number of people and firms which will be affected has also dropped;

“The number of firms likely to be affected by the minimum wage legislation promised for next year has dropped dramatically since a previous study put the number of firms paying some or all employees less than the proposed wage -£4.40 per hour- at more than 50%.”

In terms of the debate in Ireland the broad panoply ranged against its implementation has comprised employer organisations, economists from the neo-classical school, and free marketeers who believe that the market will regulate everything. Why is it that we are so out of step with our European colleagues? Why are we the last of the fifteen EU countries to tackle this area? As can be seen from the previous paragraph the concerns about the enactment of a minimum wage were overstated up to now - surely there are lessons to be learned from this.

Mc Ginley and Filby (1998:177) point out that in refuting the work of Card and Kreuger (1995 Princeton) Denny, Harmon, and Walsh (1997:1) claim that there is no future for the minimum wage in the Republic of Ireland:

"Introducing a minimum wage will not address these central problems and could well aggravate them. This is particularly true if the minimum wage is significantly above the prevailing market rate for low skilled and entry level jobs.”

This is obviously not the case as recent agreements in the retail trade have embraced a higher entry point than the proposed starting rate for the minimum wage.

However Teague (1996: 15AA) states that:

“Recent academic evidence from both America and Great Britain suggests that there has been a whole reversal in the thinking about the minimum wage on the part of economists. Pickard and Kreuger in the USA and Gregg and Machin in the United
Kingdom suggest that minimum wages do not necessarily have a big negative impact on employment, and can actually have employment creating potential.”

Teague also takes a swipe at the prevailing economic consensus in the Republic of Ireland when he says:

“Now this is something that is not going to go away and sooner or later the Irish Government, the Irish economy will have to address it. Ireland, along with the UK is one of the few countries without some form of floor on wages. The problem is you have an academic community in the South where economists are really trained in the Neoclassical tradition and they don’t take on board very much of the New Keynesian stuff, so the policy implications or the perspectives that are emerging in certain parts of the States or the UK really don’t filter in to the debate in the South because you haven’t got the academic outlets to do that.”

In America the work of David Card and Alan Kreuger on minimum wage policy has encompassed papers on real wages and employment under collective bargaining contracts as well as the study of life cycle responses to pecuniary incentives. Card was winner of the Clark Medal Award in 1995 from the American Economic Association, which is awarded on a biennial basis to outstanding economists under the age of 40. His work at the Industrial Relations Centre at Princeton has made it one of the leading research institutions in empirical economics. The minimum wages work which spans the decade from July 1988 - A Case-study in California, through to studies in New Jersey in 1992 and Pennsylvania in 1994. Their major book on the minimum wage issue was published in 1995.

Freeman (1997:171-173) emphasises Card’s view on the minimum wage’s effect thus:

"The issue of how much increases in the minimum wage affect employment is a long-standing one in economic analysis. Professional priors on the issue are clear: nearly everyone expects some adverse effect, though there is no consensus prior on the magnitude of the effects."

Freeman further contends that:

"When David gave his first paper on the minimum wage and reported that the increase in the States’ minimum wage, I was probably not alone in being highly skeptical of the results. After all, California is weird; teenagers put beans in their ears or worse; and state CPS files are subject to sampling problems. Rather than regarding this result as a fluke and rejecting the monopoly interpretation out of hand, David, ever the empiricist, began to look for evidence on the response of employment in low-wage labor markets to changes in the minimum wage."

Freeman continues;

"Expanding on the California result, he examined the effects of the 1990 increase in the federal minimum on teenage wages and employment across the country by comparing states in which the federal minimum had considerable bite on teenage labor with states in which it did not. The rise in the minimum raised teenage wages markedly in low-wage states but had no apparent effect on employment or school enrolment patterns. California might be odd but all of America?"
Freeman further relates how polarised the views are in relation to this particular research:

"This work has been criticized in various ways. David Card and Alan Kreuger's book (1995) Myth and Measurement: The New Economics of the Minimum Wage, which brought their results together, caused considerable controversy not only in the profession but outside, as well. Some economists, myself included, lauded the book for its considerable empiricism, while others criticised it in a special symposium published in the July 1995 issue of Industrial and Labor Relations Review.

One reason given for the attention given to area studies of changes in minimum wages is that they use a transparent scientific methodology.

First, you show that the wages of low paid workers subject to the new minimum in fact increased. Then you examine employment of affected groups before and after the increase.

Next, you find a 'control group': workers in that area unaffected by the minimum or workers in a neighbouring area where the minimum wage did not increase and compare changes in employment. The difference in differences in employment - the change in employment for the affected group minus the change in employment for the non-affected group - measures the potential effect of the change in the minimum.

What has become of this debate? My assessment is that the Card - Kreuger work is essentially correct: the minimum wage at levels observed in the United States has little or no adverse effect on employment."

At the minimum, the book changed the burden of proof in debates over the minimum; from those who stressed the potential distributional benefits of the minimum to those who stress the potential employment losses."


In my field-work research the final analysis of the minimum pay arguments in an Irish context are given below based on research conducted between January 1995 and July 1996 as described in Chapter 4. In this recent research a cluster of five questions dealt with the question of a National Minimum Wage. Specifically these questions were;

1. How does your organisation deal with the prospect of a National Minimum Wage?
2. How does your organisation view the enactment of a legal minimum wage?
3. How does your organisation view the possibility of a future British Labour Government under Tony Blair bringing in a statutory Minimum Wage in Britain.
4. Do you think that such a move in Britain will accelerate the demand for a similar minimum wage policy in Ireland?
5. Please comment on factors for and against.
Of the 31 interviews conducted 26 people were asked these questions and responded on the issue of a National Minimum Wage. The breakdown of the responses was as follows in Table 8.8:

Table 8.8 For or Against the Introduction of a National Minimum Wage.

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Favour of Minimum Wage</td>
<td>16</td>
<td>61.5%</td>
</tr>
<tr>
<td>Against a Minimum Wage</td>
<td>2</td>
<td>7.7%</td>
</tr>
<tr>
<td>Open on the Question</td>
<td>5</td>
<td>19.23%</td>
</tr>
<tr>
<td>In favour of Basic Income</td>
<td>3</td>
<td>11.54%</td>
</tr>
</tbody>
</table>

As can be seen from this data the overwhelming view was that there should be a National Minimum Wage introduced.

The two opposed to the introduction of a minimum wage are representatives of employer bodies John Dunne (IBEC) and Brendan Butler then (SFA) and now in charge of HRM policy in IBEC. Interestingly five interviewees were open to be convinced of the merits of a minimum wage, while three were open to CORI’s notion of a basic income.

Butler’s (1996:DD16) view was that:

"It would probably be the worst step we could take in Ireland in relation to dealing with some of the social problems, such as unemployment. On a national minimum wage we just think 'it's a non starter', it would have negative consequences right though the small business community, I think we would resist that tooth and nail."

On the question of how many of SFA’s employees would be covered by JLC’s?

Butler (1996:DD17) advises:

"Two points I would make on it; the sectors that are covered by JLC’s, I think there is very little adherence to it anyway, to be quite honest with you, because the policing method is very ineffective. We would have huge complaints from our members in relation to things like the black economy. Even people who are covered by JLC’s and adhere to it, are saying to us on an increasing basis that there is widespread abuse out there from 'cowboy operators', I think there is a huge need for any new Social Partnership to address very seriously the issue of the black economy ."

As can be seen in section 8.18 this is an issue which the Minimum Wage Commission make some points on later.

John Dunne’s (1995:L20) view is:

"Absolutely opposed to it, very negative, it would push up costs, cause all sorts of distortions in the labour market, it would start the whole business of relativity’s over again and would be very negative from the point of view of the economy."
And asked if a Blair government in Britain brought in a minimum wage, would you foresee that there would be an increased clamour for it here.

Dunne (1995: L20) says:

“Well, we seem to have had a bit of a tradition for aping things that have happened in the UK and we are thankful in the last couple of years that we seem to have moved away from that, maybe we will in a sense.”

However the representatives of two other employer organisations the Construction Industry Federation (CIF) and The Irish Co-operative Society (ICOS) believe that at the rates being mentioned of between £4.50 and £5.00 an hour, in 1995, their grades would be unaffected. Terry McEvoy (1995: U17/18) from the CIF believes:

“Effectively we have a national minimum wage in the industry anyway, we have a rate of pay for craftspersons and four rates of pay for general operatives, four grades, they are a percentage of the craft rate, ranging from 92% of the rate down to 80%. That’s part of a ‘Registered Employment Agreement’ (REA), its registered by the Labour Court under the 1946 Industrial Relations Act. It is therefore legally binding on all employers and on all workers in the construction industry in the Republic of Ireland. So that’s a National Minimum Wage for the industry, I don’t think that any national minimum wage agreement proposed for the country in general would be higher than ours, so in principle I would have to say no, we wouldn’t have a difficulty, we have operated on that basis in the construction industry now for over thirty years. Yes, £4 or £4.50, whatever you are talking about there.”

In view of recent settlements by the CIF with both scaffolders and crane drivers and with the prevailing inflation rate in the construction sector running at a level well above the Consumer Price Index (CPI) it is very unlikely that anybody other than first year apprentices are at a level comparable to any minimum pay rate.

For ICOS Malachy McGlynn (1995: O19) view of the agriculture industry is:

“Yes we would tend to worry a little about that, although again where a minimum wage policy would be effective we wouldn’t necessarily see it affecting us. We would think our rates would be well above any minimum’s that are drawn but the fear always is that once a minimum is drawn the unions would seek to widen the gap between it and everything else and that could put pressures on, we wouldn’t want to see that.”

8.12 The Trade Unions’ Opinions

Among trade union leaders, while there is unanimity on the need for a minimum rate of pay, they do not all come at it from the same direction nor have they all always been in favour of it.

Mick O Reilly’s (1996: CC 26) view is:
"I don't think we should be looking to what happens in Britain at all and certainly I don't think we should be looking to the incoming Blair government, no more than I think we should look at any government in Britain. If there is a case, we have made a case for the minimum wage, we should get on with the debate and get on with putting on pressure in Congress and stop imitating anybody else, because people here need it and there is a case for it and we should get out and sell it, and test the social partnership to see if its prepared to bear the stress of looking after the lowest paid in society."

Peter Cassells (1995: 32/3E) of Congress expresses the view that ICTU have been running a two pronged strategy:

"Well, we produced and published a report all right that showed that Ireland and Britain were out of step in Europe as the only two countries not having a minimum wage. I think if Britain comes on board then that's going to put enormous pressure on us. And also, particularly given the fact that we represent workers in Northern Ireland as well so we would actually be coming to conferences with about a third of our members covered by a national minimum wage and the rest of them not. Now we'd be running a sort of two pronged strategy on this, one pushing for a National Minimum wage, but at the same time trying to get that and trying to deal with the problems that are out there, and we got, what was it, two if not three additional JLCs, one with the Contract Cleaners which was a big breakthrough, we got the one for the Catering Sector, which is a big breakthrough in terms of restaurants etc., and then we got the one for the retail sector in terms of jobs so they were three new ones. So while running the strategy of the National Minimum Wage, we identified those as three sectors that were causing most difficulties. Now I would have to say on the retail one that the level at which it was set creates difficulties in the sense that its fairly low and you would wonder if it was the best strategy in terms of where that ended up. But anyway its there and its what has to be built on. But I would still argue very strongly in an economy that's going to be high skill, high tech., high wage economy that the only way of dealing with that sort of approach to development in the economy is that you have to have a National Minimum Wage and that you have to have legislation protecting both part-time workers and temporary and contract workers, I don't think there is any way round it and I think that the election of Blair in Britain if it comes, even if he is iffy on what the amount should be, I think that once the concept is broken, all the pressure will come on Ireland to deal with it."

As leader of the largest trade union in Ireland Attley's remarks are particularly interesting on this pay issue, especially as he acknowledges Janet Hughes's role in the SIPTU campaign.


"I think it would be a catalyst for it. Of that there's no doubt. I'm a late convert to it - a late vocation to minimum wage - I never believed in them - I always had a fear that minimum wage - if you look at the Right to Work States in the States - they become the rates rather than the floor- so I had always that fear in that."

Attley (ibid) however identifies a major change in the labour market for his change of view, which acknowledges a major shift in Ireland from manufacturing to services industries.

"What I missed in the process was the fragmentation of the Labour Market. Which had fragmented to a level in which only when I went out with Janet Hughes and the Women's Workers Branch - during the campaign we ran on part-time workers
because I was out there every night - that I saw a level of workforce that I didn't
know existed in the economy. I thought we had eradicated and I'm not talking
about factories because the Joint Labour Committees here still play a vast role -
essentially, if you look at the sectors for the Joint Labour Committee are - they are in
minimum wage operation. So we do have more minimum wage legislation than any
- Thatcher removed all the Works Councils in Britain - there are no Joint Labour
Committees here- so we have a level of minimum wage which people tend to ignore
but they are there covering huge streets of organised and unorganised workers. The
JLC covered by the textile, clothing, handkerchief - all of those thing and the
sweatshops must - all you have to do is ring up the Department of Labour and tell
them they are not paying the JLC rate and they're down on them like a ton of bricks.
But, what we missed was the fragmentation of the service industry the growth of
the service industry and the discrimination in that particular area and that's where
the National Minimum Wage would certainly be absolutely a priority."

8.13 The Institute of Personnel and Development (IPD) View

The view of the Personnel Professional Body the Institute of Personnel and Development
is reflected by its Chief Executive in Ireland, Mike Mc Donnell(1995:BB22):

"The unions could play a role because it goes back maybe to centralised agreement
and the minimum wage. My view of centralised agreements to date has been that
they are full of waffle and there is one line that is relevant and that's what is the
percentage increase. And they cover everything from women's rights to the
disabled but nobody cares much about it because they haven't taken it terribly
seriously. I think future agreements have to shift the focus, because those issues are
no longer just going to be padding, because again if you are in a low inflation era
where money is going to be less attractive anyway, 2 or 3% or 1%, small increases
that are neither here nor there, at the same time people are now genuinely worried
about losing their jobs, that the question of employability is going to become a
critical one and the whole employability thing is, if my job goes in the morning, how
employable am I in the market place?

So therefore I think there is a real role for the trade unions to come in, promoting
training and development of the individual, in other words, keeping the individual
employable, because we are all going to become much more individual in our
approach than we have been in the past, and if think I could feel that a union was
in there, unions want to become a little bit like professional bodies almost, you
know arguing on my behalf and saying, "look this man needs training and
development, this job is likely to go out of existence in two or three years time, what
are you doing to develop him?" I probably would pay my two or three pounds a
week for that type of service... I think the minimum wage, is just inflation and
agreements bring costs up."

8.14 The Viewpoints Of The Academic Community

The Academic viewpoint is quite diverse. Gunnigle (1996:Y11) gives the following view:

"Can we live without it? I think we can. I haven’t seen economies that not having a
minimum wage would damage it, or create problems, equally I don’t see a minimum
wage creating a great degree of problems either. Our problem really is the high
taxation rate at low levels of income."

From personal experience Professor Gunnigle(1996:Y12) gives the following example;
“Just at a very pragmatic level I have worked in a number of countries with a minimum wage, I have worked at a minimum wage, I haven’t seen any direct problems with it, because minimum wage is a minimum and a problem in Ireland is reconciling minimum wage with taxation. I think that is the problem for the unskilled, the very lowly skilled in the labour market. There are really so many limited jobs available to them and the pay levels in those limited jobs are just not viable. I don’t think its a problem, I think more is made of the minimum wage than is actually justified.”

Professor Bill Roche’s view however (1996:X10) is:

“Yes, I think should Britain institute a minimum wage under a Blair government, it will become much easier to make a case for it in Ireland. There is no doubt whatever about that, though you still have the problem if EMU comes to pass and we join and Britain doesn’t you have the problem that Britain will be able to use competitive devaluation’s to retain the competitiveness of their trade and that means that simply the fact that they have a minimum wage still makes Irish cost structures very risky relative to British cost structures. I think it is certainly true that for this business to move on in Ireland and for it to get a fair hearing and a fair assessment, which it hasn’t ever got in macroeconomic and social policy making, it will require that one of the social partners actually take it on board and look at it closely and its not surprising that the trade union that has the biggest portion of exposed members on relatively low pay will probably make the running for it .”

Roche (1996:X10/11) continues:

“But I certainly haven’t seen in Ireland, anything like the degree of debate or sophistication of debate on minimum wage that we have seen in the UK or Europe, and it may well be that through a kind of a spill-over effect from Blair, if Blair introduces it and the British economy doesn’t go down the plug hole, which it won’t do, that people here will be less spooked by it. It doesn’t seem to me to have figured earnestly as a trade union negotiating item in the recent talks (PCW) unless I am much mistaken, in recent years.”

Roche’s view here is quite accurate in that other than a couple of the shopworkers unions and SIPTU, none of the other trade unions were very bothered with the minimum wage issue. However SIPTU ran with minimum wages as an issue in the 1997 General Election campaign and once it was promised in the Fianna Fail manifesto - it had to be delivered as a core value by Fianna Fail.

Interestingly Hastings’s view which was expressed early in 1996 reiterates Roche’s view of a year later. Hastings’s (Employment and Enterprise expert with the Independent Newspapers Group and research scholar at Smurfit Business School) (1996:Z13) comments:

“There is minimum pay here to some extent, in terms of the JLC’s; obviously the rates vary enormously, and I think to be honest the unions themselves are divided about this, I don’t think they have ever spoken with the one voice on it. You have had De Rossa coming out and talking about it, but I didn’t hear any union leaders coming out and supporting it. To be honest, I think its probably a bit of a non issue; I don’t see it surfacing in any big way, I don’t see the government embracing it, and I don’t hear Trade Unionists calling for it. I think you may see an effort to extend the
JLC principle into other areas, or maybe to extend on it and build on it, but I think it will be very incremental, I don't think you will see any grand slam policies. Perhaps an increase in the floor of any deal that would emerge, that would be the modus operandi rather than any grand sort of structure.”

And he further says:

“Its a different debate in Ireland as against the UK, in the UK they have now absolutely no minimum wages whatsoever, they stripped down all the wages councils, what would be interesting to look at in Ireland and I don't know if anybody has ever done this, to look at what are the minimum rates across all of the JLC's and to say, in effect that's the minimum wage we have now in the Irish economy. So, you know would it really be that much different? ”

Professor Basil Chubb had the following historic perspective to put on the minimum pay debate. He said in (1995:D20):

“with the minimum wage; Congress has a general policy on this and there are big theoretical and practical questions which the Labour Relations Commission took up. I did a report about 18 months or 2 years ago, on the Joint Labour Committees which set minimum wages for their own sectors. That raises the whole question of should or should there not be a single minimum wage nationally? I think the LRC ought to work on this and I think they would if the circumstances are right. But it is very hard. I went through the literature when I was doing this report and the experiences of Western European countries and I could see there were real problems in this area. It isn't a question of someone being right and someone being wrong, its much more complex.”

Michael Barry’s (1995:C7) view is:

“I would be in favour of that, Eddie Lee’s, research from the ILO seems to indicate that it doesn’t have any adverse effect on job creation and I don't believe that if you can argue that the people at the top end of society, managing directors etc. need more money in order that they can do their jobs well, I don’t think you can argue against a minimum wage for those at the bottom, I think its a moral issue. - Its a bit like a vote for everybody.”

8.15 The Politicians’ Views

Pat Rabbitte (1995:W6/7) TD for Dublin South West which encompasses a number of employment blackspots including parts of Tallaght and Clondalkin predicted some intermediate mechanisms before the advent of a minimum wage. He predicted the following:

“I think there will be very significant opposition to it in Ireland in addition you know it would probably would be contingent on us doing other things in the area where the social welfare system interacts with the capacity of people, and I wouldn't really pin any hopes on the introduction of the statutory minimum wage in the short term. There are mechanisms like the Joint Labour Committees, which perhaps could be beefed up, but I think there are features that are unique to Ireland and in addition to that we have a long term unemployment problem which is worse than elsewhere.

Not unique to Ireland but its worse, the live register figure that the labour force survey shows is not a reliable figure in terms of unemployment, but what is reliable
is that the long term segment cohort is a very serious endemic problem, that's at best static and I think that there will be great resistance by a number of forces if we try to impose a National Minimum Wage in the short term."

Ruairi Quinn TD (1995:P17) preferred the extension of JLC's as the way to solve the problem citing the American system and the demise of the British Wage Councils;

"On minimum wages - the British have got rid of their we would (Wage Councils), so there is no protection, there is no floor of any kind. A national minimum wage can introduce certain rigidities. Now they have one in the US, and yet the US has an incredibly flexible labour market in terms of people coming in and out, part time work and the rest of it, so it doesn't appear to address the problem that people in this island or across the water think that a national minimum wage would have which is to eliminate the phenomenon of low wages and low pay. I think there have to be standards, I think the concept of the JLC is correct, if you take the point I was making earlier, that Trade Union negotiation and presence in many sectors of the exposed private sector are non-existent, so therefore there has to be some guarantee, some guarantor. I personally like the concept of a minimum wage, I think there should be flexibility in regards to the sector and in regards to the type of work done, and also as regards to the age of people working. But yes, there should be an umbrella piece of legislation in which JLC's could operate."

Former Taoiseach and leading economic commentator Dr Garret FitzGerald (1995:T15) is neutral on the issue. He has;

"an open mind on it, I think the arguments for and against are very evenly balanced, I would like to see it - if I could be satisfied that it wouldn't have a negative effect on employment and I am prepared to be convinced of that. But I haven't seen the argument fully worked out in this country, so I don't know. I hope there will be a good debate on that, and a serious debate, and that we can take a rational decision because we do have the problem in Europe of the trade union structure being such that in America people get jobs that they don't get here."

Dr FitzGerald(1995: T15/16) is critical however of the US System:

"The American system is very cruel and heartless in terms of unemployment benefit, and there are an awful lot of very poor jobs in the service sector, but people do have jobs, whereas in Europe they don't, and I think some change in our European structure, towards but not to, the American system may be necessary. But the Americans do that with a minimum wage, I gather, so it doesn't seem to me that one should use the argument of European labour costs being too high and American costs being low, as an argument against a minimum wage. Just let's look at the minimum wage and see can it be done in such a way that it doesn't have a negative effect and if so we should do it ."

8.16 The Views From Other Interviewees

John Mc Adam(1995:V14) a former staff member with the Irish Productivity Centre and now an independent consultant believed that Blair’s Labour Party would deliver on their promise and that Ireland would follow suit:

"Yes, I think there is a certain inevitability about statutory minimum wages coming into Ireland, there is a certain inevitability about a Labour government coming in England as well, but because of what happened last time, one fall backwards on a pebbly beach can do amazing things for your leadership prospects, but assuming
that there is a Labour government some time in the near future in the UK and that they do deliver on their promise of a National Minimum Wage at whatever level it happens to be, I think it does push Ireland further in that direction.”

On the JLC mechanism in Ireland Mc Adam(1995:V14) is quite upbeat:

“I think the experience in Ireland incidentally of minimum wages determined by JLC's for certain industries, traditionally the low paid industries, has been reasonably positive. I mean it hasn't damaged the competitiveness of individual companies or it hasn't undermined the operational aspects, and I think extending that to cover all low paid work is a logical and reasonable development. It would put, I suppose a bottom line, or it would underline the level at which pay can be maybe, because I don't think there is any doubt about it, but that the level of pay that some casual part-time workers are receiving at the moment is unbelievable, it can't be described as anything other than exploitation and I think determining a National Minimum Wage at least for that purpose would be a useful thing to do. And I think the minimum wage legislation under the JLC's is probably the sensible way of expanding that, I mean some of the JLC's only apply to Dublin, they don't apply nation-wide, some of them apply outside Dublin, but even as a start I think they could be expanded or there is scope to create additional JLC's or the extension of the wage determination for that industry to a National Minimum Wage for that industry would be a reasonable start.”

Jim O Sullivan (1995:N39) from a HRM perspective within the multi national sector opined;

“I have no doubt that it would accelerate demand, I would certainly think that the Trade Union movement and the INOU, would certainly be champions of it, and I would encourage the degree of clamour that they might bring to it. I think there are a set of conundrums around the notion of minimum wage that need to be addressed, so it would be interesting to see how the Blair government, in setting it up, but certainly those who have been championing the idea to date would be very much encouraged by it coming into Britain.”

Jim Larragy (1995:J48) from the radical perspective saw the move towards a minimum wage as positive but expected the rate to be too low;

“Well it would be fairly meaningless in terms of its level. It may happen but you know the basic conditions, the level would be puny.”

When asked if he thought the move in Britain would accelerate the demand for a similar minimum wage here, he replied;

“Oh, yes it would, the trouble is it would be similar.”

Jackie Gallagher (1995:H19) a former member of Bertie Ahern’s cabinet and well respected former employment correspondent of the Irish Times opined:

“It certainly would reduce IBEC’s whinging about a lack of competitiveness one of their great arguments is that we have something here that's not in Britain so therefore we are at a competitive disadvantage. If minimum wage applied in Britain it would reduce some of the political clout of IBEC and other of those who would be against a minimum wage.”

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8.17 Recent Trends In The Irish Labour Market

8.17.1 Staff Shortages

While the Superquinn offer listed below is partially seen as a move to face up to the minimum wage issue now, it is also a pragmatic move in response to the staff shortage affecting the retail and other service based sectors. Over the last two years most of the major retail multiples have been forced by the skills shortage to offer staff employment at the third point of the shop scale. This in a sector which has previously had very low numbers of permanent staff numbers and had existed on large cohorts of student and part-time casual labour.

One of the main reasons for this recent labour shortage has been the higher ratio of school leavers continuing on in third level. In 1986 only one in every four 19 year olds was in full time education that figure is now reduced with more third level places, apprenticeships increasing as well as the multiplicity of other types of educational courses. In 1999, 60,000 third level places were offered in the first round by the CAO.

A major pay deal for staff at Superquinn is set to over-ride the proposed national minimum wage by pegging the company’s lowest starting scale at the proposed minimum hourly rate of £4.40 an hour.

Martin Frawley (IRN 1999:12/13) reports on the latest development in what is fast becoming a trend in large companies within the grocery and retail industry.

"Superquinn, which employs almost 5,000 staff nationwide, has offered a substantial increase on the lower starting point of the old 'shop scale, raising the existing point 1 of £3.75 per hour to a new 'training rate' of £4.40 per hour - an increase of £25.35 per week, or over 17%. Staff willing to work Sundays on a contractual basis can earn a higher 'training rate' of £4.70 per hour, an increase of £37 per week or, over 25% on the existing starting point.

The increases on offer are heavily weighted in favour of the first two points of the six-point shop scale, with flat increases offered for the top 4 points which range from 21p up to 51 p per hour, depending on whether an employee agrees to work extended hours or not. The flat rate increases translate to percentage increases ranging from 5.5% to 11%, or about half the percentage increase being offered to those on the starting or trainee rate.

The staff, members of MANDATE, are currently balloting on the offer with a union recommendation for acceptance. There is also a provision for extended working hours on a voluntary basis and the introduction of a performance appraisal system. This would
facilitate staff in moving up the scale faster. A 10% staff discount scheme is also available. New staff will have to work some extended hours and will not be offered the same overtime rates as currently apply. The pay increase includes the 2% local bargaining element of P2000."

8. 17. 2 Outing Of Low Pay Employers

In early 1998 the Dublin Council of Trade Unions engaged in a campaign against low wages. Part of that campaign was based on holding a number of short vigil protests outside city centre employments paying low wages. Among the firms ‘outed’ in this campaign were:

<table>
<thead>
<tr>
<th>Firm</th>
<th>Job</th>
<th>Wage per Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bewley’s</td>
<td>Sales Assistant</td>
<td>£3.33</td>
</tr>
<tr>
<td>Eddie Rocket’s</td>
<td>Waiters</td>
<td>£2.00</td>
</tr>
<tr>
<td>Brown Thomas</td>
<td>Sales Assistants</td>
<td>£3.65</td>
</tr>
<tr>
<td>Waltons Music</td>
<td>Receptionist</td>
<td>£2.50</td>
</tr>
<tr>
<td>Herbert Lodge</td>
<td>Receptionist</td>
<td>£2.50</td>
</tr>
<tr>
<td>Tourist Hostel</td>
<td>Receptionist</td>
<td>£3.00</td>
</tr>
<tr>
<td>Constant Security</td>
<td>Security Guard</td>
<td>£3.00</td>
</tr>
</tbody>
</table>

Recently, Yeates (1999a:9) reported that one of the above companies had concluded a deal with SIPTU for an increase of 11% for some staff. Bewley’s industrial relations and personnel consultant John Power opined:

"The reality of life is that the Celtic Tiger has struck the national minimum wage already."

Of the 450 staff employed by Bewley’s about 30 of them fall into this low wage category. In the higher three grades current rates of £4.20 per hour will be increased to between £4.80 and £5.74 per hour by September 1999.

Bewley’s spokesman warns however of some of the dangers ahead;

"We reckon that every penny increase in the rate in Bewley’s equals between £10,000 and £12,000 on the pay roll ... We also suffer from the disadvantage of being more labour intensive than fast food outlets where no waiting or washing up staff are required."

Grady (1999c:8) recently reported that leading retailer Marks and Spencer ‘s are known as model employers within the industry as their turnover rate of only 4% testifies. Of 120 people recruited in Dublin in 1979 when it first opened 76 of the original staff were still employed while a further 23 had retired. Rather than recruiting part-time employees M&S tend to tailor their needs with employees preferences thus three long day working weeks and have a number of special incentives built into their rewards package.
The Sunday Tribune in May 1999 listed the following service industries looking for staff in Grafton Street:

- River Island
- A Wear
- Airwave
- Camera Shop
- Spectra
- Burger King
- Clarks
- Laura Ashley
- Levi's
- Nine West
- O'Brien's
- Next

8. 17. 3 Tesco In Talks

According to sources in both SIPTU and MANDATE all the supermarket chains are clamouring for restructuring deals to try to hold on to elusive staff. In Tesco the offer on the table means the effective implementation of the proposed minimum wage rate of £4.40 a year before it is "due" in April 2000. Tesco's move follows a similar deal last year between MANDATE and Marks & Spencer.

According to Frawley (1999:12/13) this deal:

"Also offered trainee rate of £4.39 per hour, moving to an "experienced" rate of £6.00 an hour after 12 months up to a maximum £7.20 an hour based on performance. It is understood that Tesco Ireland, which employs almost 10,000, is in talks with MANDATE regarding a similar deal to replace the first two points of the 'shop scale' with the £4.40 an hour rate."

These deals throughout the retail sector will provide a significant boost for the trade union movement in their efforts to get the minimum wage introduced next year. There has been resistance to the introduction of the minimum wage from employer groups who have warned of the potential negative effects on employment. Unions feared that employer resistance would mean that the new minimum wage would become a negotiating card in any follow-on deal to P2000. They have argued that the minimum wage should have been introduced during P2000 and want to avoid a situation where even a phased introduction of the £4.40 rate would require concessions. However, as it turned out, no such commitment to a minimum wage was given in P2000.

The current six point 'shop scale', the standard scale for all the grocery multiples is as follows: £3.75; £4.02; £4.49; £4.92; £5.22; £5.82. The sector, heavily reliant on labour availability, was always seen as one of the most likely to be affected by a minimum wage. The proposed rate of £4.40 would 'take out' the first two points of the shop scale, with significant 'overnight' increases in labour costs. These increases would obviously be more marked for retailers with a high turnover of staff with a majority on points 1 and 2 of the scale. Dunnes Stores, which at one time had a 50% turnover of staff, were seen as most
vulnerable in this regard, although they pay the slightly higher 'Dublin Drapery Trade' rates.

8. 17. 4 Centralised Distribution Centres

A further feature of the changes in the retail sector has been the rationalisation of distribution centres within particular stores. Rather than carrying large stock loads in individual stores the main stores are centralising their storage operations, open on a 24 hour basis, with daily deliveries to their stores. This means that deliveries are to the centralised warehouses from suppliers with the attendant economies of scale which this brings as well as the reduction in the need for individual suppliers merchandising their products within the stores. This change in policy in Ireland is replicating practices which British multiples have been pursuing at home in recent years. One of the areas where this may have a displacement effect is with sales representatives from individual firms who will no longer sell to individual operations but in bulk to company main buyers. While these representatives are currently being assimilated within their organisations the reality is that in time these jobs will disappear.

8. 18 The Report of the National Minimum Wage Commission

Higgins 1998 (IRN15:18-20) reports on the principal findings of the Commission thus:

1. The shortcomings of the JLC and REA systems are widely recognised. There has to date been an unwillingness to confront these shortcomings.

2. The Commission is of the view that the selective approach to minimum wage setting under the JLC system cannot achieve universal coverage and therefore cannot hope to address the issue of low pay in the economy. The JLC's will however remain but their function needs to be reviewed and in some instances the particular JLC will be overtaken by the prevailing baseline rate established.

3. The Commission recommended that a new Commission be established on a statutory basis with representatives from trade unions and employer organisations government and independent organisations. This Commission would review the minimum pay rate at one to two year intervals taking into account various factors including the trend in prices, overall economic conditions, employment and competitiveness.

4. The Commission decided on a single rate, making enforcement easier and ruling out regional or sectoral variations, and also deciding that small or medium size enterprises should be treated the same.

5. The Commission saw a future role for the Competitiveness Council in any future review of the minimum wage rate or structure.

6. In determining the rate of the minimum wage two key considerations were taken on board. 1) To avoid any measure which would encourage early school leaving and 2) Through the minimum wage to promote and recognising the cost to employers in terms of time invested and productivity foregone. In recommending that sub-minimum rates should apply to under 18's and job entrants for a defined period the Commission hopes that the minimum wage will contribute to the objectives of raising
standards, educational levels and skills and avoid the problems which can emerge elsewhere in terms of early school leaving and displacement of low skilled workers in favour of more productive employees.

The Commission therefore recommended that the following percentages should apply for younger workers:

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18's</td>
<td>70% of full rate</td>
</tr>
</tbody>
</table>

7. A reduced training rate should also apply to job entrants, apprentices and trainees on a sliding scale basis:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>75% of full rate</td>
</tr>
<tr>
<td>Year 2</td>
<td>80% of full rate</td>
</tr>
<tr>
<td>Year 3</td>
<td>90% of full rate</td>
</tr>
</tbody>
</table>

For employers to use this training rate the training element must be clearly identified in the employment contract in its absence the full rate shall apply.

8. The Commission recommended that the national rate should not come into force until the expiry of Partnership 2000. The Commission thus set a target date of April 2000 for its implementation. The rate should be two thirds of the prevailing rate of median earnings and should take account of economic conditions and competitiveness. In April 1998 terms this would equate with circa £4.40 per hour.

In 1998 terms it was estimated that 23% of employees were currently earning less than this rate. The average increase per employee would be of the order of £40 per week or £1.15 per hour. The cost in terms of 1997 rates was approximately 4% or £813 million. In terms of JLC rates such an increase to £4.40 would equate to an increase of 20% of the JLC rates payable to adults. The Commission also recommended that measures should be put in place to tackle the 'black economy' which was seen as a threat by both employers and employees alike.

8. 19 Conclusion

8.19.1 One of the chief concerns posited by many people about the Irish situation is the position of the unemployed currently on welfare benefit. There appears to be great concern among many of the NGO's at the all or nothing philosophy policy of many Government Departments. There are still a significant number of long term unemployed, circa 50,000 people as well as 40,000 CE scheme members. Most of these people are on Social Welfare Assistance and low rates on CE schemes as they only work 20 hours a week. Most of their income is in the low pay area.

8.19.2 A broadly progressive harmonisation of the Taxation and Welfare areas needs to be further enhanced over a short to medium term to coax those who have anxieties about loss of current benefits back into the labour market. This has already begun with
back to work schemes where 'returnees' to work maintain their benefits on a decreasing basis over three years thus partly protecting their benefits while their pay rate increases.

8.19.3 Among the main protagonists of the employer labour divide the positions remain completely polarised. ICTU have adopted a two pronged strategy in getting a number of extra Joint Labour Committees established for areas such as catering, contract cleaning and restaurants, while at the same time pursuing the minimum wage legislation as enunciated in the PESP. Recent developments in the retail sector show that pay rates are rising gradually as evidenced in section 8.17.

8.19.4 There is still a large gap between the views on both sides of industry. Recently a senior IBEC official, Turlough O Sullivan, commented that there was no justification for a £5 an hour rate for a minimum wage. This against a background where individual employers are increasing pay rates to hold on to employees. However one concern of IBEC which cannot be ignored is of course the question of global competitiveness as events at SEAGATE, AST and Fruit of the Loom have recently shown. There is however a need for IBEC to become more focussed especially in private sector employments to lend its expertise to move some employers into the twenty first century.

8.19.5 In the light of the prevailing rates from the JLC's based on figures for 1992 to 1997 a rate of £5 per hour would not appear to be too exorbitant in many of these JLC's. Indeed a few are already paying above £5 per hour.

8.19.6 The question of what is considered by trade unions and employers as the erosion of the differential is of course one which must be addressed. It would be asking for too much if at the one time a minimum wage were to be introduced and at the same time a claim were to be lodged for those employees immediately above a minimum pay baseline of £5 per hour. It appears that both IBEC and ICTU will agree on a document that the Labour Court will not be asked to adjudicate on such claims then both sides must stick to such a deal. This will cause friction at the level of the enterprise and at shopfloor level within some trade unions.

8.19.7 Bearing in mind the restrictive nature of the clauses in Partnership 2000 and the 2% general increase it should not be beyond the ability of the Social Partners to devise some moratorium in relation to any such further cost increases and push same into some future pay round. It may also be the case that the question of flat rate increases for employees below a certain threshold will remove this problem. This is an area which IMPACT has done some work on, and is likely to be an issue in any new pay discussions.
8.19.8 The question of possible labour market shortages can surely be addressed by programmes of continuing education and allowing many of the claimants for refugee status and political sanctuary work while their applications are being processed.

8.19.9 One area where the minimum wage could be introduced with immediate effect is of the course the Civil and Public Service for it is a shame that in 1999 there are still a considerable number of such employees eligible for the Family Income Subsidy, and that grades such as ‘home helps’ are earning less than £3 per hour. There are still a considerable number of such weekly paid staff existing on low pay rates supplemented by shift premia and over-time in Local Authorities, Health Boards and Public Sector areas. Surely now that the size of the Public sector of 300,000 is less than 20% of all those at work in Ireland we can afford to put in place a reasonable floor for Public Sector low earners.

8.19.10 Despite the proximity of Ireland and the UK in distance, it may very well be the case that the decision making processes in the two islands will lead to a situation where because of differing trends in our economic circumstances allied to the rather divergent tax systems which apply in the two territories, and given Ireland’s recent growth cycle, two different strands may well emerge to solve the problem of minimum wages moving Ireland more towards the European model and leaving the British model finally on its own. The implication of the UK standing alongside only Greece outside the EURO is surely something which would galvanise the least politically aware in the UK into action. The recent poor performance of the EURO against the dollar and yen may however give an added impetus to those Eurosceptics who still remain quite vocal at Westminster.

8.19.11 There are already preliminary indications that some workers are already converting and comparing national/euro rates of pay across EWC’s in particular grades. It is perhaps inevitable that this process will accelerate as more legislation becomes common among all 15 EU constituents and that the real determinant of pay rates will be levels of national competition and productivity industry by industry. Areas in which the ETUC already have transnational/sectoral discussions as well as companies which are involved in European Works Councils are likely to be the first to look at European wide pay comparisons, which are likely to spread in time.

8.19.12 While the introduction of the minimum wage in the year 2000 will bring to an end the struggle for a large minority in work in Ireland, it will only lead to an improvement long term if it becomes a floor and not a ceiling. New ways must be sought to combine against the scourge of long term unemployment, educational disadvantage, dependency
culture particularly in relation to welfare by tackling the remaining problems in our society from top down and bottom up at the same time. The need to work must be inculcated in our youth from early times, and the spectre of men in their forties being placed on the scrap heap of life must be sundered forever.

8.19.13 Economically we are on the threshold of great times if we take the right options. We can use the skills shortages currently being spoken of to create a new employment hierarchy where all who wish to work can find work and where finding a mix of educational training for life and upskilling within firms and industries as enterprises introduce new flexibilities and technologies will allow the rising tide effect. Tanaiste Mary Harney TD, Minister for Enterprise Trade and Employment, recently told the IPD annual gathering in Ireland that many employers relied too heavily on the government.

There has to be ongoing emphasis on re-education and upskilling. If we want less regulation we cannot expect the government to do all the training. Irish companies are not good at training, and investing in people. It is imperative that the education and training budgets and research, development and innovation budgets are increased as discussed by McDonnell at 8.13, from their low single digit figures towards a combined figure of 10-12% of turnover so that enterprises can be properly secured for the future.

8.19.14 Garret FitzGerald freed of the burden of politics and once again enjoying his old job of economist/journalist is in this writers view still more radical than many of his more esteemed ‘left wing’ economic colleagues. Recently (1999a:14) however commenting on our economic prosperity he wrote:

“The time has come for a radical review of our fiscal policy and for the adoption of long term plans not merely for increased infrastructural investment but also for the improvement and expansion of public services and social transfers directed primarily towards the elimination of poverty. The achievement of that objective by 2000 is now well within our power.”

8.19.15 When the P.N.R. was first formulated it was designed to get this country out of a hole and on the road towards some type of economic prosperity. The period of PESP and PC'3~ have seen most of that goal completed and the P2000 has seen some modest re-adjustment in the wage levels of employees. The trend of giving inflation plus a small extra increase, based on percentage awards, despite the fact that there are minimum floors normally in all phases after phase one increases does little for those on low and below what can be regarded as minimum wages.

It matters little whether the rate at inception is £4.40, £4.60, £4.80 or £5.00. What matters is that a minimum rate is introduced and widely policed in the early phases and that a
fair escalator is built in to the rate. In any forthcoming round history will judge the social partners and government poorly if increases have not moved to an inflation plus productivity plus a share of national growth sum. There is no reason why in all sections of the private sector the rising tide should not lift all vessels.
CHAPTER NINE: WHAT IS SOCIAL PARTNERSHIP AND WILL IT BE TRANSFERRED TO THE LEVEL OF THE ENTERPRISE?

This Chapter looks at the principle of social partnership as it has evolved since 1988, following the agreement of the Programme for National Recovery. Section 9.1 examines the fieldwork evidence and interviewees' responses. Bearing in mind that in the middle of 1999 there is hardly an academic, economist, political party, or any major facet of the social partners to be heard disparaging the concept of social partnership, the fieldwork interviews conducted in 1995 and 1996 give some interesting viewpoints.

In Section 9.2, I look at attempts to bring the concept of partnership to the level of the enterprise through the views of the interviewees. Later I focus on efforts which have been made over the last few years in both the public and private sectors to commit to enterprise partnership.

In Sections 9.3 and 9.4 I review the lack of academic consensus on Social Partnership and the question of whether Social Partnership leads to a democratic deficit. The area of democratic deficit is not one which I had envisaged when I set out on my research, and while there may be greater agreement on Social Partnership currently this section shows that this was not always the case.

In later sections 9.5 through 9.7 I look at the understanding of social partnership, the establishment of the National Centre for Partnership, related partnership issues, including the Strategic Management Initiative in the public service and recent initiatives on workplace partnership forums.

Finally one of the by-products of such partnerships which have become popular are Employee Share Ownership Plans (ESOP's) which are examined at 9.8 as well as the move towards completing the privatisation of a number of state enterprises, while at 9.9 the issue of global competitiveness is addressed.

9.1 The Development Of Social Partnership

Speaking on RTE's Morning Ireland on June 28th 1999, IR. Consultant Tom Hayes opined that he did not see a new national agreement being struck at the end of Partnership 2000. His belief is that, while all sides wish for a further deal, one will not be easily negotiated especially as expectations have risen dramatically with the rise of the Celtic Tiger. He did however assert that the principle of Social Partnership could
continue in the absence of a further national pay deal. Against this backdrop it is interesting to look at the views expressed by the interviewees to the question 4.23 on the question of what is social partnership? I have sub-divided the responses into groupings such as political, academic, economist, trade union and employer for the sake of clarity and have included fieldwork comments on enterprise partnership, worker participation and other new forms of work.

9.1.1 Academic Views

Michael Barry Senior Lecturer at the NCI (1995:C17) views the consensus in a European context, but regards our social partnership as still in an evolutionary or fledgling state. In particular he views social partnership as follows:

“It has to come out of a genuine sharing of interests and aims over the long haul, and when I say that I think of Sweden as an example, where across Swedish society there was a simple abhorrence of the mistreatment of workers, an abhorrence of unemployment, an abhorrence of any lack of dignity which workers had and a genuine attempt by all, including employers in many instances, to put it to rights. That, it seems to me comes out of something outside the actors in the system and in Sweden it seems from the research and thinking now, to be an aspect of their culture...to which the majority subscribe, but also the harshness of the climate, the need for co-operation, there are models of co-operation which they could draw on in the culture, which helped it, models of self-help, models of community working and that then grew out of that and also models of human dignity, coming out of Protestantism I think initially and then translating into the secular values of a liberal society.”

Barry is unhappy with the me fein attitude of Irish society and feels that the value of community and long termism are lessons still to be learned. His view is;

“I don’t think we have a lot of these things in Ireland, I think we need to build them. That why I see that you would need to push down into politics, into the trade union membership and into the wider society, there is an element of, when you get down to individual actors, there is an element of crass selfishness right across the board in Irish society, which, despite the extent to which we talk about community, undermines community. So genuine social partnership would entail a very advanced view of the dignity of each individual citizen, a determination to deliver that dignity through the workings of the economic system, a move away from short term gain to long term perspective.”

Chubb (1995:D24) cites his book Government and Politics in Ireland on pages 128/9 where there is a particularly interesting account of the abandonment and subsequent reversion to social partnership with government:

“Disillusioned by their experiences, particularly as recession set in the early eighties, and with an unsympathetic government in power until 1987, the parties abandoned the system only to revert to it in a yet more developed form from 1987
after the return of a Fianna Fail government. That party, as we have already noted, was more inclined to adopt corporatist policies than its opponents. Both the Programme for National Recovery (1987-1990) and its more extensive successor, The Programme for Economic and Social Partnership (1991-1993) comprised a wage agreement, a set of mutual undertakings and a monitoring device, the Central Review Committee (CRC) chaired by the Secretary of the Department of the Taoiseach. The Programme for Economic and Social Progress in particular is wide ranging and ambitious. It is intended to be the first phase of a strategic framework for the nineties. In the words of the Programme, the Government have accepted the ICTU’s proposal to adopt a long term strategy for the development of this country over the next decade. The employers and farming organisations have agreed to this approach. Besides a pay agreement and a commitment to industrial peace, it covers undertakings by the government on, inter alia, tax reform, social policy, health, education, employment and training, agriculture and the maintenance of a state commercial sector. The making and implementing (including monitoring) of agreements such as these show how closely employers and unions have become involved not only in public policy making but also its administration.”

Tim Hastings (1996:Z22/3) journalist and research fellow on industrial relations issues queries:

“What does Social Partnership mean? I suppose at a central level it means a sort of institutional affinity in terms of goals, pay and overall consensus on economic targets and we have clearly seen that in terms of headline agreements, the PCW, the PESP and the PNR. Has it happened? Its clearly there in some form at a central level...I think the trouble with social partnership is it requires a breakdown or a watering down of a lot of traditional power relationships which people are reluctant to cede or do away with. I think maybe it’s one of those terms too that has been bandied around so often that people are over familiar with, but they don’t really know what that means, or analyse it in terms of its worth, or how it can be implanted, and it has become a bit of a mantra in a sense and like all the mantras around, it figures on the map, but not for any particular reason.”

Professor Paddy Gunnigle (1996:Y2) sees the process as mainly a government vehicle to achieve its economic policy and changes which allow greater certainty within the economy:

“I guess the common characterisation would be that its a partnership which evolves around the top levels of the union/employer bodies, which is very much encouraged by a government that perceives, that integrating the unions and also employers, into its economic and social policy is advantageous from a point of facilitating the economic changes it wants to put in place, as well as acting as some kind of mechanism which allows greater certainty and planning in relation to wage levels, inflation etc.

You have to go back to why did they come on board in the first period, because the obvious issue was it was in the interests of government, and it was in the interest of the unions undoubtedly to tie into a deal in the 1986/87 period. The only party you could say that on a pragmatic basis it probably wasn’t in the interest was employers, because particularly many employers had secured relatively modest wage deals under the period of non-centralised, if not free, but non-centralised collective bargaining.
It seems to me that the reason they came on board was their belief that by becoming more integrated in the political process, they could facilitate political changes which were in their interest; reform of the tax system for example and the like, rather than for pragmatic reasons of wage restraint. I think you would have got wage restraint whether you had centralised or free bargaining in the late 1980s period.

Why do they remain involved? I think, particularly the private sector employers have done very well, you have had relatively modest wage increase and for large private sector employers wage agreements have been good on the pragmatic basis even though at the time they entered into it, they didn't know that was going to come. The other thing is that IBEC represents predominantly large employers so I think it is in their pragmatic interests."

Paul Teague (1996:AA21) defines social partnership more in terms of economic and social citizenship than mere decision making. He believes that:

"Social Partnership is essentially for me about economic citizenship, economic and social citizenship. It is about the rights and obligations and rules and regulations that ensure that the economic and social inclusion of people in the economy and the society of particular nations or countries. The measurement of the degree of Social Partnership should always be the extent of Social Exclusion in an economy. For me its more than a simple form of decision making, some people see it as a form of decision making that simply, look at how decisions are being made. Also you have to look at the outcomes. How effective is Social Partnership? Because at the end of the day you have to ask, why do you want Social Partnership, what is it for? What is it to achieve? Is it to achieve simple organisational legitimacy on the part of trade unions or is it to ensure that the economy and the labour market functions in a way that includes the maximum amount of inclusion possible?"

Teague (ibid) uses the term economic citizenship quite a lot, and follows up with the following broad definition of the term as follows:

"Essentially what we are trying to get at is that the way the social and political system worked in Europe in the 1960s & 1970s has changed, has virtually fragmented, and yet there is still a strong political commitment to those values of incorporation, of inclusion. Trying to get different mechanisms to ensure that there is inclusion, that there is a weakening of the insider/outside tendencies. That we look at training and skills formation differently because of the different circumstances. What we are trying to get at in these areas is that we have to update and modernise our views about how industrial societies work. That we have to ask questions that we wouldn't have asked ten or fifteen years ago, you know, are trade unions the sole guarantors of economic citizenship that they were maybe 20 years ago, or 30 years ago? Are there new forms of representation and articulation that need to be complemented? It is not being anti-union to say that, it just means that we take a more sober view of the world of work, the institutions of the labour market and how they function, with the sole aim of trying to promote inclusion."

Professor Bill Roche (1996: X7) believes that Social Partnership has developed in a mini-European model, taking trade unionists on board:

"I think that that is simply wrong in this simple sense, that if you look at the empirical indicators of what has happened since 1987, the notion that it was some
sort of onslaught on working class living standards and so on, simply isn't borne out at all. And nor do I think the unions would have signed up to, or would have remained on board, in anything that would have had that set of consequences. And I think that's a very grotesque portrayal of what was a much more complex, quasi-social partnership, something that was moving towards being more closely like the kind of social partnership seen in more classic European cases, albeit still falling a great deal short of that."

Rory O Donnell, then Director of NESC, (1995: R18/19) saw the process as follows:

"I think Social Partnership has a number of key ingredients. One is a recognition by trade unions and employers of the element of their shared interest, where their interests coincide, and emphasis between them on that part which is coincident, as opposed to that part which is conflictual. And I think essentially that's trade union's and employers and the State. I think the farmers are part of the thing, but in a different way. Also there is an element of national loyalty in it, so that there is a shared community of interest, which is somehow Ireland. A critical part of it is a process whereby the State confers some of its own authority on social agents or associations of partners who are not the State. I think that that's a critical thing, and it differs from just an agreement between a union and an employer or maybe unions and employers and maybe a sector, in that the state confers a kind of political status on certain social partners in the process. Obviously it does that as an employer, it confers a status on trade unions in negotiating public sector pay. But over and beyond that, it confers a kind of political status on particular, selected social actors. So I think its at once a political process as well as a more social process whereby the coincidence of interests, perhaps an element of shared national feeling are used, exploited, to create agreement over a range of policy areas."

9.1.2 The Trade Union View

Peter Cassells (1995:E28/9) of ICTU views the process thus:

"The way I look at social partnership is as a tripartite process, whether its by way of negotiating on a specific agreement or a way of developing policy, which recognises the legitimate rights of workers and their rights to a say in how those policies are developed and obviously recognises the rights of industry, employers and then Government, so I don't just see it as these specific programmes, I look at it right across the whole economy. If you take training and FAS, its a tripartite body, if you take the Health and Safety Authority, that's a tripartite body, if you take the Employment Equality Agency that's a tripartite body, if you take the NESC, that's a tripartite body, so I think it defines really the way you approach the whole development of the economy and economic and social issues."

Cassells(1995:E29) points that there are several options which can be followed:

"You can go one of two ways, you can either go the way that America and Britain go, which is that its totally free-market, the Government sets down things and that's it, and the employers and unions get on with it, and whether they play any active role is neither here nor there. Or you have the European way of dealing with things, as it were, which recognises a historic compromise after the Second World War and into the sixties, that maybe the best way of dealing with things was to recognise that you had the three dimensions to the economy, three areas. That's
how I would see it and its something that we have try and develop further, and in
this country, which I don't think is fully there yet, that is people given the right and
respect in terms of workers that they are entitled to, in terms of the contribution
they have made to the development of this country. I don't think that's still there,
its there maybe in terms of employers and professions or even farmers, but I don't
think in terms of working people its still there.”

Des Geraghty (1995:12) then a National Industrial Official with SIPTU but now
President elect opined:

“I don’t like the term to start with. I don’t think you can have a purely equal
partnership unless people have equal power in the system and we don’t have that.
We have a very unequal relationship between the power of management and the
power of workers in Irish society, both legally and even in the collective bargaining
system. However, I prefer to think of what we have constructed in Ireland as a
type of strategic agreements for specific targets, in other words we enter into an
agreement with management at national level we are accepting agreements on pay,
conditions of employment which are mutually beneficial, during that period there
is a degree of partnership, albeit an unequal partnership, which produced very
good results for us. It did not, certainly, give us the power position at industry or
company level that we would need to have an equal partnership. Well, despite all
the comments to the contrary, I don’t think that we would have done any better on
pay bargaining at local level than we did through the National Agreements.”

However since that interview Geraghty’s stance on the cumulative effect of the
partnership programmes has changed. Looking back Geraghty (1999:1) reveals how
Partnership 2000 and the previous national agreements have contributed significantly
to job creation, economic growth, and rising living standards.

“To-date the Partnership 2000 Agreement has delivered significantly larger pay
increases and real income improvements than were predicted when the agreement
was ratified. However it has not resolved the critical issue of trade union
representation rights, or tackled, fully, the unfair taxation burden on PAYE
workers. That out-turn has also accompanied dramatic increases in job creation,
estimated at 100,000 of an annual increase up to April 1998, and over the period
1996 - 1998, the second highest rate of job increases of all the OECD countries.
Our growth rate has been the highest in the OECD, consistently, for four years
and this is likely to be repeated in 1999. Now for the first time in generations, we
are talking about a shortage of labour... Yet, we also have large numbers of
unemployed as well as huge numbers of people who are intolerably low paid with
no prospects or long term job security.”

Geraghty (ibid) however believes that there is still a long way to go to achieve real and
genuine social partnership;

“There are also serious gaps in terms of low pay, social inclusion measures, the
distribution of income and the number of people paying the top rate of tax. We
also have issues to resolve in respect of pensions and childcare provision. We will
not be sitting down to another agreement without a resolution of trade union
representation.”

Geraghty (1999:4) also states the following:
“It will also require those who are reaping the harvest of social partnership to acknowledge the rights of workers to professional representation by trade unions in their dealings with their individual employers or institutions of the state. You cannot build social partnership on social apartheid, nor can you be in a partnership with someone who refuses to recognise your right to exist.

For me, a true and lasting social partnership can only be built on equality of status, a parity of esteem, a genuine power sharing in the work place and in society as a whole. The status of equal citizenship is still denied to workers in Company Law, in Industrial Relations Law, and in the relative differences in economic and political power between employers and the employed. It is also reflected in the privileged treatment of self-employed professionals, and owners of capital in tax law, and now, more recently, in their pension provision (not to mention their ability to apply restrictive practices of price fixing and exorbitant fees in the law, auctioneering, accountancy, financial services, various consultancy practices and banking), all of whom set their own prices without criticism. I believe that a failure to address the power and privilege of these elites is at the heart of our political corruption, our exorbitant house prices and our social division in all its worst manifestations. In my view we have not yet built full Social Partnership in Ireland even after twelve years of partnership agreements. We do not have a Social Partnership. We have only begun on the first steps of that process, with a recognition that such a possibility actually exists, and a start to building real partnership in a number of areas.

It should be also pointed out that all of the gains did require an active political and industrial campaign over the last year to ensure that the Government actually lived up to its tax commitments in the agreement. In the first budget of this Government there were serious omissions that SIPTU had to campaign on until they were addressed in the last budget. “

Geraghty’s (1995:I2) historical view is that consensus was engendered by a view to predictability by all the participating players;

“I think the real trade-offs were a degree of consensus with the employers on certain targets and predictability which enabled people to make longer term investment, that they could know what their pay rates were going to be over a two to three year period. And Government could make plans on the basis of certain predictions about public expenditure, and overall the inflationary figure could be tackled, in a national way, because there was some degree of predictability about the major factors in the economy.”

Mick O Reilly (1996:CC23/4), from the ATGWU, expresses the view that trade union influence on national agreements is only marginal but he would however support the process if a government with trade union leanings was in power;

“Well, it seems to me, Social Partnership has a number of dimensions. First of all it should be defined on the basis of equality between the parties, but secondly I think there is a political dimension to Social Partnership because although I have been critical of national wage agreements, it seems to me that if the trade union movement had in power a government which took trade union priorities seriously then they would have a responsibility to support that government, and if that meant doing a deal on wages and they were getting a reasonable return in the other social areas, then I would be all in favour of doing that. It seems to me that we have a kind of a social partnership that is there no matter who is in power, it has no political content and they are still largely wage agreements which tack on the
programme of the government of the day. We do not negotiate these programmes. It's a fiction to say that the trade union movement up and met Albert Reynolds and Dick Spring and they completely changed their programme, that does not happen. We may influence them at the margins."

In the era in which all parties in Ireland are centre-right or centre-left it is difficult to see a government being returned in Ireland which would conform with O'Reilly's wishes. Perhaps the only near possibility of such a left style government would be a Fianna Fail/Labour Coalition with such strong advocates of social justice as Ahern, Quinn, Rabbitte, Gilmore, Derek McDowell, O'Rourke and Eithne FitzGerald holding senior key ministries.

9.1.3 The Economic Viewpoint

Paul Sweeney (1995:G19) giving a left-wing economic perspective believes that social partnership is:

"Where people talk to one another and map out some shared objectives. Then real negotiation is how you are going to achieve these objectives. The main thing is always, the pay element and that's number one to the man in the street. You work that out, that's probably not too difficult now that inflation is predictable and the government as the third partner comes in and it makes its promises on tax relief, so you can work out exactly what you are going to get. You are talking together, the employer, trade union and government. I don't know why the farmers are involved, but you are planning ahead together on the basis of consensus. It is an unequal partnership in that the employer has the undemocratic economic power, to pull the plug, often does, very rarely for reasons of malice it must be said, competitive problems and so on, and they are now having to share their problems with us. We are having to listen to their problems, they are having to listen to ours."

Jim O'Leary (1995:F2) from Davy Stockbrokers has some interesting views in relation to the effects of Social Partnership. He has concerns about the role of interest groups in Irish society which appear to run counter to Chubb's (1993:111) view of pressure groups in which he typifies SIPTU and the IFA as sectional interest groups. O'Leary's view is:

"Whereas, social partnership as practiced in Ireland over the last decade seems to define another rank of citizen and to perceive them and transact business with them in the context of their membership of different interest groups. And these interest groups are not exhaustive of all the interest groups that exist in the country, nor are they exhaustive of all the dimensions which a member of a particular interest group operates.

Because you are not just a trade unionist, if you are a member of a trade union, you are also a father or a husband or a man or a woman a member of a neighbourhood and a member of a particular profession or trade. It seems that excluded from social partnership as practiced in this country over the last decade are some very coherent groups, some pretty easily identifiable groups, for example the unemployed and the self-employed and by way of another example, the large proportion, which at this stage must be about 50% of workers who are not
unionised. It seems to me that if you have an arrangement whereby employers who are organised within IBEC and workers who are organised within ICTU arrogate unto themselves the privilege or power involved in making decisions about economic and social policy that there is a sense in which large chunks of the citizenship are actually being excluded from the process. Now the counter-argument of course to that is well, is it not the case that government, through its participation is representing the interest of citizens at large.”

O'Leary (1995:F2/3) also poses some questions as to the role of government in relation to Social Partnership, the first as the purveyor of the common good and the second in its role as employer:

“But my assessment of how Social Partnership has worked in practice is that governments have not acted in the interests of the citizen at large, in so far as that government, in its transactions with trade unions and employers in the context of PNR and PESP and so on, has acted primarily in two ways. It has acted as an employer and it has acted as a political power group, right? And it is not evident to me at all that it has acted on the part of the citizen, Sean Citizen, and as a result, I think that the citizen as taxpayer, the citizen as consumer of public goods and services has not really been represented at that table at all. It seems that in circumstances where you have a tripartite arrangement where Government acts in its own interest as a political power group and secondly as an employer that you can get all kinds of strange and not very positive dynamics at work.”

9.1.4 The Employer Perspectives

John Dunnes (1995: L18) view of social partnership is very succinct:

“Broad agreement on economic and social objectives and the willingness to compromise positions sufficiently to put that objective into some concrete form, like a PNR, a PESP or a PCW... Well I don’t think that we are having pay restraint for job creation, I don’t see it that way at all. I believe that what we are doing is we are having a sensible approach to pay developments which includes some degree of moderation, but only in line with what we are seeing in other developed economies about increases in pay which, combined with tax have over the period since 1987 have increased real take home pay at a rate not seen for 10 or 15 years. You have to be really careful when you are talking about pay moderation about how you use the term and we have to acknowledge that what has been done because the numbers from the pay increase side have been relatively moderate given increases in real take home pay that haven’t been seen for generations.”

Brendan Butler (1996:DD14) from the Small Firms Association is equally brief on his view of Social Partnership:

“I would define it as the major influencers of all of us working well together for the betterment of Ireland.”

He has however forthright views on life during social partnership:

“In my view there is no doubt was that the greatest thing a trade union official had down through the years, was the annual pay talk with the company. And in the
same way as that has influenced IBEC's support for its members, for the local trade union the big thing was the pay deal. That in a sense has been removed from him or her now and I would say for nine years trade union officials are scratching their heads and saying, now what sort of issues can we raise, and going beyond pay, there are so many other restrictions in the pay deals through no cost increasing claims etc.

We would find, and I am sure when you talk to IBEC, types of issues that raise themselves now are extraordinary, its almost like people are clutching at straws now to find something, so I would say quite honestly that through national deals, the grass roots trade union official has found their role extraordinarily difficult to justify."

Jim O' Leary (1995F4-6) has the following view of the employers role in social partnership:

"You posited a number of advantages to private sector employers that arise from centralised wage agreements and let's draw a distinction here between centralised wage agreements and Social Partnership, because one is a lot larger than the other. Let's just concentrate on the centralised wage agreement aspect of this first; you're saying that employers benefit, and most advocates of centralised wage bargaining would argue the same way, that the benefits to the employer are the predictability of his wage costs over a longer period of time than would otherwise have been the case, secondly that he may very well end up securing more moderate increases in wages than would otherwise occur and thirdly that he secures the benefits of a much more benign industrial relations climate."

In relation to the non-wage elements of partnership agreements O' Leary contends that:

"... I think if you look back over the industrial relations strike statistics for the last ten, fifteen to twenty years, you will find not only in Ireland but in most of the Western world, an underlying downward trajectory, an underlying trend towards lower frequency and incidence of strikes... And I would argue that a far more important factor in explaining what has happened to strike activity here and elsewhere than the mode of wage bargaining, is what has happened to trade union membership and what has happened in Labour Markets generally. Trade union membership has declined; it has declined not only because governments in certain jurisdictions and in particular the UK have taken active measures to repress trade union membership, but also because of the organic development of economies away from areas that are highly unionised towards areas like the service sector where unionisation is inherently more difficult to put in place and in any event has not penetrated to anything like the same extent. Moreover, and occurring in association with those trends in union penetration rates, you have had the development of more flexible labour markets, which in a sense has been an imperative for Western countries because of increased competition from newly emerging economies where labour markets are, if you like, more liberal, more flexible and so on. So I would be very slow to ascribe the benign industrial relations climate we have had in this country in recent years to Social Partnership, now I wouldn't deny that Social Partnership may have had a role but I would be very slow to ascribe that improvement entirely or even in a large part to Social Partnership, I think there are other broader global and more fundamental factors at work."
While there is some merit in O'Leary's arguments above, two particular cases appear to disprove the point; the United Kingdom and France. Trade union density in the U.K. is about half what it was at the beginning of the Thatcher era, while density in France is at about 12-14%. However collective agreements in France transfer coverage to employees on a very large scale. Notwithstanding this erosion of trade union membership the reality is that in the U.K., despite the raft in anti-trade union legislation, trade unions have continued to function apace in relation to pay and conditions.

In France, as the last number of years have shown, no matter what hue of government has been in power, as either Prime Minister or President of the Republic, French workers have taken to the streets successfully, and indeed violently at times, to defend their vital interests.

On the predictability of wage costs, mentioned in the fieldwork by all players as being one of the principle benefits of Social Partnership, O'Leary's (1995:F5) view is;

"In relation to the second of the benefits ... namely the predictability of their wage costs, I think that can cut both ways. It is of benefit all other things equal to an employer that he be able to predict his wage costs, there is no question about that. There is a question however as to the extent to which Social Partnership or Central Wage Agreements have in fact achieved that...One of the more obvious examples of that is what happened in Ireland in late 1992, early 1993, when the sterling to Irish pound exchange rate appreciated by 15-16% over a period of weeks, and clearly for a large number of Irish firms that made their pre-existing cost structure unsustainable, or alternatively made the exchange rate unsustainable. What was ironic during that period was that the very people who were most loud in their advocacy of CWA's that had been reached under the PESP and that were most loud in their opposition to any tinkering or modification of those wage agreements were the same people who were very much to the forefront in the kind of patriotic front in defence of the Irish pound. So it can cut both ways, now that was a particularly dramatic and generalised situation in which, a fixed wage contract was going to run back up against the wall of something else. But it also occurs at a micro level, I mean if I'm running a clothing firm or a computer firm and I have to abide by a wage contract standing for the next three years which gives my workers 3%, 4% or whatever it might be, and if in the intervening period an event occurs which makes that untenable, then the predictability of my wage costs is no longer the benefit that it might otherwise be, it becomes a bit of an albatross.

The third point which you didn't make, which you may have been about to make and certainly a lot of other advocates of CPA tend to make is that CWB produce more moderate wage settlements than otherwise and that by dint of that result in competitiveness being enhanced and employment growing faster and so on and so forth. I do not believe that there is a single shred of evidence in support of that."

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Bertie Ahern TD (1995:S5) has no doubt that Social Partnership was built on, agreement by agreement, but while concerned with people out of work, still lauded the areas of the agreements which dealt with education and health;

"I think that, if we needed the PESP to move on into that period, there were greater difficulties and we had a lot of difficulties in getting people to sign up on all sides of the PESP, for different reasons, and any movement with the PCW, which I think the employers wanted to move at and we have to get them to give more leeway on a number of fronts. But nine years is a long period and I think one of the things you see is, that a lot of people in work benefited fairly well. I think, people out of work, its questionable. And I think that the National Economic and Social Forum, dealing with that was probably good because there are other issues to be addressed and that programmes on poverty and social welfare harmonisation and lot of other things, education, and if you look at the development in all that area, the non-pay costs as we say, the related things to the programme have definitely lifted the standard of people. I think governments would have tried to run down FAS, for example and try to change education programmes if we hadn’t had those centralised deals, so the other benefits other than pure money and jobs were very significant and there were things done in health and everything on the selling of the programme it was very important, remedial education, pre-school, all of these things."

Ahern (1995:S5/6) is not however blind to the manner in which certain large employers have exploited Social Partnership and lays particular emphasis on long term contracts and the failure to tackle the issue of pensions for workers;

"On the straight industrial side, I have no doubt, there can often be the position that large employers in particular who have the money, will buy off their staff, or have their staff on contract or have certain uncertainties in their workforce that can work to the detriment of organised trade unions. Now I personally am opposed to that and always have been. I think the trade union movement has been a positive thing in Ireland, I think organised labour and having a negotiated voice, it doesn’t, people often say well that means you are in favour of strikes and industrial action, that doesn’t mean that at all. I think an articulate, educated trade union, putting forward the plight and the difficulties of either individual workers or workers collectively in a plant or in any place is a good thing and as long as people talk and try and work to resolutions, and that’s by and large what happens and has been happening. I worry about contract work quite frankly, I think contract work in its own way is grand while everyone is young, or younger, as people move on, and the burden will come back on the state to carry it and a lot of these private sector problems, like funding their own pension scheme and all that, will be ones thrown on to the state, and apart from anything else, it can cause huge financial burdens to another generation in this country, which in its own way will be to the detriment of workers, because the workers will be stuck with the tax bills to pay it, and that will affect the competitiveness of the establishment so I think if you follow it through its not a good long term policy.

Of course its good in the short term, I mean if Fruit of the Loom for a good reason had to go on a three and a half day week, I think that workers and management will understand that. Or if AT Cross where I was the other day, have to reduce their staff and they are now taking on part-time or temporary people because they are trying to build back up, nobody is disagreeing with that. But what I don’t like
to see is wholesale contractual agreements across establishments, including the state sector. That creates, in my view, an instability in the future and a cost in the future that looks as if its a smart ploy in the short term, but in the long term will not be for anybody, for state, enterprise or the individual. So, I would agree with, I mean Bill Attley has always been a far-seeing person and he would always be looking beyond the programmes and I can see that that would be a difficulty.”

Ruairí Quinn’s (1995:P22) view, sitting in the Minister for Finance’s chair, on the concept of Social Partnership was made in relation to tackling the change agenda in the context of globalisation and world competition:

“The definition of Social Partnership for me would be that government, employers and employees, as distinct from IBEC and ICTU, have a collective responsibility to manage change and to develop and improve the economy in the recognition that there is a new ‘them and us’. The ‘them’ is the rest of the world, even within the European Union and then beyond that the more global economy, which over the next fifteen years is going to become very integrated, with a lot of tariff barriers and other kinds of trade barriers being removed, which provide an opportunity as well as a threat, and the ‘us’ is ourselves, a community in this state of 3.5 Million people, on this island of 5 Million people, in a European Union that is close to 500 Million or getting there if you take that time frame of 15 years.

In fact, with enlargement it’s certainly 400 Million plus, and nobody owes us a living, to use a phrase much quoted by Sean Lemass, and that we have to work together to optimise our prospects and our chances. That’s what I would describe Social Partnership as. As in any partnership there is give and take, there are tensions, there are separate agendas, there are different priorities, and they are legitimate; and at any one time people will have their own set of priorities in the three categories of the partnership that I have described. And what you have to do, at any one time, is to identify the common priorities in each of the three agendas and mobilise them, and push them, and see if you can get the others to tag along with it, or come into it. What I am saying is if there are the same priorities in each of the three partners, you look for the common factors, maximise those in the first instance and see how much further that brings everybody and then look at peoples’ priorities along with that, and then do the trades. Well, I will trade this priority for that, and if we can get this we will run with that. Trade union legal recognition for example would be one issue which could get something else somewhere, the normal kind of linkages that go with negotiation.”

Interestingly Quinn (1995:P23) was hesitant on the prospects for a fourth National Agreement in 1997, of the type which had previously been endorsed by IBEC and ICTU. Many of the issues which he then identified have now come to pass and will colour the agenda post P2000, which I will deal with in Chapter 10;

“On the broader issue of what kind of a new agreement would I like to see in 1997; it will be an election year, the expectation is that it will be June or thereabouts of 1997. I am not sure that we can get the same kind of agreement that we got before; four in a row of a flat increase, plus either local bargaining or some kind of variation, I am not sure if that is acceptable any more, or whether something as simplistic as that would be what is required. We have now got very low inflation, courtesy in part to the agreements, but also courtesy in part to international macro-economic forces over which we don’t have any control and therefore the automatic wage increase is questionable if it distorts competitiveness, and if it
isn't automatically accompanied by re-adaptation and re-adjustment to factors
that we have to change."

What can be seen from both Quinn and Ahern's comments from 1995 is that Partnership
was still evolving and that while incremental advantages were coming through some
tough decisions were still seen ahead.

9.1.6 Industrial Relations Consultants' Views

John McAdam (1995:V2) an independent IR consultant sees the development as having
moved forward from a basic wage agreement to a far more comprehensive set of social
initiatives:

"from a fairly narrow wage agreement perspective, towards a much wider Social
Partnership, encompassing a whole platform of social issues, with particular
focus on unemployment and social benefits, fiscal issues that have a direct impact
on workers lives. And yet I think the reality has been that the delivery has
been more on the wage, or narrower aspects of it and a lot of the wider dimensions
which are written in more aspirational terms really haven't been delivered on to
any great extent. Although I do think they are very important and they will be the
focus of very intensive discussions between particular unions and employers in
any future agreements, the terms of delivery on the positive as it were, aspects,
where workers are broadly seen as making sacrifices in terms of wage constraints.
"

In relation to the then forthcoming discussions on the P2000 agreement, McAdam saw
the preliminary skirmishes as something deeper to do with the credibility of the
partnership process:

"I genuinely believe that the credibility of national agreements is up for grabs now
in quite a real way because the social fabric of the country is more at risk, and
people are aware of the social implications of unemployment now than they have
been in the past and where we have been able to patch over them in the past, I
think they are very real and immediate now and I don’t think either the employers
or the unions can afford literally or metaphorically to ignore what’s happening
with unemployment in the country."

Tom Hayes (1995:B24) prefers the title social partnership to the Schmitter description of
Corporatism:

"I like the words Social Partnership in preference to the word Corporatism. Corporatism has got itself a bad press maybe stretching back to the 1930’s and so
on, also has this image of big bureaucratic type of thing. Social partnership means
to me that the key social forces in our society; workers, employers, farmers,
government and one could go further and say unemployed and whatever, the key
social forces, though a process of discussion and negotiation over a whole range of
issues, begin to work out a consensus as to how our society is to economically
position itself and respond to the international challenges. Its the way we
interpret and react to international pressures, and to try to do so by bringing
everybody along so that the solutions we work out, everybody feels an ownership of them."

Hayes commenting on what are the key trade-offs lists the following:

"Obviously pay, nominal pay which should help firm enterprise level competitiveness on world markets; one has to bear in mind that we are a very open trading economy. Tax, social welfare and all those other packages, now the one area where we don't, obviously and nobody has any real trade-off is how do you relate pay to employment. That's an issue I think most economists, the White Paper on Competitiveness and Employment stated in it that if we knew the answer to unemployment, but the real trade-offs; pay moderation in return for tax, social welfare and other commitments like health and education."

9.1.7 Developing Trust

McAdam (1995:V4) makes a very interesting analogy in relation to establishing and building on trust in social partnership with the process in South Africa post apartheid:

"Well, I think it possibly is quite a complex issue in real terms, I was interested in De Klerk's commentary on the change process in South Africa, I thought was quite interesting in terms of his emphasis on the absolute need for developing trust in relationships as a prerequisite to change, and I think we talk about that an awful lot, of developing trust between the Social Partners. But we don't really do anything in a practical sense to achieve a change in the level of trust, and my view really, I still believe that the mind-set of both employers and unions is very much an adversarial one; that they actually do see each other as direct, if not enemies, at least serious competitors, and to that extent the agenda is almost written that any time the employers and the unions meet. They are meeting in order to defend positions rather than find solutions or develop a common agenda."

So one of the focuses I think is quite important and in terms of the work I would do in organisations, I would very consciously, as part of the process, and very deliberately deal with relationships and the level of trust and building a new contract if you like between employers and unions as to how they will address the change process, before getting into any substantive issues at all in terms of what is it we are going to change. I think there has to be some common understanding about how the process of change will be managed and what level of trust, what level of information sharing, what level of decision making is going to come about and I don't believe that the underlying attitude of employers and unions is at a stage where they can easily enter into that dialogue at the moment.

In relation to the level of mistrust in organisations, Mc Adam(1995:V5) is quite emphatic:

"I think there is still a high level of mistrust between the two despite all of the rhetoric and the bits of paper and the specific references in national programmes about the delivery of workplace participation etc. I don't believe the mind set of employers and unions has changed at lower level, at industry level or shop floor level."
The ICTU view on trust (1999b:16) is that:

"Trust can become frozen or reduced if substantial disagreement emerges when dealing with an issue that is particularly difficult for one party, e.g. IBEC's initial opposition to the Congress campaign for a minimum wage and to our position on union recognition. Trust and goodwill, established in dealing with other issues, can help to overcome the major obstacles that emerge in dealing with these substantial disagreements. What psychologists and sociologists call 'learning by problem solving' is not a linear process. If the process was recorded on a graph it would reveal a very irregular pattern, with plenty of ups and downs and stops and starts. Neither side pretends that there are not overriding conflicts of interest but they concentrate on finding mutually acceptable solutions to immediate problems."

One of the key factors stressed by all the institutions and players in the world of industrial relations is the area of trust. There is hardly a workplace where even if the trust level is good that the last bad or poor experience is trotted out when a dispute situation arises. It has been apparent over the last decade that while trust exists at national and supra level because the main players interact on a regular basis such trust does not always exist at shop floor level.

9.2 Developing Partnership at the Level of The Enterprise-Micro Level Partnership

The development of partnership at the level of the enterprise has been a fundamental of the trade unions for a number of agreements. Since the advent of worker participation legislation, it has been a long held aspiration of ICTU and its constituent unions that participation forums should become a reality in the private sector. A recent analysis by SIPTU charts the progress which has been achieved on the partnership process under clauses 9.15 and 3.16 of P2000;

"There have been seven new companies agreeing to the development of Enterprise Partnership under Chapter Nine of P2000 bringing the total under this heading to 152* covering 58,772 workers."

The breakdown under each heading is listed in Table 9.1 as follows:
Table 9. 1

<table>
<thead>
<tr>
<th>Form of Financial Involvement</th>
<th>67</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operation with new forms of Work Practices</td>
<td>50</td>
</tr>
<tr>
<td>Representational Arrangements</td>
<td>36</td>
</tr>
<tr>
<td>Equality of Opportunity</td>
<td>30</td>
</tr>
<tr>
<td>Training, Personal Development and Support</td>
<td>24</td>
</tr>
<tr>
<td>Adaptability, Flexibility and Innovation</td>
<td>20</td>
</tr>
<tr>
<td>Occupational Health and Safety</td>
<td>10</td>
</tr>
<tr>
<td>Composition of the Workforce</td>
<td>6</td>
</tr>
<tr>
<td>Employee Involvement for Competitiveness</td>
<td>5</td>
</tr>
<tr>
<td>Conflict Solving and Avoidance</td>
<td>4</td>
</tr>
<tr>
<td>Tax Free Lump Sums for Pay Restructuring</td>
<td>1</td>
</tr>
<tr>
<td>Total Entries</td>
<td>253*</td>
</tr>
</tbody>
</table>

* Some schemes fall into more than one heading.

9.2.1 The Process of Partnership

In ICTU’s recent report to its Biennial Delegate Conference, while not discussing whether or not a new national programme will be entered into, the following initial position was put by the outgoing Executive Council:

“"We are talking here about the process of partnership, rather than the different forms of end product the process produces. For a more independent view of this process see the extract from Professor Rory O’Donnell’s analysis. The key to the process seems to be a problem-solving approach. As partners we do not debate our ultimate social visions. It is not a pre-requisite that all parties involved in the process have to share a common vision of the future. O’Donnell(1999:24) suggests that rather than: ‘being the pre-condition for partnership, consensus and shared understanding are more like an outcome.’”

In his Jean Monnet Inaugural lecture, on 29th April, 1999, Professor O’Donnell stated:

“It is a remarkable, if not easily understood fact, that deliberation which is problem-solving and practical produces consensus, even where there are underlying conflicts of interest, and even where there was no shared understanding at the outset.”

The ICTU view on Partnership (1999b:16) is that:

“The partnership process does not remove the conflicts of interest that exist between the two main partners. Employers continue to aspire towards a market economy without any, or at best minimum, intervention or regulation while unions aim for maximum protection for workers, consumers and the environment.
Employers will want to keep the cost of labour as low as possible while unions will want maximum rewards for workers. Employers will lobby for firms to pay as little income tax as possible while unions want business to contribute more to the cost of public health, education and welfare.

How can it be possible then, for groups with so many conflicting interests to work together in partnership? We think it is possible to identify a few different stages in the process. Recognition of the interdependence of both groups (no workers - no capital; no capital - no work) leads to some degree of mutual respect for each others contributions. An embryo of trust begins to grow out of this respect which is reinforced every time there is agreement on the diagnosis of a problem (e.g. inflation as a common enemy). If there is agreement on at least some elements of the solution (e.g. a combination of moderate wage increases and PAYE tax reform) trust grows a little more."

The ICTU document(ibid) continues:

"Social partnership is not a love-in, but neither is it a tug-of-war. Both sides may end up walking away from the table, not because there is no trust left, but because no mutually acceptable solution can be found. For example, such a point of disagreement in the negotiations that may follow Partnership 2000 could mean the end, at least temporarily, of partnership agreements but not necessarily the end of the partnership process.

Since tackling unemployment is a long-standing objective for Congress and our affiliated unions, the contribution of the partnership process (at both national and local level) to our extraordinary success in creating jobs is very important. The extent of this success is remarkable by any standards. Too many of the new jobs are low-paid and many of them are in 'non-partnership' employments. These are problems which unions can tackle as part of our core business. Getting people into the workplace is the first stage in the process of getting them a fair deal.

The Local Partnerships are also making significant contributions to tackling unemployment, especially long-term unemployment. A measure of their success is shown by the drop in long-term unemployment from 138,000 ten years ago to 52,000 today. The role of partnership generally in creating a positive environment for investment leading to job creation is another reason for retaining key elements of the process, irrespective of what happens to the deal-making component."

9.2.1 Fieldwork views on Enterprise Partnership

Pat Rabbitte TD (1995:W2), a member of the Rainbow Government (1995-7) was all for the extension of partnership to shop-floor level and would like to see even investment decisions being discussed there:

"Well, I think its a mechanism to allow both sides of industry to agree a wider social programme than has traditionally been the case with straightforward bargaining and if its to be meaningful I think that partnership has to exist, not just at the top as between the two sides of industry and government, but at shop-floor level on issues of productivity, discrimination, all of that kind of thing. I would like to see a situation where industry would discuss investment decisions with representatives of the workers on the floor, to make it real."
At the level of the enterprise Mc Adam (1995:V5/6) believes that there has been a failure on both sides of the social consensus to deliver. His view is:

"Now I think to some extent at the macro level, at the level of national agreements, the employers and the unions have managed to transcend that barrier and have delivered common agreements with common cause, in a very broad sense, but having failed to deliver that I suppose where it really counts in terms of on the shop-floor, the issues I would be concerned about is that they haven't found the right level of entry into the process, that the same people in a sense still meet in an adversarial context and even though they might wish to do business, they haven't in a sense learned how to do business in a different way.

Well I think employees probably do have a reasonable level of input depending on what way the company is structured, what's of more interest I think really ultimately is whether or not trade unions or the organised voice of workers has an input into the change process. I think there's a couple of things, one is that people do resist change, its not an easy thing to cope with a lot of the time, so very often change will only come about as a result of some sort of crisis in the organisation, and very often the change is led by management who will decide, probably at a strategic level, to either implement a change programme and take the consequences or alternatively to engage the minds and the hearts and the skills of the workforce either through the trade union or directly in the change programme. I would suggest the evidence is that for the most part employers decide to take the initiative themselves and only take on board trade union interests at the level that they have to, or perhaps after the event in terms of some sort of consultative process, whereas if they could actually engage the trade union positively in determining the most appropriate sort of change to achieved over time at a strategic level, I think the outcomes could be far more positive. But it is an attitude of mind I think, its back to the point I was making earlier, if the mind set of an employer is that the trade union really is an impediment, then they are hardly likely to go about trying to engage them in a positive change process."

*End note. I have quoted quite extensively from John Mc Adam in this chapter for two reasons. Firstly he has considerable experience in the field of labour/industrial relations as a former employee of trade unions and the Irish Productivity Centre. Secondly, for the last ten years he has been a consultant working on the 'change agenda' and has experience of working with both sides of industry particularly in areas such as Aughinish Alumina and Aer Rianta. He was also involved on the trade union side in the E.S.B.

Hastings considered view (1996: Z22 ) is however:

"What does it mean at local level? I suppose at local level it means a sharing of information, some level of union input into broader company thinking in relation to things like company structure, how they handle issues in an ongoing way, training and the opening up of a parallel channel to industrial relations, broader consultation, a free-flow of information and ideas, a requirement to break down and modify traditional managerialist powers of authority and control, I suppose that's really what it means. And an effort to open up some level or some sort of conduit of trust relations, if that's possible, I suppose that's what it means."
Hastings (ibid) feels that there are two economies at play in Ireland:

"I think the point he (the man in the street) was really making was in a sense there are two economies here, - there's the traditional economy where there is Irish traditional industry and a lot of Irish Services, who are just about struggling or muddling through, and then there is a sort of boom economy where there is a whole range of conditions which is more optimistic, where wages are higher, where settlements are higher, where the market outlook is much more optimistic and bright and I think the danger in official thinking, very often subscribed to by Public Service Unions, and very evident during the currency crisis, is that the sector of the economy that is dependent on Sterling currency rates doesn't really exist, and that they would rather see it off the map, that it has only a short-term life anyway and that its only a 'murky post Lemassian post sort of protectionist sector of the economy' which is really a bit of an anachronism, in modern times and in a micro chip type of economy, which a lot of mandarins would like us to be. But in a way the clothing sector, the furniture sector, the small industry sectors, I think a lot of 'insiders' feel very uncomfortable with those sectors determining national policy, having a huge consideration in national policy, and I think they are the very sectors he seems to be suggesting could lose out, could suffer, based on international trade and the cost basis of lower countries, etc. But I think there is a real 'dual economy thing', and I think too that's a question for the trade union movement, because I think sometimes they see things in a very insidery sort of way, you know."

Bill Attley (1995:A33/34) offers the alternative views heard from shop floor workers at the level of the enterprise which in 1995 terms were far from convinced:

"Well you have got to look at the view on the shop-floor and I wouldn't disagree with them; and then they go on to quote what its like in their job; what work is like in their job, hierarchical structures, supervisors, everything; clocking in, clocking out, you name it,? So what does social partnership mean to me? Social partnership means to you, how it affects your everyday life, is it relevant to you, has it changed you? Now what you hear is all this partnership at national level but when you don't experience it at the point of employment, its irrelevant to you. And what influences you is your own experiences. If your experience is a good experience and you hear someone at national level saying, I want more of this, that guy's speaking for me but if you experience nothing and he's talking there, what rubbish is he talking about?"

Garret FitzGerald (1995:T21) is of the view that we have not encouraged worker participation to any great degree and that we have done a disservice to the ability of our employees:

"We don't have the tradition, - again because of underestimation of the intelligence of bringing people into our confidence in explaining what its all about. Management certainly are not sure enough of themselves often to do that, it's a 'quality of management' problem. We haven't a great tradition of that and we didn't tackle it right. Our decision of 1973-1977, to put worker directors on boards of State Companies was a simplistic one, and was not the right way to do it. It has not worked. It may in some cases have worked, for instance the workers in CIE have supported the new management but in Aer Lingus the opposite is true, because the worker directors actually worked really as trade union representatives protecting trade union interests rather than staff interests. What you want in things like that is that the staff to appoint somebody who is expert in finance, to look after their interests, with the level of expertise necessary at the Board level
rather than having a trade union person simply representing trade unions. So I think it was a mistake to do it the way we did it, and that hasn't helped. But that said we need much more participation than we have got but then you have got to educate management to do that and I don't know how much of the IMI work goes into that area. A lot would need to, I think.”

FitzGerald's view in relation to Aer Lingus (as a former 'insider' he has intimate knowledge of the structures within the airline). It is true to say that it was only the crisis which afflicted both Aer Lingus and TEAM in the early 1990's which allowed quality information to be imparted to employee representatives for the first time. At the time SIPTU assigned one its economists Paul Sweeney, and bought time from an outside economic consultancy to brief the workers on the perilous state of both enterprises. Happily both enterprises were turned around and the TEAM facility, now FLS, is looking for extra craft personnel having shed some jobs a couple of years ago. In Aer Lingus, as I indicate later in this chapter, work is progressing on a partnership forum and on a strategic alliance with British Airways/American Airlines Oneworld project.

Sweeney (1998:142-6) is of the view in relation to enterprise partnership:

"Much of this is now happening in Ireland, though there is still a long way to go to real partnership at local level. These economists concluded that 'while change requires a radical departure from our position of defensive trade unionism, it is the only approach which offers any prospect of success for workers in an increasing competitive economy.' It was more than a decade before implementation of these ideas began. But the seeds of a sound perspective on competitiveness, which could be acceptable to workers were sown ... a minority of trade unionists still oppose partnership, national agreements and the new forms of work, especially partnership at enterprise level, regarding it as a sell-out to employers."

ICTU's document for its 1999 Biennial Conference "Challenges facing Unions and Irish Society in the new Millennium", poses the following questions on Partnership in the Workplace.

1. How serious are we about pursuing this issue? Are we content to let employers and managers use a variety of new 'HRM' type approaches for involving workers on an individual basis?

2. What has been the experience of those unions (and the workers involved) who have entered into some form of partnership arrangements with management?

3. If we go down the partnership road what are the wider strategic implications for the way unions do business?

4. How will workplace partnership impact on reward systems? Is the "stakeholder" idea a real option? Will payments by results in the private sector and performance-related pay in the public service underpin partnership or undermine it?"
However Congress (1999b) reports that not everything has been smooth running and that:

"While significant advances have been made in a relatively small number of companies progress is slow in most. Factors inhibiting progress include a reluctance by management, especially middle management, to relinquish traditional command and control approaches and because of some confusion as to the measures and objectives of workplace partnership."

9.3 No Academic Consensus

One of the findings from the fieldwork exercise is that there is a great divergence of views as to the nature of social partnership. One of the great pleasures of conducting the fieldwork research was to hear the conflicting but cogent views of Ireland’s principal exponents of industrial relations from an academic environment.

Taking as a baseline Von Prondzynski’s work in Ferner and Hyman (1992) and (1998) and looking at the influences at work in the Irish Industrial Relations scene Von Prondzynski lists the following principal factors:

1. The British origins of the system visible in trade union structures and traditions, employer preferences, bargaining tactics, industrial relations terminology, and so forth, these origins continue to have an impact, reinforced by such matters as the presence of British based unions, and the strong cultural ties between these islands.

2. The now well established trend to seek corporatist solutions to problems of an economic and social nature.

3. The influence of the American MNE’s with their sophisticated personnel management tactics and their preference for non-union environment.

4. The effects of recession, with a weakened trade union presence and a more confident management.

5. The influence of the EC with its move towards economic integration and a greater social policy in the context of a more Germanic mode of IR. Von Prondzynski (1998:71) asserts;

"The above influences are largely at odds with each other. So for example, the British industrial relations tradition is not comfortable with either a move towards
more formal worker participation, or tripartite arrangements coming from the centre, or non-union personnel management or minimum wage legislation; the Irish corporatist tendency does not sit easily with a tradition of grass-roots trade union activism, or the recession inspired management preference for local solutions and negotiations. And yet the Irish genius for 'muddling through' has kept an industrial relations framework on the road which has apparently been able to absorb these contradictions and retain much greater levels of stability than those enjoyed by more homogenous systems elsewhere. The 1980's undoubtedly added new dimensions to the Irish model of industrial relations, partly through recessionary conditions and partly due to change in government policy. The 1990's appear set to add a more dynamic European dimension. However these developments seem certain merely to add new layers, rather than create an entirely new system.

Roche's (1996:X6) view on muddling through is however:

"On the issue of muddling through, I think it is possible to over emphasise the importance of that, I mean sure there is a lot of muddling through in Ireland, there has always been a lot of muddling through, but I suspect that even in systems that might appear to us to be very coherent, there is still quite a bit of muddling through, what I think though we have seen in the last ten years as I mentioned, is a degree of sort of inconsistent muddling, that we haven't at least to me, seen before.

You mentioned Ferdinand's piece on tripartism since 1987, I have to say in print, I disagreed fairly strongly with his interpretation. He viewed it as a kind of a dressed up monetarism and that was about all there was to it, it was getting the unions to be sort of be co-opted to a fairly radical deflationary programme. I think that that is simply wrong in this simple sense, that if you look at the empirical indicators of what has happened since 1987, the notion that it was some sort of onslaught on working class living standards and so on, simply isn't borne out at all. And nor do I think the unions would have signed up to or would have remained on board in anything that would have had that set of consequences.

And I think that's a very grotesque portrayal of what was a much more complex, to me, quasi-social partnership, something that was moving towards perhaps being more closely like the kind of Social Partnership seen in more classic European cases, albeit still falling a great deal short of that."

Teague (1996:AA17-18) views the social partnership in a different way to Professor Rory O' Donnell, he believes that the Irish Social Partnership model should be viewed as 'developmental form of corporatism'.

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"In my article, I can accept what Rory says there, but on the other hand Rory can’t make big claims for these agreements, if there are these constraints and these difficulties that these agreements have to encounter, which made their objectives limited, well that’s the whole point of my article. It was actually to try and stress, or point out that this talk of ‘social corporatism’ was actually misplaced and the national agreements should have been put into the proper context, and that is the proper context was a ‘developmental form of corporatism’, or what he might call a ‘defensive form of corporatism’. So therefore, on the one hand, I really can’t see, I think that some of these people want it both ways, I mean they want to claim that these are highly virtuous but then say that, well they faced very difficult times and therefore their objectives were limited. Now I will concede something to Rory and perhaps say that I was maybe overly negative and that I could have pulled out some of the more positive elements of the agreements and one of the positive elements of the agreements was the desired departure from the voluntarist and adversarial British tradition.

Now that departure is by no means complete but the agreements did signal a start of that process and were credit or that shift should have been given more support. The second thing is that I perhaps could have highlighted more the competitive, in the terms of the developmental model, in the terms of facing the crisis that the Irish were facing at the time, well the trade unions played an admirable role in putting the economy back on its feet. So I will accept maybe that at points I could have been less harsh and less negative.

But equally its interesting to note that Bill Roche, who was a big critic of mine and has written a couple of things criticising my interpretation is now actually taking on board some of my points and saying that actually the national agreements are limited, that you have a certain amount of fragmentation, that there isn’t a decisive move towards social corporatism and so the article he wrote in the book on industrial relations which takes me to task for some of the things I wrote, I think he is retreating from some of those statements now. And so, whilst accepting that I might have been overly negative at times, I don’t withdraw any of my observations or criticisms.”

In response to the question as to whether if it might be fair to say that himself (Teague), Bill Roche and Rory O’Donnell would be converging more in terms of the strengths and weaknesses that the three agreements have shown, and that Bill Roche makes some play about the fact that certain social objectives in terms of health and social spending and progress in employment legislation have been a factor that has happened during the duration 1987 to 1996.

Teague (1996:AA19) responds:

“On this point he is statistically wrong on social and health expenditure, over the period social and health expenditure as a part, percentage or proportion of GDP actually fell, under the stewardship of the National Agreements. Now this hardly reflects a social corporatism measure. It seems to me that one he is wrong, he is right on the employment legislation, but again that was a commitment to being good Europeans, the government acting as a good European rather than being committed to social corporatism, that adopted that mode, those initiatives probably even without the agreements. But we are converging.”
Professor Bill Roche (1996X5-6) believes that the time is opportune to look at a Green Paper on Industrial Relations;

"I think it is timely now to look at the whole industrial relations set up. Commissions as you know in this field have a very unhappy history and actually I am not sure it is the way to go. It would be consistent with tripartism, consistent with traditional public policy making in this field but another way of doing it is for the Minister simply to, as I suggested ought to be done, promulgate or publish a Green Paper and one that would look at IR, not in a sort of ghettoized parochial way, which has been the tradition in the past and was certainly the case with the previous Commission, but to look at the conduct of IR in the context of national policy imperatives generally.

That would include IR policy, Macroeconomic Policy, social policy, on the kind of society we want to build, on the kind of welfare state we want to build, levels of protection we want to have, the degree to which Irish policy will be devoted to trying to preserve equity in the system and I think its now timely to view the future shape and character of Irish employer relations very much in that broader context, but not necessarily through a Commission."

Michael Barry (1995:C15-16) from the NCI would also favour a more broad based forum on Industrial Relations, but doubts that in today’s business dominated climate that a truly independent forum could be achieved;

"Well I would favour it but it would greatly depend on the composition of it. I don't think the last commission really worked, I had doubts about some of the membership. And a new Commission I think would be, the problem is, when we set up a commission is that we reproduce all the existing structures so we have so many trade unionists and so many employers an independent person or two.

There is no novel thinking in a sense, so a much more independent commission might be useful, but it would need to be composed of people who were sympathetic to labour. And it is highly unlikely that you would find such a commission in Ireland, you would set up such a commission in Ireland.

And this is where we are linked back into the political thing again. If we look at Sweden, you can set up a commission composed of government members, employers, trade unionists, academics, which would result in highly sensitive, a Commission highly sensitive to the needs of labour, particularly the collectivities; you can’t get that composition in Ireland.

The important thing about Sweden in the early days was that the employers were on the defensive and that is the only situation in which the needs and rights of labour are paid attention to. Such a situation is unlikely to arise in Ireland because of the political flavourings and therefore the logic of business tends to go through the Commission, business come in with their logic in a dominant position.

So called independents come in with a business logic or succumb to it very fast. Government representatives come in with a business logic, not a social democratic logic and the trade unions increasingly come in with a business logic. So, having said yes, I now say no, I think the possibility of getting a good Commission is very limited."
Von Prondzynski (1998:69) comments that in terms of P2000 the emphasis has shifted:

"at least slightly, from containing costs and combating inflation to protecting livelihoods and promoting employment. In that setting, the corporatist instincts of the Irish system have been given a significant boost after the ambiguities of previous agreements."

The level of academic discourse in relation to social partnership has become quite wide. In the era of the national wage agreements and understandings little was written. Today the concept of social partnership has seen a host of commentators including academics, economists and the players from the social partnership divide and governments prepared to share platforms on the topic and the proliferation of articles, papers and books on the subject continues to amaze one. The recent appearance of John Dunne of IBEC at the ICTU Delegate Conference, and the appearance of Bill Attley at a recent ISME conference show how much times have changed.

9.4 The Question of Democracy

In framing the questions as described in the Methodology section in Chapter 4, I had not envisaged that the subject of democracy and the constitution, as well as the separation of powers would become an issue in terms of Social Partnership. O’Leary (1995:F2-4) however raised this as an issue quite early in the interview process;

"Well, it sounds grand, you know it has this kind of warm buzz to it, it evokes images of people co-operating in the public interest and to that extent the very expression social partnership has tremendous propaganda value. My perception of it is something a little different, because I see it as exclusive and adopting a political approach to it with a small p, my attitude is, I come to it with some fairly simple, almost rudimentary understanding of what democracy is all about. The simple republican concept of democracy and citizenship, which essentially has it that all citizens are equal and should be treated as such in all their transactions with the state and with institutions of the state."

O’Leary continues:

"In a paper I gave to the Dublin Economics Workshop Annual Policy Conference last October, I characterised that dynamic as one in which you have employers whose principle interest is to secure wage moderation in the private sector, you have the trade union’s who, because of their membership, and more particularly the concentration of their membership, appear to be primarily interested in the welfare of public sector workers and you have therefore the ingredients of a trade-off between those two groups. Which is that employers on the one hand are happy if the outcome is one which gives them greater moderation for the private sector and the trade unions are happy if the outcome gives chunky increases in the public sector and are willing to tolerate or accept lower increases in aggregate in the private sector as a pay-off there. And Government, at the end of the day seems to me to be principally interested in being seen to do a deal. In a sense, social partnership and all its pomp and works from a government point of view has as much to do with creating a theatre in which Government Ministers are seen
to be busy about the nations affairs where after weeks of negotiations and long nights in smoke filled rooms, a deal is born.”

O Cinneide (1999:46) wonders if;

“The Dail and Seanad together are a withered branch of government, then the invasive creeper that has done them no good at all is of the genus corporatism, and is now commonly called ‘partnership’.”

O Cinneide (1999:47) defines:

“the National Understanding of 1979 as the first of a new kind of tripartite agreement between the government, the employers, and the ICTU (the farmers also had a role) in which industrial peace was bought by the promise of tax concessions and better social services. Similar national understandings and programmes have followed, up to and including the present programme: Partnership 2000.”

In relation to the argument on democracy he further asserts (1999:47/8) that:

“At the same time these agreements represented a major shift in power from elected representatives to full-time officials in the civil service and in the organisations of the major interests. They were signed, sealed and delivered as a fait accompli to the nominal legislators of the country.”

Cassells (1995:E39-40) deals with this issue when responding to the following question;

Does the Oireachtas really have a role in terms of Social Partnership and tripartite functions? For instance John Bruton, when he was in opposition was fiercely critical. Cassells states:

“Well, I think there is a difficulty there, but its a difficulty that every country has had with social partnership, and that is that people begin to see and argue that the Oireachtas has no role in the thing or that a lot of these decisions are made outside the political system. Now people we have talked to in Sweden, the Australians have a National Accord as well, in Austria say the exact same debate and argument has gone on in those areas, I think they have in a sense that whatever has been agreed should be debated in the Oireachtas and ratified there in terms of the government side. I think that whatever Oireachtas Committees there are they should be entitled to call us in and discuss the issues, but on the other hand the fear I always have is that once politicians get involved, its not so much that they will interfere, but they are always looking for the controversial issue, in other words ICTU are appearing before the committee, how can I kick up a row, what can I accuse them of, you know where can I get the Evening Press Headlines and all of that sort of stuff, you know?”

O Donnell’s view on the allegation of democratic deficit (1995:R22-23) is:

“One is this, I hear certain economists mentioning, that social partnership is anti-republican or anti-democratic. This has come up as another criticism at a different level, of the PESP partnerships, that it is very inappropriate to have all these
private agents spending all this public money, the kind of representative democracy argument. Now there is some truth in this of course, but it assumes that the process of representative democracy is perfect, that it produces governance which is perfect.

Now it seems to me that there are a set of recognised limitations of representative democracy, well recognised, in all countries. One solution to which is a kind of parallel governance, like you have in Social Partnership. There are other solutions, there is the American solution that other people go for, that you take representative democracy and you seal off the impact of interests on the Senate and the House, by say, constitutional provisions that they can’t have a deficit or something like that... So they are the alternatives that we have to look at realistically. On balance it seems to me the free market and lobbying is less attractive than more structured process of effectively lobbying or negotiation or whatever.”

O Donnell (1995:R32-33) comments on the differing patterns of policy making and institutions at national level.

“The policy functions which remain at national level, and which are actively used by many states, include general ones, such as the construction of a distributional coalition and the orchestration of social consensus, and more specific ones- such as policies for innovation and competitiveness, the governance of corporate investment strategies and labour market regulation... In many western European states, and very definitely in Ireland, some aspects of economic and social policy have long been shaped and implemented by close negotiation between public and private interests. An example which is extremely striking- because it is widely believed to be central to economic success - is German training and apprenticeship policy, in which a largely public function is undertaken jointly by firms and trade unions.

In Ireland, there is a long tradition that many health and education services, which are necessarily funded publicly, are undertaken for society at large by voluntary associations. Indeed, in many other areas of policy, the state has established institutional arrangements which bring together, and accord significant policy power to, the parties most intimately involved in the production of a public good or service, and those most affected by it.

At the level of national policy formulation, the development of the Programme for National Recovery, The Programme for Economic and Social Progress and the Programme for Competitiveness and Work constitute a very distinct move towards negotiated or concerted policy making and implementation.”

9.5.1 The Understanding of Irish Social Partnership

In order to develop social partnership, and make it more inclusive, it has been necessary to analyse the nature, purpose and goals of the partnership approach itself. In O'Donnell’s (1996a) report, Strategy into the 21st Century, NESC offered the following characterisation of social partnership, as it has developed in the past decade. The ICTU document(1999b:26) prepared in co-operation with O Donnell outlines these main components of social partnership as:
1. The partnership process involves a combination of consultation, negotiation and bargaining;

2. The partnership process is heavily dependent on a shared understanding of the key mechanisms and relationships in any given policy area;

3. The government has a unique role in the partnership process. It provides the arena within which the process operates. It shares some of its authority with social partners. In some parts of the wider policy process, it actively supports formation of interest organisations;

4. The process reflects inter-dependence between the partners;

   Partnership is characterised by a problem-solving approach designed to produce consensus, in which various interest groups address joint problems;

5. Partnership involved trade-offs both between and within interest groups;

6. The partnership process involves different participants on various agenda items, ranging from national macroeconomic policy to local development.

This list can be seen as both a description of the partnership process, as it is, and a set of conditions for effective participation in the process. Indeed, most of these principles were explicitly adopted by both the 'traditional' and 'new' social partners in the latest agreement, Partnership 2000. O'Donnell (1996) reports that the widened partnership approach is experiencing distinct problems, among them the limited terms of inclusion of non-traditional partners, the difficulty of linking national representation to local action, and the ineffectiveness of the formal, centralised, monitoring system. Consequently, the participants have continued their self-reflexive examination of Irish partnership, a process in which the author has continued to have a role. This has yielded a further characterisation of the process, and underlines the view that Irish partnership should not be understood in classic neo-corporatist terms.

ICTU, through its industrial and training services provides advice and support to unions in the negotiation of partnership arrangements at company level. This is done through individual requests and a number of structured training programmes linked to the IPC's New Forms of Work Organisation Project. Congress, working through the Education Training Services (ETS) provided detailed training through management and workplace representatives in a number of companies as part of a pilot "Partnership in Industry" project.

The strategy pursued was successful in so far as research has demonstrated that partnership is perceived by workers as an important aspect of developing better relationships at company level. There are indications that the process is at some stage of development in over 100 companies in the industrial sector.

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9.5.2 National Centre for Partnership

The Centre for Partnership, set up by the Government under Partnership 2000 in May 1997, must report to the Taoiseach on key competitiveness issues for the economy together with policy recommendations. The initial appointment of John O’Dowd (ICTU) and Gerry Dempsey (IBEC) to the National Centre for Partnership which is being chaired by Evelyn Owens, former Chairperson of the Labour Court, was seen as indicating how important such a body was viewed in the long-term process of social partnership. John O’Dowd has recently left the council and has been replaced by John Tierney of MSF as the ICTU nominee, while Dempsey has been replaced by Jim O’Neill.

The National Centre for Partnership has the role of fostering partnership arrangements within competitive enterprises and in the public sector in line with the provisions of Chapters 9 and 10 of Partnership 2000. Congress and IBEC are represented on the Board and Liaison Committee of the Centre. The Centre is providing financial and technical support to the development of training materials relating to partnership linked to the PACT Project. The Centre has also provided assistance to Congress in the holding of briefing sessions.

The 1999 Biennial Report of the ICTU has the following report on the council:

“The National Centre for Partnership produced a training programme for Partnership in the public sector titled "Working Together". The training programme covers two days and deals with the concept and mechanisms for Partnership, Group Development, Consensus Decision Making and Communication Skills.”


“While labour costs here are below the OECD average, they remain significantly higher than those in many countries with which the Republic competes for trade and foreign investment... from a policy perspective the council warned that future partnership agreements must be able to accommodate the challenges posed by a rapidly growing economy. They must provide greater flexibility through the generation of innovative reward mechanisms such as performance payment systems, skill based pay and gain-sharing.”

9.6 Partnership 2000 - Action to Modernise the Public Service

The process of change within the Public Service, provision for which was outlined in Chapter 10 of Partnership 2000, is being dealt with through the Strategic Management Initiative. The aim of the initiative is to improve the efficiency of the service and the
delivery of a quality service to citizens. It was agreed that the process of change would take place within the framework of Partnership based on the provisions of Partnership 2000. A General Council Report (1331) issued in 1998 provided a structure for the development of consultation and participation procedures to engage staff at all levels of the service.

According to the ICTU (1999b) the model was circulated to all Departments and Offices with a view to establishing:

“Partnership committees and related local structures. Partnership committees are to be chaired by the Secretary General of the Department or Head of Office. The committee is composed of Management and representatives of local unions. A mixture of "intensive" and "extensive" Partnership approaches are recommended depending on local needs, the existing consultation/participation structures and the state of development in each Department or Office.”

Quinn (1995:P22) has the following to say on SMI:

“And certainly speaking as Minister for Finance and Minister for the Public Service, I think we have, with the implementation of the Strategic Management Initiative, a critical need to get change in the public service, but we can’t afford to purchase it in the traditional way. I think the way the private sector employees have adapted to change, all the ISO 9000 awards that have been introduced, World Class Manufacturing standards have all been brought in, involving substantial change in attitudes and work practices, without any extra money being put on the table and yet if we were to try to do, in the current climate of public service industrial relations, which is very bad because of bad management, by and large you wouldn’t get any of that kind of response to change unless there was more money put on the table, and we can’t afford to put more money on the table. I think we are going to have to see how can we use the money that is available to be put on the table to be traded against commitments to change.”

Since then discussions on the implementation of Partnership structures within the Local Authorities and Health Boards took place during 1998/9. In the Health area a budget of £6 million has been allocated to facilitate the partnership forums. In Dublin Corporation agreement was reached for the establishment of a Partnership Forum both at corporate level and at section and sub section level, both involving representatives of Management, Unions and Staff. Discussions are continuing on the setting up of a Partnership in Education Forum.

There are concerns however within many Civil and Public Service trade unions that not enough capable people are being recruited into the Civil and Public sector. Recently Dan Murphy (1999:5) Secretary of the Public Services Committee of ICTU and General Secretary of the PSEU advised that;
"astonishing and worrying the 40% fall in applications for the Civil Service last year could be attributed to the tightening labour market... All of this is extremely worrying for the capacity of the Civil Service for the future. Unless the Civil Service can recruit, retain and motivate a substantial number of the brightest people coming out of the education system, the work of government and the standard of public service has to go into decline."

9.7 Recent partnership Forums/Agreements in Aer Rianta; Aer Lingus; Bord na Mona; Radio Telefis Eireann; Electricity Supply Board in the Public Sector

There have been a number of successful developments in relation to partnership forums in the Public Sector. ICTU's view on workplace partnership (1999:44) is that:

"The development of workplace partnership was a key objective of Congress for fulfillment within Partnership 2000. The aim is to stimulate action at company level towards the development of a partnership approach within the framework set out in Chapter 9 and 10 of the programme. Congress aimed to have a process under way in the majority of unionised workplaces before the expiry of Partnership 2000. This was pursued through the preparation of guidelines for unions; joint research and training initiatives; seminars and briefings; collaboration with National Centre for Partnership, IPC and IBEC on publicity, awareness and support measures. Congress published guidelines for unions on workplace partnership."

Chief among the work engaged by congress affiliates have been the following initiatives:

**Partnership in Aer Lingus**

Following the ADAPT Project which concluded in late 1997, Aer Lingus Management agreed to mainstream Partnership in the Airline. A "Transition Partnership Group" was established to oversee, facilitate and integrate partnership at all levels, meeting the objectives for the development of Enterprise Partnership in P2000; based on the Partnership Principles agreed and the local model that emerged from the ADAPT Project. That model involves management, union representatives and staff as partners in handling change and the partnership principles provide that the concerns and interests of the business, management and the staff are addressed. There are now over 12 local partnership groups working on local agendas. Aer Lingus is involved in discussions with British Airways and American Airlines about entering the One World project and has recently received Ministerial approval for such a move. Staff negotiators have signalled recently that in the event of a market floatation their shareholding should be increased.

**Bord na Mona Group of Unions**

In addition to the pay terms provided in Partnership 2000, an agreement was reached between the Unions and Bord na Mona providing for the payment of the outstanding
PESP 3% pay increase. Under the terms of this agreement the increase will be implemented on a phased basis of 1% each year, paid concurrently with the payments due under Partnership 2000. A review of allowances and plus payments was also undertaken.

Building on Employee Participation at Aer Rianta

For the last three years an extensive consultation process has been underway in Aer Rianta. Despite the loss of duty-free sales the joint management union forum have come up with a number of options for the future. This process funded by the Department of Public Enterprise has seen the commitment of significant resources by Government to foster the extension of employee participation which will allow Aer Rianta to concentrate on its core activities i.e. Airports. It is expected that this process will be completed by the end of the year 2000.

9.8 Employee Share Ownership Plans and the Privatisation Programme

There have been a number of successful negotiations on employee share ownership plans (ESOP's) in the Public Sector. The most successful of the deals negotiated to date was the Telecom Eireann deal which gave the employees a stake of 14.99% based on free shares to the value of 5% and a flexibility/productivity/pensions trade off for the other 9.9%. The former General Secretary of the communications Workers Union (CWU) David Begg engaged the services of American financial experts to advise his union on their deal. Following on that success the CWU have reached agreement in principle with An Post similar to the Telecom plan for an ESOP. Con Scanlon, General Secretary of the CWU, recently announced that the Minister responsible, Mary O'Rourke, had indicated her willingness to discuss the issue. He warned however that:

"Any agreement to modernise An Post must include a no redundancy clause, and that no unreasonable demands should be placed on staff to relocate however he reminded members that changes in the postal sector would not be leisurely."

Creaton (1999a:20) records the agreement reached between ICC staff and its employer the Minister for Finance on the recent 14.9% ESOP. MSF which is the dominant trade union in ICC has expressed its delight at negotiating the deal as well as the following guarantees for the staff in the forthcoming sale:

1. There will be no compulsory redundancies
2. Staff’s existing pay and conditions will be maintained including pension provisions.
The ESOP agreement:

"Involves the acquisition of a 5% shareholding through a series of changes in work practices and improvements in productivity. The remaining 9.9% will be purchased through a combination of a 6.5% pension contribution, valued at £8.3 million, and a loan for the balance, which the staff will raise themselves. The price of this portion will vary between £20 million and £23.5 million and will be finalised at the time that the bank is sold."

At the recent ICTU Biennial Delegate Conference in Killarney, Yeates (1999b:11) quotes Shay Cody of IMPACT who informed delegates that studies had shown that:

"Companies with significant employee share ownership schemes had higher productivity and enhanced share value on the stock exchange. Such firms are better able to respond to market changes than companies in which staff had no stake... What we need is a shared vision for the future on employee shareholding. Workers are there for the long term and should benefit from company growth for the long term."

Taylor (1999:14) has recently predicted that the merged TSB/ACC along with Coillte, Aer Rianta, Aer Lingus, will be next up for partial or full sell off. He is of the view that as:

"Telecom comes to the market, privatisation is no longer a dirty word... Under the previous rainbow government, privatisation was a dirty word. State companies could contemplate strategic alliances - sometimes effectively part privatisations - but Margaret Thatcher's legacy meant that the 'p' word was never mentioned. Public sector trade unions, a powerful force as partners in national programmes, ensured that the State retained control of all major companies."

Rabbitte (1999:18) is concerned about a number of issues in relation to ESOP's and the privatisation programme now underway. His concerns fall into three different areas:

1) Whether we should sell energy/water facilities which have been the butt of many problems in the U.K. privatisation programme.

2) What to do with Public Bodies such as Dublin Bus/ Great Southern Hotel Group and;

3) How is the largesse associated with the privatisation programmes to be productively spent?

Rabbitte's further concerns are encapsulated in the following quote (ibid):

"If developments in the international communications industry make strategic privatisation essential and even privatisation desirable does it follow that identical considerations apply to other state or semi-state companies? Is there not an imperative to take each company on its merits? Is the Telecom experience relevant to any decision to be made for example on Great Southern Hotels? ... There is a privatised energy service in Northern Ireland called Northern Ireland Electricity or laterally Veridyian. The cost of electricity to domestic customers is
24% higher in Northern Ireland than in the Republic. The difference for industrial customers is 18% as between North and South.”

Dr Garret FitzGerald in a recent newspaper article (1999b:16) believes that each company which the government wishes to privatise must be decided on a case by case basis:

“I believe that there is no single answer to the issue of State or private ownership of facilities currently owned by the State: each case is sui generis, and should be approached with an open mind, free from ideological hang-ups or preconceptions.”

In Bord na Mona the unions have continued to hold discussions with management aimed at reaching an agreement on the introduction of an ESOPS in the company. During these discussions the Unions have emphasised that they view the introduction of such a scheme as a reward to employees for the ongoing co-operation with change which the Board has received, and is continuing to receive, under the Bord na Mona Partnership arrangement.

Yeates (1999d:5) reports that in his recent address to the ICTU Biennial Delegate Conference, the Taoiseach tackled some of the issues related to reward systems for employees:

“Many workers had also benefited from various gain-sharing plans, which the Government had facilitated through its tax reforms, he added. The Taoiseach criticised companies that had been unimaginative in their approach to industrial relations and rewarding employees. Of course I can understand the frustration of workers who have received nothing more, over the past 12 years, than was provided for in the partnership agreements. Some of these workers had seen their employers move from Morris Minors to ‘99 Jags in the meantime. No doubt their case will be strongly put in the negotiations.”

In relation to workplace partnership Mr Ahern (1999:6) posited the view that it will be a far stronger feature of any future partnership model;

“Peter Cassells is right when he warns of the risks of ‘drifting towards an Ireland where individualism undermines solidarity, greed corrodes generosity, selfishness replaces sharing and a philosophy of superficial materialism becomes accepted at the expense of more profound philosophical and spiritual values.

Against the background of that warning, we all recognise that social partnership is not a static model. Rather, it is a dynamic process which strives to achieve an appropriate equilibrium between the economic and social aims of our society. The foundations of that new model of partnership have already been laid. One is the legitimate pride which we share in the achievements which, together, we can trace in the developments I have outlined. Another is the significant progress in developing partnership in the workplace.
The evidence suggests that there has been a very substantial increase in the volume and range of partnership initiatives, representing different approaches to gain-sharing. This is a vital aspect of Partnership 2000 and I welcome in particular the joint initiative of ICTU and IBEC to support this activity. Partnership is, of course, a cornerstone of the Strategic Management Initiative in the public service.

I am convinced that partnership in the workplace will be, and must be, a much stronger feature of our social partnership for the future. I have no doubt that gain-sharing will be an important and growing dimension of incomes in the period ahead. I have no doubt either that this will be true of the public sector, as well as the private sector and, in that context, I welcome the progress being made in the exploratory discussions with the Public Services Committee of Congress on the future arrangements for public service pay."

Two recent publications by O’Reilly & Crilly (1999:31/2) and Allen (1999:52/3) while attacking the value of social partnership make little or no comment on the principle of workplace partnership. In O Reilly’s case this is unusual, because even though he dislikes partnership agreements his union the ATGWU espouses giving workplace representatives a free hand in local negotiations. His proposed ‘new model’ for wage negotiations in the future is for three tiered negotiations locally encompassing:

1) A flat rate increase of £10 per week;
2) Linkage with sectoral/ national pay norms to be agreed by the social partners
3) Above average performance increases commensurate with growth/productivity payable as wage increases or in share ownership/profit sharing or performance related pay.

The problem with O Reilly’s analysis is that it is two and three tiered bargaining which worries major employers as it weakens its greatest belief in social partnership: the ability to forecast labour costs over a three or four year agreement with some degree of certainty.

Kieran Allen (1999:52/3) a key representative of the Socialist Workers Movement, contends that Social Partnership should be replaced by the self emancipation of class struggle;

“A perspective of struggle rather than corporatist participation leads to a search for common interests between the discontented majority and the most impoverished. It means that small victories secured against the corporate elite cannot be dismissed as mere ‘sectional greed’. In a society established around the cash nexus it would be surprising if people did not struggle over pay rises, bonuses, disturbance money and productivity rises. Such struggles, however, contain the germ of self-emancipation that can transform the term empowerment from empty rhetoric to a reality.”

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Allen's analysis is not unexpected as, according to his beliefs, the winning of small 'victories' and the generating of class conflict far outweighs the benefits of practically full employment, the creation of new employment possibilities and the generation of real national wealth which becomes available for redistribution.

Another grouping which is opposed to the social partnership concept is an organisation loosely titled 'Rank and File Solidarity Network (R&FSN)'. In a recent newsletter -Time to Break from Social Partnership - the group claim the following:

1) Social Partnership has allowed the wealthy to grab a bigger slice of the national cake;
2) Pay rises have not kept up with the real increase in inflation;
3) Tax cuts have not compensated for the low pay rises and;
4) Social Partnership has brought us anti-union laws.

The alternatives posited by R&FSN are the following:

a) Have National or local bargaining;
b) Adopt a strategy of backing key groups to set targets for pay rises;
c) Oppose any no strike deals and;
d) Have the strike weapon as the only effective weapon against employers.

Again this newsletter makes no reference to enterprise or workplace partnership agreements and is heavily dependant on the bankrupt ideology of 'war - war' and not 'jaw - jaw'. The possibility of employers returning to three tiered bargaining in this writers view, non existent, for this was one of the reasons for their exit from national understandings.

9.9 Global Competitiveness

In a recent review of 59 countries Ireland had improved from 15th in 1997 to 11th in 1998 and up to 10th place in 1999. The Table 9.2 shown below shows the top five places being held by Pacific Rim/Asian and Northern American countries.
Table 9.2  Global Competitiveness Rankings 1998/9

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*Source: World Economic Forum / IRN.*

IBEC continually worry about the country’s ability to remain competitive, and are seriously concerned at the recent pay drift in the public sector and in particular the ‘second bite awards’ to the nurses and the Gardaí. Dunne (1999:1) recently warned that:

“Our competitiveness is threatened by the drift in earnings over the past year - some of which is due to shortages of specific skills. In the public service the main inflationary factors have been the old chestnuts of relativities and special pay increases.”

Dunne(ibid) while having no problems with pay increases arising from;

“Well based competitive partnership strategies at the level of the enterprise” is afraid that wage drift: “will eat away at our ability to compete.”

However recently according to MacCarthaigh (1999:2) quoting Hans Olaf Henkelfrom the Federation of German Industries praised Ireland’s success and attributed that success to:

“low levels of company taxation; longer hours worked by Irish labour for less pay; and the low levels of government borrowing.”

Comparing Ireland to Germany MacCarthaigh (1999:2) also quotes Paul Krugmanof the Massachusetts Institute of Technology who compared the Republic of Ireland’s labour costs to:

“the 80% higher rates of Germany and opined that the modern German economic miracle was that there are jobs at all in Germany.”

John Hurley from the Department of Finance recently stressed the need at a SIPTU forum on Partnership that the issue of competitiveness must be kept to the fore. In this
writer's view it is imperative that the balance of Ireland's competitive advantage must be maintained, through the continuing achievement of higher levels of productivity. Bearing in mind Schulten's (3.8.1) earlier remarks in relation to the decrease in labour's share of national income from the early 80% to the mid 60's% from 1960 to 1997 it is obvious that some re-balancing of the labour - capital share is needed over time without affecting our competitive advantage.

9.10 Conclusion

9.10.1 This Chapter has looked at the concept of social partnership in the fieldwork research and the area of enterprise partnership. It is apparent that in the 1995/6 fieldwork the partnership process was viewed as a coming together of the main social partners; farmers, employers and trade unions at national level in consort with the government; committing to a specified prescriptive economic agenda to deliver benefits which would be shared by the partners.

9.10.2 The trade-off was a combination of low pay increases for the trade unions, allied to a continuing economic and social agenda, with the creation of a climate by employers for greater productivity growth which would allow for employment growth. On the government side, achievement of the Maastricht criteria, combined with the decrease of budget over-runs arriving at budget surpluses; the benefits being the harmonisation of capital taxation at 12.5% (with the agreement of the EU) and a movement to reduce personal taxation, while inflation proofing social welfare benefits for the unemployed and pensioners.

9.10.3 The acceptance that social partnership has, as Barry has commented, evolved over time, not to any prescribed formula but by the main players dealing with their constituents' agenda, which means some issues not being progressed to the timescale agreed but on the basis that all social partnership issues will be concluded to the agreement of all, at some time in the future. This accommodation has, of course, led to particular difficulties for some of the constituents at certain times. Thus while the employers had some of their constituency in angst during the Ahern devaluation crisis, the trade unions suffered from the imposition of the 1% levy introduced directly at that time. Similarly the education and health cuts early into the PNR had the capacity to damage social partnership unless it was properly managed. On Von Prondzynski's 'muddling through' proposition and Roche's view of Von Prondzynski's opinion of 'dressed up monetarism', if that were the case, Roche believes that the trade unions would not have come, and stayed, on board. I believe that both views are correct; there has been muddling through, there will inevitably be need for fudges, they allow the
process to continue during troubled times. Roche's view of trade unions is correct, they have become more sophisticated in their prosecution of issues and agendas but they have also learned when it is the time to blink, to sideline an issue for another day. Employers and Government know that tactically it is about giving and taking in the right proportion at the right time. At the end of the day it is taxation and profit which rise disproportionately higher than wages.

9.10.4 The move from the adversarial model of industrial relations in an environment of disputes regulated by the labour relations mechanisms and conciliation and arbitration machinery has not lent itself to instant change. The progress in relation to a benign industrial relations climate as evinced by Hastings has been slow, particularly as the move to enterprise partnership has taken so long to take root. Attley points the finger in relation to the prevarication on enterprise bargaining, illustrates by example the negativity of many workplace employees with reference to their own personal experiences and the problems with excessive hierarchy and with 'clocking' etc.

9.10.5 As Table 9.1 has shown that move to enterprise partnership is at last underway in both private and public sector and is indeed being facilitated by monies from government in the public sector. This move will build on the trust agenda which McAdam has spoken of as being so crucial in this chapter. There must, in the words of the Taoiseach, be a far greater movement to workplace partnership in any new agreement. The completion of the trust relationship at the level of the enterprise allows the triangle to be completed with supra, national and enterprise partnership, allowing discussions and agreement to be reached at EU, National and Enterprise/Workplace level, with transnational works councils, sectoral and enterprise/partnership systems being tangential to this employment relationship.

9.10.6 However it is vitally important that the institutions associated with the social partnership/human and industrial relations nexus is properly resourced and that the necessary research is conducted in time. It is crucial in this regard that the recent decisions within the public service to move from conciliation and arbitration to the services of the LRC and Labour Court sees these institutions get extra staffing, particularly research staff, which they have been denied for years. Also the IPC must be upgraded in terms of staff complement if it is to fulfill its ongoing mandate.

9.10.7 Butler made reference to the relevance of trade union officials in the absence of enterprise bargaining although this phenomenon may have been overstated as the 'inability to pay' and the effect of 'cost increasing claims' have eased to a greater degree. It is however also a fact that the local bargaining clauses have energised
workplace representatives and has invigorated the relevance of trade union officials. The relevance of officials is not a major issue at present and the concentration on the non-pay agenda which has seen sick leave, holidays, pensions, conditions of work, health and safety, formal grievance and disciplinary procedures as well as bullying and sexual harassment policy documents come to the fore.

9.10.8 Social Partnership and its role in a democracy is an issue raised by O'Leary and Cassell's response is that some sub-committee of the Dail or Oireachtas should examine the issues involved periodically. There is merit in O'Leary's comment that half of the working population are not trade union members however the large majority of them are prepared to act as 'free riders' and enjoy the benefits negotiated by the social partners. There has, in a minority of instances, been recourse to the industrial relations institutions and even to law when individuals have felt that their individual rights have been abused. In the light of O' Leary and Cassells comments it does seem appropriate that an Oireachtas Committee should visit the principle of each ongoing deal on an occasional basis, and attempt to draw together the workings of the NESF, NESC, and the quarterly monitoring of the partnership agreements. It might be a good idea if such proceedings were broadcast live on television to extend the 'ownership' of partnership into every house in the land.

9.10.9 In Table 9.2 the question of cost competitiveness is examined and Ireland has recently entered the top ten of the nearly sixty countries examined. IBEC are continually stressing the importance of competitiveness and even in the Celtic Tiger economy, we see through company closures and redundancies the reality of the world of global competitiveness. Even in the good times in Ireland thousands of jobs are lost to other world regions whose cost structures are lower than ours. The World Trade Organisation is now having a major impact on world trade as evidenced by its role in recent disputes between the USA and the EU. At the time of the Uruguay round its then leader, Peter Sutherland refused to bring in a minimum labour standard so that all counties would be competing from a similar baseline. Issues such as child labour, excessive working hours and proper remuneration worldwide will have to be tackled in the medium to long term. In a recent paper Galbraith (1999:13) commented on this phenomenon:

"Everybody should be guaranteed a decent basic income. A rich country such as the US can well afford to keep everybody out of poverty. Some, it will be said, will seize upon the income and won't work. So it is now with more limited welfare, as it is called. Let us accept some resort to leisure by the poor as well as the rich."
The move from adversarial industrial relations to workplace partnership has continued apace. From the first faltering steps under PESP and PCW the number and coverage of agreements has continued to grow. The move into new forms of work, pioneered by ICTU and its constituents has led to more innovative thinking in many medium to large sized enterprises. Profit sharing, performance related pay, gain-sharing have flourished in the private sector and this has led to a reappraisal of tactics in the public sector. The ideological problem of privatisation which the Rainbow Coalition never addressed has been tackled by senior trade union figures such as Attley, Begg, Cassells and Flynn in the shape of employee share options. It was innovative that even as Aer Lingus was facing its darkest days the employees wanted a stake in the company. The 5% shareholding conceded then in Aer Lingus has led to a proliferation of such discussions being initiated at the behest of employees, and is being reviewed in the airline as well.

The backwoodsmen of the trade union movement who continue to hanker for the old ideology of ‘no privatisation’ have been totally out-thought and out-fought by a well educated rank and file membership. Sweeney’s(1998:146) testimony is that there is still a small cohort of staff who regard enterprise partnership as a sell out;

“A minority of trade unionists still oppose partnership, national agreements and the new forms of work, especially partnership at enterprise level, regarding it as a sell-out to employers. ”

However the success of the recent Telecom Eireann share placement with over 500,000 citizens deciding to invest and in some instances, to borrow to invest shows that the nation is not for standing still.

With the benefit of hindsight some of the issues raised by Quinn and Ahern have come into play with the successful negotiation of the Partnership 2000 agreement. Ahern points to the fact that in the three early agreements, it was those at work who primarily benefited. Yeates (1999b:11) quotes Dunne (IBEC) who has recently commented that;

“most people had benefited from the creation of more than 400,000 jobs since social partnership was introduced, unemployment has fallen from the highest in Europe to the lowest, and living standards had risen from 50% of the EU average to 90% today and were set to rise above 100%... there had been losers, such as long-term unemployed and first-time home-buyers. ”

One of Ahern’s other concerns, the issue of contracts, has still to be addressed. If those concerns are deep rooted his government will have a chance to tackle this issue in the up-coming discussions. Quinn saw problems in relation to the possibility of successfully
concluding another agreement. It may well be that as Finance Minister he was ahead of his time and that the burden of expectation may come to pass in this Winter's negotiations.

9.10.12 Yeates (ibid) quotes Dunne (IBEC) at the recent ICTU conference warned employees against;

"abandoning national agreements... it made no sense for those whose first instinct was to think socially to see Irish jobs threatened by paying ourselves more than the international market can afford."

At the same conference Inez Mc Cormack from Unison was elected President of the ICTU for the next two years, and she intends to lead the delegation to the next pay talks. She recently cast doubt on a new wage pact (1999:9) when she said:

"I don't know if there will be a new partnership agreement. There are significant tensions between the public and private sector which have to be addressed... Workers read the financial data released by business: the scale of profits achieved is there to see, wage restraint must be linked for an agenda of social reforms."

And so the initial shots have been fired in the buildup to the possible negotiations to a successor to the Partnership 2000 Agreement. Will there be a fifth partnership agreement, or is it time to re-invigorate the model with a fresh approach? I do not intend to discuss these questions now but will address them and other issues to do with Social Partnership in Ireland and whether there is now an Irish model of Industrial Relations in Chapter 10.
Chapter Ten. CONCLUSIONS

10.1 What are the Issues?

During the period in which this research was conducted the Maastricht and Amsterdam Treaties were negotiated and enacted. Many of the issues in relation to Social Partnership/concertation/corporatism are now built around these treaties. Leading academics including Treu, Biagi, and Regini spoke at the 11th World Conference of the IIRA in Bologna in 1998 of the re-emergence in Europe of social concertation adopted in many countries as an aid towards achieving a competitive edge. It is apparent that countries with a history of strong concertation deviate very little in their method of bargaining.

The issue of European Monetary Union and the importance of the EURO project for Industrial Relations are profound, but while the issues of the political and monetary union of the European Union have been agreed the whole social agenda remains to be completed particularly the area of unemployment. The special European Union summit on unemployment at Essen whose decisions are formalised within the employment chapter of the Amsterdam Treaty is supposed to influence national employment policies, devices and targets, but has yet to bear fruit in some EU countries. Following the Doorn accord (3.8.7) the way has been pointed for greater trans-European consultation by trade unions to move in tandem and mobilise their collective power base to challenge Multi-National Corporations' (MNCs) prevailing power across the expanding European Union.

It is only a matter of time before the trade union confederations involved at Doorn widen the area of their influence by bringing on board other trade union confederations. Swedish confederations have already indicated their willingness to join such a grouping. Surely it is also only a matter of time before some of the major trade union confederations across Europe begin to merge strategically, to conform to the tactics of their MNC employer rivals, yielding cross-border solidarity and support as well as cost containment and possibly increased benefits and services.

Another issue which has begun to dominate the political frontiers of Europe is the ever increasing cost of welfare systems. The Netherlands, Germany, and Ireland are examples of countries who are seeking to curtail the ever increasing cost of benefits. The Netherlands, according to Van der Voort, has been reducing the cost of unemployment benefit, while the Germans have attempted to trade new employment prospects with flexibility and working time cuts. Ireland's unemployment problem has been eased by recent economic growth and increased productivity, however its youngish population
masks problems in the pension area which will begin to manifest themselves in the next fifteen to twenty years and solutions are currently being put in place to deal with this problem.

The expansion of the EU into Eastern Europe post 2004 will involve bringing a large number of workers into an enlarged Europe with expectations that further tranches of countries will follow. Recent EU summits have signalled that the number of countries who are net contributors are wary of extending their generosity too far in the wake of complaints from their domestic constituencies. The finalisation of the East/West German unification process which has seen wage levels in former East German landers rise to 90.5% of West German landers in 1998, indicate that this process may take another five to seven years to achieve; well behind Helmut Kohl’s original target. Agriculture proposals under the Agenda 2000 heading will involve a further erosion of employment among the farming community and will lead to certain conflicts among farmers who are still classed as one of the components of the social partners.

The next GATT agreement and the global competitiveness of the Asian economies as instanced at 9.9 with Singapore, Hong Kong and Taiwan in the top four of selected OECD economies, underline the EU’s need to stay competitive and in the light of our recent accession into that top ten it is imperative that as a nation we remain globally competitive. It cannot be overstated that we must not overpay ourselves if we wish to remain competitive. There are indications in some sectors of the Irish economy, in areas such as construction for example, that wage and price levels are growing at the rate of four to six times the consumer price index. Recent company departures from Ireland indicate that we are not immune to such exit policies by MNC’s seeking cheaper labour costs elsewhere in the EU.

In 1999, 24% of Ireland’s trade is still with the UK and it also remains Ireland’s major competitor for US based multinationals seeking a European base. While local pay rates are rarely upper-most on the multinationals agenda and most of them would pay above a ‘minimum wage level’, Ireland could not afford to be perceived as a country which over regulates the labour market compared to the UK. British based development authorities have already highlighted to US multinationals Ireland’s high union density and consequential potential for industrial action as reason to settle in Scotland and Wales. Irrespective of the argument, US multinationals in the high-tech sector to whom trade unions are anathema, might be swayed by such a pitch. The decision of Tony Blair’s government to opt for a minimum wage, and adopting the EU legislation from which previous Conservative governments had derogated, has levelled the playing field for the Irish Government to follow suit on the minimum wage issue and eased certain employer
bodies fears. Ireland’s impressive reduction in strike figures as instanced in Table 6.6, with figures of circa 400,000 days lost in the 1982-87 period, reduced to 80,000 per annum in the period 1993-98, is evidence that there has been a social partnership dividend from partnership agreements.

10.2 The Literature from Schmitter On.

Schmitter’s definition of Corporatism is as a system of interest intermediation in which the constituent units are organised into a limited number of regular compulsory, non competitive, hierarchically ordered and functionally differentiated categories recognised or licensed (if not created) by the State and granted deliberate representational monopoly within their respective categories. This is in exchange for observing certain controls on their selection of leaders and articulation of demands and supports still stands as the baseline against which the theory of Corporatism/tripartism/concertation or social partnership is tested.

Poole’s (1986) observation is that countries such as Italy, UK, France and Ireland being pluralist while describing Austria, Norway, Denmark, Finland and Sweden as corporatist.

Webb (1981) and Heath (1998) chart the long association of political parties of all hues in the UK with incomes policies and tripartism from the 1950’s to the fall of the Callaghan government following the ‘Winter of Discontent’ in 1979. Thatcher and Major would have no involvement with trade unions and while the Blair government has re-established the link with the TUC it is very obvious that Tony Blair intends to stay in control.

Panitch (1977) and Crouch (1977/1979) chart war time solidarity, co-operation and the post war exigencies of scarcity, austerity and reconstruction on a national scale as reinforcing the footholds of Corporatism. Goldthorpe (1984) however believes that Corporatism’s fall from grace began due to the increased influence of Economic Liberalism in politics in some countries as well as the reduced national influence of organised labour due to the international recession and the worldwide high levels of unemployment, while Newman (1987) cites the two statuses of unions as;

1) inclusive under corporatism and
2) excluded under dualism.

Hyman, (1987) suspicious of governments’ involvement believed that their association with the ruling bureaucrats of the trade union movement was due to the pragmatic need
of governments to come to terms with the ability of unions and their members to disrupt national economic policy.

Ireland, who missed out on a number of earlier boom periods, only embraced the notion of social partners under Lemass, who chose to see employers, farmers and trade unions as natural allies rather than enemies. Yet Sweeney (1998) believes that Ireland has passed the experimental stage of partnership and while it had lagged behind many European countries it has now surpassed them. Teague confirms Ireland’s progress as a ‘developmental form of corporatism’ while Roche believes that it reflects the more classical European cases albeit falling a great deal short of that.

Locke et al (1995) and Jacobi et al (1998) point to the increased decentralisation of industrial/human relations policy to the level of the enterprise particularly in Sweden, Germany and Norway. Crouch (1998) cites ‘organised decentralisation’ which can be seen as attempts at minimising the scale in five groups in Table 2.6.

Ferner and Hyman (1998) chart the further decline of Germany, as markedly more pessimistic than five years ago. Regini (1998) argues that the resurgence of macro-concertation has happened because the twin challenges of globalisation and European unification must be met by low product costs and greater labour flexibility.

Schmitter and Grote (1998) contend that the primary growth potential for macro-corporatist architects lies in the feverish efforts of national governments to adapt to EU directives; product and professional standards; verdicts of the European Court of Justice and the convergence criteria of EMU.

Finally Treu (1998) cites the critical point to be addressed as the relationship between long-term unemployment and low educational and professional skills and training.

10.3 Countries which have fostered Social Partnership, and a look back at the Corporatist League Table.

It is a fact that the genesis of social partnership in Ireland is not as long standing as the models existing in Austria, Germany, Switzerland, The Netherlands and Sweden. O Donnell(1999) suggests that the Irish approach bears similarities with decision made in other European countries:

1. In Germany there is depoliticisation of exchange rate policy and institutionalisation of other policy areas;
2. It bears similarities to the emergency approaches undertaken in Belgium, the Netherlands and the Nordic Countries;
3. It may also involve the social promotion of trade unions in pursuit of wider social goals as in Spain, Italy, Greece, Portugal and France.

O’Donnell also argues that Social Partnership has transformed Ireland’s ability to mediate interests, adhere to coherent strategies and experiment.

While it is difficult to exactly chart the position of all EU countries at a given time in terms of Partnership/Corporatist tendencies the following Table 10.1 might indicate in this writer’s view the current state of progress. The table reflects Germany and Sweden’s recent problems, as well as the progress being made by Ireland, Portugal and Italy. Ireland has with the last twelve years experience of partnership moved from the lower order of rankings to quite high up in the middle order.

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<tr>
<th>Table 10.1</th>
<th>Ranking Of Current EU Countries</th>
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<td><strong>High</strong></td>
<td><strong>Medium</strong></td>
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10.4 The Methodology Adopted

As with any research fieldwork the timeframe in which it is conducted can be crucial. There are a number of features to the timetable which are totally out of the researcher’s hands. In this instance though certain events transpired they did not materially affect my work. In late 1992 when I commenced my research the first two partnership programmes PNR (1988-1990), and PESP (1991-1993) had been agreed and were in force. There was much debate as to whether a post-PESP agreement could be struck particularly due to the imposition of the 1% levy by then Finance Minister Ahern which caused major ripples within the trade union movement.

The second issue which might have been a factor was the fall of the Fianna Fail Government of Albert Reynolds which had negotiated the third partnership programme PCW (1994-1996) and the accession of John Bruton to the Office of Taoiseach. Bruton had been a critic of the partnership process in the past, deeming it a ‘cosy consensus’, however he quickly took ownership of the process and indeed it was his government
which secured the negotiation of P2000 the fourth such programme. This era also saw the instance in Ireland of a government being elected by the Dail without recourse to a General Election campaign. Thus the period 1988-1999 has seen all the major political parties in Ireland in government in a timeframe in which partnership agreements have been negotiated.

Interestingly the main players in the agreement have all changed over that period of time. On the government side three Taoisigh; Haughey, Reynolds and Bruton have been involved, while a fourth Ahern, is currently poised to attempt to deliver a fifth such agreement. The chief negotiators on the Civil Service side have been Paidraig O hUiginn and Paddy Teahon while on the employer side Liam Connellan (CII) and Dan Mc Aulay (FUE) were replaced by John Dunne (IBEC). On the trade union side Donal Nevin, Bill Attley, John Carroll and Phil Flynn have been replaced by Peter Cassells, Jimmy Somers, Des Geraghty and Peter Mc Loone, while Dan Murphy of the PSEU is the sole survivor of all the talks and indeed his participation dates back to the earlier agreements.


This extra material gives a valuable aid to a researcher such as myself. An added bonus has been the degree to which the main protagonists of the social partners have made themselves available on platforms around the country to discuss the process of partnership. Indeed in recent times it is not unusual to come across delegations from overseas visiting Ireland to learn about our partnership process.

Attendances at conferences particularly those such as; Sinnea Summer School Bologna 1995, the European Conference in Dublin 1997, and World Conference of the IIRA in Bologna 1999, allowed one to hear the views of international experts in the field of
industrial relations, as well as mixing with fellow research students. In particular the postgraduates workshop session in Bologna hosted by Russell Lansbury and featuring Tom Kochan from MIT and Nick Wailes from Australia, was valuable. I have no doubt that such participation and discussion with fellow students opened up areas of research to me which might not otherwise have occurred. One definite benefit of my trip to Bologna in 1995, was to make the acquaintance of Dr. Wim van der Voort who made himself available for the fieldwork research and gave me many valuable insights in IR issues in the Netherlands.

If there is a criticism to be levelled at the methodology adopted it is perhaps that I was over ambitious with the number of questions listed on the questionnaire. However this did not materially affect the fieldwork as at the end of the day what guided me in my interviews was the amount of time available to me with the interviewee. Thus some individuals like Bertie Ahern, and Pat Rabbitte had tighter schedules than others interviewed. In relation to the fieldwork process I am happy that the material was well collected and collated, that sufficient time was given to interviewees for alterations to scripts and that the final interviews make an added contribution to the material available in the subject area.

10.5 Ireland 1970 -1987

The aftermath of the Maintenance Craftsmen’s dispute in 1969 saw the emergence of the national wage agreements and national understandings of 1970 - 1981. In the beginning these were effectively bipartite agreements negotiated under the auspices of the ELC. The coverage of these early accords gathered pace as differing time periods for outstanding agreements elapsed, but Chubb reminds us that some of the large employers, including Ford of Cork and the ESB stayed outside of the agreements. In 1976 the government role changed when Richie Ryan as Finance Minister allowed taxation reform and the timing of budgets as a precursor to following wage agreements to creep on to the agenda and this effectively saw negotiations change from bipartite to tripartite, (see Dunne’s comment 5.4.4 on the government’s role as employer at the talks). The following wage agreements and two national understandings increased the scope of the trade union agenda from pay alone to issues of social concern, an aspiration that John Carroll of the ITGWU had raised at the 1975 ICTU Conference.

However the early 1980’s brought employer reticence to see further deals negotiated, a point which both Dunne and Mc Glynn allude to. In the main the employers’ reasoning was that two-tiered bargaining was becoming the norm in many enterprises; companies felt they could control their costs better in a ‘free for all’ situation. Attley’s view of this
period however differs in that he asserts that the breakdown was not about money, but about power and control. His view was that the Storey concept of the return of the ‘managerial prerogative’ as it had become known in the UK under the Thatcher’ governments, was responsible for this employer conversion.

Mjoset (1992) describes the 1980’s as a phase in which attempts at corporatist concertation gave few benefits to unions. I disagree with Sheehan’s contention at 5.9.6, where he states that the Irish experience with national bargaining was a failure, and that failure had already become evident by the time the 1975 agreement was concluded. In my opinion the coverage and extension of national wage agreements, allied to the process of the implementation of equal pay awards from 1975 onwards, meant that the same level of increase was being applied to all workers albeit in many cases on a lower rate.

In the free-for-all period which followed in the private sector, although the wage bargaining conducted led to a break-even situation for most employees, the changing position of personal taxation brought about a situation in which most single employees were 7% worse off in 1987 than in 1982, while married colleagues fared slightly less badly. The public sector agreements saw a number of pay pauses imposed, and the introduction of embargoes on staff recruitment. The historical reality of this period was that at a time of high inflation, pay increases after taxation was taken into account left PAYE workers worse off.

This historical analysis is something which is conveniently lost by those who continue to advocate the return of free collective bargaining. In this writer’s view the options favoured by the anti-partnership lobby are bankrupt and lack any depth in terms of job creation, our commitments made to Europe in successive referenda, and the realities of the Irish labour market in a very small open economy.

Ahern’s analysis of the mid 1980’s while on the opposition benches is that he used that period as spokesman on Labour Affairs to work with the social partners on a resurrection of national agreements. There is no doubt that while the coalition government of that era enjoyed bad press and worker opprobrium, it did begin to tackle the issue of the huge national debt and the very high inflation rate. Garret FitzGerald’s Coalition government were in power when the inflation rate was reduced from 17.1% in 1982 to 3.2% in 1987. It is doubtful, given their previous record in government, if Fianna Fail would have had the political will to begin to tackle such a big issue if others had not started the process. Thankfully the baseline was set for the re-emergence of bargained partnership or social partnership in Ireland.
10.6 The Four P’s

Ireland has recently ‘swum against the tide’ and embraced social partnership at a time when it was beginning to unravel elsewhere. There is no doubt from the evidence of the fieldwork interviews that each of the social partners in turn had differing reasons for re-embracing the Programme for National Recovery in 1988. The Government desired a deal out of economic necessity. In December 1986 ICTU decided to approach the government to formulate a programme on growth and economic recovery. This led to discussions on a package of proposals which covered pay, jobs, tax reform, the public finances and social services.

Mjoset (1992) relates the fact that employers were sceptical about the PNR from the outset, but soon experienced the advantages. In contrast to earlier periods, the profit share in national income increased, and cost pressure was relieved. This was far more satisfactory than the outcomes of decentralised collective bargaining. It is interesting to remember the introduction to the PNR at paragraph 4 read:

The following factors give an indication of the extent of the difficulties which had to be confronted:

- A GDP per capita which is only 64% of the EU average.
- A National Debt of over £25Billion which is the equivalent of 1.5 times our GNP and the servicing of which consumes annually one third of Exchequer tax revenue.
- An EBR requirement of 10.7% of GNP in 1987 to finance both current and capital expenditure. This is among the highest budgetary deficits in the EU.
- High nominal and real interest rates which are a barrier to investment.
- An unemployment rate of 18.5% of the workforce amounting to 242,000 persons of whom 73,000 are under 25 years of age.
- Employment in Agriculture which continues to decline steadily at a rate almost twice the EU average.
- Net emigration currently at close to 30,000 which is close to the natural increase in population.
- No overall growth in the volume of investment in equipment over the last five years compared with an EU average increase of 20%.

There is no doubt that in grasping the PNR ‘nettle’ and in adopting the Maastricht Criteria the baseline was set for an upturn in the Irish economy. What makes interesting reading is the comparative improvement in the Health and Education sectors set against
the dire warnings of the budgetary and staffing cuts in the early agreements. Despite such blips and the hiccup created by the Ahern devaluation, our key economic indicators have continued to improve enough to allow a smooth entry to the Euro at Phase One.

Chubb (1992) describes the second agreement, PESP, as the first of a number of agreements which, by their nature, if not a permanent feature of Irish politics is a mode of policy making encompassing government expenditure, tax, incomes, employment and other socio-economic policies. Both Chubb and O' Donnell comment in the fieldwork that the social partners role since the negotiation of PNR has allowed them become involved in public policy making and its administration.

The real economic benefits have begun to flow from the latter two portions of the four P's when the level of job creation in the economy, allied to the reduction of numbers unemployed, have allowed the monies previously expended on unemployment payments to be redistributed to other areas. The success of the recent four Partnership Agreements (1988-1999) building upon the National Wage Agreements and Understandings of (1970-1981) have spawned newer partnership agreements at the workplace or enterprise level.

This gradual building of the partnership process along with the inclusion of the fourth pillar has widened the process to encompass a very broad strata of society. The Lalor/Hardiman debate of the 1980's, and more recently Sheehan's (1996) view on neo-corporatism in Ireland has been more worried about whether the relationship between the social partners and government could deliver, in a decentrist country with some centrist tendencies, a mechanism for improving economic performance, or whether the inter-relationship between the partners had any long term potential.

Ahern in the fieldwork comments on the government's belief that the pay element of the partnership agreements should be rigidly focused and not based on the 'bogus productivities of the 1970's' a fact agreed to by Attley in terms of the tightness of the PESP.

It was only during the period of the PCW that improvements in the economy began to filter down to the unemployed.

Hardiman (1992) cites the size of unemployment in Ireland as being a key concern to ICTU in 1987 with the unemployment rate at around 18%. The number of people listed as unemployed in the country at present is of the order of 6.5%. Discrepancies exist between the two methods of evaluation of the unemployed, though a large amount of the
variations can be accounted for by people signing on for tax credits and other such reasons.

There have been up to 40,000 unemployed people per annum engaged in community employment schemes until recently, though this number is set to reduce to 32,500 in the year 2000. In addition the rules for community employment schemes are being redrafted to exclude those under 25 and limit lifetime participation in community employment to 3 years.

It is hoped that these measures will promote the integration of youths who have never had gainful employment and long-term unemployed people into the labour market in areas where there are currently labour scarcities. Allied to this has been the decision to deliver to certain disadvantaged areas a Social Employment Programme (SEP) to support locally based initiatives. The social partners have been invited to join the monitoring group for this initiative. The cost of this project is estimated at £41 million a year to provide 2,700 jobs.

During the P2000 agreement farmers threatened to withdraw from Social Partnership due to difficulties experienced in the year 1998 (see 6.17.6). There is no doubt that the influence that farming bodies in Ireland have had on government is waning, however they are still quite an influential lobby and are well organised. More than 9,000 farmers have taken up the option of early retirement in a scheme funded by the E.U. The scheme was part of Agriculture Commissioner Mc Sharry’s proposal of reform in 1994 and take-up has exceeded the 7,000 retirements which were initially estimated. The two main reasons for the initiative were:

1) To replace older retiring farmers with younger, fully qualified farmers
2) To increase the size of farm holdings throughout the state

The farmers have been part of the Social partnership and their role is divided into two categories. The wage element has been commented on by Mc Glynn of ICOS, who are part of the IBEC delegation, when pay rounds are under discussion. The macro views of the farming community are looked after by the two main farming organisations, the IFA and the ICMSA. In the main the areas which have affected farmers have been the Mc Sharry restructuring proposals, the EU farm retirements scheme and the upcoming Agenda 2000 discussions on further rationalisation of farming quotas and prices.

Recently a farming co-operative cut the price of milk to farmers. A special general meeting of the co-operative was called and a request from farming members to have the previous
price reinstated was turned down by the membership. Co-operatives are becoming more business orientated and over a period of time the farmers shareholding has been diluted. The major co-operatives including Kerry Group, Glanbia and Golden Vale know that they have to stay competitive to remain ahead of their competitors. Further rationalisations in the food industry are inevitable as the real-politik of agriculture in the 21st century finally comes home to roost. However Teagasc the farm advisory body recently indicated that over half of agricultural income is derived from EU social programmes.

10. 7 Agreement on Trade Union Recognition - A New IR Platform

The final element of the foundations for the next phase of social partnership is the Agreement reached by the High Level Group on the Recognition of Unions and the Right to Bargain. This was a historic agreement brokered by the ICTU representatives, and those from IBEC, thus bringing the work of the High Level Group to a successful conclusion. It was particularly so in the climate of the Ryanair dispute.

The Taoiseach recently announced that the Tanaiste is now preparing legislation arising from the work of the Group, which will be brought before Government in the Autumn. At the time of writing only three disputes on trade union recognition have been to the Labour Court in the first eight months of the year, a figure well down on previous years. One suspects that trade unions are biding their time until the Bill is enacted into law before processing any claims which are currently in hand.

This writer believes that the success or failure of the whole issue of trade union recognition will rest on how the Act, when passed into law, is policed and hopes that the resources will be put in place at the outset to guarantee fair play for all sides in this matter. One issue which trade unions will have to address however is Gunnigle’s analysis of ‘greenfield sites’ particularly as they apply to MNC’s and the computing industry in Ireland.

The other is whether there is a possibility in the medium to long term of convincing some of the computer companies operating in Ireland that trade unions have a role in their sphere of influence. The ICTU biennial report 1999 lists the total trade union membership of Congress as slightly above 700,000 for the 32 counties, 200,000 of whom are employed in Northern Ireland. However there are 1.5 million at work in the Republic and with even a 50% density rate there should be circa 750,000 members. Following the enactment of the Recognition Act trade unions in Ireland will have to put away their internal differences in order to recruit the members who are at work. There is a potential of up to 800,000 members at work not currently in membership of ICTU based trade
union affiliates. With a younger and more educated workforce this may not be as easy a proposition as it once was.

10. 8 Enactment of a National Minimum Wage

Another part of the foundations for a new phase of partnership is the introduction of a national minimum wage. The Taoiseach Bertie Ahern has said that he is proud that it will be his government which was responsible for bringing in the minimum wage legislation. Ahern (1999) says that he looks forward to the legislation being introduced by the Tanaiste which will ensure that the minimum wage is introduced and operated effectively and fairly, thus ensuring that the benefits produced by social partnership are fairly spread throughout the workforce.

With an implementation date of April 2000, exactly eleven months after the United Kingdom the issue now is not when, but how much? There are still significant disagreements between employer organisations and trade union bodies on the exact rate. Trade unions believe that the rate of £4.40 announced in the report related to the median wage at that time and that it should now be set between £4.70 and £5.00. Employers believe that a ceiling of £4.60 should prevail. This is likely to be a crucial issue on the margins of any pay discussions. It would appear that splitting the difference at £4.70 might bring a just solution amenable to all sides. When April 2000 finally dawns, Clause 8 of the Macroeconomic section of the PESP will have finally been achieved as far as the trade union movement is concerned. Employers will probably view the intervening ten years as being an equitable hiatus before the inevitable transpired.

One issue which may lead to some angst for the social partners is the vexed question of repercussive claims as a result of the implementation of a national minimum wage. While IBEC and ICTU have declared that they are willing to agree a protocol whereby they will be bound by Labour Court decisions in this area, I think that attempts to enshrine such a view in legislation as proposed by the Final Report of a government Inter-Departmental Group on the implementation of a National Minimum Wage may be a bridge too far.

10. 9 Extension of Partnership at the Level of the Enterprise

Workplace partnership at both public and private sector has begun. There have been recent initiatives developed through the Irish Productivity Centre (IPC), which is jointly managed by the ICTU/IBEC, in an attempt to continue this process. A New Work Organisation Programme which facilitated ten Irish companies over a two year period has recently been completed. Another such joint IBEC/ICTU project has been the PACT
project currently under way which designs partnership models and tests them on the
ground. Early scepticism of workplace partnership programmes have given way to joint
examination of the blockages which are occurring at workplace levels. Two areas
identified are the provision of further education for players in the partnership process,
allied to additional training. Cassells and Attley have however identified attitudinal
problems of middle management and antipathy on the part of some workforces as
problems which must be overcome. Dunne's recent positive view of such innovations
allied to Ahern's belief that such opportunities must be enhanced in any future deal will
surely lead to a major uptake of such schemes in the future. Moving from adversarial to
partnership approaches at workplace levels requires a major move towards establishing
trust as Mc Adam has said. My personal view is that while companies continue to use
new technologies such as e.mail as their propaganda systems denying equality of access
to other partners a gap will exist in the trust mechanism.

The second issue highlighted is a change of rewards policy to facilitate a sharing of the
gains. New forms of remuneration are needed to sustain increased competitiveness and
growth. If the work already started on workplace partnership is to be built upon then, in
any successor to Partnership 2000 this process must be deepened and accelerated in the
early part of such an agreement. The recent call by the ESRI in its quarterly economic
comment on employers to agree to more profit sharing schemes, thereby reducing the size
of basic pay awards is a call which must be heeded.

10.9.1 Employees as Stakeholders

As described at 3.8.10, the recent happenings in State and Semi-State companies across
Europe and in particular the ESOP's worked out in Irish companies as evidenced in 9.8
are leading to a new era of employee as stakeholder. Though these initiatives are in their
infancy and have by and large not yet travelled to the private sector, even there new
methods have seen the payment of loyalty bonuses in enterprises which have been sold
out or taken over. The recent $1 million payout to Tayto workers is one such example.
What is also interesting is that employees are no longer shy in getting the best possible
taxation advice from accounting firms as to how to use this gift effectively.

At boardroom level there are ample examples of senior management buying-out (MBOs)
the firm's owners in preference to hostile take-overs where continuity of staffing and
product cannot always be guaranteed. While this option was not often exercised in Irish
companies the rate of MBO's have increased of late. Future Social Partnership deals
must allow for innovative thinking in relation to such options to encourage the increase in
these forms of employee stakeholding.
The dismantling of state and semi-state industries built up by the Governments of De Valera, Costello and Lemass begs the question as to whether this is a sword of justice or perhaps vested interest policy? As different Ministers at Cabinet review the companies under their remit, no clear policy choice has emerged.

Garret FitzGerald makes the case at 9.8 that these decisions should be made on a case by case basis. Workers and their representatives have shed their ideological concerns in return for ESOP’s, but one wonders what Lemass would have made of the sell-off of companies which only came into being in the first place because the private sector and the market were unable or afraid to fund their building.

This writer does not have a fundamental problem with partial or full sell off of state industries provided that there is no long term cost to the consumer, that no widespread redundancies take place, and that the resulting cash return to the state is properly reinvested for the poor and marginalised in our society.

10.10 Is there an Irish Model of Industrial Relations based on Social Partnership?

The debate on whether there is an Irish model is one which came to prominence when I was a student at the NCIR. At that time the view espoused by many of the main players in Irish industrial relations was that our system was based on the ‘British Model’ but that the time was appropriate to come closer to other European models. Attley (1989) and Cassell’s (1987) were advocates of the models existing in Austria, Denmark, Germany, Finland, and Sweden.

Sheehan (1996) however questioned whether there is a future for a renewed and vibrant neo-corporatism, as the social partners in Ireland will also have to respond to the intensity of global change and how this will impact on a small open economy. Sheehan’s research however only covered the first three programmes and had not seen the institutional deficit of partnership addressed nor seen the influence of the NESF, the creation of the Competitiveness Council nor the Partnership Unit within the Department of the Taoiseach.

The recent decisions to fund partnership fora in Aer Rianta, Aer Lingus, RTE, ESB, Departments covering Local Authorities, Health and Education mean that even if another Partnership agreement did not happen, these processes will continue for the periods which the programmes have been assigned. The decision in P2000 to set up a National Centre for Partnership in the Taoiseach’s office, chaired by the former Chair of the Labour
Court Evelyn Owens and containing the leading trade union, employer and government figures leads one to believe that the process of strengthening the roots of partnership at enterprise level is gathering pace.

Roche raised the question of the increased sophistication of trade unions and I can vouch for this in that in my own union SIPTU following the tight vote on Partnership 2000 a special unit was set up specifically to deal with issues pertaining to Partnership. For the last year intensive fact finding and encounter group discussions have taken place at regional and branch level to ascertain the agenda for the post Partnership 2000 discussions.

I chaired a consultative process on three half days at the end of June and early July 1999 and the list of issues raised by individual members in the Public Service arena ran to twelve typed pages. There is no doubt that the five major non-pay items are: childcare, affordable housing, health funding, care of the elderly and paid parental leave. This process is being replicated in the seven regions of the Republic in which SIPTU is organised, culminating in a meeting of the regional officials who will collate an exhaustive list of the key issues to be addressed.

Geraghty at 9.1.2 states his view that you cannot build social partnership on social apartheid, nor can you be in a partnership with someone who refuses to recognise your right to exist. For him, a true and lasting social partnership can only be built on equality of status, parity of esteem, a genuine power sharing in the work place and in society as a whole. Geraghty believes that we have not yet built full Social Partnership in Ireland even after twelve years of partnership agreements. We do not have a Social Partnership. We have only begun on the first steps of that process, with a recognition that such a possibility actually exists, and a start to building real partnership in a number of areas. However with the key issues of trade union recognition and minimum wages shortly to be addressed and with very real expectations that the forthcoming Budget will continue to give significant gains to the lower paid the movement to real partnership quickens apace. However it appears from recent newspaper correspondence that even at this late stage in the year the government’s budgetary decisions are not yet finalised, an unfortunate happening in a year where good taxation measures must underpin a further partnership agreement.

Barry’s concerns regarding the Irish model have always related to the lack of linkage between the agreements and government parties, as typified by countries such as Germany and Sweden under Socialist or Social Democratic governments. His view is
that eventually the Irish model will unravel due to this lack of underpinning. Barry’s feel is that if you get your theory right, if you get your belief system right, everything else follows. If you use ideology in its non pejorative sense, your belief system, your theoretical underpinnings, whatever you want to call it that if you get your ideology right everything else follows. Policy matters become quite simple, once you are quite dear about your beliefs and values what you need to do is very straightforward, if you don’t have such a thing, if you are what people regard as pragmatic in the worst possible sense of the word, then you are forever chopping and changing, shifting with every shift in the wind.

Barry asserts that this is what distinguishes the more successful attempts at a kind of Corporatism in Sweden and in Germany from our attempts here, he thinks this will eventually undo the whole partnership business.

Cassell’s view, speaking for ICTU and its affiliates, on recent Industrial Relations innovations is that considerable institutional innovations have been undertaken in Ireland, in policies addressing long-term unemployment, rural and urban re-generation and business development, and it is possible that these, however unorthodox, are more suited to current economic, organisational and technological circumstances.

There has, in the past two decades, been a move by the Irish based trade unions to an Irish model based on the best elements of Swedish, German and other European best practice. The reality in Ireland is that there are a considerable number of members of the ICTU based in Northern Ireland and a sizeable number of trade unions which are British based, mainly in the craft and general trade union areas. These unions have traditionally opposed the partnership model and prefer the free collective bargaining method. They recognise the reality of the situation however that with very high levels of trade union density in the Public Sector (all of which are Irish based) and with the strength of IMPACT, MANDATE and SIPTU in the private sector that power block, if united, will always prevail.

There have been indications over the last four partnership agreements that an Irish model is emerging which respects the agreements entered into with government and employers as well as the institutions for dispute resolution such as the Labour Court and Labour Relations Commission. The advent of the policy of ‘New Realism’ in the mid 1980s, followed by the PNR, allowed a baseline to be set for the advancement of an Irish Model. Ahern points to a number of major disputes which were confronted by Government in the early 1990’s, including the ESB dispute and the Irish Sugar Company. The lessons learned in the ESB and the adoption of its cost and competitiveness review programme
signalled the dawning of a new era in Irish industrial relations. It is fair to say that some of the solutions adopted in the last decade have been what both Cassells and Dunne refer to as Irish solutions to Irish problems.

In reality the test of the Irish model, is in this writer’s view, the success not in reducing strike statistics or increases in rates of pay but in increasing the size of the Irish labour force at work from 1.11 million in 1989 to 1.56 million in the third quarter of 1998 and facilitating the feminisation of the labour force to circa 40%. Allied to this has been the continuing return of Irish people from abroad to take up employment here, with the only current negative factor being the evidence of potential labour supply shortages in areas such as catering, hotels and construction, and the on-going dispute over the decrease in number of community enterprise scheme places as agreed in P2000 from 40,000 to below 27,000.

It may be that the completion of an Irish model must await another successful partnership agreement or an agreement for a further set of agreements as mentioned by Chubb (1992) determined at the time of PESP.

What can be said for certain is that the advocates of ‘New Realism’ and the PNR have moved a seriously ailing economy into the Premier League of World economies and become, not only the envy of Europe, but further afield. If we could join together in the late 1980’s to share the pain surely we can similarly agree to share the gain for the first decade of the new millennium.

10.11 The Relevance of Social Partnership in Ireland.

When the first National Wage Agreement was brokered under the auspices of the Chairman of the Employer Labour Conference, Professor Basil Chubb, in 1970 there were 21 participants on both sides. The agreement, including the cover page, ran to 10.5 pages. The four partnership agreements of the last twelve years run to nearly 100 pages each. The evolution of national wage agreements into national understandings, public sector pay agreements, and the later four partnership agreements have been ad-hoc and not organic. The relevance of such agreements have been questioned from within the employer, trade union, government parties from time to time, while they have been mocked from outside by economists, journalists and opposition members of parliament. Gradually they have achieved a status and degree of acceptance which few of those initial 42 delegates could have expected.
In institutional terms Schregle’s (1975) view of trade unions has come to pass in that there have been a large number of union mergers and in 1990 the two main historical antagonists on the trade union side the ITGWU and the FWUI merged to form SIPTU. This merger policy has been a boost to the partnership process as it tackled previous fragmentation difficulties. Attempts to introduce aggregate voting for national agreements was roundly rejected by the 1999 ICTU Delagate Conference. Only once in 1976 has there been a close fought vote at ICTU when the vote was 202 for and 211 against, but a slightly revised offer was comprehensively accepted on a vote of 309 to 70.

On the employer front shortly afterwards a similar merger took place between the two main players, the FIE and CII, to form IBEC. There is no doubt but that these mergers focused their constituents attention in terms of national employer/labour issues. There are many members of both these merged entities who were never participants in any of their antecedents. Likewise there are many younger staff at work who have never known a free-for-all situation in the shape of free collective bargaining. Recent ICTU statements have commented on the dangers of a return to the trenches mentality. Likewise statements from IBEC have tended to accentuate the positive aspects of the partnership era while admitting that not all areas of society have benefitted.

At workplace level many representatives will tell you that the only portion of the programmes which the membership look at are the pay and conditions element. There is one truism in this remark - in many cases, all too many cases , - the only part of the document which employees and in many cases line management see, are the pay terms.

There is very little reason that a copy of the partnership agreements, when ratified by the constituent bodies, should be sent to every home in the country. At the beginning of my research I knew that the cohort who had a real working knowledge of Social Partnership was quite a small field. During the last seven years many colleagues and friends asked me what was the subject of my research. On answering - Social Partnership, the vast majority in a supplementary question asked me to explain what I meant by partnership.

I know that with the coming of the social pillar into the NESF and the Social Partnership dialogue many ordinary people are now engaged in bodies which have a tripartite perspective or function. The real relevance of Social Partnership will only become known to all when the walls of secrecy are broken down and when the actuality and reality of its part in Ireland’s economic miracle is explained to all. O’ Leary’s criticism of our democratic deficit may be proved right if we do not allow general ‘ownership’ of the partnership process to all our people.
An equal, if somewhat more difficult issue to address however, is the area of representation. Who speaks for the unemployed? ICTU or the INOU? or both! Do the National Women's Council speak for all women? Can they seek to speak for people who are not in membership while these women are members of employer and trade union bodies. What weight can be given to CORI's well meaning pleas for the poor and more importantly, where is their constituency? Do they represent the same constituency as the St Vincent de Paul Society, Focus Point, Protestant Aid or the Combat Poverty Agency?

I have always taken the view that the weight given to players at the negotiating table has to be in direct proportion to their membership numbers and as importantly the ability of the peak association/ruling elites to deliver. At the end of the day employers deliver improved pay and conditions as well as the possibility of increased jobs. Trade Union members are delivering on pay restraint, industrial peace and increasing productivity as well as flexibility and upskilling. The Government has been bringing in changes in taxation policy, commitments to reducing those in the tax net as well as delivering real increases in welfare payments, and lower corporation tax to boost inward investment.

There is no doubt that the decision to become an inclusive society dealing with the problems of marginalisation and exclusion was, and is, the right one. There is however an unreal expectation on the part of some of the voluntary bodies as to what can be achieved in the course of one agreement. The fourth pillar would do well to learn from the patience of their more senior social partners in this regard. There is also, as Allen has commented, the added burden that this large and fractured body of organisations have to compromise among themselves on their agenda before they negotiate at all. Added to this is the growing work load being visited on much of the community platform social pillar by virtue of their involvement in partnership projects.

We have however moved from Hardiman's (1992) criticism of our lack of success in using corporatist approaches for improving national economic performance to a situation where, having turned the economy around we are grasping issues of social and educational disadvantage, the causes of crime and substance abuse on an empirical rather than an anecdotal basis.

Quinn's perspective on the new 'them and us' contained in his definition of social partnership as government, employers and employees, as distinct from IBEC and ICTU, having a collective responsibility to manage change and to develop and improve the economy in the recognition that there is a new 'them and us'. The 'them' is the rest of the world, even within the European Union and then beyond that the more global economy, which over the next fifteen years is going to become very integrated, with a lot of tariff
and trade barriers being removed, which provide an opportunity as well as a threat, and the 'us' is ourselves, a community in this state of 3.5 Million people, on this island of 5 Million people, in a European Union that is close to 500 Million, or getting there if you take that time frame of 15 years.

But have we yet cast aside the 'them and us' vested interest approach within our own country? - I think not. It appears to me that on practically every issue we as citizens are fragmenting into campaigns for and against, and that our decision making processes are becoming more complex and complicated rather than becoming swifter and more responsive. Problems with planning, infrastructure, transport, as well as environmental concerns seem to proliferate. In the current climate, decision making is determined in political terms in the life-time of the government, which in Irish terms is usually four years. The strength of the four Social Partnership Programmes (4P's) to date is that they have remained unaltered in the Private Sector and though varied at times in the Public Sector, the terms have always been applied eventually. In the period 1992 to 1997 we even had a situation where the government changed in mid-term without recourse to a General Election and while the Programme for Government was altered no change was made to the Partnership agreement. There are however tensions between Programmes for Government and Social Partnership documents, particularly for smaller coalition partners attempting to show off their policy 'victories' to the electorate.

There is currently underway a mid-term review of the Fianna Fail- Progressive Democrat Programme for Government. While this review cannot alter the partnership agreement as it is in its final semester, its budgetary decisions could influence whether or not there will be a fifth such agreement. There is concern in certain trade union quarters that a low taxation policy taken to its limits could damage forever the baseline of the Public Service ethos long ingrained in Irish social policy. Lower returns from employment taxation, allied to a decision already made to cut corporation tax to 12.5%, could lead to the budgets in the Departments of Education, Health and Social Welfare being cut, leading to another staffing embargo. Such a decision could cause severe faultlines in the Public Sector. We have already seen the budget problems of Tallaght Hospital and see daily the misery of the effects of long queues for hip replacement and heart surgery, as well as the disgraceful condition in which some of the nation's children are schooled, and we have to ask why this is so at a time of plenty?

History will judge this period of our economic legacy not on how we cut the time of commuting from Dublin to Belfast, Cork, Galway, Limerick or Waterford in the ever-increasing number of automobiles, but on how the Social Partnership process has become genuinely inclusive. We must strive in the coming decade, beyond the short cycle of the
2000-2006 National Development Plan, - where we have once again subdivided the Island of Ireland into two groups - those with and those without Category A Regional Aid status, - to develop our social and environmental infrastructure to such a degree so as to eliminate the enclaves of underclass and the three generational culture of dependency which we as citizens have allowed to build up.

The Irish economy needs brave political decisions from our legislators now. The culture of laying a trail for future electoral success - something not achieved since Jack Lynch’s time in the late 1960’s - should be eschewed on this occasion. What will history have to say of our failure to grasp the big picture when economic conditions in this country were at their zenith?

It may very well be that this cycle will continue for another three to five years but when will the real onslaught for the elimination of poverty in our midst begin? When can we expect true tolerance and compassion and equality of opportunity for all those present in our country?

We must seize the moment now! In this writer’s view the time for compromise and consensus must give way to a brave set of decisions for the next decade and the baseline for such a scenario must be for all the players in the Social Partnership arena to declare that they are on board for the long haul and for the common good, and for the four rooms of partnership as described by Allen, to become the communal ‘us’ as Quinn refers to earlier.

10.12 On the Road to a Further Partnership Agreement?

A decision about a fifth partnership agreement or a decision to enter a further series of agreements will be made in different terrain - away from the crisis of the late 1980’s to the comparative wealth of the new millennium. The blueprint for the next economic period will be set out by the NESC, which includes representatives of all the social partners. Whether such a future agreement will contain framework agreements in the private sector can only be speculated upon at this juncture. Employees however will wish to see employers moving from controlling the agenda to sharing it.

Recently Taoiseach Ahern cited the following key indicators for 1999:

- A National Debt / GNP ratio of 52.1%
- A Current Budget Surplus of £2 Billion
- Average annual inflation of 2.8% since the four P’s came into being
• Unemployment close to 6%
• 1.5 million people at work
• 80% real increase in Health care Budget since 1987
• A 20% reduction in the primary Pupil Teacher ratio since 1987

These figures provide a very positive baseline for the beginning of discussions on a possible further partnership agreements.

10.12.1 New Models for the New Millennium?

Both Ahern (1999), and O'Reilly (1999) talk of ‘emerging new models’. Ahern talks of it as a dynamic process which strives to achieve an appropriate equilibrium between the economic and social aims of our society, and that foundations of that new model of partnership have already been laid.

This, all the while O’ Reilly believes that a return to free collective bargaining with secondary and tertiary bargaining remains a possibility. His proposed ‘new model’ for wage negotiations in the future is for three tiered negotiations locally, encompassing a flat rate increase, linkage with sectoral/national pay norms to be agreed by the social partners, and; above average performance increases commensurate with growth/productivity payable as wage increases or in share ownership/profit sharing or performance related pay.

Another issue of concern to trade unionists and the social pillar is the balance between the social agenda and infrastructural spending. Recently the Finance Minister announced that £38 Billion at 1999 prices was being invested in the forthcoming National Development Plan (NDP). IBEC’s view of the NDP is that it should represent a major acceleration of public investment and should use EU funds to leverage private investment in Public Private Partnership projects in key areas. The considerable potential for private participation is dependent on progress on key issues such as planning. ICTU is wary of some of the issues behind the Public/Private partnership, particularly over the ownership and staffing issues.

There was also a recent announcement that the proceeds of the sale of Telecom Eireann were to be invested to look after long term pension provision for our ageing population, as well as an annual figure of 1% of GNP. While these announcements are to be applauded there is a niggling concern that too much emphasis will be put on infrastructure and not enough on the social agenda. This could cause tensions later this year if there is not real dialogue before a NDP is agreed.
The model which I discussed at INULS 1998 of 3 x 4 year agreements with 2 tranches of local bargaining in years 2 and 4 of each, leading to the elimination of secondary and tertiary claims as discussed by Mc Glynn and Dunne would be one method of delivering on employers’ wishes for cost certainty, while delivering more local bargaining to employees, reflecting the strength of the economy. It would meet some, though not all, of O’Reilly’s objectives of his ‘new model’.

Dealing with unexpected ‘shocks’ from outside Ireland, is an issue which we must take on board. This is a concern expressed by Sheehan (1996) as well as Tansey (1999), who veer towards the belief that economics move in cycles and that every fifteen to twenty years a shock or rebalancing occurs. Schmitter (1998) is also of this view and predicts that such a possible shock to be due about the time of completion of EMU. One would however expect that if such shocks do occur in the future their effects will be similarly felt by our 14 EU partners as well as the other global competitors with whom we compete.

In this regard it is well to remember that economists such as O’ Leary (1993) and Barrett (1991) were of the view that another PESP style agreement was not needed as all it did was to protect the status quo. Other economists such as Walsh have, for the last two years, been predicting a rise in the Irish inflation rate to circa 6%, though this has not happened either. O’ Leary’s view was that the corporatist model is an exclusive rather than an inclusive one, therefore excluded are the 17% in 1995 , now 6% of the labour force who are unemployed.

In a European context decisions of the Maastricht Treaty (1991), and Amsterdam Treaty (1998), cannot be rowed back nor can decisions on the Euro and the European Central Bank. This means that policy in these areas will be made by the eleven and ultimately, the fifteen EU countries, as well as any new entrants. Other decisions made in consort by the EU, ETUC and UNICE, as well as decisions made at EWC’s will have greater effect and coverage across the EU in terms of conditions of rewards, legislation on areas of health and safety, and other labour law areas.

10.13. 2 The Time-Frame To Any New Partnership Agreement

The following is a personal view of how a calendar for a future set of discussion on a fifth partnership programme would be negotiated. While the dates are only indicative the first three are already set and as the NESC is a tripartite body all that flows from that report will be known to the main players. While there will be much debate at both the SIPTU

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and ICTU conferences the expectation is that the trade union movement, as well as the employers and government will begin discussions in mid November on a new agreement.

September 1999  
Publication of NESC proposals.

4-8 October 1999  
Decision making Conference of SIPTU.

4 November 1999  
ICTU Delegate Conference to decide on entering talks.

November - December  
Talks on New Partnership Agreement

December 1999  
Budget 2000

January 2000  
Ballot on any draft agreement by the main constituents.

Late January / early February  
ICTU/IBEC Conferences to ratify or reject 2000 draft agreement.

10. 12.3 Can The Principle Of Social Partnership Continue In The Absence Of Another Pay Deal?  

There is a difference between the concept of Social Partnership and Centralised Wage Agreements, however many people confuse the two. A number of interviewees, including O’Leary and Hayes, have commented on this fact. In the absence of a new pay agreement there is no doubt that the institutions which are currently tripartite would continue and that the partnership concept would prevail in the short term. Whether long term optimism of such an approach would be prudent is doubtful as the government and other players would in all likelihood tire of an approach which did not command universal support of all the key players.

In some trade union circles there is a belief that even in the event of no further national partnership deal being negotiated, the Social Partnership process can continue. Hayes at 9.1 comments on this possibility. It is a well known fact that Cassells and a few of his incoming Executive have looked at a number of alternative scenarios in the event that another agreement cannot be brokered. There are some players who believe a loose framework agreement short of a national agreement might emerge in such a scenario.

IBEC have been at pains to point out that they will not deal ‘at any price’ and recently Dunne’s view was that employees and their trade unions also face responsibilities in working to underpin success. Expectations are high, perhaps unrealistically so according to IBEC. The IBEC position is that the analysis at present being worked out by NESC must be fully debated and medium to long-term messages communicated clearly to all. There is also growing evidence of the success of deepening partnership approaches at
enterprise level - business and labour can and need to, together, further enhance competitiveness. This is all the more urgent given our membership of EMU and the likelihood of medium-term weakening of sterling. IBEC's view is that tempering unreal expectations now will deliver real long-term benefits in improved take-home pay, more secure employment growth and achievement of broader societal goals.

The ICTU position appears to reflect a view that IBEC and the government may not meet the very high expectations of some trade unions. The IBEC position at this stage appears to be pointing down the road of medium to long term rewards for dampening down short term high wage settlements in the form of pay restraint.

In the event of no pay agreement being reached, the very first thing which will happen is that the Public Services Committee and the official side for Government will work out a Public Service pay deal. This will of course exclude the Commercial Semi-States and the recently privatised companies. In the event of no agreement being reached in the past governments' have been quite capable of setting pay and staffing restrictions. The government could easily claim the high moral ground as they have been indicating for some time their wish for a further agreement. Such a scenario might also allow a government to begin to unravel the pay relativities which exist in the public sector.

In the private sector there will be a rush by the bigger companies to buy certainty; and these big enterprises will settle early. There are already some deals done in the next round where percentages have been agreed with provisos entered in relation to higher figures being paid consequent on a national deal being agreed. Inevitably there will be outbreaks of industrial action and there will be skirmishes in smaller private sector organisations.

In the event of a failure to continue the social partnership agreements, inevitably the voice of the social partners will become less well heard at the Cabinet table. While tripartite committees will continue to function, as memberships lapse and certain initiatives come to an end, their replacement will be in some doubt. Taxation pledges made by governments will of course be honoured, but in the absence of another pay deal any move towards an inflationary pay deal, then inevitably taxation will rise once again. The semi-automatic linking of tax concessions and low pay rises will become a thing of the past.

However what will affect the trade union movement and employer bodies more will be that the trust which has been established over the last twelve years will be set aside. The recent wildcat actions in the craft unions in relation to the 'analogue pay claim', the unofficial action taken at the ESB plant in Ferbane, as well as actions taken by
scaffolders and crane drivers in an era of partnership point the way as to what might happen in both the public and private sector. Areas of the economy perceived as 'booming' will become targets for larger claims.

There are already moves afoot to lodge claims well above the size of Partnership 2000 in the construction industry and the recent claim of 20% for busworkers by the non ICTU union the NBRU is another early attempt to test the water for the upcoming pay round, citing the nurses and guards pay deals. This could also lead to an uncoupling of a number of other items as the negative publicity generated in such a scenario could affect the job creation potential of our job agencies and; and the platform for trade union recognition settlement might also be affected.

There is the further issue of how politicians and Government ministers would deal with a breakdown of the partnership programmes. In such a scenario the retirement of senior experienced players on all sides might leave the centre stage denuded of leading players, although these bodies have a habit of regenerating suitable replacements.


One positive sign of the continuing attraction of the partnership model is the possibility of new recruits to the partnership process which could lead to even greater 'coverage' by a further agreement. There are a number of groups who are not part of the Partnership process to date. Among their number are the ISME on the employers side and the Garda Representative Association (GRA) on the trade union side. Having gotten over their internal differences it is likely that ISME will want to be part of the employers delegation but such may be difficult to accommodate given their historical position as a breakaway from the SFA, which itself is part of the larger body IBEC.

Similarly there is no certainty that the Public Services Committee of the ICTU will welcome with open arms the GRA, while their second bite of the cherry award which has resulted in problems in the Public sector for the early settlers is unresolved. One thinks that Taoiseach Ahern's valuable diplomatic skills will be needed to sort out these two problems if either, or both, these bodies are to be part of as post Partnership 2000 scenario. One easy solution would of course be to allow them to stay outside the process for now and if a new deal is brokered then the terms could be offered to both bodies before final signing by the social partners.

O' Leary (9.4) commented on the lack of democracy in relation to those who are not members of trade unions. So whither the free riders? The reality is that as in other
countries a large number of such employees are in grades for which trade unions do negotiate the terms and conditions, but staff opt to exercise their constitutional right to disassociate.

Alternatively some enterprises are trade union free zones with sophisticated Human Resource Management (HRM) systems in place and many of these mainly multi-national companies pay a premium over and above trade union rates (eironline 1999:1). Finally there are staff who are quite happy to negotiate their rate through piece-rate and other bonus systems while there is an ever increasing number of self-employed or contract workers who have become known as ‘atypical’.

10. 13 Endword

There are throughout the fieldwork research many areas upon which I touched but have not commented on. Obviously when the product of 31 taped interviews is committed to paper a very large volume of material has to be read and analysed.

A few of the areas which stand out are

1. The failure to achieve real equality for women in employment a quarter of a century after the Minister for Labour of the time Michael O’ Leary enacted the European legislation.

2. There are a number of comments about the Euro which are well made but have only historical value now as events have overtaken them.

3. Another issue raised was whether there should be some new forum to discuss Industrial Relations. Following on the failure of the Commission on Industrial Relations to bring in a unified report in 1981, due to ICTU’s decision to absent itself for two years from the Commission’s work the time might be appropriate now as a spin-off of a new national accord to set in train such a forum, or at least a debate involving the preparation of Green and White papers on Industrial Relations Policy and the future of Social Partnership. To begin their deliberations such a forum could start with the Industrial Relations Act 1990, now ten years old, as well as looking at Health and Safety which is currently under review and the other pieces of Labour legislation enacted since this young State came into being less than eighty years ago.
4. Teague made a general comment on the dearth of economic focus in Ireland other than the Neo-Classical School. In particular he mentioned the absence of any representatives of the Neo-Keynesian School. In an economy where the market and deregulation have become the sacred cows surely it would be wise not to rely too much on one particular brand of economic thought.

Three of the main areas covered in this research are social partnership at enterprise level, trade union recognition and the advent of a national minimum wage in Ireland. These are areas worthy of further study and I hope they are areas to which I shall return at some point in the future as they are only at a developmental stage, albeit after a long gestation period.

In this writer's view Social Partnership is here to stay. Since 1970 and the aftermath of what Mc Carthy (1973) has termed the 'decade of upheaval' Ireland's tripartist bargaining has developed stage by stage to its present position. I have attempted in figure 10.1 to chart the five distinct periods of Ireland's bargaining in the period 1970-1999.
The period of national bargaining now spans a cumulative period of twenty four years in the private sector and thirty years in the public sector. Breen et al (1990) and Hardiman (1992) concerns about the durability of the process has at long last been addressed. What is now needed is a movement into medium to long-term planning on a considered basis with suitable flexibility inserted into the process to allow for the social partners concerns if and when external shocks threaten the process. However having overcome speculation against the national currency from abroad, as well as internal institutional speculators and having moved from budget deficits to budget surpluses, now is the time to move forward and secure our long term economic, political and social future.
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## Appendix 4.1

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<td>Jackie Gallagher</td>
<td>Irish Times Industrial Correspondent</td>
<td>15/5/95</td>
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<td>2.</td>
<td>Jim O’ Sullivan</td>
<td>HR Division Donnelly Mirrors</td>
<td>19/8/95</td>
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<td>W.A. Attley</td>
<td>General Secretary SIPTU</td>
<td>24/1/95</td>
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<td>4.</td>
<td>Peter Cassells</td>
<td>ICTU General Secretary</td>
<td>28/3/95</td>
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<td>John Dunne</td>
<td>IBEC General Secretary</td>
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<td>Con Lucey</td>
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<td>Tom O’ Dwyer</td>
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<td>Sean Barrett</td>
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<td>EU Commissioner On Social Policy</td>
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<td>Research Student University of Utrecht</td>
<td>18/7/96</td>
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Note:
R = Responded not interviewed
NR = No Response
RI = Refused Interview
Appendix 4.2 Preliminary Questionnaire

Early Partnership

1.1 WHAT FORMED THE BASIS FOR THE EARLY AGREEMENTS?
1.2 HOW TOUGH WERE THOSE NEGOTIATIONS?
1.3 HOW WERE THE TALKS ENLARGED?
1.4 WHY DID THE CONSENSUS BREAK DOWN?
1.5 HOW DID THE 1983-1987 GOVERNMENT POLICY ON EMBARGO - PAY FREEZE - CUTS - HARM CB/SP?
1.6 WHAT PROMPTED THE MOVE TOWARDS PNR?
1.7 HOW WAS IT CONCLUDED?
1.8 HOW WAS IT SOLD TO MEMBER ORGANISATIONS AND MEMBERS?
1.9 WHAT PROBLEMS WERE THERE WITH PNR?
1.10 HOW DIFFICULT WAS IT TO NEGOTIATE PESP?
1.11 HOW MUCH ADVANCE WORK WAS PUT INTO PESP PREPARATION?
1.12 WHAT PROBLEMS EMERGED EARLY ON WITH PESP?
1.13 WAS THERE A REAL CHANCE OF PESP COLLAPSE?
1.14 WHAT SPIN-OFFS DID PNR/PESP GIVE TO YOUR ORGANISATION?
1.15 WHAT ARE THE REAL BENEFITS TO YOUR ORGANISATION OF CENTRALISED PAY DEALS?
1.16 WHERE DO YOU STAND ON FULL EMPLOYMENT? IS IT REALLY A DREAM?
1.17 HOW DOES YOUR ORGANISATION DEAL WITH THE PROSPECT OF A NATIONAL MINIMUM WAGE?
1.18 WHAT TYPE OF PROBLEMS HAVE COME TO THE FORE AS A RESULT OF NATIONAL DEALS? EXPLAIN IN DETAIL.
1.19 ARE THREE YEAR DEALS TOO LONG OR TOO SHORT?
1.20 WOULD YOU WELCOME A LONGER FRAME AGREEMENT WITH ANNUAL REVIEWS AND A GREATER FOCUS ON LONG TERMISM?
1.21 DO YOU THINK GOVERNMENT POLICY ON TAXATION, WELFARE AND EMPLOYMENT SHOULD BE SPELT OUT FOR THE DURATION OF AGREEMENTS.
1.22 WHAT INFORMS YOUR ORGANISATION AGENDA FOR NEGOTIATIONS?
2.1 HOW IS THE RELATIONSHIP BETWEEN YOU AND GOVERNMENT?
2.2 DID PESP HARM THAT RELATIONSHIP?
2.3 WHAT ABOUT GOVERNMENT POLICY ON 1% PAY LEVY?
2.4 WAS THIS REALLY AN ISSUE ON WHICH BOTH EMPLOYEES AND EMPLOYERS WERE IN AGREEMENT?
2.5 WHAT ABOUT EMS CRISIS IN 1993 AND FORCED DEVALUATION?
- WHAT OF GOVERNMENT ROLE?
2.6 ARE YOU AFRAID IT WOULD HAPPEN AGAIN?
2.7 WHO DO YOU BLAME FOR THAT PARTICULAR FIASCO?
- WHAT OF CENTRAL BANK ROLE? AND THE DEPT OF FINANCE?
2.8 WHAT ABOUT THE BANKS ROLE IN THE IRISH ECONOMY?
2.9 HOW DOES YOUR ORGANISATION SEE THEM? (THE BANKS)
2.10 DO YOU FAVOUR ECONOMIC POLICY BASED ON EU COMMON CURRENCY, LINKAGE TO THE D MARK OR TO STERLING?
2.11 HOW HAS THE REDUCTION IN INFLATION RATE AIDED YOUR ORGANISATION?
2.12 WHAT OTHER ECONOMIC CHANGES ACTIVATED BY GOVERNMENT HAS HELPED YOUR ORGANISATION?
2.13 WOULD YOUR ORGANISATION FAVOUR A QUICKER REDUCTION IN NATIONAL DEBT OR REDUCTION IN TAXATION TO IMPROVE RECRUITMENT? - IN THE LIGHT OF THE FINANCIAL RETURNS FOR 1994 DOES YOUR ORGANISATION FAVOUR THE REINTRODUCTION OF BALANCED BUDGETS?

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2.14 WHAT SPECIFIC NEW LABOUR LEGISLATION WOULD YOUR ORGANISATION WISH TO SEE IN THE LIFETIME OF THE CURRENT GOVERNMENT?

2.15 CAN YOU SEE EQUAL PAY FOR MEN/WOMEN BEING ACTIVATED BY THE YEAR 2000?

2.16 WHAT METHOD DO YOU FAVOUR TO ELIMINATE THE DISPARITY IN WAGES BETWEEN MALE AND FEMALE EMPLOYEES?

3.1 HAS CENTRALISED BARGAINING HELPED IN THE CURBING OF INDUSTRIAL DISPUTES?

3.2 HOW CAN THIS PROCESS BE IMPROVED?

3.3 HOW DOES YOUR ORGANISATION VIEW THE ENACTMENT OF A LEGAL MINIMUM WAGE?

3.4 PLEASE COMMENT ON FACTORS FOR AND AGAINST WHAT ABOUT CONCERNS ON TRADE UNION REPRESENTATION IN THE LIGHT OF THE PAT THE BAKER AND NOLANS TRANSPORT DISPUTES?

3.5 (ii) WHAT AFFECT IF ANY WILL THE RECENT COURT JUDGEMENT ON THE NOLAN TRANSPORT DISPUTE HAVE ON THE 1990 ACT?

3.6 HOW HAS THE CERTAINTY OF COLLECTIVE BARGAINING HELPED WITH MACROECONOMIC POLICY AT THE ENTERPRISE LEVEL?

3.7 WOULD YOUR ORGANISATION FAVOUR A NEW COMMISSION ON INDUSTRIAL RELATIONS?

3.8 OTHER THAN IR/LABOUR COSTS WHAT IS YOUR BIGGEST LABOUR RELATED CONCERN?

3.9 DOES YOUR ORGANISATION FAVOUR FURTHER DEREGULATION OF THE LABOUR MARKET?

3.10 IN YOUR OPINION HOW RELEVANT ARE TRADE UNIONS IN IRELAND NOW?

3.11 IS SOCIAL PARTNERSHIP IN IRELAND DEVOID OF IDEOLOGY?

3.12 HOW IS IT THAT FIANNA FAIL ARE BETTER AT NEGOTIATING NATIONAL AGREEMENTS THAN THE LABOUR PARTY AND FINE GAEL?

3.13 DO THE RECENT PAY RISES FOR HIGHER POLITICIANS AND COMPANY CHIEFS LEAD TO UNREAL EXPECTATIONS DOWN THE LINE?

3.14 HOW CAN THE GOVERNMENT TACKLE THE GROWING COST OF THE PUBLIC SECTOR?

3.15 WHY HAVE THE NATIONAL PROGRAMMES BEEN SO RETICENT ON IMPROVEMENTS IN SHORTER WORKING TIME AND ADDED ANNUAL LEAVE?

Your Comments On:

4.1 THE PROGRAMME FOR COMPETITIVENESS & WORK
4.2 DESCRIBE THE PROCESS FROM YOUR VIEW - ARE YOU HAPPY WITH THE WAY THE 3% ISSUE HAS BEEN DEALT WITH?
4.3 DID PNR/PESP LEAD TO UNREAL PAY EXPECTATIONS?
4.4 WHERE DID PESP GIVE YOUR ORGANISATION DIFFICULTIES?
4.5 DOES PCW EQUATE MORE CLOSELY TO PESP OR PNR?
4.6 WHAT BENEFITS DO YOU SEE IN THE SOCIAL PARTNERSHIP PROCESS FROM 1987-1997?
4.7 CAN SOCIAL PARTNERSHIP WORK AT THE ORGANISATIONAL LEVEL?
   - CAN THE PROCESS BE DEEPENED TO THE MICRO LEVEL?
4.8 HOW? - DESCRIBE WHAT ARE THE FALL-OUTS FROM COLLECTIVE BARGAINING /SOCIAL PARTNERSHIP
4.10 HAS THE STRIKE WEAPON BEEN TOTALLY CURBED AS A RESULT OF SOCIAL PARTNERSHIP?
Supplementaries:

4.11 What, to you, is social partnership?
4.12 What are the real trade-offs?
4.13 Is pay restraint for job creation the critical ongoing issue?
4.14 Over the last three agreements how far has this promise been delivered on? (pay restraint for job creation) What other solutions do you see solving the continuing unemployment problem?
4.15 In your view does fixed minimum pay rates give a 'rising tide affect' to those on low pay?
4.16 Have the certain basic changes in Labour Legislation which were promised in the late 1970's and mid 1980's all been enacted?
4.17 Does increased indexation of benefit and welfare contributions lead to a distortionary effect in the availability of skilled labour?
4.18 Any there any other benefits in the PCW? or Costs?
4.19 How do you view the possibility of deepening social consensus with the enactment of increasing wedges of social legislation from Europe?
4.20 Large parts of the documents are aspirational in nature. Can you ever see delivery on any of these principles?

MICRO SOCIAL PARTNERSHIP

5.1 HOW DO YOU VIEW RECENT HAPPENINGS IN AER LINGUS TEAM AND IRISH STEEL?
5.2 HOW DO YOU VIEW THE ROLE OF GOVERNMENT IN THESE RECENT EVENTS?
5.3 ARE MINISTERS, BOARDS AND TU LEADERS PROPERLY ANSWERABLE FOR THEIR ROLES?
5.4 IS THERE TOO COSY A RELATIONSHIP BETWEEN THE SOCIAL PARTNERS?
5.5 WHAT IS THE OIREACHTAS ROLE IN SOCIAL PARTNERSHIP?
5.6 IS DAIL EIREANN RELEVANT TO SUCH TRIPARTITE FUNCTIONS?

Different sub-sets of questions for Employer and Trade Union (5.7E/T)

5.7 In future would your union prefer centralised or decentralised bargaining? - Why?
5.8 What benefits has your union seen from the centralised bargaining approach?
5.9 What are the negative aspects of centralised bargaining?
5.10 In your estimation why has centralised bargaining failed to deliver on the employment creation aspect?
5.11 Bill Attley recently spoke out to Management about the lack of progress on deepening consensus at the enterprise level - how do you feel about this? (Show copies of articles)
5.12 Do you believe that sufficient notice has been paid to the pay restraint element of national agreements?
5.13 What contributions can be made by trade unions in future pay rounds to lift the baseline for low paid and improve on the position of pay equality between men and women?
5.14 Do you feel that, following this Governments enactment of the draconian 1% income levy, that in future pay deals the Government as one of the tripartite partners, should have to put down on paper the exact taxation, welfare and labour legislative programmes and timetable that it intends to follow?
5.15 What particular options could the employer side take to further broaden the social consensus?
5.16 What could they do to deepen consensus - particularly at enterprise level?
5.17 What role, if any, do the farming community play in national consensus/social partnership in your view?

5.18 Are you happy with Congress's role in the development of Social Partnership? If not why?

5.19 How does your union stand in the debate on privatisation?

5.20 After Greencore, Irish Life, Aer Lingus, Irish Life and the B &I is there a need to re-evaluate Congress's strategy towards privatisation and other strategic alliances such as Telecom?

5.21 Are you happy that the rank and file members understand all the elements of the privatisation, and social partnership debates?

5.22 In your opinion is policy on such issues top down driven rather than upwards from the membership?

5.23 Do you think that this will change?

5.24 Does the emergence of ISME which is effectively opposed to Social Partnership spell trouble for trade unions in smaller enterprises?

5.25 Finally how do you view the emergence of the Church into IR matters such as Irish Steel? - is it a sign of the times or just purely an isolated incident? - Would the access of the Bishop to the Minister above recognised Trade Union officials worry you?

5.7(E) How do you react to Jim O Leary of Davy Stockbroker's recent tirade against social partnership as "murky dynamics of three-cornered bargaining between government, trade unions and private sector employers groups"?

5.8(E) There has been some criticism of employers and companies for failing to reinvest enough of annual earnings back into research and development to the same degree as say the German companies do. How would you respond to this criticism?

5.9(E) Does your organisation favour a move into share ownership for its employees as part of the move into greater social partnership?

5.10(E) Where does your organisation stand in relation to the extension of worker directors at Board and sub Board level within the private sector?

5.11(E) In what way would you like to see the process of the tripartite relationship between employers, trade unions and Government changed and deepened?

5.12(E) Outside of the recent knee-jerk reaction by some commentators in relation to recent EU proposals in relation to changes in the workplace how does your organisation view the EU?

5.13(E) What changes if any would you like to see in collective bargaining in Ireland?

5.14(E) How does your organisation view the possibility of a future British Labour Party Government bringing in a minimum wage to Britain?

5.15(E) Do you think such a move in Britain will accelerate the demand for a minimum wage in Ireland?

5.15(E) Could you comment please on the lack of progress since the mid 1970's on the question of equal pay for women in the labour force?

5.16(E) What is your organisation view of privatisation in Ireland? Are you happy with its progress so far? What other semi-states do you view as being ripe for privatisation?

5.17(E) Are there better ways of tapping the expertise built up over the years in semi-states rather than privatisation?

5.18(E) Are you happy with the role being played by ICTU in helping the management of change within organisations over the past period of social partnership? - PNR, PESP, PCW.

5.19(E) As Irish Business moves farther away from its previous job plateaus of Agriculture and Manufacturing in what areas of the economy do you see future job increases taking place?

5.20(E) What specific financial changes would you like to see implemented by Government to aid job creation?

5.21(E) What response have you to Bill Attley's recent assertions that the notion of 'change' is "little more than a euphemism for job destruction"?
How does your organisation view the recent foray of the Bishop of Cloyne into the sphere of Industrial Relations? Has the Catholic church a role to play in such labour disputes or are they just another obstruction?

Where after PESP does your organisation stand in relation to trade union recognition particularly after the Pat the Baker and Nolan Transport disputes?

How do you view the changes which have taken place following the introduction of the 1990 Act? Does the restructuring of the LC along with the introduction of the LRC help in the resolution of disputes or have we merely added to the bureaucracy?

What further action would you like to see taken against operators in the black and grey economies to aid legitimate employers within the state?

How do you view John Dunne's recent call for business people to help to advise the Government in relation to Public Sector expenditure etc?

Bill Attley recently spoke out to Management about the lack of progress on deepening consensus at the enterprise level - how do you feel about this?

(Show copies of articles)

Ends

1.1 WHAT FORMED THE BASIS FOR THE EARLY AGREEMENTS?
1.2 HOW TOUGH WERE THOSE NEGOTIATIONS?
1.3 HOW WERE THE TALKS ENLARGED?
1.4 WHY DID THE CONSENSUS BREAK DOWN IN THE EARLY EIGHTIES?
1.5 HOW DID THE 1983-1987 GOVERNMENT POLICY ON EMBARGO PAY FREEZE - CUTS - HARM COLLECTIVE BARGAINING/SOCIAL PARTNERSHIP?

PNR
1.6 WHAT PROMPTED THE MOVE TOWARDS PNR?
1.7 HOW WAS IT CONCLUDED?
1.8 HOW WAS IT SOLD TO MEMBER ORGANISATIONS AND MEMBERS?
1.9 WHAT PROBLEMS WERE THERE WITH PNR?
1.10 LOOKING BACK HOW SUCCESSFUL WAS PNR?

PESP
1.11 HOW MUCH ADVANCE WORK WAS PUT INTO PESP PREPARATION? - HOW REAL WAS THE PRESSURE PUT ON BY THE THEN HAUGHEY ADMINISTRATION TO CONCLUDE PESP.
1.12 WHAT PROBLEMS EMERGED EARLY ON WITH PESP?
1.13 WAS THERE A REAL CHANCE OF PESP COLLAPSE?
1.14 WHAT SPIN-OFFS DID PNR/PESP GIVE TO YOUR ORGANISATION?
1.15 WHAT ARE THE REAL BENEFITS TO YOUR ORGANISATION OF CENTRALISED PAY DEALS?
1.16 WHERE DO YOU STAND ON FULL EMPLOYMENT? IS IT REALLY A DREAM?
1.17 WHAT TYPE OF PROBLEMS HAVE COME TO THE FORE AS A RESULT OF NATIONAL DEALS? EXPLAIN IN DETAIL.
1.18 ARE THREE YEAR DEALS TOO LONG OR TOO SHORT?
1.19 WOULD YOU WELCOME A LONGER FRAME AGREEMENT WITH ANNUAL REVIEWS AND A GREATER FOCUS ON LONG TERMISM?
1.20 DO YOU THINK GOVERNMENT POLICY ON TAXATION, WELFARE AND EMPLOYMENT SHOULD BE SPELT OUT FOR THE DURATION OF AGREEMENTS?
1.21 WHAT INFORMS YOUR ORGANISATIONS AGENDA FOR NEGOTIATIONS?
2.1 HOW IS THE RELATIONSHIP BETWEEN YOU AND GOVERNMENT?
2.2 DID PESP HARM THAT RELATIONSHIP?
2.3 WHAT ABOUT GOVERNMENT POLICY ON 1% PAY LEVY?
2.4 WAS THIS (THE 1%) REALLY AN ISSUE ON WHICH BOTH EMPLOYEES AND EMPLOYERS WERE IN AGREEMENT?
2.5 WHAT ABOUT EMS CRISIS IN 1993 AND FORCED DEVALUATION? - WHAT OF GOVERNMENT ROLE?
2.6 ARE YOU AFRAID IT COULD HAPPEN AGAIN?
2.7 WHO DO YOU BLAME FOR THAT PARTICULAR FIASCO? - WHAT OF CENTRAL BANK ROLE? AND THE DEPT OF FINANCE?
2.8 WHAT ABOUT THE BANKS ROLE IN THE IRISH ECONOMY?
2.9 HOW DOES YOUR ORGANISATION SEE THEM? (THE BANKS)
2.10 DO YOU FAVOUR ECONOMIC POLICY BASED ON EU COMMON CURRENCY, LINKAGE TO THE D MARK OR TO STERLING?
2.11 HOW HAS THE REDUCTION IN INFLATION RATE AIDED YOUR ORGANISATION?
2.12 WHAT OTHER ECONOMIC CHANGES ACTIVATED BY GOVERNMENT HAS HELPED YOUR ORGANISATION?
2.13 WOULD YOUR ORGANISATION FAVOUR A QUICKER REDUCTION IN NATIONAL DEBT OR REDUCTION IN TAXATION TO IMPROVE
RECRUITMENT?- IN THE LIGHT OF THE FINANCIAL RETURNS FOR 1994 DOES YOUR ORGANISATION FAVOUR THE REINTRODUCTION OF BALANCED BUDGETS?

2.14 WHAT SPECIFIC NEW LABOUR LEGISLATION WOULD YOUR ORGANISATION WISH TO SEE IN THE LIFETIME OF THE CURRENT GOVERNMENT?

2.15 CAN YOU SEE EQUAL PAY FOR MEN/WOMEN BEING ACTIVATED BY THE YEAR 2000?

2.16 WHAT METHOD DO YOU FAVOUR TO ELIMINATE THE DISPARITY IN WAGES BETWEEN MALE AND FEMALE EMPLOYEES?

3.1 HAS CENTRALISED BARGAINING HELPED IN THE CURBING OF INDUSTRIAL DISPUTES?

3.2 HOW CAN THIS PROCESS BE IMPROVED?

3.3 WHAT ABOUT CONCERNS ON TRADE UNION REPRESENTATION IN THE LIGHT OF THE PAT THE BAKER AND NOLANS TRANSPORT DISPUTES?

3.4 WHAT AFFECT IF ANY WILL THE RECENT COURT JUDGEMENT ON THE NOLAN TRANSPORT DISPUTE HAVE ON THE 1990 ACT?

3.5 WHY HAVE THE NATIONAL PROGRAMMES BEEN SO RETICENT ON IMPROVEMENTS IN SHORTER WORKING TIME AND ADDED ANNUAL LEAVE?

3.6 HOW HAS THE CERTAINTY OF COLLECTIVE BARGAINING HELPED WITH MACROECONOMIC POLICY AT THE ENTERPRISE LEVEL?

3.7 WOULD YOUR ORGANISATION FAVOUR A NEW COMMISSION ON INDUSTRIAL RELATIONS?

3.8 OTHER THAN IR/LABOUR COSTS WHAT IS YOUR BIGGEST LABOUR RELATED CONCERN?

3.9 DOES YOUR ORGANISATION FAVOUR FURTHER Deregulation OF THE LABOUR MARKET?

3.10 IN YOUR OPINION HOW RELEVANT ARE TRADE UNIONS IN IRELAND NOW?

3.11 IS SOCIAL PARTNERSHIP IN IRELAND DEVOID OF IDEOLOGY?

3.12 HOW IS IT THAT FINNA FAIL ARE BETTER AT NEGOTIATING NATIONAL AGREEMENTS THAN THE LABOUR PARTY AND FINE GAEL?

3.13 HOW CAN THE GOVERNMENT TACKLE THE GROWING COST OF THE PUBLIC SECTOR?

4.1 YOUR COMMENTS PLEASE ON THE PROGRAMME FOR COMPETITIVENESS & WORK

4.2 DESCRIBE THE PROCESS FROM YOUR VIEW - ARE YOU HAPPY WITH THE WAY THE 3% ISSUE HAS BEEN DEALT WITH IN PESP/PCW?

4.3 DID PNR/PESP LEAD TO UNREAL PAY EXPECTATIONS?

4.4 WHERE DID PESP GIVE YOUR ORGANISATION DIFFICULTIES?

4.5 DOES PCW EQUATE MORE CLOSELY TO PESP OR PNR?

4.6 WHAT BENEFITS DO YOU SEE IN THE SOCIAL PARTNERSHIP PROCESS FROM 1987-1997?

4.7 WHAT TO YOU IS SOCIAL PARTNERSHIP?

4.8 WHAT ARE THE REAL TRADE-OFFS?

4.9 WHAT ARE THE FALL-OUTS FROM COLLECTIVE BARGAINING/SOCIAL PARTNERSHIP

4.10 HAS THE STRIKE WEAPON BEEN TOTALLY CURBED AS A RESULT OF SOCIAL PARTNERSHIP?

4.11 IS PAY RESTRAINT FOR JOB CREATION THE CRITICAL ON-GOING ISSUE?

4.12 OVER THE LAST THREE AGREEMENTS HOW FAR HAS THIS PROMISE BEEN DELIVERED ON? (PAY RESTRAINT FOR JOB CREATION) WHAT OTHER SOLUTIONS DO YOU SEE SOLVING THE CONTINUING UNEMPLOYMENT PROBLEM?
4.13 IN YOUR VIEW DO FIXED MINIMUM PAY RATES GIVE A 'RISING TIDE EFFECT TO THOSE ON LOW PAY? 

4.14 IN YOUR VIEW HAVE THE CERTAIN BASIC CHANGES IN LABOUR LEGISLATION WHICH WERE PROMISED IN THE LATE 1970'S AND MID 1980'S ALL BEEN ENACTED? 

4.15 DOES INCREASED INDEXATION OF BENEFITS AND WELFARE ENTITLEMENTS LEAD TO A DISTORTIONARY EFFECT IN THE AVAILABILITY OF SKILLED LABOUR? 

4.16 ARE THERE ANY OTHER BENEFITS IN THE PCW?- OR COSTS? 

4.17 HOW DO YOU VIEW THE POSSIBILITY OF DEEPENING SOCIAL CONSENSUS WITH THE ENACTMENT OF INCREASING WEDGES OF SOCIAL LEGISLATION FROM EUROPE PARTICULARLY IN THE LIGHT OF RECENT NEW ENTRANTS COMMITMENT TO SOCIAL POLICY LEGISLATION? 

4.18 LARGE PARTS OF THE DOCUMENTS (PNR PESP PCW) ARE ASPIRATIONAL IN NATURE. CAN YOU EVER SEE DELIVERY ON ANY OF THESE PRINCIPLES? 

4.19 JACKIE GALLAGHER OF THE IRISH TIMES MENTIONS IN A RECENT ARTICLE A PROPOSAL RAISED BY ICTU DURING THE PCW TALKS OF ESTABLISHING JOINT MANAGEMENT/UNION ENTERPRISE COUNCILS WITH A VIEW TO IDENTIFYING THE BEST MEANS OF PROTECTING EXISTING JOBS. WHAT IS YOUR VIEW OF SUCH COUNCILS? 

MINIMUM WAGE. 

4.20 HOW DOES YOUR ORGANISATION DEAL WITH THE PROSPECT OF A NATIONAL MINIMUM WAGE? 

4.21 PLEASE COMMENT ON FACTORS FOR AND AGAINST 

4.22 HOW DOES YOUR ORGANISATION VIEW THE POSSIBILITY OF A FUTURE BRITISH LABOUR GOVERNMENT BRINGING IN A STATUTORY MINIMUM WAGE IN BRITAIN? 

4.23 DO YOU THINK THAT SUCH A MOVE IN BRITAIN WILL ACCELERATE THE DEMAND FOR A SIMILAR MINIMUM WAGE POLICY IN IRELAND? 

MICRO SOCIAL PARTNERSHIP 

5.1 CAN SOCIAL PARTNERSHIP WORK AT THE ORGANISATIONAL LEVEL? 

5.2 CAN THE PROCESS BE DEEPENED TO THE MICRO LEVEL? 

5.3 HOW DO YOU VIEW RECENT HAPPENINGS IN AER LINGUS, TEAM AND IRISH STEEL? 

5.4 HOW DO YOU VIEW THE ROLE OF GOVERNMENT IN THESE RECENT EVENTS? 

5.5 ARE MINISTERS, BOARDS AND TU LEADERS PROPERLY ANSWERABLE FOR THEIR ROLES? 

5.6 IS THERE TOO COSY A RELATIONSHIP BETWEEN THE SOCIAL PARTNERS? 

5.7 WHAT IS THE OIREACHTAS ROLE IN SOCIAL PARTNERSHIP? 

5.8 IS DAIL EIREANN RELEVANT TO SUCH TRIPARTITE FUNCTIONS? 

TRADE UNION EMPHASIS. 

5.7 IN FUTURE WOULD YOUR UNION PREFER CENTRALISED OR DECENTRALISED BARGAINING ? WHY? 

5.8 WHAT BENEFITS HAS YOUR UNION SEEN FROM THE CENTRALISED BARGAINING APPROACH? 

5.9 WHAT ARE THE NEGATIVE ASPECTS OF CENTRALISED BARGAINING 

5.10 IN YOUR ESTIMATION WHY HAS CENTRALISED BARGAINING FAILED TO DELIVER ON THE EMPLOYMENT CREATION ASPECT?
BILL ATTLEY RECENTLY SPOKE OUT TO MANAGEMENT ABOUT THE LACK OF PROGRESS ON DEEPENING THE CONSENSUS AT THE ENTERPRISE LEVEL- HOW DO YOU FEEL ABOUT THIS?
(SHOW COPIES OF ARTICLES)

DO YOU BELIEVE THAT SUFFICIENT NOTICE HAS BEEN PAID TO THE PAY RESTRAINT ELEMENT OF NATIONAL AGREEMENTS ON THE PART OF EMPLOYEES?

WHAT CONTRIBUTIONS CAN BE MADE BY TRADE UNIONS IN FUTURE PAY ROUNDS TO LIFT THE BASELINE FOR LOW PAID AND IMPROVE ON THE CURRENT POSITION OF PAY INEQUALITY BETWEEN MEN AND WOMEN?

DO YOU FEEL THAT FOLLOWING THE GOVERNMENTS ENACTMENT OF THE 1% INCOME LEVY THAT IN FUTURE PAY DEALS THE GOVERNMENT AS ONE OF THE TRIPARTITE PARTNERS SHOULD PUT DOWN ON PAPER DOWN ON PAPER THE EXACT TAXATION, WELFARE CHANGES AND LABOUR LEGISLATION PROGRAMMES AND TIMETABLES WHICH IT INTENDS TO FOLLOW?

IN YOUR OPINION WHAT PARTICULAR OPTIONS COULD THE EMPLOYER SIDE TAKE TO FURTHER THE SOCIAL CONSENSUS?

WHAT COULD THEY DO TO DEEPEN CONSENSUS PARTICULARLY AT THE ENTERPRISE LEVEL?

WHAT ROLE IF ANY HAVE THE FARMING COMMUNITY TO PLAY IN THE NATIONAL CONSENSUS / SOCIAL PARTNERSHIP AREA?

OF SOCIAL PARTNERSHIP? IF NOT WHY NOT?

HOW DOES YOUR UNION STAND IN THE DEBATE ON PRIVATISATION?

AFTER GREENCORE, IRISH LIFE, AER LINGUS, TEAM AER LINGUS, IRISH STEEL, IRISH SHIPPING AND THE B &I IS THERE A NEED TO RE-EVALUATE CONGRESS POLICY TOWARDS PRIVATISATION AND OTHER STRATEGIC ALLIANCES SUCH AS TELECOM?

ARE YOU HAPPY THAT THE RANK AND FILE MEMBERS OF YOUR UNION HAVE A SUFFICIENT DEGREE OF UNDERSTANDING OF DEBATES SUCH AS PRIVATISATION AND SOCIAL PARTNERSHIP?

IN YOUR OPINION IS POLICY ON SUCH ISSUES DRIVEN FROM THE TOP DOWN RATHER THAN FROM THE BOTTOM UPWARDS BY THE MEMBERSHIP?

HOW DO YOU THINK THAT THIS WILL CHANGE IN TIME?

DOES THE EMERGENCE OF ISME WHICH IS EFFECTIVELY OPPOSED TO SOCIAL PARTNERSHIP SPELL TROUBLE FOR TRADE UNIONS IN SMALL AND MEDIUM ENTERPRISES?


TO COMBAT FREE RIDERS PIGGYBACKING ON TRADE UNION MEMBERS HARD WORK IN SOCIAL PARTNERSHIP IS THE TIME RIPE FOR A MOVE TO A FIXED PERCENTAGE UNION DEDUCTION? - SHOULD THE FINANCE MINISTER VIEW SUCH DEDUCTIONS AS ELIGIBLE FOR TAX EXEMPT STATUS SIMILAR TO THE TREATMENT OF PAYMENTS TO PROFESSIONAL ORGANISATIONS.

5.28 HOW DO YOU VIEW JOHN DUNNE'S RECENT CALL FOR BUSINESS PEOPLE TO BE INVOLVED IN HELPING TO ADVISE GOVERNMENT IN RELATION TO PUBLIC SECTOR EXPENDITURE AND BUDGETING?

5.29 FINALLY ORGANISATIONS SUCH AS THE INOU AND CORI HAVE BEEN TAKING A CLAIM FOR INCLUSION AT THE SOCIAL PARTNERSHIP DISCUSSIONS. HOW DO YOU REACT TO THESE CLAIMS?

EMPLOYERS EMPHASIS.

5.7(E) HOW DO YOU REACT TO JIM O'LEYAR OF DAVY STOCKBROKERS RECENT TIRADE AGAINST SOCIAL PARTNERSHIP AS "MURKY DYNAMICS OF THREE CORNERED BARGAINING BETWEEN GOVERNMENT, TRADE UNIONS AND PRIVATE SECTOR EMPLOYER GROUPS?"

5.8(E) THERE HAS BEEN SOME CRITICISM OF EMPLOYERS AND COMPANIES FOR FAILING TO RE-INVEST ENOUGH OF ANNUAL EARNINGS BACK INTO RESEARCH AND DEVELOPMENT TO THE SAME DEGREE AS SAY THE GERMAN COMPANIES DO. HOW WOULD YOU RESPOND TO THIS CRITICISM?

5.9(E) DOES YOUR ORGANISATION FAVOUR A MOVE TO SHARE OWNERSHIP FOR EMPLOYEES AS PART OF THE MOVE INTO GREATER SOCIAL PARTNERSHIP?

5.10(E) WHERE DOES YOUR ORGANISATION STAND IN RELATION TO THE EXTENSION OF WORKER DIRECTORS AT BOARD AND SUB BOARD LEVEL WITHIN THE PRIVATE SECTOR?

5.11(E) IN WHAT WAY WOULD YOU LIKE TO SEE THE PROCESS OF THE TRIPARTITE RELATIONSHIP BETWEEN EMPLOYERS, TRADE UNIONS AND GOVERNMENT CHANGED AND DEEPENED?

5.12(E) OUTSIDE OF THE RECENT KNEE-JERK REACTION BY SOME COMMENTATORS IN RELATION TO EU PROPOSALS IN RELATION TO CHANGES IN THE WORKPLACE HOW DOES YOUR ORGANISATION VIEW THE EU'S ROLE IN RELATION TO CHANGE IN WORKING CONDITIONS AND SOCIAL POLICY?

5.13(E) WHAT CHANGES IF ANY WOULD YOU LIKE TO SEE IN THE COLLECTIVE BARGAINING PROCESS IN IRELAND?

5.14(E) COULD YOU COMMENT PLEASE ON THE LACK OF PROGRESS SINCE THE MID 1970'S ON THE QUESTION OF EQUAL PAY FOR WOMEN IN THE LABOUR MARKET?

5.15(E) WHAT IS YOUR ORGANISATIONS VIEW OF PRIVATISATION IN IRELAND? ARE YOU HAPPY WITH THE PROGRESS SO FAR?

5.16(E) WHAT OTHER SEMI-STATES DO YOU VIEW AS BEING RIPE FOR PRIVATISATION??

5.17(E) ARE THERE BETTER WAYS OF TAPPING THE EXPERTISE BUILT UP OVER THE YEARS IN SEMI-STATES RATHER THAN PRIVATISATION?

5.18(E) ARE YOU HAPPY WITH THE ROLE BEING PLAYED BY ICTU IN HELPING WITH THE MANAGEMENT OF CHANGE WITHIN ORGANISATIONS OVER THE PAST PERIOD OF SOCIAL PARTNERSHIP - PNR, PESP, PCW.

5.19(E) AS IRISH BUSINESS MOVES FARTHER AWAY FROM ITS PREVIOUS JOB PLATEAU'S OF AGRICULTURE AND MANUFACTURING IN WHAT AREAS OF THE ECONOMY DO YOU SEE FUTURE JOB INCREASES TAKING PLACE? - IN WHAT AREAS DO YOU SEE A SKILL SHORTAGE EMERGING IN THE FUTURE?

5.20(E) WHAT SPECIFIC FINANCIAL CHANGES WOULD YOU LIKE TO SEE IMPLEMENTED BY GOVERNMENT TO AID JOB CREATION? - DOES YOUR ORGANISATION HAVE A COMMITMENT TO FULL EMPLOYMENT?

5.21(E) WHAT RESPONSE HAVE YOU TO BILL ATTELY'S ASSERTION THAT THE NOTION OF 'CHANGE' IS 'LITTLE MORE THAN A EUPHEMISM FOR JOB DESTRUCTION'?
Questions for fieldwork interviews an explanation.

The format of the questions is that there are basically three sections included.

* Section 1 on pages 1-5 covers the areas of the early agreements in the 1970's the PNR, PESP and PCW. This section also includes questions on the areas of minimum pay and trade union recognition issues which are outstanding from PESP and which were considered by the Employer Labour Conference.

* Section 2 pages 6-7 covers a set of questions relevant to the trade unions, shop stewards and lecturers in the area of Personnel Management & Industrial Relations.

* Section 3 pages 8-9 covers questions for those looking at the issues from an employers perspective.

Where interviewees fall outside the main trade union/employer sectoral divides the whole set of questions may be used.

Some of the questions are set out from an organisational perspective because many of the interviewees will wish to reflect the perspective of their respective organisation rather than their personal view.

I have already conducted twenty-five of the interviews from this fieldwork and have no problem in acceding to requests from interviewees to turn the tape off for whatever reason whether for off the cuff remarks or putting particular issues in context before the tape begins to run again.

When the text of the interviews is typed respondents, when the typed text is returned to them, may amplify or excise comments as they wish.

Kieran Jack Mc Ginley 21 January 1996
Appendix 4.4

I am in my third year of postgraduate study (PhD) in the Faculty of Business Economics and Social Science in Trinity College Dublin, under Dr Ivan Filby and Dr Geoffrey Mc Kechnie. In the course of the next nine months I wish to interview between 20-30 people from the wider business and academic community in and around the area of:

Social Partnership, Corporatism and Tripartism.

Doctors Filby and Mc Kechnie have suggested that I contact you and I am requesting your co-operation in making yourself available for this part of my research over the next nine months for a period of circa two hours. If you are agreeable to help in my research please fill in the slip attached and upon its return I will contact you to set up a suitable appointment. If you have any questions please do not hesitate to contact either Dr Filby at 7021993, or myself at 7021426.

Yours sincerely,

Kieran Jack McGinley

Dr Ivan Filby
Appendix 4.5

What follows is the analysis of one question number 3.10:

*How relevant are Trade Unions in Ireland today?*

Twenty three of the cohort of thirty one interviewees answered this question and a brief summary of their collective views was as follows:

1. You cannot do without trade unions.
2. It would appear objectively that they are becoming less relevant.
3. For some people they have become totally irrelevant.
4. They are still important.
5. Very relevant ... since 1987 that relevance is more demonstrable at the national level
6. Extremely relevant ... providing societal balance at the macro political level, at the micro community, institutional and enterprise level.
7. Still relevant, in the sense that a high proportion of workers are still unionised.
8. Less relevant than they were twenty years ago as society has evolved.
9. Certainly highly relevant, particularly in the context of the growth of atypical and flexible workforces.
10. Not as significant at ground floor as it used to be.
11. Trade unions are as relevant as they make themselves.
12. If we were not relevant we would not be attacked in the media in the way we are.
13. As relevant as they have been for the last twenty to thirty years; people see us in a more positive light having moved from *adversarial* to the *consensual way*.
14. Yes, there is a need for trade unions. If you did not have the representative structure, you would very rapidly descend into something like anarchy.
15. Our relevance depends on negotiating on training, job creation, upskilling, pensions, profit sharing, etc at the enterprise level.
16. Trade unions should be stimulating a far greater debate about topical issues, about unemployment, the economy and the education system.
17. They play a key role in society. I have been positive about trade unions all my life.
18. Unions will always remain relevant.
19. It is a defence organisation, it is a particular institution of bourgeois capitalist society.
20. They are as relevant as they want to make themselves. Trade Unions are dealing with a changing terrain, which is moving very, very fast.
21. There is a curious dilemma for the trade unions at the moment: we were never more needed yet we had never more problems at relating.

22. The trade union movement represents the interests of working class people in or out of work.

23. Trade Unions are very relevant still. Let's face it, if you get a growing number of unemployed people and growing levels of discontent among atypical, contract, part-time workers, you have a formula for serious social unrest.

In the body of the seventeen pages of the interviews which makes up the text as analysed below there are two types of comments passed (1) those which I have graded as 'pro trade union relevance' and (2) those which are 'anti trade union relevance'. In some instances some of the interviewees have cited both positive and negative influences. Thus in 1.1 and 1.2 while the interviewee cites two positive aspects he also cites a negative one as well in 1.3.

1. **Pro Trade Union Relevance**

1.1 The ordinary operation of the market will tend to exploit workers.

1.2 The moderation of the pay increases sought - the willingness to think in terms of accepting a tax reduction rather than a pay increase, I think the unions have been constructive overall.

4.1 They still play an important social and economic role in the economy. In the collective bargaining system their ability to function as a protective force has been weakened. They actually function in an economic way to the benefit of employers setting rules that for a range of employees, through trade union negotiations are still beneficial for employers because it reduces the transaction cost associated with an employment relationship. You don't have to negotiate rules for every individual.

4.2 They still play an important social role, the 'sword of justice' as Fox called it; they still have that and they still play that role.

5.1 The evidence of the strike in Dunne's Stores is a very clear example, that on other issues the perceived relevance in enterprises is probably as strong as ever.

6.1 They are important societal organs, ...the workplace role is the most pervasive role, that is one role that trade unions play. They play an important role generally in providing a voice that is integral to a pluralist society. I believe that broadly in society generally and not just in Ireland.

7.1 They are still politically relevant in the sense that they conclude these agreements, they have not been as peripheralised as they have been in other countries.

8.1 The world has moved on and unions are doing different things now and to that extent they still fulfil and will for a long time to come, a very valuable place in Irish society.

9.1 People need a sense of solidarity and trade unions as Charles Handy has recently pointed out offer them 'a sense of identity'.

11.2 We have a trade union movement and trade union leadership which recognises that it is undergoing change, has changed and is continuing with that process and are making themselves more relevant.

11.3 We have seen a shift in emphasis, away from the more traditional confrontational types of bargaining that used to take place. The ICTU are now addressing more and more national issues and are succeeding by and large in changing the agenda.
11.4 You simply have to look at the role they have in the negotiation of the last agreements (PNR, PESP, PCW). You couldn't see that happening in the United Kingdom for example, where I think your question would have more validity.

12.1 As long as we are being attacked in the fashion that we are being attacked by that Sunday newspaper, it means that they regard us as having a disproportionate influence on what we should have.

13.1 Social Partnership is working at national level, it is beginning to work at the level of the firm, though not enough.

13.2 There is still an awful lot of authoritarianism on the factory floor and in the office which is guaranteed to keep the adversarial method alive. On this issue initiative must come from management.

14.1 The employers union IBEC for example, many of its members would prefer not to have to deal at all with trade unions. I would question very strongly the wisdom of that if it became a general point of view. The realities are that trade unions can have a very significant role in the management of an enterprise, and while there is a divergence of interest, there is also a very strong mutuality of interest in the running of whatever the business is or whatever the service is.

15.1 Our membership has held up much better than most other European countries like in Britain they went from thirteen million down to seven and a half million, they are down to 32-33% and falling, we are still at 48-49%, while in France they are down to about 12%. So in a sense we have held out... We have retained a relevance in terms of having a central role with Government.

17.1 I certainly see trade unions as giving people who have jobs a say at the negotiating table. It has worked well in a whole range of areas whether there are programmes or not.

17.2 There is great potential for the trade unions in the twenty first century but I think they are going to have to look very clearly and very radically at how they are organised, and on the things they focus on.

18.1 I think that it is important that people have a voice, for the sake of better relationships in fact.

20.1 Trade Unions have to work with people a lot in the social economy, where there is a lot of work being done in the community employment, by groups like the INOU. I think we should be opening up space for them to be able to articulate and negotiate their own kind of contracts with the State. I do not think that we should be excluding anybody from the bargaining table; that's not our role.

If trade unions do that, they make good friends with the social economy, with the INOU, with schemeworkers, and hope that good will out -- in the community. But they must be prepared to share their power, to listen to these ideas and to go into these kind of arrangements with these groups as equal partners, not on the basis that if it doesn't come out of the mouth of the Executive of the ICTU then it doesn't deserve to be heard in Government Buildings.

21.1 We have huge numbers of people on low pay, huge numbers of people in insecure jobs, very large numbers of people unemployed. The gap between high paid executives and low paid people in employment is getting wider. So all of these factors that give rise for a need for strong trade unions are there still and the whole value structure that underlines trade unions is urgently needed in society.
22.1 There are a number of ways where say Raglan Road and the leadership like Attley and Flynn are trying to lead us in, are speaking a sort of language which is trying to engage in some important debates. The trade union membership is willing to make sacrifices and do certain types of things, but the types of sacrifices and trade offs that the leadership are looking to make are not delivering anything larger for the people they are talking about (low paid and unemployed), and I think there are growing problems there.

23.1 The other social partners will see the common sense of having a well organised representative trade union movement as a means of expression for workers views in a constructive, organised, democratic fashion rather than a breakdown of order in terms of how workers and the unemployed are represented in society.

2. **Anti Trade Union Relevance**

1.3 The scale of the National Agreements and the areas that they range into have been unwise. It is rather undemocratic because it means in fact that instead of these issues being decided by parliament they are being decided outside of parliament which has no real say at all.

2.1 Trade Union power has been greatly diminished because of the changing nature of society, perhaps there is more emphasis now too on the rights of the consumer than on the rights of trade unions as such.

2.2 Among the most conservative forces in Irish society in an institutional sense on certain issues have been some in the trade union movement and they were very slow to acknowledge change and adapt.

2.3 Public Service unions are the dominant force, and I do not think that's a good thing... they ought not dictate the character or priorities of the trade union movement as a whole.

3.1 IBEC have got a team of lawyers... I believe that the trade unions should have got together a panel of labour lawyers to argue their case.

3.2 Trade unions need to reposition themselves and to make themselves relevant to a wider workforce than they are doing at the present time.

4.3 Sometimes trade unions are too sectionalist, but most interest groups can operate like that at times.

5.2 There is another strand of this which is an element of 'de-unionisation', through new enterprises coming in who don’t want to have unions.

7.2 Trade unions have lost faith in themselves to some extent.

8.2 The fact of the matter is that many cases the raison d'être for trade unions has disappeared ... it was primarily to protect their members against unscrupulous labour practices, to negotiate a decent wage for them and so on.

10.1 At grass roots level it is very difficult to be a trade union official at the moment and as a representative of an employer organisation I would say that trade unions and their involvement is extremely limited.

11.1 Certainly trade unions in the style of the 1950's and 1960's would not be at all relevant today.
13.3 If there is partnership, it is unequal partnership, that they (the enterprise) hold the whip hand ultimately. They have the economic power and so what we have seen is the 'class war' moving onto a more sophisticated plane. But it is still a class based society.

14.2 The degree of relevance has to be a question for the unions themselves, because if they become irrelevant it is because of some deficiency on their own part rather than necessarily being imposed on them from outside.

15.2 I think the big difficulty in terms of our relevance is how do we retain our relevance at the level of the individual workplace and that's a crucial question over the next few years.

16.2 The trade union movement is not countering the negative trade union line with its own education debates and it should be stimulating a far greater debate about topical issues, certainly about the economy and certainly about the education system.

17.3 Trade unions have done very well for the people who have jobs but there is a huge lacuna then when it comes to people who don't have jobs, but would wish to have. Its a different situation and its a situation that they feel a great deal about, in fairness to them. But they have not been nearly as effective in terms of delivering on that. They need to look at it more radically than they have been looking at it. Their new study on 'Ireland in the Twenty First Century' means they are now looking at areas that we have been arguing with them for ten years on.

19.1 No matter how rotten the trade union leaders are, I would absolutely oppose any drip down the drains, any cynicism of that kind would lead workers to get out of them.

19.2 If we had to pick a quarrel with the leaders we should do it from the high moral ground of being for trade unionism. Indeed the fact the unions do so little to unionise large workplaces that have been outside the trade union movement is scandalous.

19.3 There can be no restful peace between the classes, never. And union leaders seem to think and they hope that there could be. The whole professional notion that comes from the likes of themselves is based on the assumption that you can have a managed consensus between workers and capitalists.

22.1 I think they are wrong on some of the things they are saying. Just talking about unskilled workers, that whole line they are taking that this is all about high skilled/high value added jobs. and what do you do, if you are sitting at home and you left school before your Inter Cert or after your Inter Cert and you are low skilled, low value added person and you see the whole trade union movement saying the future of the country lies in this? There is not a word from the leadership about all those people who are going to have to pay a decent rate of tax so that we can have the services that can be supplied by people at different skills levels.

23.2 There has been a distancing between ordinary members of trade unions and the leadership which is not particularly helping because of the rate at which the leadership at national level has changed and I think it (the leadership) has been far ahead of the ordinary rank and file membership. I think there is a danger there of the leadership getting a bit out of touch with the ordinary members but I think there probably is a fair degree of awareness about that now in the trade unions... New generations of workers will really determine relevance to some extent.

- **Analysis of differing views.**

- This research questions shows that in the main the interviewees believe that trade unions continue to be relevant in Ireland today. As in any such sample are are differences in emphasis in that relevance but a majority of those surveyed believed trade unions to be 'very relevant'.
A small minority of interviewees believed trade unions to be less relevant than in the past, while a number of people felt that trade unions were less relevant now in the workplace. This point is disputed however in relation to the Dunnes Stores dispute.

The advent of Social Partnership since 1987 appears to underpin many of the comments such as 'since 1987 that relevance is more demonstrable at national level' and 'you simply have to look at the role they have in negotiation of the last agreements.' Backing up trade union relevance is the reference to Alan Fox's 'Sword of Justice' view of trade unions as enunciated at the Donovan Commission in the mid 1960's in Great Britain.

There is no doubt that there is strong evidence of trade unions ability to confront the 'change agenda' and the relevance of trade unions in dealing with creeping atypical and contract working as well as low pay. Perhaps the most valid point made here was that future generations of workers will effectively determine trade union relevance.

Perhaps the most interesting comment which occurs a number of times is that trade unions are as relevant 'as they make themselves.'

There are a number of viewpoints which at the time of the interviews from 1995 to 1996 would have pointed the way towards the 'third strand' in the social partnership discussions of the Partnership 2000 document. There is an obvious concern particularly among some NGO's and a number of trade union officials that trade union leaders alone do not have all the answers. Also some concerns surface with these people on how we care for the unemployed and those not in the way of getting work.

In relation to the comments which I have labelled 'anti trade union relevance' there is nothing new at all in many of these comments however rather than rejecting many of them out of hand by taking on board and working through them we might create a more responsive 'movement'.

One concern expressed here which raises itself in other areas of my research is the question of how accountable and democratic social partnership and national programmes are? There appears to be a need to allow the Oireachtas or some Committee of the Houses of the Oireachtas to have an ongoing role in relation to 'national deals'. This is particularly true now that these programmes are committing in advance significant amounts of exchequer resources for tax cuts and the targeting of certain social welfare improvements.

There are criticisms of trade unions for being conservative and slow to change and that the public sector unions are too powerful - this is quite a difficult argument to understand when it is the private sector which mainly rejects Labour Court recommendations on trade union recognition, (See 1997 article by Dr Ivan Filby & Kieran Jack McGinley cited in Chapter 4.12.1 on this topic) while the former argument is one which is levelled at most bureaucracies. The comment made on de-unionisation at 5.2 in relation to new enterprises coming into Ireland is obviously one which has come to the forefront in recent calls for the commitments made in Partnership 2000 to be honoured in full.

There are one or two attacks on the leadership in the research which come from the 'radical school of thought' and which attack the whole notion of partnership and is predicated on the belief in a network of workplace activists without the aid of full time trade union officials. These arguments are throwbacks to the late sixties and early seventies militancy movements in the United Kingdom and would appear to be outmoded as we move into a new millenium.
• There are also a number of contributions on the ‘class war’ and the level of power distribution at the level of the enterprise which are areas which Attley, Beggs, Cassells, and Somers have addressed over the last eighteen months. This is obviously going to be a big issue during the monitoring of the Partnership 2000 deal.

• The interviewees in this research come from a diverse range of occupations from across the public and private sector. In eliciting their views during this research one could not have anticipated in advance the level of honesty, analysis and detail which they would respond with. I hope that that the research contained in this article can help to contribute to the ongoing debate in Ireland around the relevance of trade unions.
Appendix 4.6

7th September, 1996

Dear

Thank you once again for giving of your valuable time for my interview. I have now completed all interviews, so I am hoping to move swiftly to the next stage.

With this in mind, I am writing to ask if you have had a chance to read the transcript, and if so, are there any alterations you wish to see made before I proceed?

Perhaps you might let me know over the next couple of weeks either that I can proceed with the transcript as is, or if not, any alterations/additions that have come to mind.

Thanking you once again for your kindness.

Yours sincerely

Kieran Jack McGinley
Dear

I have just completed the transcript of the final interview in the series on my research into the area of Social Partnership in Ireland. The number of completed scripts number thirty one and a list of those who helped with my research is appended overleaf.

I would like to take this opportunity to thank you for your help in the interview process which began in January 1995 and ended with the final taped interview in July 1996. A large number of the scripts have already been returned to me for alteration if you have not done so I would be obliged if you could send the script by return post.

In the course of the next three months I hope to conclude the analysis of the scripts and then begin the writing of the dissertation. A prompt return of outstanding scripts or a list of alterations/ additions would facilitate the completion of this tight timetable of the next part of my work.

On behalf of my tutors Dr Ivan Filby and Dr Geoffrey Mc Kechnie as well as Dr Richard Vail Director of Research in the School of Business Studies and Professor George Sevastopulo Dean of Graduate Studies can I take this opportunity to thank you for the generous amount of time and the consideration which you extended to me during the course of the fieldwork research.

Yours Sincerely

Kieran Jack Mc Ginley

Re Script of Taped Interview

Dear ,

It is now some time since I have been in touch with you, following the return of the interview script. I now wish to begin the detailed analysis of all the scripts and would be obliged if you could return same or a list of amendments which you wish as soon as is possible.

In the event that I do not hear from you by the Easter holidays I shall take it that you will be happy for the analytical process to continue on the script as sent.

Many thanks for your help.

Yours Fraternally,

Kieran Jack Mc Ginley