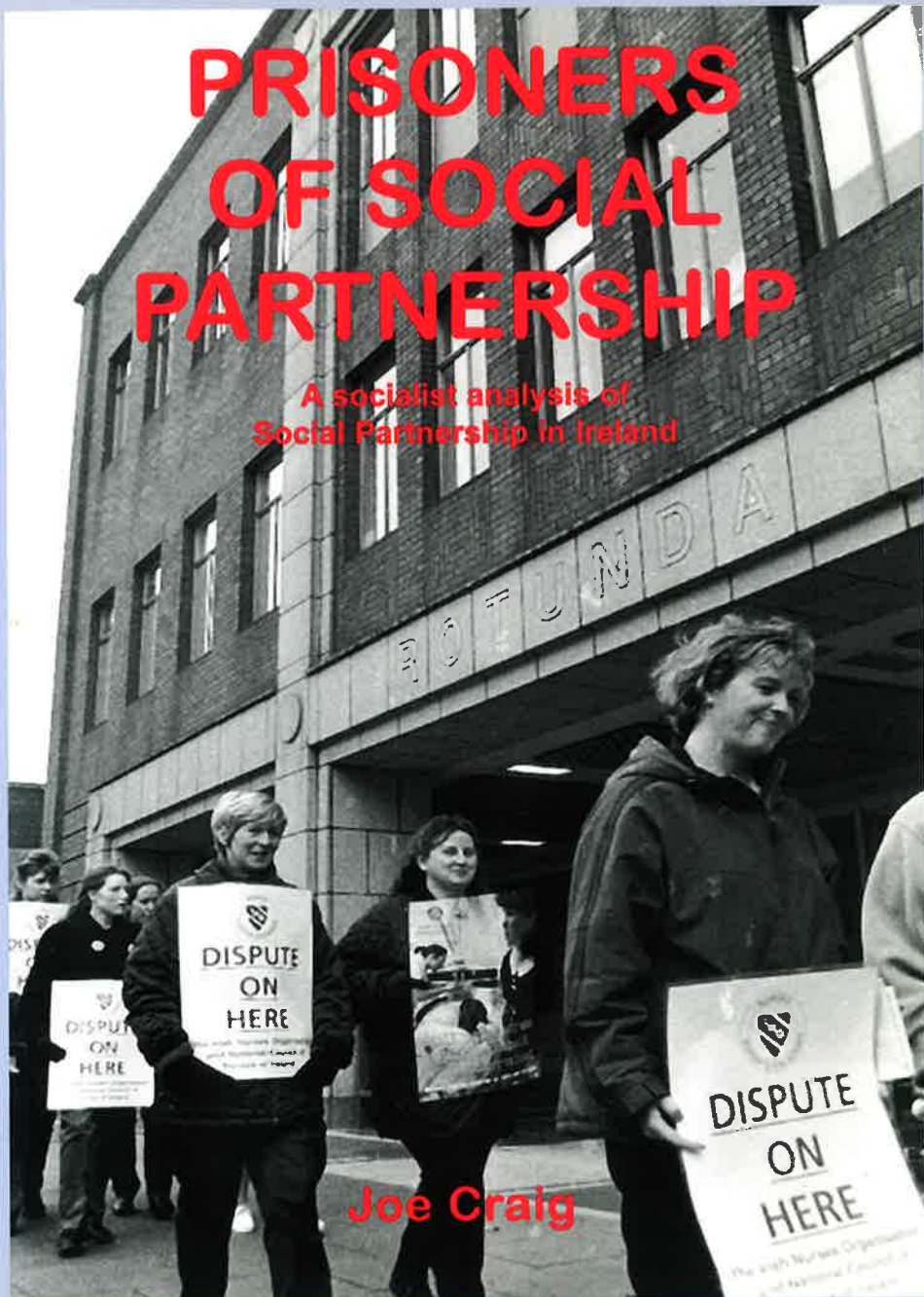


PRISONERS OF SOCIAL PARTNERSHIP

A socialist analysis of
Social Partnership in Ireland



Joe Craig

**PRISONERS OF
SOCIAL PARTNERSHIP**

A socialist analysis of
Social Partnership in Ireland
By Joe Craig

Published by Socialist
Democracy Publishers
PO Box 40
Belfast BT11

January 2002

Printed by
Colourbooks
Dublin

Ariel 10pt

ISBN 0-9528906-2-3

<http://members.tripod.co.uk/socialistdemocracyie/Homepage.htm>

For Pól and Cristin

PRISONERS OF SOCIAL PARTNERSHIP

A Socialist Analysis of Social Partnership in Ireland

Joe Craig

Contents

Introduction	7
A Tale Of Two Strikes	11
'Mr Haughey's Finest Hour'	24
'Fastest Way To Revolution'	44
As Good As It Gets	81
Alternatives To 'No Alternative'	110

Introduction

Why did a government minister feel able to call nurses 'half wits' in the middle of the largest and one of the most popular strikes in the history of the State? Why did teachers demanding a pay rise that many thought wholly justified face a climate of such vitriolic opposition that some could describe them as 'terrorists'? How has it come to pass that trade union leaders can be denounced as 'too monetarist' by the leader of Fine Gael? And why is it that these same trade union leaders hold up as the proud product of their influence on government a tax regime that is best known for scandals such as DIRT and Ansbacher and a string of amnesties for the most wealthy lawbreakers?

The answer of course is contained in the policy of social partnership which has the universal support of every major political party as well as the social partners themselves - the employer's organisations, ICTU, farmer's organisations, plus the religious and voluntary 'pillar.' It has become an almost untouchable article of Faith and almost as sacrosanct as that

old one, the Holy Trinity. An opinion poll in the 'Irish Times' published on 4th June 2001 recorded that 72% thought it should continue and 62% that it had succeeded in making a fairer society.

It is part of the argument of this book that both of these views are wrong and that the seemingly upside down world we see is the result of a policy that is specifically designed to invert reality. We attempt to explain how social partnership has succeeded in tying workers to a policy that is fundamentally antagonistic to their interests and why those that have resisted it at various times have failed to defeat it. Its purpose therefore is to stimulate creation of an alternative that will consign partnership to the grave it so richly deserves.

The ambition is to stimulate debate among ordinary workers angry that their organisations no longer seem to belong to them in any real sense and in fact more and more appear to be positive obstacles in the way of their defending themselves both inside and outside their workplace. It is addressed to militant workers and the left, who have opposed partnership, but signally failed to stop it.

This makes for a difficult task because it has been the author's experience that the long history of defeats for the worker's and socialist movement has induced a move to the right even among those still proclaiming allegiance to the ideas of socialism. This is reflected in a narrowing of horizons, unconscious acceptance of defeats and resentment of those that raise political questions. Especially when these questions present real problems that have no quick fix. The antipathy to, and poverty of, political debate that has historically crippled the Irish worker's movement is the second parent of that movement's present lack of political perspective.

In this sense we attempt only what Karl Marx explained as his approach 150 years ago:

...we do not confront the world in a doctrinaire way with a new principle: Here is the truth, kneel down before it! We develop

new principles for the world out of the world's own principles. We do not say to the world: Cease your struggles, they are foolish; we will give you the true slogan of struggle. We merely show the world what it is really fighting for, and consciousness is something that it has to acquire, even if it does not want to. (Letter to A Ruge, 1843) (Lapides)

As this book neared completion it has been claimed that the period of defeats is coming to an end, witnessed by the increased number of strikes by workers making pay demands that might promise them some share of the fruits of the Tiger economy. The success of this book will be judged not on whether the number of such strikes increase or are more successful but on whether militants and socialists learn and implement the political lessons that are required to take them beyond their present limited goals. This can only come about through a regeneration of political debate on the left and a renewed hunger for political ideas. The fundamental argument is that unless a developed socialist programme is married to the worker's movement the latter will ultimately fail to significantly alter the injustice and inequality of present society.

The first chapter examines two strikes that show the effect of partnership on the ordinary activity that gives trade unions life. It shows that any significant attempt to make gains or defend rights cannot avoid confrontation with social partnership. The second and third chapters look briefly at the history of the latest round of partnership agreements, their results and the attempts to resist them. It is not comprehensive but designed to draw out lessons from the history of its imposition.

The fourth chapter looks at the role of social partnership in wider economic and social developments and examines some of the arguments used by supporters of partnership. Much more argument and evidence against the claims of the agreements can be acquired from consulting some of the material from the bibliography at the back of the book. The final chapter explains that if there can be no such thing as partnership between workers, bosses and State the real partnership that

exists is between bosses, State and trade union hierarchy. Most importantly it looks at the nature of the present trade union leadership, takes up a debate on the meaning of social partnership and advances an alternative.

There is no attempt in the book at a spurious impartiality and objectivity. It is written with the realisation that the act of analysis and writing is a positive act of intervention in the subject of study. The subject of study is the present and future course of a major part of the worker's movement. The intervention is designed to turn resentment and anger at the all too obvious corruption and inequality of present society into an effective movement of opposition.

No book is the product of one individual and that is particularly true of this one. I would like to thank the members of Socialist Democracy who have formed the indispensable environment within which the ideas of the book were developed. I would particularly like to express my appreciation to Kevin Keating whose awareness of the issues exceeds my own and who, more than any other, informed its writing. The usual caveat applies.

Joe Craig

Chapter 1

A Tale of Two Strikes

We can begin to understand social partnership by looking at two recent strikes. The first involved only thirty nine workers but was recognized at the time as a '*dispute of special importance*', as defined by the 1990 Industrial Relations Act. Irish Times columnist Dick Walsh described it as '*the kind of thing that inspired Marx's criticism of capitalism*' (IT 7/03/98).

It involved a request by baggage handlers working for Ryanair at Dublin airport to be represented by a trade union, SIPTU, in negotiations with management. In effect the dispute was about the right of workers to join a trade union and for that union to effectively organise. One might have thought that it was a strange sort of partnership that negated the right of one side to

exist, but in this case that is exactly what social partnership meant. It was this fundamental issue that gave the workers action its special significance.

Ryanair was, and is, fiercely anti-union and workers had been refused recognition in 1988, 1990 and in 1995/96 despite offers from SIPTU of a two year no strike deal. The issue opened up again at the end of 1997 after workers had approached SIPTU for membership (not the other way round). The baggage handlers were low paid and relied on an attendance bonus scheme to earn anything approaching a reasonable wage. This bonus scheme became, in effect, part of the basic wage. However if absent for one day during a month, even if the absence was medically certified, they lost the bonus for the whole of the month. This, and the fact that the workers at Ryanair were paid less than baggage handlers working for other companies in the airport, such as Servisair, aroused their indignation.

On 19th December 1997 a ballot was held for industrial action but two days before Christmas SIPTU postponed it on the pretext of trying to get Ryanair to meet them. Ryanair refused as it had done consistently. On the last day of the year SIPTU threatened (as the term goes) industrial action in the new year. On the 7th January Ryanair was asked to go to the Labour Court or Labour Relations Commission to settle the dispute but refused. Forced to do something the union instigated action on the 9th with workers stopping work for three hours per shift. On 21st when this produced no response the workers stopped work for six hours per shift. After six days of this action the Labour Court invited SIPTU and Ryanair to talks to resolve the dispute but again Ryanair refused. On 3rd February the Labour Court recommended recognition but Ryanair just ignored the ruling. On 8th and 27th February the workers demonstrated at Ryanair's headquarters but by the end of the month it was clear that all the social partnership machinery regularly deployed to get workers to end their action was useless against a company for whom it didn't suit.

On Thursday 5th March thirty-six of the thirty-nine baggage-handlers held a demonstration at Dublin airport and marched to

SIPTU's offices. On the same day Ryanair effectively created a lockout by withdrawing the workers passes which they needed in order to gain entry to the airport. The next day the workers placed pickets at the airport and other workers, buses and taxis all refused to cross. Many workers inside the airport organised meetings and joined demonstrations in support of the Ryanair workers.

At this point the government became worried and Tom Kitt issued a statement urging both parties to *'pull back from the brink as the escalation could have the most serious consequences and leave a lasting mark on current partnership arrangements.'* The next day at 5.30 am government minister Mary Harney announced an enquiry into the dispute whose task was to restore *'normal operations at the airport as quickly as possible.'* It was to be held under the joint chairmanship of Dan McAuley, former bosses leader and holder of numerous directorships in Irish companies, and Phil Flynn, former vice-president of Sinn Fein, former president of the Irish Congress of Trade Unions and now chairman of ICC bank. So political intervention was threatened and initiated not when an employer had ridden roughshod over basic democratic rights of workers but when those workers had decided to do something about it. Regardless of all this Ryanair refused to meet the enquiry team.

At 9 am Aer Rianta announced that Airport Police and Fire Service officers would withdraw from their posts. If this happened the airport would be unable to operate and would have to close. ATGWU members in British Midland decided to walk out in support of the SIPTU workers and the majority of Aer Lingus workers withdrew and refused to cross picket lines. At 11.30 am workers protested at Ryanair aircraft and delayed their departure. At 1.00 pm all aircraft departures were cancelled and by 5.00 pm the airport was closed. Much of this action was completely illegal but the state was extremely reluctant at that point to try and stop it. For the first time in almost sixty years a dispute closed Dublin airport.

At 10 pm Aer Lingus cabin crew announced that they would meet the next day to support the strike and would join the picket line at

6 am on Sunday morning. Pickets were placed at 5.30 am and by 6.45 Aer Lingus announced the cancellation of all their operations. At 9 am workers again protested at Ryanair aircraft, delaying their departure. At 11 am Ryanair suddenly announced that they would meet the Enquiry team if the workers stopped their action. It was clear that the workers were about to win their demands. But that was to reckon without the intervention of the leaders of SIPTU and ICTU. In a deal negotiated between the government, the General Secretary of ICTU and Director General of IBEC (Irish Business and Employers Confederation), but not of course the workers, *'all forms of industrial action'* were to be called off. No promise of union recognition was part of the deal and the only concession was agreement that there was to be no victimisation. At 3.30 pm SIPTU agreed to end the action but even at this point Ryanair had not agreed to the deal. At 7 pm Bertie Ahern wrote to SIPTU and the company recommending acceptance. SIPTU agreed and by 9 pm on Sunday had lifted all pickets.

As soon as the workers went back Ryanair announced that as far as it was concerned the Enquiry was just that, an enquiry, with no power to in any way settle the dispute. The real effect of the enquiry had been to step in at the right time to prevent the workers from winning their demands. On the day after the strike ended Ryanair announced a £1.4bn expansion! Dick Walsh of the Irish Times pointed out that a £17m bonus (yes £17m!) paid to Michael O'Leary, the Chief Executive *'was as much as a baggage-handler would earn if he went on working, full time, at current rates, not just to the end of the century but to the end of the millennium, the next millennium. In fact, for more than 1,130 years.'* (Irish Times 07/ 3/98) This unbridled arrogance was blamed by the media on the particularities of Ryanair. In this respect however there was nothing extraordinary about Ryanair. The massive bloating of big executive salaries became a hallmark of nearly all Irish companies during the Celtic Tiger years and O'Leary was only 17th of *'Ireland's richest one hundred'* in 1999 (Sunday Tribune 19/03/00). Nor were the tactics of Ryanair that exceptional. These involved surveillance of workers by private investigators and the threat to dismiss them if they spoke to the media, which meant that they were interviewed on television in

the shadow, like criminals.

When the Enquiry did finally report it refused to support outright recognition despite SIPTU co-operation with the enquiry and Ryanair obstruction. What recognition it did recommend ruled out the possibility of industrial action by the union. The main recommendations of the enquiry centred around limiting the ability of workers in the airport to take similarly effective action in the future by treating them as '*disputes of special importance*', imposing '*cooling off*' periods during which workers could take no action - and of course during which the boss could prepare for such action.

The role of the ICTU leadership in this whole charade was to join with the government and employer's organisation to ensure this outcome. The idea of actually organising some effective solidarity with the Ryanair baggage handlers probably never crossed their minds. The role of the SIPTU leaders was to go along with the whole sell out. That the leadership of Ireland's trade unions should prove so unwilling to defend the basic right to organise should not have come as a surprise. Through Partnership 2000, ICTU was involved in a '*High Level Group*' set up to discuss the issue of union recognition, eventually resulting in an agreement that did not guarantee such a right. All ICTU got was the opportunity to refer cases to the Labour Court. What was wrong with this was not that ICTU failed to get a guarantee of union recognition but that it thought the right to organise was even negotiable. The era of social partnership saw it harder and harder to win recognition, all the blather about partnership notwithstanding.

The lessons of the Ryanair dispute were fairly clear and worth recording. They showed the tremendous power of ordinary workers when they acted in solidarity. They showed the necessity of ignoring legalities if one wanted to win solidarity and the relative powerlessness of the state to intervene when such solidarity was maximised. Negatively, they illustrated the danger of relying on the current leadership of the trade union movement to defend even basic rights. The need for rank and file control of strike action was clear even

when this was difficult for workers seeking to join a trade union and the union bureaucracy was in a position to dictate the terms of joining. This, however, was not an insurmountable difficulty.

As we noted, the one concession to the workers when the enquiry was accepted by SIPTU was that there was to be no victimisation. Just two weeks after the enquiry was accepted workers complained of three union members being made redundant. The enquiry investigated. On 29 May two more victimisations were reported. The enquiry did nothing about any of them.

To quote Dick Walsh again: '*Ryanair represents the worst of Victorianism in practice. . .*' (IT 07/03/98). The Ryanair dispute showed that for all the talk of modernisation the trade union leaders could not defend workers from the depredations of the nineteenth century never mind the challenges of the twenty-first.

The Nurses

If the dispute at Ryanair initially involved only a handful of workers the second dispute was the biggest in the history of the State, involving almost 28,000 nurses in an all out strike for nine days in October 1999.

The strike began on 19th over pay, grading and conditions. The core demand was for three long service increments of 6 per cent after 16, 19 and 22 years. In this the nurses were simply asking for the same treatment as other workers in the health service and others in the public sector generally, such as teachers, who had had these terms and conditions for years. The lack of such rights was clearly seen as the result of nursing being a predominantly female occupation in a service controlled by a reactionary alliance of Church and State. For years nurses were seen as a soft touch easily exploitable by a male dominated hierarchy. At the Irish Nurses Organisation (INO) conference earlier in the year it was claimed that some registered nurses were earning less than if they had

been packing bags in supermarkets. Nursing home owners were described as coming from *'the Ryanair school of management.'* The health service as a whole had suffered huge cuts in the 1980's. Between 1985 and 1988 the number of hospital beds had been cut by over twenty per cent and the State established a record in Europe for the highest rate of closure of acute beds per head of population. Even after years of the Celtic Tiger theatres and wards were closing and beds lost because of nursing shortages. In the Royal Victoria Eye and Ear Hospital in Dublin an average of one quarter of beds were closed every month in 1999 despite the long waiting list for eye cataract surgery. In the Eastern Board area alone there were 900 nursing vacancies.

For all these reasons the strike was massively popular among the population generally who clearly understood the value of health care and the central role that nursing played in it. In the middle of the strike an opinion poll showed that 70% blamed the government for the strike and the letter columns of newspapers, radio phone ins and visits to the picket line showed the huge sympathy that existed. Firemen visited picket lines in Dublin every day to deliver lunches for the strikers.

The strike itself was solid and well organised with strike committees in every hospital determining the level of emergency cover and ensuring the PR battle was waged effectively against government misinformation. Up to 1,000 nurses were on picket duty at the beginning of the strike, four out of five rostered nurses were off duty and only one in ten community nurses turned up for work. Three days after the strike began 10,000 nurses took to the streets in a defiant show of strength that was startling in its militancy. The chief political correspondent of the Irish Times remarked that *'Ten thousand militant nurses on the streets of Dublin is a sight to strike fear into any politicians heart.'* (IT 22/10/99)

The government appeared to have no excuse. At the start of the month it had been revealed in front page headlines that the State was sitting on a budget surplus of £6.18 billion! The dispute also coincided with attempts by the government to get

the trade unions involved in talks on a new social partnership deal to follow Partnership 2000 and yet more revelations that the great and the good in Irish society and been involved in extensive tax evasion at precisely the time when deep cuts had been made in the health service.

Yet how do we explain the uninhibited arrogance of the government in the face of all this? It refused point blank to enter into negotiations with the nurses' leaders right up until the day before the strike. It said that agreeing to the nurses' claim would 'wreck the Celtic Tiger' and Bertie Ahern went into the Dail to claim that '*we cannot pay anymore.*' (IT 22/10/99) Charlie McCreevy became deliberately provocative when he talked of '*everybody with any half brain*' and '*you would want to be a half-wit*' in reference to the proposed strike. This hard ball attitude was not just talk. The government made it clear that nurses would receive no pay from day one of the strike or for emergency cover. They would not be paid for work in October when they might reasonably have expected deductions because of the strike to start in November. This was doubly important because the INO was not going to give out any strike pay. In other words the government had just told them that they weren't going to get paid for work they had already done or were about to do!

The arrogance of the government was based on the fact that through social partnership the policy of the government was also the policy of the trade union leadership. One industrial relations commentator put it quite bluntly: '*While no union would say it publicly, in private the unions are hoping the Government holds firm this time, if only to send a message to union members that straying from partnership is not in their long-term interests.*' (IT 07/10/99).

Thus Bertie Ahern said he could only accede to the nurses by breaking social partnership and then said he would only listen to them if they accepted this social partnership! The Minister for Health Brian (Mad) Cowan told them he could not break existing agreements. Finally the government met with ICTU leaders and they too stepped in to tell the nurses' leaders that

they threatened social partnership and must accept its parameters in any deal. ICTU told the nurses that they would get no solidarity (which they didn't), that the partnership deal was to be protected and that they should go back to work. The pressure paid off and once the nurses' leaders accepted the parameters of the partnership deal the government agreed to negotiations. The first result of agreeing to the partnership straightjacket was dropping the central demand of the strike, the claim for long service increments.

The primary concern of the government and ICTU leadership was that the nurses should not win demands that could be seen as applying to other workers and to claims that were in the pipeline from teachers, public transport workers and civil servants. The union leadership was in effect conspiring not just against the nurses but against a whole section of the trade union movement.

This did not immediately deter the nurses and they waged their strike with considerable vigour and against huge government propaganda. One example was the highlighting of children who had to go to Britain for procedures during the strike. This ignored the fact that before the strike Our Lady's Hospital for Sick Children had intensive beds lying idle because of staff shortages and that as a result waiting lists for heart surgery were so long that forty children a year were sent to Britain for operations. The nurses' anger was not hard to understand. The demonstration at the GPO three days into the strike was described in the Irish Times as *'an extraordinary sight, not just the size of the rally, but these were nurses like we'd never seen before. Angry. Vocal. Defiant.'* The day after, many nurses were calling for escalated action to force the issue. Yet crucially this anger and determination was without central organisation.

Anger and determination by themselves were not enough and the scene was set for relatively minor concessions from the government through the Labour Court, which the union leaders recommended for acceptance. Instead of the long service increments nurses were offered 3,350 promotional

posts for a workforce of 28,000. There was some increase in allowances and an increase in overtime pay for work between 6pm and 8pm that worked out at £1 extra after two hours! The whole package cost £20m compared to the August award that had been rejected and which had been costed at around £120m (IT 28/10/99). £20m was estimated as the savings made by the government through not having to pay striking nurses. The award of insufficient promotional posts combined with failure to achieve long service increments had great potential to divide nurses over who actually got the promotions. The spokeswoman for the Mater strike committee pointed out that there were more than 500 nurses entitled to one of the promotional categories in their hospital alone while only 2,500 such posts were available across the whole country. For ward sisters there was nothing in the deal at all.

Not surprisingly the proposed deal provoked considerable anger. A spokeswoman for Beaumont Hospital's nurses' strike committee said the initial reaction was '*shock and horror.*' '*We are very dissatisfied. We were out for nothing*' she said' An INO member at the Mater said '*I think it is laughable. It is an insult to all nurses. There is a very strong feeling here that we should stay on the picket line until we have our say.*' A Psychiatric nurse at the same hospital was even stronger, '*I think we should have gone for an all-out strike from the beginning and we would not still be here now.*' IT (28/10/99) INO leaders admitted to a '*backlash*' against the deal and opposition was not confined to Dublin but was reported to be even stronger in the west.

The nursing union leaders ordered a return to work pending a second ballot on the deal. '*The headquarters of the Irish Nurses Organisation ...was inundated with faxes from strike committees calling for pickets to continue while balloting took place. Some nurses on the picket lines even wanted an all-out strike.*' (IT 28/10/99). This became an important issue in itself but it only served to reinforce the point that essentially control of the strike was out of the nurses own hands.

The union leaders, government and media had a real fear that

the deal would be rejected and initial reaction on the picket line indicated a genuine basis for such fear. As it turned out the deal was accepted in the ballot by more than two to one. Why was it accepted when it was clearly understood that the deal failed to meet nurses' demands? They were still angry. So why did the strike fail? This was a rather obvious question to ask but there was no attempt to honestly answer it, even on the left. Partly this was because of a general unwillingness to admit defeat, which was understandable from the workers involved who did not like to face the idea that their action had '*been in vain.*' Part of the excuse of the left was supporting such an attitude on the grounds of maintaining morale and not wanting to be seen to admit that strong strike action had failed, especially when it was trying to encourage others to take a similar course.

Unfortunately this approach just will not do. Social Partnership had been around too long and been far too successful to ignore its effects. It is a cliché, but no less true, that if we want to prepare better for the future we need to know the lessons of the past. The purpose of this book is to examine what these lessons are. The nurses' experience allows us to begin to do this.

The most important was so obvious from the start that it becomes a bit of a mystery why it was not appreciated at the time. From the moment the government and ICTU made it clear they would not support the strike because it conflicted with social partnership the strike was effectively a strike against social partnership. Nurses' leaders claims that it wasn't and their acceptance of the partnership framework led to immediately dropping their core demand. Consciously opposing partnership was not something that could be gone around. In this strike it had to be faced head on. It wasn't and the strike failed. Nurses had to be clear at least that if social partnership meant a raw deal for them then they weren't going to accept it. This would have been enough for them to maintain their core demands.

Unfortunately we can also see immediately that it would not

have been enough to win the solidarity action from other workers that would have guaranteed success. It would not have been enough to prevent ICTU from attacking nurses for narrow-minded sectionalism and selfishness. Only by coming out clearly and saying that their action was about more than pay and was about the whole position of the health service could the significance of the struggle become clear to others. Only by rejecting the partnership deal on this clearly justified basis would it have been possible to gain solidarity action from other health service workers, who unfortunately crossed nurses' picket lines throughout, and from other workers who were potentially lining up to advance demands beyond the social partnership limits.

It now becomes less of a mystery why this route wasn't opened up by the strike. Such an approach required a level of understanding beyond that which nurses' limited experience of struggle had been able to give them. In our two examples, and in many others before and since, ICTU stepped in not to organise solidarity but to ensure that there was no breach of partnership and the workers' action was defeated.

This does not mean that until a group of workers fully understands the nature of social partnership they cannot successfully breach its diktats. But it does mean that workers really do have to grasp the necessity for them to take control of their own struggles and not to let the initiative lie with union leaders. The successes of the nurses' strike that were achieved were those won by nurses advancing along this road. The local strike committees that ensured the unity and solidity of the strike and resisted attempts at moral blackmail needed to have a central focus. This explains the apparent contradiction between the widespread opposition to the deal when it was first announced and the later vote to accept it.

Clearly nurses knew that the deal did not satisfy their demands and while still on strike were prepared to continue opposing it. Back at work the alternative was to attempt to start a new strike not only in opposition to the State and wider trade union leadership but also against their own leaders. It would have meant devising a strategy and leadership that held out a reasonable

prospect of success. The existing leadership, because they retained control of the strike, were able to call it off, mount a propaganda offensive in favour of acceptance and present the idea that, at least implicitly, there was no alternative. Of course there were alternatives but the only convincing one was rank and file control of a new strike and a strategy of going over the heads of union leaders to appeal for solidarity directly from other workers. A national delegate structure from local strike committees would have had the organising capacity and moral authority to reject the proposed deal and to organise its own ballot before ending the strike, if it was unable to force the union leadership to do so. A national rank and file structure would have allowed nurses to decide democratically through open discussion just how their strike was to advance. Unfortunately no such structures existed and thus no credible alternative seemed available.

It would be wrong to draw only negative lessons from the nurses' strike and the spirit and organisation of the strike was inspiring. The more aggressive approach of nurses over the second half of the decade had brought real gains in terms of increased salaries and conditions. These gains were constantly thrown up to nurses during the dispute in order to persuade them and the rest of the population that they had gotten enough. Militancy did produce results. More organised and politicised militancy would have produced even more. This also gives the lie to those who claim that such tactics put workers off trade unions. Not only did the more aggressive tactics of the nursing unions result in many more recruits to the union but it also brought to the forefront the issue of the health service in general and its neglect even in a booming economy.

For some it raised more profound issues about the role they and the health service played in society: 'They might mistake us for people with a vocation, like nursing nuns who did it for the Pope and for God. And pay us sacrificial Catholic wages, as happened with the nuns...How, indeed, do we convince the union leadership and the Masters of Hospitals and the Minister for Health and the Government and the public that there was more than money to this?' (Sunday Tribune 31/10/99).

Chapter 2

'Mr Haughey's Finest Hour'

Trade union leaders justify their actions by appealing to the idea of social partnership. While it would be wrong to limit understanding of this to the agreements that have sign-posted its development, it is the formal social partnership deals that have set the framework and justification for almost everything the leaders of the trade union movement have done.

Of course collaboration between trade union leaders and the government goes back a long way. It is at least possible to trace it back to the failure of the workers movement to continue the road of Connolly and his policy of putting the work-

ing class to the forefront of national and social liberation. The policy of '*labour must wait*' advanced by every section of the national movement and its acceptance by the labour movement tied the latter to the demands of the new State. A type of Catholic nationalism replaced any notion of independent working class politics while the whole nationalist project saw the 26 county State continue as a source of food, money and labour for British capital. By the 1950's a massive balance of payments crisis reflected the fact that the State couldn't pay for itself and tens of thousands were getting on the boat to Britain, never to return.

The project to create an independent, 26 county, capitalist Ireland was an utter failure, one recognised by every section of society, but the poverty of the leadership of the workers movement was such that absolutely no alternative was forthcoming. The same Fianna Fail that had championed independent industrialisation turned 180 degrees and adopted policies to open up the resources of the country to multinational capital. Free trade, membership of the EEC and direct state support to industry became the means to achieve what Sean Lemass nonsensically called '*the economic foundation of independence.*'

The 1950's crisis demonstrated the absolute weakness of the indigenous business class and a working class bled white by emigration and subordination to nationalist politics. In the 1960's outside capital promised a (subordinate) role for native business and the EEC a prop for the local State. The working class grew, as did union membership; wages and living standards rose and the willingness of workers to defend themselves increased. The number of strikes, workers involved in strikes and days 'lost' all increased during the decade. Increased living standards were accommodated by an economic expansion worldwide which ensured that the share of profits in the economy did not fall as a result. But increased militancy had implications beyond simple effects on the bottom line. The 1960's have been called the decade

of upheaval and increased militancy in Ireland was a reflection of worldwide growth in working class struggle. In Ireland this was also expressed in the growth of a women's movement and demand for civil rights in the North.

The First Deals

In 1969 the number of days 'lost' in strikes climbed to 936,000 and in the following year reached over 1 million. From 1961 to 1968 they had averaged less than 400,000. The most significant dispute was the maintenance craftsmen strike in 1969, then regarded as the most serious in the history of the State. Rank and file militancy not only led to a long and bitter strike but also challenged and weakened the authority of the trade union leaders. The response to this challenge by the State, employers and trade union leadership was to agree the first centralised agreement to replace the more informal pay rounds that had existed until then.

Even though relatively undeveloped compared to today's grand programmes there were some features of this early agreement that presaged contemporary developments. The first National Wage Agreement was inspired by the report of a think tank, the National Industrial and Economic Council, forerunner of the National Economic and Social Council that has provided the intellectual gloss on today's deals. It recommended the establishment of a revitalised National Employer-Labour Conference that would provide the framework for centralised pay negotiation. When negotiations promised to break down the Fianna Fail government intervened to threaten the trade unions with a statutory incomes policy. The leadership of ICTU took its own action to impose restrictions on rank and file activity by introducing new regulations governing workers rights to organise picketing. From now on workers were to cross pickets unless an all-out picket was specifically granted by ICTU.

This initial National Wage Agreement was the first of a series of nine that existed until 1981. Limited to pay at first, with the government intervening only to impose agreement, they devel-

oped to include the government itself (as an employer) and involve questions of taxation and social insurance. As National Understandings in 1979 and 1980 they also included issues of employment policy and social welfare.

The complete lack of progress that resulted from including these issues can be seen from the fact that workers, in the face of ICTU opposition, forced the organisation of huge demonstrations against the crucifying tax burden which the PAYE sector had to pay in order to bankroll multinational and native capital's subsidies and tax exemptions. Between 1974 and 1978 the average rate of return on US manufacturing investments was 29.9%, over twice the EEC and world averages while workers paid 90% of income taxes. (Hardiman 1988) The increase in welfare receipts during the decade was not an indication of income redistribution. As one author put it: *'Working class categories, despite high average receipts of state transfers, were net contributors to state revenue...The taxation system favoured the ownership and inheritance of capital and property'* (Hardiman 1988). Job creation targets agreed by the government were not met, unemployment more than doubled over the course of the agreements, and rampant inflation eroded workers wage increases. The argument that wage restraint boosted employment via increased profits and reinvestment was refuted by the huge repatriation of multinational profits, and even the government had to admit that one did not automatically follow from the other.

By 1979 over 1.4 million days were 'lost' in strike action and the State was heading the international strike league. The government and employers were smarting because they had been unable to prevent an increase in local bargaining for above the norm pay increases and the trade union leadership had been unable to discipline its members. A report for employers in 1981, *Pay Policy For the 1980s*, complained that the agreements were not centralised enough. They were particularly unhappy that the number of unofficial strikes had not diminished. Data from the Labour Court indicated that between one-half and two-thirds of disputes were unofficial in the late 1960s as where 70% between 1970 and 1973 and

roughly two-thirds throughout the rest of the decade. They accounted for almost one-half of workers involved in strike action. After an initial drop in strike activity at the start of the agreements between 1971 and 1973 the number increased to the 1979 figure, which exceeded the levels of 1969 and 1970. (Although this was misleading since almost 80% of the days 'lost' in that year were due to the eighteen-week strike in An Post. (Hardiman 1988))

In general, strikes in the 1970s involved smaller numbers of workers and were confined to individual workplaces. The ICTU edict on picketing obviously had an effect. ICTU also drew other lessons from the experience: 'Prominent trade unionists report that they are put under pressure to respond to rank-and-file members' demands and grievances if another union organising a similar category of workers is seen to take a more militant approach... As the then General Secretary of the country's second largest union, the FWUI, noted in the early 1980s, "*the intellectual case for the rationalisation of the trade union movement is beyond dispute.*" (Hardiman 1988)

All these lessons drawn by the government, employers and trade union leadership were acted on when the next series of social partnership deals began in 1987. As early as 1974 one delegate to the ICTU conference noted that: '*We are absolute in our belief that Congress is becoming more like a bureaucracy of Government and we realise more clearly than ever that if this continues we might as well hang up the sign in Raglan Road (ICTU head offices): 'The Ministry of Co-operation.'*' (Hardiman 1988)

Life without Partnership?

ICTU's failure to impose discipline on its members, despite its best attempts, lay behind the end of the National Understandings although the bosses and government understood that ICTU was not an obstacle to its own, direct, attempts to do so. As if to engage in a self-fulfilling prophesy that would bolster later arguments in favour of social partnership, ICTU refused to act as the general staff of the workers movement in the bat-

tie against an employer and State offensive that was about to intensify.

The Federated Union of Employers (FUE) sought to ensure that wage increases were limited to what individual firms could 'afford', as determined by themselves of course. Neither wage relativities nor the cost of living were to prevail over competitiveness and incentives to invest (profits) in negotiations over wages. Changes in work practices and the introduction of new technology were not to be bargained for separately but as part of overall negotiations. This hard line was pushed against a background of rapidly accelerating unemployment that increased from 7.3 per cent in 1980 to 17 per cent in 1986. Trade union membership declined from 528,000 in 1980 to 440,890 in 1988 and the proportion of unionised workers in the workforce declined from 55.3 per cent to 42.4 per cent. (Gunnigle et al 1999) The total number of strikes decreased, as did the number of days lost. The proportion of strikes that were unofficial also fell.

An Industrial Development Authority survey in 1984 was able to report that 78 per cent of all firms experienced increased productivity and the index of industrial production rose from 100 in 1980 to 133.8 in 1986. The FUE *Annual Review* for 1986 was able to report that '*there seems to be a growing willingness to accept the need for changes in working practices and methods.*' (Quoted in Hardiman 1988) Irish wage costs per unit of output rose by only 7 per cent between 1980 and 1985 compared to a 37 per cent increase in competitor countries. However the bosses were still not happy. They wanted lower nominal wage increases, that is lower increases in the money wage, and less reliance on increased productivity and currency devaluation to maintain competitiveness even though devaluation from the worker's point of view is a wage cut.

The bosses' offensive was matched by a government attack in the public sector. The incoming Fianna Fail administration in 1982 initiated a renegotiation of the public sector pay agreement and every following agreement involved a pay freeze of varying duration. The Coalition government that came to

power later in the year initially played it tough by making no allowance in its first budget for any pay increase at all. These attacks did not go without a response. In October 1985 ICTU was forced to call a one-day strike involving 170,000 workers but since it had absolutely no strategy of utilising workers anger the government only gained confidence to make further attacks. In spring of the following year it challenged an independent pay recommendation for teachers for the first time since 1953 provoking widespread strike action. The following year ICTU raised the white flag. Billy Attley of the Federated Workers Union of Ireland, the second biggest, declared that '*The government could say with justification that it had defeated unions in the public sector.*' (Hardiman 1988)

Attacks on the unions were only part of an overall assault on the living standards of working people. Initially political division inside and between the main political parties, aggravated by the effects of the hunger strike crisis in the North, had weakened the capacity of the government to attack living standards early in the decade. This was reflected in the existence of three governments within eighteen months in 1981-82. Sinn Fein the Workers Party had helped maintain Charlie Haughey as Taoiseach in 1982 but balked at the cuts, unprecedented before or since, proposed in the Fianna Fail budget. The new Fine Gael-Labour coalition's first budget maintained the target reductions, promising – or should that be threatening – to eliminate government borrowing in five years, as opposed to the previous government's four. The coalition government gave the State and bosses some stability in order to try to force through their austerity strategy. It raised income taxes and VAT and made cuts in public expenditure. Between 1980 and 1987 total tax revenue rose from 34 per cent of GDP to 40 per cent with personal taxes and employees' social security contributions rising disproportionately. The share of wages in the economy began to decline sharply and once again tens of thousands of workers voted with their feet and emigrated. It didn't work.

The mountain of debt grew from 94 per cent of Gross

National Product in 1982 to 129 per cent in 1986. Cuts in public expenditure were offset by increases in debt interest payments, which grew because of high interest rates. Of course high interest rates meant that the rich who could afford to lend money were doing very well out of the State's fiscal crisis. Taxes on capital made up half of one per cent of total taxation and the wealth tax 0.00036 per cent. The Department of Industry and Commerce estimated that in 1986 alone tax subsidies to industry cost £818 million. (Allen 1990) High interest rates were also exacerbated by government policy, which was to become a good member of the European Community through maintaining the currency's position in the Exchange Rate Mechanism. This meant wasting millions defending the value of the currency by pretending it could break its association with sterling. The debt mountain also rose because of the huge increase in unemployment, again worsened by the government's policy of deflation.

The State was in a severe crisis and had one of the highest debt ratios in the industrialised world. A massive propaganda campaign was launched to encourage everyone to believe it was their fault and was because they had lived beyond their means. A climate of national crisis, in which it was possible the IMF would be brought in to run the country, was promoted in order to get those least to blame to shoulder the cost.

Getting the working class to bear the cost was not going to be easy. The coalition government collapsed in 1987 when the Labour Party, aware its electoral base was crumbling, couldn't agree public expenditure cuts with its Fine Gael partner. In the subsequent election opposition to the plans of the coalition gave the Labour Party its worst result since 1933 and Fine Gael its lowest share of the vote since 1961. Lack of confidence in the Fianna Fail alternative was reflected in its failure to get an overall majority. It looked again as if the parties of the Irish capitalist class would be in the position they occupied at the beginning of the decade, too weak and divided to force through a major attack on working class living standards.

Enter Social Partnership

In his book on *'The Inside Story of Ireland's Boom Economy'* (MacSharry & White) Ray MacSharry, the new Fianna Fail Finance Minister, pays due respect to Fine Gael and its Tallaght strategy of supporting the new government if it continued to *'do the right thing.'* However he is absolutely clear that the crucial element in getting through even more draconian cuts than those that had caused the downfall of the previous coalition government was the leadership of the trade unions. He was worried if the *'minority government could survive the inevitable public backlash..once ..spending cuts (were) imposed'* but records that one important advantage the new government had was *'the consensus reached by the social partners'*. This had been expressed in an NESC report, *Strategy for Development 1986-1990*, which supported cutting the States' debt through cuts in public expenditure. It was recognised that taxes on the working class couldn't go much further and of course taxes on the rich were never on the agenda. This report had been signed up to by ICTU, giving the green light to Fianna Fail to implement the cuts as it deemed necessary. Requests for the return of national bargaining, made by John Carroll of the Irish Transport and General Workers Union and Billy Attley of the FWUI the previous year, had been rejected by the coalition but seemed a small price to pay to Fianna Fail for the trade union leader's support for an austerity offensive.

The Fianna Fail administration made it quite clear from the outset what the trade union bosses were buying into on behalf of their members. In its first budget, less than one month after taking power, it set a lower budget deficit target than the one that had brought about the collapse of the outgoing coalition. In the words of MacSharry he *'was to cut spending right down to the bone' and 'no sum was too small to consider'*. Taxes were effectively increased by failing to index tax bands and wholly new taxes were introduced. Public sector pay was frozen from the end of June and the embargo on recruitment maintained. Health cuts that had brought down the administrations in 1982 and 1987 were

increased beyond what Fine Gael had proposed. 'For my part I felt a bit like a high-wire artist performing without the reassurance of a safety net underneath,' said MacSharry, but once again the '*social partners*', i.e. the trade union leaders, '*provided the critical lead.*' Worried about pressure from an opposition that included Fine Gael and Progressive Democrats (PDs); MacSharry counted on ICTU to put pressure on the politicians to accept the package! This shows how dishonest the pathetic excuses proffered by ICTU leaders were when they claimed they wanted to keep the new right out of power. According to MacSharry, they led the PDs in implementing austerity! Within three years they would be happily in partnership with a coalition that included the PDs.

Beyond abstract concepts about primary deficits, current budget deficits and fiscal rectitude real people were suffering. When an RTE interviewer quizzed a government minister he wasn't exaggerating when he said: '*But people are dying, Minister, people are dying.*' But Fianna Fail wasn't finished. It continued negotiations with ICTU for a new partnership deal inspired by the NESC document. Having already agreed to swingeing cuts one has to wonder what ICTU was pretending it was negotiating about. MacSharry was warning in the final days of the talks of more '*unpopular*' cuts to come, and come they did.

The outcome of the negotiations was the Programme for National Recovery, which was to cover the period 1987 to 1990. It made provision for pay rises of no more than 2.5 per cent for each of the next three years when inflation was currently running at 3.2 per cent and was forecast to be between 3.5 and 4 per cent in the following year. The government promised tax relief of £225 million over the next three years but since full indexation of existing tax bands would cost £260 million this was another pay cut. (Irish Times 13/10/87) The deal also promised 20,000 new manufacturing jobs a year which sounded good until it was recognised that 18,000 were already being created each year and nothing was promised about the number that would be lost. '*Would failure to realise the job targets jeopardise the pay agreement?*' asked one journalist, '*No*' came the reply (IT 13/10/87) In fact the plan explicitly approved the loss of 10,000 jobs in the public service. No one was under any illu-

sion that unemployment was to increase or that emigration continue. The trade union leaders had committed their members to a no strike deal over higher pay while current settlements were averaging 4.9 per cent and 5.9 per cent in the private sector.

Not surprisingly there was opposition to the deal. The talks were picketed by unions from semi-state companies who accused Congress negotiators of being out of touch with reality. As they drew to a close workers in the sugar company went on strike in opposition to government pay policy. The response from the other side of the table was understandably a more contented one. The Irish Times editorial declared that *'today might yet be Mr. Haughey's finest hour,'* although Charlie might think the day Ben Dunne gave him a million pounds was better. While lecturing the working class about all pulling together to make sacrifices for the nation Charlie was finding that it was quite possible to live way beyond one's means. Within six months of becoming Taoiseach on 18th February he had received £660,000 from big business friends, the first cheque for £50,000 written the day after he was elected.

'But the most telling symbol of Charles J. Haughey's triumph in selling a package of job cuts and real wage reduction to the ICTU came when he put an arm affectionately around the shoulder of Phillip Flynn, of the LGPSU and the ICTU executive. The Coalition had refused to even talk to him because of his association with Sinn Fein. Photographers rushed up to snap the happy scene, and Mr. Flynn blushed.' So said the Irish Times journalist at the press conference to announce the PNR. (IT 13/10/87) There might seem very little to add to such a description except to note that nowadays they don't even blush.

Until, that is, one notes that no sooner was the ink dry on this deal than the bureaucrats of ICTU were looking to go into *'hammering out a longer term strategy for Ireland of the 1990's'* (Peter Cassells quoted in the Irish Times 17/10/87). The following week, before ICTU announced it was looking for

PNR mark 2, the government announced its budgetary estimates for the following year. The cuts announced in the first month of office were about to be trumped.

Cuts in public expenditure of £485m, the most severe for 30 years, could now be freely implemented with the support of Fine Gael and the PD's and the less than credible opposition of Dick Spring and the Labour Party. They would reduce the number of public service employees by 8,000, without counting those to be lost in local authorities and semi-state companies. Cuts in education of 7% in money terms would mean 2,500 less teachers and thousands of children placed in classes of over 40 pupils. Even the editor of 'The Irish Times' was to be found to the left of ICTU leaders criticising the cuts for discriminating against the working class. (IT 22/10/87).

Health spending was to be cut by 5% in money terms but O'Hanlon, the minister for Health, assured everyone that *'the cuts are larger in theory than in practice.'* Why? *'..because there are now less hospitals to be financed?!!.'* (IT 14/10/87) Social Welfare was to rise by 1%, which was effectively a cut and new restrictions were placed on access to benefits. Symbolically the new Combat Poverty Agency was to have its budget cut by 23% to £1m. Capital spending was cut by 16% with the largest cuts in Social Welfare – 47%, Education – 44%, and Health – 28%.

Cuts like these turned people's lives upside down. An article at the end of the week in the Irish Times rammed home the price workers were paying while CJ Haughey and his class lived a life of conspicuous luxury. 'Children with cleft palates or the milder condition of a hare lip are not entitled to a medical card. The treatment can be painful, slow and expensive. Timing can be crucial as certain operations need to be carried out at specific stages in a child's development. The present cutbacks have not made the burden facing parents any easier. In at least one case over the past month a parent has emigrated to London to ensure that her child receives the necessary treatment.' One mother was informed that her

son's work could not be finished, despite being three-quarters done, because a small piece of equipment worth £20 was holding it up. (IT 20/11/00) MacSharry was right, no sum was too small to cut.

So what was the response of the trade union hierarchy? Despite these new cuts the special delegate conference of ICTU in November supported the PNR by 181 to 114, although these figures did not reflect the opposition that existed among rank and file workers. Despite a vigorous campaign by the official leadership in support of the deal the ballot in the ITGWU only narrowly approved it. This meant that all its 48 delegates were mandated to vote for it at the conference. Had a few thousand votes gone the other way the deal would have been rejected. A majority of individual unions actually voted against and this level of opposition was to pose a constant threat to the deal throughout its life.

ICTU assistant general secretary, Peter Cassells, claimed the deal was a victory against the new right, that the cuts were not part of the deal and that Congress reserved the right to oppose them. The first two claims were untrue. The central objective of the deal was to cut the national debt, the programme of the new right, which is why all the capitalist parties supported it. The first round of Fianna Fail cuts were implemented once ICTU had agreed to go into discussions on a deal and the second round were introduced after ICTU had accepted the deal negotiated. ICTU acquiescence was an essential prerequisite for both. In fact ICTU did more than acquiesce. Having supported the deals it did more than just '*reserve the right to oppose the cuts*' it actively assisted in sabotaging opposition to them.

And opposition there certainly was, organised primarily outside trade union channels. In November and December teachers, parents and children protested around the country. Parent-teacher associations organised mass meetings and demonstrations against the attempt to increase the pupil-teacher ratio. These culminated in a demonstration of

over 30,000 parents, teachers and children on 9th December outside Leinster House, forcing the government to shelve its circular increasing class sizes. Health cuts prompted similar protests. In Limerick the closure of Barringtons hospital led to practically the whole population coming out in protest. Inside the unions there was also action despite the no-strike deal. Dublin firefighters went on strike and made advances although the union hierarchy refused solidarity action from fire brigades around the country despite scabbing by the Free State army.

In each case bureaucrats involved in negotiating the PNR were in the leadership of the unions of the workers involved. Thus Gerry Quigley of the teachers, Billy Attley of the FWUI, which organised the firefighters, and Phil Flynn of the LGPSU all attempted to defend the PNR by claiming these struggles were not against the deal. In one sense they were correct. The challenge posed by these actions, in the absence of a political leadership coming out of them, did not constitute attacks on the deal, or even defeats for it in the event that they won, because social partnership was not identified as the target. Isolated victories at the time, and after, did not have general significance and failed to mortally wound the deals allowing ICTU leaders to weather storms and keep them going. All the while strengthening their grip on the movement and weakening the fighting capacity of rank and file union organisation. The ICTU bureaucracy was now not only an unreliable leadership but also a positive obstacle to defending working class interests. This was not understood by those opposed to, or protesting against, the effects of the deals at the time. In 1988 for example when the circular increasing class sizes was temporarily withdrawn and the protests called off, ICTU entered 'informal' talks which allowed the government to implement voluntary redundancy of teachers anyway. For ICTU policing the deal they had negotiated became the prime objective.

This was argued explicitly in the debate on the PNR that raged in the union movement. At the annual conference of

ICTU in July 1988 a motion for a special delegate conference (SDC) to discuss participation in the PNR was defeated but in the following year a similar motion calling for an SDC within six months to consider withdrawal was narrowly passed. Eventually the conference was held in February the following year and in many respects the debate since has hardly moved on.

The Arguments

The leadership of ICTU argued that it couldn't break with the PNR because that would be breaking an agreement, conveniently ignoring their claims that the cuts the government had introduced while the ink was hardly dry on the deal were supposed to be a breach. It could therefore be claimed that it was the government that had reneged on the deal within a week. Attley however claimed that *'our credibility would be destroyed'* if ICTU broke with the deal and asked *'what government, employer body would talk to someone who rats on an agreement?'* (Industrial Relations News, IRN, 15/02/90) Unwittingly the argument made clear that it was the position of the bureaucrats that was held as decisive, and their interests presented as the interests of the whole movement. The opposition to the PNR claimed that it was the private sector that had breached the agreement by not delivering on job creation targets and not having their profits subject to the same controls as wages. A delegate from the NEETU also highlighted what was to become a constant feature of every deal; management pay wasn't subject to the same constraints as that of workers.

Opposition to the deal was concentrated in unions organising private sector and skilled workers which claimed that their pay had been held back by norms that suited workers in the public sector. Many in profitable companies were restricted by the deal when they could win much higher increases by fighting on a company by company basis. The upturn in the economy created conditions for advances by many workers that could not be taken advantage of because of the limits on pay increases set by the PNR. Opposition between public and pri-

vate sector workers was made explicit by one delegate who argued that some public sector workers were at '*a far remove from the jungle that is the private sector...you got your public sector increases to the loss of the private sector.*' (IRN 15/10/90) Return to free collective bargaining was opposed by supporters of the deal as a return to the laws of the jungle and to market forces '*warts and all.*' ICTU leaders argued that it ignored the position of the most vulnerable workers and wider societal perspectives that addressed concerns not dealt with by simple pay negotiations.

While socialists could not disagree with workers taking advantage of relatively profitable conditions to advance their claims, an even more central concern today, pitting private sector workers against their public sector colleagues was not only tactically inept but downright wrong. This argument merely exposed a strategy that pushed to the fore the favourable position of some workers who might happen to work in profitable sectors. It left opponents of partnership open to the criticism that they disregarded the position of those working in less profitable companies and in the public sector. The argument would have been useless in 1987 when the economy was in recession and there were fewer profitable companies from which workers could make gains. From a socialist perspective it placed too much emphasis on what capitalism could afford rather than on the interests of workers irrespective of capitalist profitability. Some socialists have defended this approach by pointing out that gains by some groups of workers through militant action can inspire others to similar struggle. Yes it can, and socialists should be to the forefront of pointing out the gains to be made from militant struggle. It can also, particularly in a period of low confidence, lead to a rather less inspiring response that it is alright for strong groups of workers to go on the offensive but weaker groups are not in such an advantageous position. It leaves as secondary the very purpose of a trade union centre, which is to go beyond sectional struggle to unite stronger and weaker workers in a unified effort to advance the interests of all. The flat opposition of free collective bargaining to social partnership deals weakened the opposition to partnership and represented a victory by the bureaucracy which placed only this

choice before workers and left all the political questions to the preserve of the ICTU leadership. Above all it seriously underestimated the nature of the offensive that the government and bosses had unleashed and which ICTU was collaborating with.

Hanging over the conference was the possibility of a new agreement to follow the PNR. The delegates were therefore not only deciding on withdrawal from the current deal but also what alternative to social partnership deals could be considered. ICTU had very little to say in favour of the PNR. They claimed that it was never the aim of the PNR to tackle unemployment but merely to put it on the agenda. At the same time it was unrealistic to expect results from it too quickly. Things *'could have been a good deal worse than they are.'* A pay freeze was avoided, as were the introduction of compulsory redundancies and a process of privatisation. Negotiation of the deal had avoided union marginalisation and the deals showed the ability of the unions to influence the government. This was particularly necessary because the left was politically weak and the unions had no means of implementing an alternative. *'What was the use of an alternative programme if the unions had no means of implementing it,'* was how the PSEU's Dan Murphy put it. (IRN, 14/07/88)

The experience of Thatcher in Britain and of similar treatment in Ireland was held out as the prospect if the partnership approach wasn't adopted. The ability of workers to resist attacks was ridiculed. *'The last thing we need are just marches against cuts, our members will walk away from this...you can have all the policy you want but we are not the government of the day,'* explained Billy Attley. (IRN 09/07/87) This essentially was the real argument of ICTU and all the rest was just incoherent nonsense. The PNR involved negotiating job targets but when these were not achieved the ICTU negotiators claimed they were never meant to be. The union movement was so weak it had to compromise through the deals yet they had to be supported because they showed the influence of trade unions on the government. At the same time government strategy was denounced because it *'is based on the simple premise namely the promotion of the free market mini-*

mum labour cost strategy...and attempts to ensure that in the future workers have less say and influence over their working environment than before.' (Tom Garry, general president FWUI, IRN 01/06/89) In case the reader hasn't followed the argument it appears to run as follows, the workers are weak but when they go into social partnership negotiations they somehow gain influence on government policy which in turn is based on screwing the workers.

The real argument, that workers were not going to support effective protest and that an alternative could only be implemented at the political level, was the real defence of partnership. The bureaucracy even contrived to blame this situation on workers themselves. Attley condemned Haughey for keeping 250,000 people on the dole and running down the health service but said that 80% of union members would vote for a '*continuation of the same*' and thus warned his members not to return '*whining*' to conference next year. (IRN 01/06/89) This was the real argument because when Attley said that '*just*' marches against the cuts were useless he never proposed taking stronger action. When he claimed there was no point having alternative policies because there was no way of implementing them, he didn't propose strong industrial action to support the alternative policies, or the creation and/or use of union political funds to support a genuine political party of the working class that would effectively fight for its interests. What he was making clear was that ICTU would never support such policies, and by implication, that if workers wanted them they also needed an alternative leadership to implement them. Yet opponents never posed the need for an alternative leadership. Partly because opposition was led by left versions of the bureaucrats that already headed ICTU and partly because few seemed to grasp the enormity of the assault that social partnership represented.

This was why it was possible for the main opposition to the PNR to claim that it was primarily of benefit to workers in the public sector at the expense of those in the private sector. It was not appreciated that the whole rationale of the PNR was to make the working class pay the national debt by holding

back public sector wages as well as private sector ones, and cut public sector jobs and services that affected the whole working class.

The PNR was much more than a deal on wages but a political accord that involved signing the union movement up to supporting the EEC and a Single European Act which had grave implications for the opening up of public services to deregulation and privatisation. The unions signed up to a whole programme of economic policies centred on reducing the national debt by getting the working class to pay it off. The opposition did not propose that the banks forgo the debt in the national interest, as workers were expected to forgo pay rises. It was never even dreamed that the debt should be repudiated altogether. We now know that even during this extreme fiscal crisis State institutions were collaborating on making sure the rich were able to avoid tax altogether. The debt itself was incurred because of an economic strategy also signed up to by ICTU which meant minimal taxes on multinationals that in turn weakened the union movement by refusing to recognise the right to organise. An alternative based on free collective bargaining that had failed to protect workers during the 1980's, failed to weld the whole movement in a united strategy and failed to address the arguments of ICTU leaders was not convincing. The special delegate conference voted 180 to 141 in favour of the agreement.

It was a close call but succeeded not because of the persuasiveness of the arguments of the bureaucracy but because of yet further attacks on democracy within the movement. Public arm-twisting and threats against unions with members in the North were used to deny northern delegates a vote. Partitionist arguments and threats to the unity of the union movement were used to weaken the no vote that was relatively stronger in unions with a northern membership. Ironically this divisive attack was presented as necessary to safeguard the united structures of ICTU. Not for the first time unity of the bureaucracy was placed above, and in opposition to, real unity of the Irish working class. The so-called left was only too quick to cave in to the pressure. John Freeman from the

ATGWU, with 20 delegates, appealed to other unions to comply with the executive's request that only southern based delegates vote. Seven out of ten agreed and in the end only 9 delegates from the North voted against the deal. Some unions had already cut their delegation. In the Northern electricians union, the EETPU, this was done the day after their own special conference to consider withdrawal. Delegates found out when they read about it in the newspapers. Many unions did not consult their members at all.

An important claim for the deal had been that it prevented the government following the British road of privatisation. Within a month ICTU took advantage of the victory at the special delegate conference to signal a change in policy. Peter Cassells, general secretary of ICTU, announced that there was greater scope for joint ventures between State companies and private business and that *'financing the expansion of State enterprises will probably involve, at least in some cases, a combination of public and private capital.'* (IRN 11/03/90) There was no discussion, no debate and no vote on this U-turn. Just evidence of what was to be a consistent pattern. Each defeat encouraged another attack.

Social partnership was justified in the name of stopping privatisation. Then partial privatisation was supported in the name of stopping full privatisation. Then joining in with full privatisation was justified in the name of – what? The SDC vote gave the green light for a new deal and a further strengthening of the noose round the freedom and independence of the trade union movement.

Chapter 3

'Fastest way to revolution'

Success in implementing the PNR was a significant defeat for the working class, defeat that was evidenced in many ways. There were the all too obvious attacks on living standards and services but more importantly the ability of workers to resist future attacks was undermined. The level of strike activity was down. The number of days 'lost' through official industrial action had fallen from 295,000 in 1986 to 74,000 in 1991. The number of days accounted for by unofficial action had fallen even more dramatically from 20,500 in 1986 to 3,000 in 1992 (IRN 29/04/93). The bureaucracy, partly as a consequence of defeat and partly in order to enforce it, strengthened its grip on the union movement and further strangled democracy within it. The combination of reduced militancy in the rank and file and strengthened bureaucracy at the top made imposition of

further deals easier. This was all the more possible because of the inadequacy of the opposition. This continued to argue on sectional grounds and ignore the wider attacks on working class interests. The necessity for a political response to an explicitly political attack was not understood at all.

The union hierarchy was easily able to accommodate the demands of predominantly private sector based unions opposed to centralised deals. The ICTU conference in July 1990 accepted motions from these unions calling for flexibility and the ability to bargain for more at a local level. ICTU made a lot of noise about increasing employee involvement in business decision making at local level and, in what was to become a recurring theme in future deals, called for extension of the partnership process to shop floor level. This would involve extension of employee shareholding and profit sharing schemes, which in the year to April 1989 involved only 22,000 workers. ICTU failed to appreciate that the whole point of partnership for the bosses is higher profits that they can keep for themselves.

The conference ratified the change in policy on privatisation at the same time as leaders continued to put on a show of opposition. While dismissing previous opposition to privatisation as '*rhetoric*', true enough as far as the leadership was concerned, David Begg of the communication workers argued that it would be crazy to enter a new pact if it did not include a specific guarantee about long term public ownership of Telecom Eireann. Billy Attley warned that there was a '*hidden agenda*' for selling off major State companies that would not be revealed until a new agreement was reached. One might have thought that this was a good reason for not having one, but as we have seen, logic was never a strong point in the arguments supporting social partnership. Arrogant cynicism prevented any pause for embarrassed reflection. The conference also ratified partitionist changes to the constitution that excluded northern delegates from taking part in decisions that would fundamentally affect the direction of the movement they belonged to.

The Special Delegate Conference voted by a comfortable majority – 218 to 114 – to enter talks for a new deal to follow the PNR. Again it might be thought that discussion could have centred on exactly what sort of deal should be negotiated but this was left to the ICTU negotiators. As in all these deals the leadership was able to present a take it or leave ultimatum when the deal was finalised knowing full well that the alternative of rejection, under a leadership committed to supporting the deal, lacked not a little credibility. Only the prospect of an alternative leadership could give opposition real confidence, and the position of the ICTU leadership was never seriously questioned, never mind threatened.

As usual the new deal was preceded by a report from the National Economic and Social Council, think tank to the process, involving all the 'partners'. '*A Strategy for the Nineties: Economic Stability and Structural Change*' recommended continuation of '*consensus*.' This consensus would continue to be about debt reduction, to a target of 100% of Gross National Product (GNP), maintenance of the current budget deficit and exchequer borrowing requirement on a downward path, and no real increase in public expenditure following the cuts of the PNR. Central to all this was a strategy of commitment to the punt maintaining its value in the European Monetary System (EMS) in preparation for European Monetary Union (EMU).

The PESP

The resulting negotiations produced the Partnership for Economic and Social Progress (PESP) the overall aim of which was '*the development of a modern efficient market economy in Ireland*.' Opposition in ICTU to ideology apparently only extended to that of the left and opposition to the free market '*warts and all*' only included the supposed disadvantages of workers taking advantage of market conditions to press higher wage claims.

The PESP made allowance for pay increases of 4% of basic in the first year, 3% in the second year and 3.75% in the third. These increases were to be not less than £5 in the first year,

£4.25 in the second and £5.75 in the third. Due regard had to be made to the commercial circumstances of the firm. A further maximum of 3% could be negotiated but this could not be done earlier than the second year of the agreement for private sector workers and the third year for those in the public sector. This was the flexibility in the deal for those who had claimed they had been held back from bigger gains during the PNR. Negotiations for this increase were to take full account of the implications for the competitiveness of the firm. Thus the same '*inability to pay*' clause that was in the PNR was included in the PESP. Special pay claims involving regrading were deferred as they had been under the PNR. The deal precluded strikes or any other form of industrial action over any matter covered by the agreement. This also included the new line of ICTU on privatisation which was incorporated into the agreement and which stated that private involvement in State companies could take the form of joint ventures or purchase of shares.

Most attention focused, even within the ranks of the opposition, on the percentages of the pay deal and as usual missed the more important point. There was no excuse for this. The PESP and the PNR, just like later deals, spelled out exactly what its objectives were, what it was designed to achieve. All the other provisions of the deal were to be subject to it. These were essentially those spelled out earlier by the NESC report; a debt/GNP reduction to 100% by 1993, a strong exchange rate policy within the EMS in preparation for EMU, structural policies to increase competition and a system of pay determination that '*delivers improvement in competitiveness.*' All the other claims of ICTU were kicked into touch. The demand for a statutory minimum wage was pushed into a review by the Employer Labour Conference as was the demand for union members to receive the same increases as non-union members, which in some companies wasn't happening. The demand for a reduction in working time was simply rejected.

Not surprisingly the deal was said to be something that industry, that is the bosses, could '*live with*', particularly given forecast inflation rates. The Economic and Social Research Institute (ESRI) in a report later in the year confirmed this was likely to

be 3.5%, leaving a real pay increase in the first year of a whopping half per cent. Promised tax reform had to be *'consistent with the overall budgetary position and the overriding necessity to achieve the fiscal targets set out elsewhere in this Programme.'* The ESRI forecast that if there was no emigration the unemployment rate would increase. Fortunately government policy would seem to have been designed to deal with this and some ministers had been almost disarmingly honest about it. Brian Lenihan put it like this in 1988: *'This small island is too small for all of us'* and *'The Government's objective is that Irish people should live and work normally in the United States.'* (Quoted in Socialist Worker Nov and May 1988).

In An Post and Telecom Eireann management signalled a demand for cuts in jobs of 1,500 and 1,300 respectively. While union leaders expressed 'concern' they still recommended acceptance of the deal that justified the cuts. The duplicity of these leaders was evident at every level in the movement. When the executive of the Dublin Council of Trade Unions proposed a motion condemning the recent budget they also ruled out of order an amendment condemning the PESP deal that signalled union acceptance of the objectives of that very budget. In general there was less discussion in the rank and file on the new deal and many workers were unaware of the debate going on, a reflection both of bureaucratisation of the movement and demoralisation.

The ICTU conference voted heavily in favour of the deal, by 224 to 109, although SIPTU with 75 votes was again decisive, voting 57,000 to 33,000 in favour in a turnout of only 50%. Some of those supporting the new deal did so on the basis of wanting it to run for a shorter term but the thinking of ICTU was revealed after the vote in a document that spoke of a long term deal of possibly ten years! Unlike previous conferences however the debate had shifted, reflecting the defeats inflicted on worker's resistance and opposition, so that it was more concerned with what was in the deal than whether to agree to it or not. John O'Dowd of the civil service union said that *'for the first time, with the exception of a small number of ideo-*

logues, we have had a debate about what is in the agreement and not about the concept of such agreements.' In so far as there was opposition it was again focussed on the losses of private sector workers compared to those in the public sector, a familiar refrain. These were partly inspired by the ability of public sector workers to achieve special pay increases through the Conciliation and Arbitration Scheme (C & A). The critics this time had to ignore the fact that, just as under the PNR, increases, based on comparisons made with private sector jobs, were being put off. The government, ably assisted by the media, was later to make public sector pay a special target of attack, one centred on undermining the C & A process. This showed that the State could quite easily exploit divisive arguments inside the movement.

ICTU conferences no longer reflected the real opposition that could and did emerge to the deal. This was partly because of the bureaucratic structures of the union movement but it also reflected a retreat of the opposition from being able to question the partnership deals on a generalised level at a forum in which the wider political issues could be clearly argued. This underlying political weakness was to prove crucial in the struggles that were to take place. Within six months just such a struggle erupted, one that threatened the terms of the deal and showed the potential power that workers had.

For five days in April 1991 striking electricians in the Electricity Supply Board (ESB) plunged business and industry into darkness over claims for a 5% pay increase that dated back to 1986. They had been offered a lump sum as compensation but this had been rejected. The speed and effectiveness of the strike caught management and the government totally by surprise as within 24 hours the strike was in a position to make maximum impact. Also shocking to management and government was the solidity and determination of the electricians and the support given by other workers. The government claimed the 5% claim was outside the PESP but despite the involvement of the bureaucracy of industrial relations machinery, including the new Labour Relations Com-

mission, Labour Court and Joint Industrial Council, the workers wouldn't return to work. A coalition of media propaganda, employer calls for action, all party motions in the Dail and government threats of legislation to outlaw strikes in essential services was set against the prospect of solidarity action from other unions in the ESB, including the ATGWU, SIPTU and the Officers Association. Near the end of the week the pressure on the workers was intense especially from the government, who were now joined by the leaders of ICTU, as keen to protect the new PESP deal as the Government. It was clear where they stood when Peter Cassells was quoted as saying that *'this must never be allowed to happen again.'* This partnership eventually came up with a combined set of proposals and compelled the workers to return to work. Having rejected a lump sum of £650 they accepted 10 payments of £65 as the outcome of the strike. The workers had clearly lost.

The Left

Plainly in this case there was no shortage of militancy and the prospect of solidarity action was evidently on the horizon, yet still striking workers went down to defeat. Political weakness meant they were unable to stand against the tide of opposition from the media, politicians and employers etc. Rank and file workers had inadequate control of the negotiations and no control whatsoever over their supposed general staff embodied in ICTU. Only a campaign that went beyond a claim for 5%, to raise explicit opposition to the PESP, and which broke the barriers of a solely trade dispute could strengthen the strikers own determination to hold out. Such a campaign could have provided a counter to the propaganda of the establishment and all its organs for influencing public opinion.

However the prevailing view, even on the left, was that the problem was one solely of militancy. In the month following the defeat 'Socialist Worker' made the following analysis of the fight against the PESP. *'The PESP will not end militancy in the way the government envisaged. The three percent local bargaining available in year two has opened the door to a*

whole series of claims. The evidence so far indicates that if you are willing to fight it is possible to break the terms of the PESP. What is needed is the determination and the organisation to do it.' (SW May 1991)

This underestimated the scale of the political retreat that the trade union movement had made, the coalition of forces now ranged against workers and the requirements for successful resistance. The latter was reduced to determination and organisation, essentially one of militancy. Militancy had been in evidence on many occasions among various groups of workers but had been singularly inadequate. The left were essentially no further forward in analysing the question of social partnership than those 'left' union leaders who criticised it on the sectional basis that some workers in a strong position were being held back. The left only advanced beyond this argument by saying that through example weaker sections would follow the lead set by those workers in a stronger position. How exactly this was to happen was never explained.

What was never understood was that it was the weakness of the alternative to the key objectives of the agreements, for example reducing the debt and a strong currency, that weakened opposition to partnership within the whole movement, leaving the ICTU leaders with the freedom to intervene in order to sabotage disputes. The left failed to appreciate fully the role of ICTU not just as misleaders but as part of the opposition coalition that had to be overthrown. What was needed was a permanent campaign inside the union movement opposed to partnership, one that had an alternative economic and political programme, and not one simply limited to criticism of the inequalities of existing agreements. Such a campaign would have had to make replacement of the existing leaders and complete reorganisation of the union movement on more democratic and effective lines a priority, intervening in disputes such as the electricians both to assist them and to build the campaign.

Supporters of the 'purely' militant approach, if we can call it that, made the absolutely correct point that campaigns can

only be built out of militant struggle. Of course, but only a continuing campaign, learning the lessons of opposition at every level in the workers movement and not confined to individual disputes as they come along, could bring to the next militant struggle the lessons of all the previous ones. For most of the left this role was to be left to their own organisation, or 'party,' so that in the end the alternative they gave to workers in dispute was to join their own little organisation. The left, in substituting themselves for the task of a rank and file workers campaign, kept any politics they had to themselves, regarding these politics as too advanced for the majority of workers in struggle who weren't prepared to join their organisation. This, over time, had the effect of lowering the level of the politics of these organisations themselves. Substitution of their own organisation for tasks of a workers opposition reduced much of their campaigning activity to demands that were of a purely trade union character, that never went beyond what a half decent union movement should have been campaigning for itself.

Of course the left was, and is, tiny and was not responsible for the defeats inflicted on the workers movement. Nor could they be completely blamed for getting it wrong about the immediate reality of opposition to the PESP. A survey by Industrial Relations News in June showed that 97.5% of settlements over the previous few months were within the terms of the agreement. The importance of the left was that for those belonging to it, getting a proper understanding of social partnership, and what was required to defeat it, was very important otherwise the left could play no significant role in destroying it.

Implementing PESP

The ink was hardly dry on the agreement before the government and employers were renegeing on its promises. Aer Lingus asked its staff to forego phase one increases under the PESP and the workers eventually accepted deferred payment. In the budget Reynolds implemented £100m worth of cuts and warned that the provisions of the PESP were dependent on the attainment of certain agreed fiscal targets. Trade union complaints about such measures as the '*dirty dozen*' social

welfare cuts being a betrayal of the agreement were therefore disputable. After all Reynolds was correct that all the promises in the agreement were conditional on overall objectives being achieved. The government was pretty up front about that, even if it would never have gotten the deal through had it admitted it wouldn't deliver on them. It was the union leaders that put emphasis on the promises and ignored the implications of agreement with the underlying objectives. It could therefore more truthfully be said that it was the union leaders who had conned workers.

Economic growth that had accelerated in 1988 and 1989 began to slow down in the second quarter of 1990 leading to the cuts that Reynolds announced in the budget. As an aside, this is interesting because it gives the lie to later claims about the '*celtic tiger*' and social partnership. The justification for partnership deals, that they guarantee growth, was being confounded. Despite adherence to wage restraint and cuts in public expenditure economic growth was declining. This decline had reduced tax revenues and put in jeopardy the targets set by the PESP. The shortfall in government revenue could be made up in a number of ways - more privatisation, renegeing on promised pay rises to public sector workers or putting up taxes, again contrary to promised tax reform. It was a measure of the febleness of trade union resistance that the government went for all three!

Privatisation was the key in bailing out the deal as far as some were concerned, especially as the deal did not preclude acceleration of the privatisation programme. ICTU leaders were only too happy to look for influence in the process since opposing it was apparently unrealistic. What Billy Attley meant by influencing the process became clear when he sat on the board of Greencore, the restructured company that was to take over the State Sugar Company, which had meanwhile lost 60% of its workforce in preparation for privatisation. That privatisation meant the wholesale rip off of public assets became clear in the same company that Attley was a board member of. The Chief Executive, whose salary had increased from £50,000 to £135,000, and four other

executives borrowed from the company when still under state ownership as Irish Sugar, to buy shares in a second company, itself 51% owned by the state. Fifteen months later these shares were bought by Irish Sugar at a massive profit of over £7m to these same executives. The deal only came to light when they fell out over division of the loot. Chris Comerford, the chief executive resigned but only after a golden handshake and pension rights worth over £2m. The silence of Attley over the rip off of public assets in a company he was supposedly 'influencing' was deafening.

This wasn't the only scandal that revealed the character of the employer class that workers were in partnership with. Telecom Eireann bought a site at twice the market value, against architectural advice, from a company that Michael Smurfit had an interest in when Smurfit was also on the board of Telecom. NCB stockbrokers were involved in the sale when they had also been involved as consultants in previous privatisations and had been offered the consultancy for the proposed privatisation of Telecom. Both Smurfit and the head of NCB were forced to resign from public posts. The full depth of the scandal has still not come into the light of day but it demonstrates that the scandals uncovered later in the decade were not in any sense new or particularly well hidden. The rip off merchants of corporate and political Ireland were well known a long time ago but these were the people workers were supposed to make sacrifices for in a so-called partnership. What was particularly interesting about the Telecom scandal in this context was that an ICTU executive member, Harold O'Sullivan, was sitting on the board of Telecom when all this took place, taking over the chair when Smurfit resigned. What was he doing when all this was going on? And while we are at it, what was a worker director from the communications workers union doing accompanying Smurfit while he was surveying the Ballsbridge site?

The scandals hardly put a dent on the onward march of privatisation in the absence of any effective opposition and of ICTU support. The situation was put clearly by *'Industrial Relations News'*: *'The Greencore affair does not seem to have affected*

market and institutional views on the value of the Company and its shares. Even short-term impact on the whole privatisation process is regarded as insignificant. Similarly with Telecom...sources close to the industry believe that preparations for privatisation are still progressing.' The comment was then made that union opposition to privatisation was subsidiary to pay claims etc and that this '*discounts the possibility of successful broad based opposition to privatisation.*' (IRN 28/11/91) How ironic that social partnership was justified as the way to prevent privatisation and then privatisation receipts were presented as the way to save social partnership!

The second route to solving the government's fiscal problem proved most immediately explosive. In December 1991 the government dropped its expected bombshell on public sector pay by capping the basic rises under phase two of the PESP to £5 and in phase three to £6.50. All special awards due in 1992 would only be paid in 1993. The ICTU leadership was compelled to do something and promised a massive media campaign and industrial action in the new year. A one day general strike of public sector workers was called for 28th January to demand full implementation of the pay rises due under PESP and payment of the special claims for teachers and nurses etc that had been due since 1987. The sabre rattling proved to be no more than that. ICTU accepted a 'compromise' by which the cap on phases two and three were kept but the shortfall would be paid in 1994, while the special increases would still be postponed to 1993 but would start being paid in December of 1992. It was not clear what was to happen to the non-pay items that were in dispute such as the commitments to teachers on pupil-teacher ratios.

No wonder the government and employers were said to be 'quietly pleased.' The private sector would not be disturbed by a major struggle of public sector workers and the government had eased its budgetary pressures. Bertie Ahern declared that now this had been cleared up '*I now believe we will see another programme.*' (IRN 23/01/92) Indeed preserving the PESP had been the overriding objective of both ICTU and the government during the dispute so it was no surprise that agreement had been reached.

The most obvious way to bridge the budgetary gap was to increase taxes and the government tried this next. In the 1993 budget it introduced the 1% levy on incomes between £9,000 and £20,000 calling it a 'solidarity tax' between the employed and unemployed. The nature of the tax made it pretty clear that the only solidarity expressed in the tax was with the rich. This type of solidarity was proclaimed even more clearly in yet another tax amnesty. The first had been implemented in the wake of the signing of the PNR when all penalties and interest on tax outstanding had been waived. This even included those who had taken tax off workers in PAYE contributions but hadn't handed it over to the State.

Ray MacSharry, the Finance Minister of the time, proclaimed that 'the whole tax agenda became one of the most important features in securing trade union support both for this and the subsequent series of agreements.' (MacSharry). He proclaimed that *'nothing escaped our scrutiny'* when it came to ways of cutting expenditure and raising revenue. However we now know that every institution of the state from the Central Bank to Revenue Commissioners were aware of massive tax evasion and did nothing about it. Ignorance was no excuse for union leaders. Even MacSharry admits that *'between 1988 and 1992 the middle and high-income earners were the main beneficiaries'* of direct tax cuts. (MacSharry) Indirect tax increases affected the poor most and corporation tax, down to 12.5%, and capital gains tax, down from 40% to 20%, were cut disproportionately. Just how exactly tax could be a particularly good example of partnership in action is therefore a mystery. The argument advanced was that the amnesty would allow hot money to come back into the country and boost investment. The counter argument was that this hot money would simply be used for property speculation. The subsequent astronomical rise in house prices, putting many working class people out of the market, confirms which argument was nearer the truth. The government defended itself by saying that the amnesty was no more inequitable than other tax measures it had taken! The Sunday Tribune was more direct, its headline said 'CRIME DOES PAY.'

The wider economic crisis provoked widespread attacks on workers rights and conditions irrespective of, or perhaps that should be assisted by, the PESP. This was aggravated by the currency crisis as the financial markets, including multinationals with billions of pounds, speculated against the Irish currency, which was considered to be overvalued in comparison to British sterling. The policy of the government, enshrined in the PESP, and supported by ICTU, was to support a strong currency in preparation for entry into EMU. This undermined the competitiveness of industry exporting into the British market and threatened much higher mortgage rates. Overnight interest rates reached 100% and still the speculators were selling Irish pounds. It was clear what was happening but it took the government six months before devaluing by 10%, supported all the way by ICTU. It was this type of stance that led John Bruton of Fine Gael to condemn them for '*crude monetarism!*'

The truly crazy aspect of this policy was not hard to appreciate. The government borrowed money from foreign banks and exchanged the foreign currency for Irish pounds in the Central Bank, which then used the foreign currency to buy Irish pounds on the international currency market in an attempt to shore up its value. This policy seemed almost designed to waste money while workers endured public expenditure cuts and 1% levies.

The cost was very directly borne by workers. TEAM Aer Lingus announced it was considering 370 job losses and temporary pay cut of 10%, citing the currency crisis as a key cause. The right to organise also became a crucial battleground as recognition disputes occurred in Pat the Baker and Nolan Transport. In the former worker's pickets were attacked by thugs coming out of the factory. Waterford Crystal imposed pay cuts of up to 25% and proposed 600 job losses in January 1993. Workers in Krups engineering accepted pay cuts of around 10% in June while Aer Lingus workers returned from a four month lock-out in July to worse conditions than when they left. They were involved in a protracted dispute around the Cahill plan that projected over 1,500 redundancies and faced the united opposition of the establishment - protesting workers were called 'Airheads'

by 'The Star' and condemned by a bishop. TEAM was threatened with closure despite promises of hundreds of new jobs when it had been created only a few years earlier. At the SIPTU conference in May Billy Attley promised that '*We will be judged by how we fight the redundancies in Aer Lingus.*' (Quoted in Socialist Worker Oct 1993). Judged he should have been. In November a majority of workers eventually accepted union advice and voted for the Cahill plan. This involved a pay freeze for all 4,000 workers with increments also affected.

Even where workers were able to win the 3% extra available to local bargaining in the PESP the price was often productivity changes, lower entry grades for new workers or no strike deals. In the public sector the government made clear that the 3% could only be conceded through job cuts and changes to the arbitration scheme. Only 50% of workers had won the 3% increase and low paid workers governed by the Joint Labour Committees and Joint Labour Councils got nothing under the clause after the employers refused to open talks at a national level. The jury was in on the strategy of the strongest sections pulling weaker workers in their wake. In a period of recession such a strategy was shown to be particularly wanting. Overall an Income Data Services report concluded that 90 to 95 per cent of companies surveyed stayed within the PESP terms and another survey of managers in the Institute of Personnel Management found that 95% were in favour of another PESP type deal. (Quoted in Gunnigle et al, 1999)

It could therefore come as no surprise when a special delegate conference of ICTU voted by the largest margin ever to open new talks on a replacement for the PESP. ICTU said that reversal of the '*dirty dozen*' social welfare cuts and lifting the 1% levy were preconditions. Yet again such opposition as there was concentrated on the differences between public and private sector workers. The vote did not indicate worker satisfaction with what was happening but the defeats that had taken place had taken their toll. If the PNR had put workers on their knees the effect of the PESP was to kick them when they were down. In the general election the Labour Party made some gains from worker disen-

chantment but their entry into coalition with Fianna Fail made it plain they were no alternative.

The PCW

The pay terms of the Programme for Competitiveness and Work (PCW), even the name now seemed a threat, were more varied across sectors than earlier agreements. For workers in the private sector the first twelve months involved a rise of 2%, followed by 2.5% in 1995, 2.5% for the first six months of 1996 and an additional 1% in the second six months. Workers in the public sector and in construction had to face a pay freeze for five months followed by increases not dissimilar to those of private sector workers although over a longer time period. Special pay awards for public sector workers were to be phased in over the period of the deal and were to involve a maximum of 3% for productivity increases. These were a carry over from the PESP and some were not even to be paid by the time the PCW expired. The new deal had the obligatory '*inability to pay*' clause.

The business correspondent of the '*Sunday Tribune*' wrote that the government had got the deal '*relatively cheaply*' and so they had. Inflation of 2.5% in 1994-95 more than wiped out the first years increase and rates of 1.6 and 1.5 per cent during the rest of the period of the deal severely eroded the low increases of succeeding years. A central function of partnership was becoming very obvious. While the economy and profits soared wages were severely restricted. In 1993-94, before the deal was sealed, growth in GDP was 6.7%, a clear sign that profits and the employers were doing fine. In the following three years GDP growth was 10.4%, 7.1% and 9.5%. (National Income and Expenditure tables 1997, CSO) ICTU made its priorities clear when, in its 1995 pre-budget submission, it explicitly called for improved competitiveness to be protected from upward pay pressure.

ICTU negotiators took part in the usual charade of playing hard to get, having walked out of talks with their partners just

before Christmas 1993. Jackie Gallagher, the industrial correspondent of the 'Irish Times', revealed the true nature of the relationship. *'The fastest way to cause an industrial revolution would be to take workers who pay tax and dues to Government buildings during the negotiation of a national agreement.'* Costing £1,000 for every ICTU delegate present they *'spent their time playing cards, having quizzes and on one occasion having a sing song.'* According to the journalist the whole thing cost £250,000 as the ICTU bureaucrats enjoyed wine with their meals and steak sandwiches in the evening. (Quoted in 'Socialist Worker' March 1994) The vote in favour of the deal, 256 to 76, was the highest ever in *favour* of a partnership deal.

ICTU's leaders continued to emphasise the need to extend partnership to the shopfloor although this did not mean that ordinary workers were about to enjoy wine and a steak sandwich with their boss. What this meant was embracing the employer agenda of human resource management, world class manufacturing, total quality management and every other new management technique that became fashionable in the effort to increase worker's exploitation. For there could be little doubt that beyond the fancy phrases this was what was involved. Getting more work out of less people was the name of the game whatever the terminology used.

ICTU signalled its support for this agenda through its 1993 policy document *'New Forms of Work Organisation.'* Flexibility, quality, multi-skilling, teamwork and participation were held up as integral to the needs of business facing intensified global competition. Competitiveness was presented as the route to job preservation whenever it was clear that it was increased competitiveness that threatened jobs. Flexibility and quality translated into closer forms of supervision and job intensification in which the precise balance of force and consent was a question for management only. Team working involved attempts to meet targets that workers had little part in setting, or to meeting *'best practice'* that was undefined and constantly changing. This 'continuous improvement' set one group of workers against another or even set members of a team against the weakest within the team. Problems were those of the team, not for resolution by appeal to un-

ion representatives. Continuous improvement was a fast route to increasing stress and exhaustion leading to actual drops in performance if pushed far enough.

Despite ICTU endorsement a clear part of the thinking behind these new management techniques was erosion of union influence on the shopfloor. Team leaders are promoted as alternatives to shop stewards and team working along with other initiatives such as performance related pay and individual contracts are meant to send the message that pay and conditions depend on individual effort and not on collective union support.

ICTU enlarged on this agenda through its 1995 document '*Managing Change*' which signalled support for rationalisation, restructuring and downsizing. Another 'Irish Times' correspondent, Pdraig Yeates, summed up the message as follows; '*Traditionally unions have restricted change and have focused on defending member's rights. ICTU wants to reverse that role.*' (Quoted in Derwin, 1995) The effects of this policy were to be seen in the rationalisation, restructuring and downsizing of the Electricity Supply Board (ESB), Irish Steel, TEAM Aer Lingus and Telecom. In the ESB ICTU's Peter Cassells, in a '*personal capacity*', whatever that meant, took the lead in implementing a Cost and Competitiveness Review. This was expected to involve 2,000 job losses as well as a host of new work practices aimed at getting the most out of those that were left. In the private sector this translated into '*swallow this or we close*', as Des Derwin put it (Derwin 1995), applied most notoriously in US company Packard Electric in which the workers swallowed and the factory closed anyway.

ICTU leaders wanted to protect their own position by signing up members who would pay dues, thus securing the income on which their fat salaries were based, while denying these members any influence over events. Thus they sought agreement on a framework with employers in which changes in work practices could be made while disputes were settled by mandatory referral to third parties. Aggregate ballots were proposed denying minorities most effected by change the ability to defend themselves. Some employers however were not

playing ball and on these occasions union leaders were not averse to organising some action in support of an angry workforce.

The attempt by Dunnes Stores, a notorious anti-union employer, to impose compulsory Sunday working at flat time triggered off a dispute among a young and transient workforce that had the potential to win union recognition, see off the management offensive and allow the workers to make some gains. Within a couple of days 61 of the company's 62 stores were closed. Unfortunately once again the bureaucratic machinery of industrial relations in the shape of the Labour Court was allowed to put its own solution to the dispute. It proposed a tribunal comprising one company and one ICTU member plus an independent chairperson to '*develop proposals and structures to deal with the issues...*' Such an outcome was bad enough but the company had a history of walking away from such recommendations when the heat was off. The dispute did however show that despite the many retreats and setbacks over many years new sectors of workers could continue to come forward in defence of their conditions. It showed that a group previously considered unorganisable could join a union in droves. Unfortunately the role allotted to them by their new union leaders was to stand outside locked and empty stores when they might have been better employed mobilising to ensure they got a better deal than their leaders were cooking for them.

Overall however the PCW was successfully implemented in the vast majority of companies. The exceptions were generally those in which pay was frozen or actually cut. Even in those sectors where above the norm increases were gained it was invariably in exchange for changes to terms and conditions. Strikes were rare and often went down to defeat. The twelve-week strike in Wellman International for example resulted in workers going back on terms they had earlier rejected and with a three-year no-strike clause negotiated for them by SIPTU president Edmund Browne added on. A survey between January 1994 and November 1995 found that in only 20% of firms which had created, or were going to create,

at least 100 jobs was a deal made with a trade union. (IRN 29/02/96) In the public sector pressure from particular groups of workers resulted in disputes involving nurses, teachers, health board workers and lower paid civil servants. The government attempted to manage through pushing union agreement to third party adjudication and postponing special awards. Despite the booming economy the government introduced another public service recruitment embargo in 1995 and the Communications Workers Union swapped opposition to privatisation to demands for shares in the new company! It had therefore been particularly appropriate that their anti-privatisation campaign video had been entitled 'Sell Out.'

Partnership 2000

Billy Attley's remark in 1995 that the era of partnership was over was the signal for everyone to take his or her place for the next social partnership dance to follow the PCW. Inexplicably Attley had gained a reputation as a hard negotiator after he had gained an 8% increase in the PCW instead of 7.5%, plus the ending of the 1% levy that the government was content to scrap anyway. One other part of the ritual of negotiations was again on display; the remarkable show of union leaders pointing out the failures of the deal they had been only too happy to push just a few years earlier. So SIPTU president Eddie Browne said '*The PCW was particularly noteworthy in that it promised a deal on pay linked to a deal on tax. The fact is that, the tax concessions to support very modest pay increases were not delivered upon. That was in spite of outstanding economic growth.*' On another issue the record of partnership was apparently equally lamentable, '*Now you look at the foreign multinational who comes into Ireland. They come in here and we offer them an environment, which because of this concept (partnership), offers them the opportunity to make substantial profits, a very benign tax regime, a labour force enjoying unprecedented levels of industrial peace and a trade union movement that doesn't drive pay up. So they enjoy all of the benefits. But at the same time they deny the people who work for them their legitimate right to join a trade union if they want to.*' (Business & Finance, 19 Sept 1996).

A third ritual, the NESC report, this time entitled '*A Strategy into the 21st Century*', asserted that partnership was the most effective mechanism for developing competitiveness and social cohesion. No surprise then that by December 1996 the partners, expanded to include a new 'pillar' made up of organisations representing the unemployed and voluntary sector, agreed to a new deal to run from 1997 to 1999. Partnership 2000 for Inclusion, Employment and Competitiveness had a slightly better name but much the same content. Private sector workers were to receive 2.5% in the first twelve months, 2.25% in the second with a possible 2% available in the second half of this phase, 1% for the following nine months and 1% in the final six months. A grand total of 9.25% for over three years when the phenomenon of the Celtic Tiger had well and truly arrived. Public sector workers had the same basic increases but again their awards were to be delayed. The local element of the deal was once again to be subject to ability to pay. To sell the deal tax cuts of nearly £900m were promised. Thus workers, especially in the public sector, were to hold back their wages in return for tax cuts while their bosses were to get the same tax cuts without having to make any concessions.

The new deal took steps in the direction of ICTU's programme for increased partnership with agreement to establish a network at national level to encourage partnership at local level, although again IBEC were keen not to be too clear about what this might lead to. It did however involve setting up a National Centre for Partnership and Change involving ICTU, IBEC and the industrial relations machinery of the State. It was supposed to provide joint training for union officials and human resource managers. Clearly behind such a notion was the idea that they would no longer be at opposite ends of the table. But if they weren't, who would be on the workers side of the table? On the issue of union recognition a high level group consisting of ICTU, IBEC and the Industrial Development Authority was to examine the issue and report back. As we have noted, the right to organise was up for negotiation.

Involvement of organisations such as the Irish National Organisation of the Unemployed (INOUE) and the Conference of Religious of Ireland (CORI) led to an emphasis on social exclusion but this in effect became one more ideological mechanism for promoting partnership. No longer was the union movement to be seen as representing the working class as a whole but increasingly they were to be viewed as only relevant for those in employment. These new organisations, outside the labour movement, were to represent the poor and unemployed and effectively fitted the propaganda of neo-liberal economics that posited opposition between higher wages and lower unemployment. Unfortunately the grain of truth to the claims of these organisations was that ICTU had long since ceased to represent the poor and unemployed. The argument of this book is that they ceased even to represent those in work paying union dues.

The token and purely ideological role of this new concern for social inclusion was exposed a couple of years later when Taoiseach Bertie Ahern told the inaugural meeting of the re-constituted National Economic and Social Forum that it had *'a unique role to play in evaluating the effectiveness of policies which are being implemented within the framework of social partnership agreements and of the National Anti-Poverty strategy. The Government will rely heavily in the next period on your advice and your evaluation of the measures which are in place to combat poverty and exclusion.'* When he left it emerged that the secretariat of the NESF was down to one civil servant, all the others having been redeployed. What then was Manus O'Riordan of SIPTU talking about when he said that 'the one missing ingredient is the vagueness over resources?' (Irish Times 13/11/98) No vagueness there one might have thought.

Perhaps overconfidence led the social partners not to bother with a launch of the new agreement but to hold a celebratory lunch instead. When the SDC voted in January 1997 the deal went through on the closest vote since that on the PNR in 1987, 188 to 123. Once again SIPTU's seventy delegate votes were decisive with the vote inside the union 65,000 for

to 49,000 against. The Irish National Teachers Organisation was opposed to P2000 and didn't ballot its members but then did a last minute deal with the government to throw its seventeen delegates behind the new agreement. Opposition to the deals had now become routine with no real attempt to campaign between votes. The yes vote was simply accepted until the next vote on the next deal. No attempt was ever made by the main unions voting against to organise their own conference to mobilise against partnership. No doubt had they done so the ICTU bureaucracy would have accused them of splitting the union movement but no issue was ever made of a separate body, totally outside the union movement, deciding policy for it. For this was essentially the role of the NESC. The opposition never advocated or created its own forum where an alternative union programme could have been hammered out. Such an approach would have been too disrespectful of the bureaucratic rulebook that strangled democracy within the movement and perhaps too much of a radical example for that wing of the bureaucracy that represented the main opposition at ICTU Congresses.

Opposition to the deal centred mainly on pay, with ICTU's much vaunted concern for the low paid exposed when even on its own figures it was clear higher paid workers would do better. Above all many workers were cynical about the cosy deals and resented the blatant inequalities striking them every day in their much-vaunted Celtic Tiger society. Carolann Duggan, a SIPTU member in Waterford and Socialist Workers Party (SWP) member, expressed it clearly when she noted that *'the country is booming, the employers and the banks are making a fortune in profits, up 45% according to Bill Attley. Yet workers who created all the wealth are being told to take a rise of 7.4% over three years and three months.'* (Quoted in Gunnigle et al 1999)

The booming economy somewhat masked the overarching objectives of the agreement which were still a commitment to limiting the government deficit and meeting the terms of the Maastricht criteria for EMU. Hence the continuing concern over public sector pay expressed in the poorer terms for public

sector workers and the continued attacks on workers in the semi-state sector, culminating in the threat of privatisation. This was the real meaning of ICTU's strategy of deepening and broadening partnership but one that was again not prioritised by those opposed to the process.

In a period of fast growth and declining unemployment it was once again easier to argue that workers could make greater gains from going it alone in local bargaining. The pay offer in P2000 was lamentable, even in the period of dire economic crisis the PNR involved pay increases of 7.5%. It was therefore more than likely that workers could make greater gains outside of the partnership straightjacket. Arguments from supporters of the deals that the weakest and most vulnerable would lose out looked threadbare since these workers had suffered wage cuts anyway. The agreements always included inability to pay clauses justifying such cuts. Local bargaining inside the deals had more recently led to higher increases in some companies but these were invariably paid for by job losses or worsening conditions. Larger increases for some workers no longer acted, as they once did, as headline increases that others could follow. This reflected the overall weakness of the movement, weakness multiplied by the partnership deals of course, but weakness that could only be overcome by effectively opposing the whole partnership agenda, not just the pay element. Of course opponents were always ready to claim opposition to privatisation and the undermining of rights, conditions and influence that it entailed. Unfortunately propaganda against the deals didn't reflect this.

An extra couple of per cent on pay increases would not have been a problem for many employers given the booming economic conditions. In such circumstances increased exploitation and undermining union influence was much more important. It was just such possibilities that the agenda of partnership at local level and deregulation/ privatisation at national level allowed. This is not to minimise the restrictions on pay that were essential to boosting profits but the partnership deals involved increasing employer control so that whatever the economic conditions workers' interests were more easily subordinated to the requirements of profitability. This could be seen in the ne-

negotiations around the '*partnership chapter*', chapter nine of the agreement, which ICTU hoped would implement its much sought after gainsharing claims. Higher pay rises or lump sums were offered in return for work changes while in the most profitable sectors such as chemicals wage agreements often exceeded the P2000 rate.

The result was that the ESRI was able to report in 1997 that the level of wage dispersion had grown to almost US levels. The one initiative that might have reversed this trend was the introduction of a minimum wage, the result not of P2000, but of the Fianna Fail/ PD programme for government. ICTU demands for £5 per hour were rejected and the National Minimum Wage Commission recommended £4.40 with lower rates for those under 18 and for job entrants and trainees. The rate was based on 1997 data, but implementation set for April 2000, so that the recommendation was even worse than first appeared. By the time of implementation an ESRI report in 1999 estimated that it would directly increase the total wage bill by only 1.6%.

An IRN survey in 1998 showed almost 89% adherence to the basic terms of P2000 although this fell to 70% when fringe benefits were included. Apart from growing skill shortages in some areas causing higher settlements it was concluded that higher awards were still in return for increased productivity. (IRN 17/12/98) In general it appeared that it was in non-union companies that pay was rising fastest. Social Partnership had now arrived at the point where unions were seen to be holding back wage increases. In fact it was now being reported that only 20% of private sector workers were unionised and that the union movement's role in setting wage rates in the sector was irrelevant. This overstated the case but their policing of the partnership agreements certainly made trade union membership less attractive to many private sector workers and made the union movement less and less relevant to the most dynamic part of the economy. This reflected union acceptance of the strategy of multinational investment and alliance with the State, which meant accepting that they would not attempt to organise in these firms and would certainly not seek

to organise internationally. The Irish experience is therefore support for the argument put by some socialist writers that trade unions all over the world are being rendered more and more irrelevant by their alliance with the national state in a period when the economy is being increasingly organised on an international basis. (North)

However many Irish workers languished in low paid jobs where union membership still appeared to offer a means of making some gains. The workers at Ryanair were just such a group but, as we have seen, the union bureaucracy was incapable of winning recognition even in a very profitable company. Instead they relied on the High Level Group on Recognition and the Right to Bargain set up under P2000. It found that the best way to proceed was to improve the existing procedures that had so demonstrably failed.

However the Ryanair dispute made such a conclusion untenable and the Group was reconvened. ICTU proposed binding acceptance of Labour Court recommendations in return for limits on the right to strike in essential services, which had been a key demand of employers and government for years. How much further union leaders were prepared to go was clear from SIPTU's agreement with Karavale in Co.Clare. Members of the union would have their dues deducted at source and be elected to a works committee pro-rata with non-union members while disputes would go to an agreed three-person outside body. The union would have no direct involvement. From the bureaucracy's point of view it got members money but didn't have to worry about getting involved in disputes.

Further retreats by the movement were signalled by the flotation of Telecom Eireann and the setting up of a Trust that allowed employees to join in the privatisation by owning 14.9% of the shares. To do this the Trust, acting on behalf of the workers, had to take out a £65m ten-year loan to be paid back from dividend receipts. The Trust nominated former Labour Party leader, Dick Spring, onto the board of the company. In doing so the union and Telecom workers were going along with the massive propaganda campaign which prompted around half a million people to

buy shares in a company that promised a sure-fire way of making money. Unfortunately the subsequent fall in the value of the shares took the shine off privatisation but this was by no means the worst aspect of the deal. Telecom Eireann, or Eircom, as it was renamed, could only be a small fry in a world of multinational telecom companies and the prediction that it would become the subject of take-over did not take long to be proved correct when it was broken up by selling the mobile phone arm to British multinational Vodaphone. Hope that any new company would have local needs as a priority could therefore be consigned to the bin. The workers meanwhile lost a great deal of their independence from the company since in order to pay back the loan they would have to ensure profitability and whatever sacrifices this entailed. In practice higher wages could be played off against profits, which they could only have a small part of anyway. Any misguided view that they now had a say in how the company was run proved illusory as the only people to gain out of privatisation were the consultancy companies and top directors who amassed huge bonuses. From opposition to privatisation, social partnership now reached its highest expression through union collaboration with it. Workers in ACC and ICC banks demanded the same deal while ESB unions were prepared for something similar.

There were however some signs of fightback from a solid minority of workers that might have formed the basis of an ongoing opposition. Carolann Duggan of the SWP polled 37,940 votes in the election for SIPTU president, won by Jimmy Sommers with 51,651 votes. In the following year she stood for the post of General Secretary winning 24,842 votes against John McDonnell's 49,408. Although her vote had gone down it still indicated a constituency from which an alternative could be posed, if union militants and the left could formulate and organise a strategy to create it. Unfortunately Duggan seemed not to understand what such an alternative should entail when she argued that the union leadership was not the enemy. In fact no alternative was possible without appreciating precisely this fact.

A series of budgets from Fianna Fail's Charlie McCreevy, rubbed in by more than the usual quota of arrogance, seemed designed to replicate the Thatcher experience of the 1980's when Nigel Lawson had given huge tax cuts to the rich. The blatant bias in favour of the wealthy created considerable anger. It increased as each budget turned out to be more of the same despite union leaders meeting with him after each to complain that this was not what partnership was supposed to be about. This anger appeared to threaten negotiations on the new deal to follow P2000 when Des Geraghty led SIPTU out of the negotiations in protest at the latest McCreevy give-away to the wealthy. *'Either we are in a social partnership or we're not.. I cannot see how an agreement can be brokered now, in the light of this Budget, which is clearly biased in favour of the better off.'* (IT 06/12/99) However this was no more than a show for the membership with no serious intent and SIPTU re-entered negotiations after nebulous promises from Bertie Ahern.

The PPF

The Partnership for Prosperity and Fairness was the result of the next act of sham negotiations, promising pay rises of 15.75% over 33 months with promised tax cuts of a further 10% leading to predicted increases in wages of over 25%. This was more generous than P2000 but there was already widespread concern about inflation. The deal was based on a projected inflation rate of 2 to 3% but it was already running at 4.4% in the month before the vote. There was also cynicism over tax cuts that gave workers back what they had just handed over and still left those on the average wage paying over 50% tax on each extra £1 earned, just as in 1987. The ESRI reported that, thanks to the booming economy and falling unemployment, settlements in the year up to the negotiations were already hitting six per cent. The report noted that 25% of unionised and 60% of non-unionised workers won increases above the levels of P2000. Even poorly paid workers had achieved significant increases. Roches' stores workers had won around 25% and Securicor workers 40%. The purpose of the agreement thus appeared to

be to limit workers to what they had, in many cases, already been able to achieve.

'Coming up to the PPF ballot new groups – busworkers, junior doctors, paramedics, teachers – were joining the queue to get more, to breach the new agreement, never mind the one already limiting them.' (Derwin, 2000) One teachers union, the Association of Secondary Teachers of Ireland (ASTI) left ICTU in protest at the new deal and many teachers were angry at the level of settlement being offered, especially in respect of *'early settlers'* in P2000, and the shadowy threats of performance pay. Some saw as significant the fact that ICTU did not recommend the agreement they had just negotiated although in truth few could be the least confused about where they stood.

Other successes of partnership were also on display in the month before the vote. The proposed legislation coming out of the High Level Group on trade union recognition didn't provide for recognition at all. Jack O'Connor, vice-president of SIPTU, described it as *'little better than useless.'* (IT 09/06/00) The minimum wage was also eventually introduced at the rate set a couple of years before. Now even ICTU's demand for £5 an hour would have caused wages to rise by only 3% in total. Workers in Bewleys and McDonalds were already getting more than the legislated rate of £4.40. On top of all this, scandal after scandal involving leaders of ICTU's so-called partners made it quite obvious to many workers that these partners were a bunch of liars, hypocrites and crooks.

Worry about the outcome of the vote led the government to threaten not to employ the extra 1,500 teachers promised under the PPF if teacher unions did not accept the deal. The leader of the Irish National Teachers Organisation (INTO), Joe O'Toole, put his own oar in when he said that rejection of the deal meant a ballot for industrial action. Who would have wanted to lose pay in a strike led by a leadership that supported the very object of attack? Could anyone have seriously believed that O'Toole would let his own union destroy a deal he had helped create?

The ICTU special conference voted by 251 to 112 for the deal and as Derwin put it '*the end result did not live up to the initial hopes of the opponents of partnership.*' (Derwin, 2000) Unfortunately this said more about the inadequacy of the campaign against the deal than for any unexpected development within the unions. Another success for social partnership was all too predictable. Too much had been made of large pay increases won by different sectors of workers. The nurses were held up as an example of success when, as noted in the first chapter, they had been defeated. Only this could explain the otherwise surprising (for some) fact that nurses voted heavily for the deal. As this book has been at pains to point out, social partnership is about a whole lot more than pay percentages but the campaign against it mentioned hardly anything else. This led to two mistakes. Firstly not realising the nature of the attack on workers and thus not addressing the problems posed to a fightback and secondly believing that high wage rises somehow rendered partnership irrelevant.

This led to an over-optimistic view of the current state of the workers movement. Not only was the outcome of the nurses' strike misunderstood but the same mistake continued to be made. The busworkers were a real threat to the PPF (but effectively ignored by the left's campaign) because they demanded a 20% increase 'without strings.' ICTU understood the potential of this dispute, as did the government, when it intervened to set up a holding deal that postponed the second scheduled strike until after the vote on the PPF in return for a £15 per week bonus and talks on a final deal. The fact that the busworkers later won more in terms of pay was no threat at all to the PPF when they accepted the surrender of long established work practices and future privatisation. The left should have realised what was going on when the minister for Public Enterprise, Mary O'Rourke, backed by the media and opposition parties, was able to threaten privatisation throughout the dispute. For some on the left who viewed large pay increases as the key sign of progress this was inexplicable. Much was made of workers increased confidence and willingness to strike as a result of the

economic boom and low unemployment but this led to failure to recognise setbacks even when they stared one in the face. When workers in the Aldi supermarket went on strike to demand union recognition they were given a pay off to leave, one gratefully accepted by workers understandably grateful to get shot of the place. Yet remarkably much of the left, supposedly armed with Marxist theory, held that it was a victory. The bottom line was that there was no union operating in the firm at the end of the dispute.

Socialist Party member Dermot Connolly (Connolly 2000) noted that *'all the ingredients are there now for an offensive movement by workers on the question of pay. There is an increased activity at the base of the unions, with shop stewards and activists, many newly elected, able to base themselves on a more militant mood among the ranks, giving them confidence to challenge the bureaucrats.'* Written before the deal was accepted the 69% vote in favour should have given pause for thought. As Des Derwin pointed out (Derwin, 2000) SIPTU also voted 69% in favour, when the 'Irish Independent' forecasted a no vote of 45%. *'Some results showed a big 'yes' vote among new memberships'* noted Derwin. Connolly also noted that *'massive strike waves at the later stages of boom periods is very much a part of the post war tradition of workers in southern Ireland.'* (Connolly, 2000) However at the end of 2000 it was not enough for the left to leave it at that. While it may have been hoped that history would repeat itself in this respect, the task of socialists was to fundamentally break from the existing limited political traditions of the Irish working class

Social Partnership had to be understood as a political attack on the working class requiring at least a modicum of a political response. Contrary to the view expressed by Connolly there was little confidence among most workers that they could take on their bureaucratic leaders. Strikes for higher wages were usually led by leaders of the bureaucracy who tried to ignore the implications of their dispute for the relevant partnership deal, meaning it mattered less in terms of wider implications even if they won. That or they treated their dispute as a special case, which had the same result. Throughout partner-

ship gains above the norm had been won but nearly always at the expense of terms and conditions including privatisation. We had yet to see a large successful strike against privatisation that would have represented a real setback to partnership. Real defeats still hung over potential resistance.

This could be seen in continuing restructuring and privatisation that resulted in job losses, so far hidden to a large degree by the wider boom, but which nevertheless weakened the workers movement. A couple of days after the ICTU vote on the PPF Eircom announced plans for another 3,500 jobs to go in a workforce of 11,000 and the Communications Workers Union announced acceptance of contracting out through the creation of two or three *'joint ventures.'* Next month the ESB told its unions it wanted to reduce the workforce by a quarter, 2,000 jobs, when this number had already been lost over the previous four years. Mary O'Rourke declared that 100% of the market would be open to competition in about five years. The following month An Post put forward employee share ownership in exchange for work changes in the context of private competition.

The experience of the teacher's strike in 2000 was instructive precisely because it contained the recipe for success advocated by most of the left. The teachers were explicitly against social partnership and had left the ICTU in order not to be bound by the PPF. This earned them the vitriolic opposition of the government, which promoted a vicious propaganda offensive culminating in them being called *'terrorists'* by a reactionary parent's representative. The government itself went as far as breaking the law by not paying teachers for their attendance at school while they refused to carry out purely voluntary and unpaid supervisory duties. In particular they incurred the wrath of the trade union leadership. A member of the Oireachtas told Pat Cahill of ASTI that *'your problem is not with us, it is with ICTU, especially Des Geraghty and Senator Joe O'Toole, who see themselves as the architects of the PPF and dare anybody to criticise it.'*

ASTI had lodged a large pay claim of 30%, which tied in with

most propaganda on the left that advised large pay claims as the main means of breaking partnership. Their dispute was also under the control of the rank and file (a demand that would be top of much of the left's wish list in terms of workers winning their demands). The structures of the union were more democratic than most and the opposition had control of the 180 strong National Executive. The full time officials had been reined in to prevent effective opposition to a strategy under the control of the rank and file.

In addition they had also decisively rejected benchmarking which had quite properly been understood as a means of destroying existing terms and conditions. Few were fooled by Irish National Teachers Organisation (INTO) leader Joe O'Toole's reference to benchmarking as an ATM machine where teachers could withdraw whatever pay increases they wanted. Yet despite all this the teachers lost.

Militancy, determination and rank and file control were clearly not enough. The majority of teachers across the three unions supported ASTI's demands and those in the Teachers Union of Ireland (TUI) voted with ASTI against the PPF and benchmarking. A large number in INTO supported this stand and formed a clear majority across the three unions. Yet despite this a reason why the strike failed was that the union hierarchies were able to divide teachers and with a vicious government offensive force teachers to retreat in the face of '*public opinion.*' It would therefore be wrong to see the latter loss of support in the population at large as the key reason for defeat. This simply reflected the result of prior weaknesses.

While the government and union bosses built a coalition against ASTI, it in turn failed to build its own coalition in support of its demands. For example their strategy on exams amounted to teachers taking full responsibility for the disruption which would be an inevitable outcome of the dispute however they fought it. This was characterised as a PR disaster but again flowed from more fundamental failures. The government was able to point out that ASTI was alone among the teacher unions in taking action, ignoring the fact that the

majority supported ASTI's demands. This happened because although ASTI reflected ordinary teacher's concerns, the TUI and INTO remained firmly under control of their union bureaucrats. ASTI failed to go over the heads of these leaders to appeal to the rank and file. The rank and file in these unions was also unable to take the initiative and in fact trailed after manoeuvres of the leadership, which actually undermined the strike.

This could be seen in the union leaders' emphasis on benchmarking, which became their key to breaking the strike by encouraging the two other teacher unions to go ahead with their submissions to the benchmarking body. When the leaders of the TUI put forward a strike ballot in favour of bringing forward benchmarking this caused confusion even on the left, which supported it. In fact both amounted to strike breaking in the midst of the ASTI action but this was not understood by many in the TUI and INTO. This weakness allowed the leaders to disorient ASTI's supporters including the left, brought up to believe that industrial action was the answer to every political question. This failure fully to appreciate the character of benchmarking came to the fore again later in INTO when after the effort against it failed the left supported it being brought forward so they could get the money from it quicker!

In the final analysis the failure of the strike resulted from a lack of political consciousness. This is what lay behind ASTI's failure to understand just how far the government was prepared to go to defeat it. This is what lay behind their failure to make benchmarking the central issue and to go over the heads of the leadership of the other teacher unions. It explained the action of militants in these unions supporting ASTI and then supporting strike action to bring benchmarking in faster.

Bertie Ahern ignored the 30% claim and emphasised that it could easily be dealt with under the PPF, that is under benchmarking. Opposition to benchmarking therefore became central. Central because benchmarking meant treating teachers as if they worked in the private sector. Since educa-

tion is nothing without teachers this would mean treating education as if it was producing software or selling hamburgers. Explaining that benchmarking only made sense if education was to be treated as a commodity (educated children) produced for profit would have been a powerful argument to win parents and students support. It would have disabused militants of the notion that strikes to bring it forward were in any way progressive. This failure to appreciate the political issues involved was not one simply of subjective failings on the part of the union members involved. For the teacher's strike also showed that while trade unions are a means of uniting workers they are also powerful means of maintaining divisions. In the teacher's case the division of teachers into separate unions was important in breaking their action.

The grip of the bureaucracy remained in place in the TUI and INTO as it did across the wider union movement. Union recognition had still not been won either in many disputes such as Ryanair or Aldi nor in legislation. New working conditions were still being imposed and the partnership process was to be deepened in the new agreement. The National Centre for Partnership was now to be called the National Centre for Partnership and Performance, which got a little closer to describing its real objective. Benchmarking was being introduced to discipline public sector workers by trying to tie them to terms and conditions derived from the private sector. Oh, and the PPF signed up the whole union movement to support the thoroughly sectarian and partitionist Good Friday Agreement.

Employers had not been unduly worried about large pay rises which many right wing economists, accurately as it happened, pointed out are part of the free market and could assist a 'soft landing' for the economy. Large pay rises are one way in which the most competitive companies dispose of rivals that cannot afford the increases. Work changes negotiated by unions could lead to higher productivity cancelling out the cost of pay rises, and booming demand conditions could support profits. Inflation could be used to maintain profit margins and reduce workers living standards. This especially so if workers fall for the argument that they should not chase inflation in a wage-price spiral.

Apparently they should let it run away with their living standards. As Derwin pointed out, social partnership was supposed to be the answer to inflation yet Ireland, held up as the model for the rest of Europe, had the highest at the end of 2000. Finally a new recession could assist in attacking worker's living standards by bringing a return to mass unemployment.

ICTU continued to hammer away at partnership at shopfloor level but the evidence continued to roll in that their partners were not interested. An IBEC survey revealed that only 3 per cent of surveyed organisations had a gainsharing arrangement and another survey from the University of Limerick reported that only nine per cent of manual and eleven per cent of clerical workers in unionised companies were availing of profit sharing schemes. This supported another IBEC survey which showed that only 19% of companies had a profit sharing scheme. This, despite a partner from PricewaterhouseCoopers pointing out that *'In many cases it has become cheaper for an employer to incorporate profit sharing than to pay a straight salary.'* (IT 09/06/00) According to a UCD survey of 450 private companies in 1998 the predominant style of management was still to force through change unilaterally. (IT 17/04/00 & 10/04/00)

Lessons

This demonstrated that despite over a dozen years of social partnership deals the reality of work was still one of management and boss control and worker subordination and exploitation. Partnership between them was a myth. Despite many defeats workers would again and again be compelled into action in defence of their living standards and workplace rights. We can have lamented the fact that they have often appeared more willing to surrender the latter for meagre gains in the former, thus diminishing their ability to defend both in the future. But the process is not one in which one side can be declared the final winner if only because capitalism will continue to demand worker's sacrifices no matter what defeats and concessions are wrung from them. The Irish labour movement,

even after years of partnership, still had considerable power. Membership of ICTU passed the 700,000 mark for the first time, 520,000 in the southern State. Union density had declined from 55% a decade earlier to 48%, only 100,000 of the 500,000 jobs created had been unionised and in 1988 only 37,374 days had been 'lost' in strikes but these trends were and are not irreversible. Buoyant economic conditions may have given workers more confidence, as some on the left had argued, but realisation and expansion of this confidence to roll back the accumulated attacks of partnership required advances in political confidence and consciousness. Not necessarily all at once and not completely. But real advances nonetheless. The job of the left continued to be to go beyond the expectation that the dynamics of economic growth would more or less automatically solve the problem especially when the socialist analysis of these dynamics is that booms are inevitably followed by slumps and that the objective is to escape this whole system.

Chapter 4

As Good As It Gets

Partnership has been sold on two counts in particular. That it has given the trade union movement influence in the corridors of power that it otherwise could not have achieved and that it saved the country from economic ruin at the end of the nineteen-eighties and created the celtic tiger economy of today.

The first argument is relatively easy to dismiss. On issue after issue there is absolutely no evidence of trade union influence on government policy. From opponents of privatisation the trade union leaders have become enthusiastic supporters. They have embraced wage restraint, cuts in public services and European treaties that consolidate deflationary and austerity policies into the fundamentals of economic policy. They have failed to gain union recognition and their demands for local level

partnership have resulted in wider application of new management techniques designed to increase the workload on a 'downsized' workforce while sucking shop stewards into structures that make the latter complicit in the process. Their 'prioritisation' of the low paid and those on social welfare has resulted in an increase in inequality and not a decrease.

The left has sometimes wondered how social partnership has withstood the scandals that have revealed the corruption of the social partners. This misunderstands the situation. It is precisely social partnership that has allowed the scandals to have so little effect. The leaders of the trade union movement are complicit in the corruption. After all, if we can still be partners with an establishment so apparently rotten it can't be that bad, can it? In summary social partnership is not a means of trade unions influencing the government but of the government influencing the trade unions through the medium of the union bureaucracy.

We can examine one issue in more detail to illustrate this process. The union leaders have sold wage restraint on the basis of tax cuts, yet tax has been at the centre of the scandals. Having sown up the trade unions the government were able to introduce tax amnesties in 1987 and 1993 for 'every sleazebag in the country' as the former Labour Party advisor, Fergus Finlay, so eloquently put it. Meanwhile PAYE workers continued to suffer punitive charges. Individual capitalists were even able to write their own tax legislation, wiping out large bills. Thus Bertie Ahern introduced legislation that was given retrospective effect for twelve years and which only affected one person, the property developer and Fianna Fail donor Ken Rohan. One capitalist interviewed by the 'Irish Times' explained how real influence works: *'They tend to listen to you if you can get to sit down with them. That's the advantage of having given them a few bob. ... There's not a whole lot of difference between them all when you tot it up.'* (IT 07/05/99)

The handouts to the rich have dwarfed tax cuts given to ordinary workers. The top rate of income tax fell from 65% in

1985 to 46% in 1998, corporation tax from 50% to 32%, capital gains tax from 60% to 20% and capital acquisitions tax from 55% to 40%. Ray MacSharry, the Finance minister when the whole process began, admitted tax cuts were skewed to the better off. During the PCW unions complained that promised cuts had not been delivered. Since then the bias towards the rich has accelerated. Charlie McCreevy's tax cuts have appeared specifically designed to make the rich richer and increase inequality. In one budget he cut Capital Gains Tax from 40% to 20%, the only tax the rich had to pay to any extent, so inflating house prices and further putting them out of the reach of working class buyers. Despite the tax frauds Revenue Commissioner sources admitted that *'Rich people can even reduce their tax liability to zero'*. (IT 26/03/99) Despite nominal corporation tax rates of 28% in 1999 many companies effective tax rate was much lower. Thus Elan corporation had an effective rate of only 2.6% in 1998 and of nineteen other top Irish companies examined by The 'Sunday Tribune' seventeen paid less than the nominal rate. (Sunday Tribune 27/06/99)

Having boxed off potential working class opposition by partnership deals the most significant change to tax policy over the last fifteen years has not been any so-called reform, or reduction in taxes borne by workers. The most fundamental aspect of tax policy has been the move to safeguard the privileged position of big business by protecting the extremely low levels of corporation taxes faced by multinationals investing in the State. This was, for example, the primary objective of the Irish government in the EU Nice Summit in January 2001. More important than the right to a commissioner or the number of votes in the commission was the ability of the state to keep its taxes low for multinationals from which of course native capitalists also gain.

EU rules forbid discrimination in tax treatment between companies so that the Irish practice of a 10% tax rate on manufacturing and exporting service companies, due to run out in 2010 and 2005 respectively, had to be harmonised with the corporation tax rate for non-manufacturing com-

panies. This latter tax rate had been 50% just after the commencement of partnership in 1988 but thanks to partnership the planned unified rate was to be 12.5%. Even notorious tax havens such as Jersey have tax rates of 20%! The '*influence*' of trade unions thus led to a reduction in corporation tax rates of 37.5%! One economist, Paul Sweeney, ironically a supporter of partnership, estimated from the 1998 budget that the reduction in corporation tax rates from the then level of 36% to 12.5% would cost £600m each year. He further admitted that the fundamental nature of this tax strategy was to get PAYE workers to pay the taxes that multinationals avoid. (IT 06/02/98) PAYE taxes pay for the grants that entice multinationals into the country and for the infrastructure including roads, airports, water, and an educated workforce that enable it to make its massive profits. The tax strategy of which the trade union leaders are so proud is thus the centrepiece of a policy designed to increase the wealth of the most profitable companies in the world on the back of exploiting and taxing the working population of Ireland.

The ramifications do not stop there. By leading a Dutch auction in corporate tax rates the loveable Irish have put pressure on the tax regimes of every other country in the EU threatening workers across the continent with the same tax regime as applied in Ireland. While the celtic tiger has disguised, for the moment, the full effects of such a strategy, full implementation across Europe would be devastating to welfare provision for workers across the continent. Needless to say internationalism is not part of ICTU policy either. The effects of this policy have already been seen. In 1999 the European parliament passed a motion condemning US multinational Rank Xerox for expanding its operations in Dublin and Dundalk while simultaneously cutting 9,000 jobs in England and Holland. Denmark and Belgium have also criticised the Irish State over the consolidation of Boston Scientific's research and development in Galway leading to 1,000 jobs being lost in those two countries while 200 were created in Ireland. If this occurred within a single state it would be called by its appropriate

name – scabbing. The phenomenon has implications for the whole world. An Oxfam report in June 2000 estimated that developing countries lose \$50 billion a year to tax havens, the equivalent of all the development aid given throughout the world.

Saving the nation

If the argument about influence doesn't withstand even a cursory examination the argument about the creation of partnership saving the economy from economic disaster is hardly more convincing. Firstly we should note that despite the alarm spread by politicians about the imminent disintegration of the Irish economy and society because of the national debt, the State and Irish capitalists were participants or passive observers in massive tax avoidance. If ever evidence were required of the venal and parasitic nature of the Irish capitalist class this is it. Nero fiddling while Rome burned had truly met its modern counterpart.

The hysteria that surrounded economic analysis in the nineteen-eighties centred on the explosion of the national debt that reached £21,611 million or 129% of GNP, in 1986. Servicing this debt took up 35.2% of total tax revenue or 93.5% of income tax revenue in 1985. (MacSharry) Supporters of partnership say that this was turned around by the PNR in 1987. The truth is rather different.

The national debt had exploded because of failed policies of which the PNR was just a continuation, although now intensified through ICTU support. Deflationary policies had caused rising unemployment and erosion of the tax base because fewer workers were actually working and business wasn't paying much. The cost of unemployment was driving up the debt and a policy of cuts could only intensify the problem. The debt was also rising because of high and increasing interest rates, exacerbated by the policy of entry into the European Exchange Rate Mechanism. This not only fed directly into higher interest rates but also led to further borrowing so that the government

could waste money trying vainly to support the value of the currency. In contrast the share of GNP incurred by public expenditure on salaries and wages remained constant over the first five years of the eighties and then began to fall while public sector capital expenditure fell dramatically. Taxes were increasing and by common agreement in 1984 had reached an unsustainable level. Clearly high public sector wage costs and high wages in general were not the problem. Unemployment and parasitic debt repayments to the banks, who in turn were facilitating tax avoidance by the rich, was the problem.

Finding an answer to the debt problem began when international interest rates began to decline and the problem of unemployment was capped by exporting the unemployed to Britain. The average US dollar short interest rate fell from an average of 12% between 1981 and 1984 to 7.6% between 1986 and 1989. (Honohan 1999) Between 1988 and 1989 nearly 86,000 people emigrated and 208,000 did so over the decade. Devaluation of the currency in 1986 and appreciation of Sterling assisted Irish capitalists especially given the UK and world economic upturn at the end of the eighties. The receipt of EU structural funding covered the infrastructural requirements of business masking the effects of public expenditure cuts.

This is not to argue that the cuts of the PNR did not play a role. Obviously less public expenditure reduced the debt but reduced expenditure also increased unemployment. By itself the PNR cuts would not have solved the debt problem. They would only have led to a prolonged recessionary environment similar to that which had followed the swinging cuts of the early eighties. Even emigration, the fall in interest rates and devaluation combined would not have worked long term had it not been for a massive growth of multinational investment. However encouraging such investment had been a consistent policy since the 1970's and it had clearly failed by the 1980's. If anything the policy of enticing multinationals had become discredited and the emphasis had shifted to trying to get indigenous industry to im-

prove its performance.

Widespread disillusionment with multinationals was justified. Employment in foreign owned industry had declined from 88,400 in 1980 to 82,381 in 1988 despite the tax breaks, grants and best efforts of the promotion agencies. Backing native industry looked even more hopeless as employment in native owned firms fell even more, from 143,300 in 1980 to 110,918 in 1988. (O'Malley) Policy, in so far as it had any direction, was not to intensify the focus on multinationals but to attempt to build up indigenous industry. This was prompted by the Telesis report in 1982, followed by a White Paper on Industrial Policy in 1984. A Company Development Programme and National Linkage Programme were also introduced in 1984 and the share of Programme Supports to industry going to indigenous firms increased from 51% in 1985 to 54% in 1989. (NESC & Allen 2000).

What made the difference and led to the celtic tiger was thus neither social partnership nor changes to government industrial policy. Having lain prostrate at the feet of international capital and seen this fail it was the changed policies of these multinationals that led to the turnaround in economic conditions. In our previous book, 'Ireland: The Promise of Socialism', we spoke of a semi-colonial economy dominated by imperialism and racked by crisis. An Irish economy flushed by success only confirms the analysis that Ireland remains a semi-colony dominated by imperialism. Mobile multinationals moved into Ireland and caused the economic boom and in this social partnership played only a minor role.

Before the supporters of imperialism claim the celtic tiger as endorsement of their programme we should anticipate a later argument. Mobile multinational investment is precisely that – mobile. There is no reason to believe that it has suddenly stopped moving now it has arrived in Ireland. What was increasingly recognised in the nineteen-eighties, but apparently forgotten, remains true. Reliance on multinationals for economic development is a precarious policy. For the working class it has other deleterious consequences some of

which, like taxation, we have already noted and which, as socialists, we are more concerned with.

What Changed?

None of this has prevented the leaders of industry and the State claiming the policy of social partnership is the cause of the booming economy. Bertie Ahern was in no doubt when he wrote in the 'Irish Times' just before the vote on the PPF: *'Why has the Irish economy grown more than twice as fast as the European Union's? How have we been able to create so many new jobs? Why has the unemployment rate fallen so dramatically? Why is Ireland today the envy of our European partners? The answer is simple. Ireland is working to a winning formula – social partnership.'*(IT 10/03/00) The simple answer to this is - rubbish! Ireland has benefited from what has been termed globalisation, or more accurately the multinationals and Irish capitalists have benefited from it. We can confidently predict that it will not last.

The long period of reduced economic growth and general downturn that affected the capitalist world since the beginning of the 1970's resulted in a world-wide assault on workers conditions in an attempt to boost profitability. This involved economic restructuring of the biggest firms and political initiatives such as the development of large regional trading blocs like the EU and North Atlantic Free Trade Area. In search of increased profitability and in the absence of a general solution to the malaise the largest companies entered on a period of globalisation. This has often been presented as key to a new era of growth but is testament more to continuing inability, so far, to recreate the 'Golden Age' of growth that occurred in the decades after the Second World War. Thus foreign investment in search of increased profits and consequent increased exports have all greatly exceeded economic growth.

The statistics behind this globalisation are impressive even if the results in terms of growth are not. Sales of multinational firms abroad have grown from \$3 trillion in 1980 to \$14 trillion in 1999, nearly twice as high as global exports. The gross

product associated with international production is about 10% of global GDP compared to 5% in 1982. The ratio of foreign direct investment (FDI) flows, which stood at \$865 billion in 1999, to global gross domestic capital formation, is now 14% compared to 2% twenty years ago. The number of multinational parent firms in the 15 most developed countries increased from around 7,000 at the end of the 1960's to 40,000 at the end of the 1990's.

This massive increase in investment has had a very uneven impact. Just ten countries received 74% of global FDI flows and the share of such flows to the developing world has fallen from 38% in 1997 to 24% in 1999. In the developing countries themselves ten countries received 80% of the investment. Thus foreign investment is not an answer to global inequality but a fundamental cause of it. Africa's share of world FDI flows is only 1.2%. Over 80% of FDI is not in greenfield factories but in mergers and acquisitions (M & A's) in which no additional productive capacity is created but one company simply takes over another. Since the biggest and most profitable companies are in the developed countries we can easily see why most FDI ends up there. Some 90% of all cross-border M & A's were carried out in developed countries. The minority of greenfield investment is thus more significant in developing countries.

This massive increase in multinational investment and production has been assisted by, and is the result of, trade and investment liberalisation, including removal of exchange controls and the setting up of regional trade blocs. Over the period 1991-1994, 94% of the 1,035 changes worldwide in laws governing FDI have been favourable to the multinationals. The number of bilateral investment treaties has risen from 181 at the end of 1980 to 1,856 at the end of 1999 and the number of double taxation treaties, to prevent multinational profits being taxed twice, has increased from 719 to 1,982. It is these global forces that have shaped Irish society and created the celtic tiger, just as they were the cause of the eighties recession and crisis. (All figures from the World Investment Report 2000, UN)

The ideological justification for this neo-liberal offensive has been the claim that the free market will lead to economic growth, which will improve the lives of the world's population. However while world wide FDI has grown by 440% between 1986/91 (the average of these years) and 1999, average economic growth per year in the most developed economies between 1991 and 1999 has only been 2.2%. (UN 1998 & 2000 and World Economic and Social Survey 2000) We have explained the discrepancy. Turning the world into the plaything of the biggest capitalist firms has not led to a renewed era of growth. The primary purpose of multinational investment has been to increase the market share 'and indeed market domination' of each firm, not increase general production through the application of new technology. *'The constant pursuit of that monopoly power becomes the central driving thrust of the new economy'* is how Larry Summers, the chief economist at the World Bank and Clinton's top Treasury Department international official put it. (UN 2000) So all the rhetoric about the free market comes down to big business monopoly.

The fact that the south of Ireland has experienced economic growth through FDI cannot therefore be held as proof that the pro-big business policies of the Irish State are an example for others to follow. Rather the reverse, the Irish experience has been exceptional and as soon as it stops being so the problems that affect most of the rest of the world will hit home. The Irish State has benefited disproportionately from the big increase in investment into the European Union from the United States. Flows between these blocs increased significantly in 1999 after doubling in 1998 with the UK being the largest recipient. Flows of FDI into the south of Ireland have grown from an annual average of \$368m between 1986 and 1991 to \$18,322m in 1999. This is over twice the amount going to the whole continent of Africa which received only \$8,949m in 1999. The stock of FDI in the economy thus increased from \$4,649 in 1985 to \$43,969 in 1999, nearly half the amount of the African continent, which had a stock of \$93,066m. Of course multinationals don't invest for the good of the country and the flows of wealth leaving the country also increased dramatically. (UN 1998 & 2000)

The first burst of US investment took place, according to a US Department of Commerce Survey of Business, because of the creation of the European Single Market in 1992. Later flows increased because of the move towards the single currency. The Industrial Development Authority has claimed that 26% of all greenfield projects established by US firms in Europe went to Ireland. The US Department of Commerce also shows that the Irish economy is more dependent on US investment than Costa Rica or Honduras, America's 'back yard.' The share of Irish GDP accounted for by US companies based in the country grew from 12.4% in 1989 to 16.9% in 1997 while it was only 6.4% and 5.5% in Honduras and Costa Rica. (Quoted in Allen 2000) The Irish Times reported that the Irish State *'attracts 38 per cent of all mobile manufacturing investment into Europe'* and is *'the number one global exporter of software'* outside the US. This US investment has been concentrated in a few high growth and high technology sectors. Since 1980 40% of all US investment in European electronics has come to Ireland. In 1999 electronics companies generated around £12 billion in exports, over 17% of GDP and employed more than 36,000 people, almost half employed by US companies. About 95% of companies in the pharmaceutical sector, which exported around £12.5 billion and employed 17,000 people, were from the US. It is thus reckoned that US industry had an investment of \$30 billion from around 500 companies. (IT 27/09/00)

The clear driver of economic growth has been this foreign, mainly US investment. While GDP in current prices grew by 142% between 1990 and 1999, exports grew by 271%, mainly as a result of US and other multinational production. In contrast personal consumption grew by just over 100% giving a first clue why despite the boom many people feel they have missed out. Increasingly this consumption is fuelled by debt. GDP in constant prices grew by 78.5% between 1990 and 1999 while GNP grew by 69.8%. The difference shows the flood of money leaving the country in profit repatriation by multinationals. Between 1990 and 1999 £50,298m left the country, greater than total GNP in 1999.

If these are the bold statistics of growth the figures that lie behind them also show that it was multinationals that made the celtic tiger. While GNP grew by nearly 70% industrial production grew by 225% and the sectors dominated by multinationals grew even more. Chemicals, which includes the pharmaceutical sector, grew by 449%, computers grew by 328% and electronic engineering by 270%. (NIE 1999) The celtic tiger is really a misnomer. The Irish capitalist class, instead of recovering the fourth green field, has sold the other three to the US and the 'Republic' in many ways is the 51st state of a different union.

Further analysis not only confirms the origin of the boom in multinational investment but also undermines the claim that social partnership was the cause. Denis O'Hearn (O'Hearn 1998) working on unpublished statistics to the mid 1990's estimated that 75-80% of fixed capital investment that produced the surge in industrial production came from multinationals. In the late 1990s this increased further to 80-85%. 'The foreign share of fixed capital investment in industry rose from about 60 percent in 1988 to 85 percent in the late 1990s. During the same period, the U.S. share of TNC (Transnational Corporation) investments rose from 40 to 50 percent to more than 80 percent... Ten U.S. TNCs in computers and chemicals accounted for a third of value added in southern Irish manufacturing in 1994. In 1998, the economy grew by nearly 10 percent, and much of this resulted from a 60 percent rise in organic chemical exports, mainly due to phenomenal sales of one drug produced in County Cork: Viagra. *'In the main, the Irish tiger economy boils down to a few U.S corporations in IT and pharmaceuticals.'* (O'Hearn, 2000)

The attraction for multinationals is reflected in the large profits that can be ascribed to Irish operations. *'According to the U.S. Department of Commerce's Survey of Current Business, U.S. TNCs maintained profit rates (net income as a percentage of sales) of about 25 percent in Ireland during the 1990s, five times greater than the 5 percent profit rates they receive elsewhere in the world.'* (O'Hearn, 2000)

The annual Census of Industrial Production (CIP) confirms the role of these companies. The CIP for the years 1991 to 1998 show that while total employment in industry increased by 23%, it increased by 33% in foreign owned industry and by 16% in native industry. Gross output during the same period grew by 132% overall, by 214% in foreign industry and by only 38% in Irish industry. The figures for net output were 174%, 229% and 57% respectively. This meant that productivity (net output per worker) increased by 122% overall but by 148% in foreign industry and 35% in indigenous industry. These figures are distorted by the practice of transfer pricing whereby multinationals avoid tax at home by artificially inflating the production that can be ascribed to Ireland but the numbers are too great to invalidate the argument.

The figures in the CIP also show the growing dependence of Irish industry on multinational companies. The percentage of Irish industry production made up of supplies to multinationals increased from 13.4% in 1991 to 36.2% in 1998. This means that 96.5% of the growth in indigenous industrial output was due to purchases from multinationals. Native industry, which exported 34.8% of its output in 1991, exported slightly less, 34.1%, in 1998. The biggest destination continued to be the traditional UK market. In 1991 41.9% of exports went to the UK and in 1998 it had hardly changed at 41.1%. This is important because of growing claims by media pundits and some economists that indigenous industry has strengthened and the hope that it might become the vehicle of future growth if (it should be when) foreign investment falters. The census figures confirm that if ever an economy could be considered dominated by imperialist capital it is the Irish one.

When we look at the statistics for wages we can see the effect of social partnership in restricting wage growth. Overall, wages grew by 33%, not even keeping pace with productivity, and actually increased slightly faster in foreign industry (by 34%) compared to indigenous firms (29%). The share of wages in net output of foreign industry almost halved from

19.5% in 1991 to 10.5% in 1998. These figures demonstrate the dramatic increase in rates of exploitation that have taken place under the social partnership regime. They also provide evidence for the socialist analysis that it is not wages that determines growth but the strength of capital accumulation that sets the framework for wages. Low wages can hardly be the secret of economic success when the foreign, high tech sectors that have propelled growth have higher wages than indigenous firms. In the CIP wages in Irish industry were only 80.7% of wages in the foreign sector in 1991 and by 1998 this had declined slightly to 78%. So the higher wages of the foreign sector hadn't prevented higher growth while lower wages in Irish owned industry had not prevented a much lower rate of growth. Compared to other countries the cost of labour has fallen. Unit wage costs compared to major trading partners have halved from an index of 100 in 1990 to only 51 in 2000. (Central Bank 2000)

Beyond the Multinationals

It is therefore quite clear that wage restraint was not the cause of foreign investment, which also lies behind the growth of indigenous industry. The Irish State's membership of the EU when the latter was moving to the Single Market and then Monetary Union encouraged investment in a period when such developments were assisting a worldwide shift to internationalise production by the world's biggest companies. The reason they chose the south of Ireland as a location had more to do with the qualities of an English speaking labour force than the wages these workers were compelled to receive. The Director of Analog Device's European operations, John Horgan, told a manager's conference that inward investment had nothing to do with social partnership but *'the young, intelligent educated and committed workforce that is happy to work in non-union environments.'* (Irish Times 14/05/99) Intel's decision to make the biggest investment in the history of the State in 2000, up to £2 billion, was due to the ability of the local state to deliver the productive capacity quickly so that Intel's technology would hit the market and make profits as rapidly as possible. The vice-president of

Microsoft, Bob Herbold, said that the main reason the company set up in Ireland was the provision of the necessary infrastructure and the privatisation of Telecom Eireann.

However the most important reason for foreign companies coming to the south of Ireland is the tax regime. A study of tax in US investment decisions found that '*low and in some cases negative effective tax rate(s) applied.*' (Allen 2000) This does not mean that any shift in tax would see multinationals close shop and move elsewhere immediately. The availability of an experienced workforce, Irish industry suppliers, other 'agglomeration' economies, and the problem of committed fixed investments mean that multinationals cannot just walk out right away. However in the medium or long term, and perhaps not so long term, this would indeed be the result. The idea that Irish worker's living standards can continue to rise while multinationals have the whole globe to seek out more profitable locations based on lower wages is a simple fantasy.

This has decisive political consequences. It means that the traditional reformist response to the demands of workers, for example increased public expenditure based on taxation cannot be applied - unless that taxation is of workers - because multinationals will simply leave. There is therefore no purely national solution for Irish workers. This is not a gospel of despair, multinationals need workers around the world to bid their living standards down in order to blackmail each national section of the working class into accepting its demands. The international response is simply to unite workers for the opposite objective: to defend workers living standards and rights across the world. The unwillingness of Irish trade unions to organise in multinationals inside Ireland never mind organise across these companies internationally demonstrates the complete collapse of the reformist project of the union leaders. They remain wedded to their own national State even when this can only mean supporting the bidding down of workers pay and conditions in their own country. The demand for the international organisation of workers that has been raised in the past by socialists is now not only a 'good idea' but a press-

ing necessity for workers to defend their most immediate interests.

The mobility of international capital and the dependency of the State on it for revenue places definite limits on the increased pay, conditions and social services that Irish workers can expect to enjoy so long as they accept the parameters set by multinational companies. There is only one alternative for them and it is not wealth distribution from these companies to working people. It is the international organisation of workers with the aim of taking control of these companies for the benefit not just of Irish workers but of those around the world subject to their blackmail.

Workers should not be afraid to defend themselves against the attacks of social partnership because the option of doing nothing and hoping for the best is not available. Just as worker's sacrifices did not create the celtic tiger, whatever its meagre benefits, neither will their sacrifices save it. The problems are piling up for an industrialisation strategy based on foreign investment and none of them have anything to do with busting social partnership.

The first problem has hardly been acknowledged as one and as usual there are many right wing economists on hand to argue it isn't. Throwing the economy open to the forces of globalisation has led to record job losses in IDA supported companies, 22,000 in 1999, the highest since the disastrous eighties. Many of these jobs lost belong to an earlier generation of multinational investment. In effect a lot of running has to be done just to stand still. Memories are short and the experience of even high tech companies making redundancies is not a distant one as the names of Digital in Galway and Apple in Cork illustrate. As these lines are written speculation is rife about a recession in the US and of a 'hard landing' there having similar consequences in Ireland. The pulling of Intel's massive new investment and closure of Gateway have nothing to do with workers in Ireland claiming too much and everything to do with the failures of an anarchic economic system. The spectre of harmonisation of tax rates in the EU is also an issue that will

not go away. The Irish capitalist class is in no position to continue the celtic tiger without the multinationals. Indigenous industrial investment fell by half in real terms between 1983 and 1998. (O'Hearn, 2000)

A second problem has been identified by the State but there is considerable doubt whether it can do what it claims to solve it. The rapid economic growth of the last dozen years has exposed the infrastructural deficit of the country. Partly this is the natural outcome of economic growth under capitalism, which is utterly incapable of balanced and even development. Partly however it reflects the semi-colonial character of Ireland's economy, which exaggerates the problem. A study by economic consultants, Fitzpatrick & Associates, *'concluded that Ireland simply does not have the accumulation of wealth and infrastructure that typifies countries such as Holland, Germany and the UK. And it is not just the wealthier nations that we trail. In transport terms, for instance, we have the same number of motorway miles as tiny Luxembourg, and are significantly behind Belgium, Greece, and Portugal.'* (IT 16/09/98) The Irish State will no longer get the large structural funding from the EU which totalled some £5.4 billion between 1994 and 1999 although this is not viewed as the main problem. The National Development Plan which envisages £40.6 billion being spent over seven years to 2006 has been called into question because of the lack of workers and State capacity to plan.

This should be no surprise given the State's track record. The impetus for planning the development of the country has not usually come from inside. We have already seen how in the midst of a debt crisis the capitalist class massively evaded tax and the State authorities 'were broadly aware of the fact that people were avoiding tax.' (Maurice O'Connell, Governor of the Central Bank) Such irresponsibility in the governance of one's own state indicates the narrow and greedy horizons of the native capitalist class and its political establishment. The inspiration for most previous programmes of infrastructural development has come from outside - the British, when they ruled the country, the Americans

when the State chased after Marshall aid after World War Two and EU structural funds in recent decades. The inability of the native State to forecast and plan necessary development can be seen in the most obvious current deficit – housing. The State built only 2,090 social houses in 1993, nearly 4,000 in 1994 but only an estimated 3,000 in 1999. Thus in the year 2000 40,000 people were on the housing list compared to 26,000 in 1996. Since this effects the working class, nine out of ten households on the list have incomes below £10,000, the State didn't care. Except now it needs workers to stoke the boilers of the multinationals.

Paradoxically the prospect of a recession in the US and its effects on Ireland have raised the possibility of an alternative threat; no longer having enough money to pay for bridging the infrastructural deficit. The policy of taxing workers and letting capital off, when coupled with cutting payroll taxes, especially for the rich, has left the State vulnerable. The projected fall in the government's budget surplus in 2001 from £2.5 billion to £1billion illustrates the underlying weakness of the Irish State despite over a decade of record breaking growth. In a matter of months the State moved from a situation of not enough resources to address its inadequate infrastructure to one where it might not have enough money to pay for it. Common to both is a lack of resources that reflects underlying weakness derived from complete and utter structural dependence on the international capitalist economy.

The third problem is the narrow basis of economic growth, the US IT and pharmaceutical sector. O'Hearn (1998 & 2000) has advanced the argument that not only is this limited to two sectors from one country but it was the arrival of one company, Intel, that was crucial in establishing the dynamic towards agglomeration economies that saw other firms follow Intel's lead. The obvious question is whether this 'demonstration effect' could work in reverse and a small number of companies exiting the country prompt a much larger exodus. Production is located to facilitate exports and there is no local market that would in itself help to anchor invest-

ment. The downturn in the US economy raised very quickly the prospect of these companies cutting back investment and production in the south of Ireland and giving the lie to the stupid analysis prevalent at one time that these were 'recession proof' industries. In fact capitalism is a system within which the most profitable sectors often expand without any obvious regard to the limits of the market. Their initial fantastic growth only propels even more investment, the downturn being more shocking when these limits are eventually reached. The *dot com* bubble is only the most recent of a long history of such failures of the capitalist market.

While social partnership is not the main reason for foreign investment, it is a factor demonstrating the business friendly approach of the Irish State. Unfortunately as we have argued this approach means that Irish workers can never equally enjoy the benefits of economic growth. The much trumpeted gains of the tiger economy cannot be distributed on the basis that there are different partners in society because the only reason US investment came in the first place was the promise that foreign profits were paramount. This is what lies behind the widespread disillusionment and resentment among a population that is told that it has never had it so good while feeling that it has never had so little of what there is. The truth is that this is as good as it gets and as good as it gets is a long way from the hype of successive governments and union leaders. The prospect of recession is currently sobering many to a much bleaker future.

Undoubtedly living standards have increased but it is important that we know why and how they have increased. Wages have risen and ordinary workers have enjoyed tax cuts, even if late in the day and to a much lesser extent than those on the highest salaries. Unfortunately the figures used to demonstrate and quantify the increase are useless if not positively misleading. Statistics used to demonstrate increases in real wages always use a measure of inflation that bears little relation to the experience of many workers. This is demonstrated by the fact that while the average price of new houses rose from an index of 98 in 1990 to 250 in 2000, in other words they went up over 250%, consumer prices are supposed to have increased by

only 28.5%. (Housing Statistics Bulletin June 2000) But since buying a house is the biggest expenditure working class people will incur in their lives how can this be? The answer is that the cost of housing is not counted in the rise of the cost of living. Instead it is regarded as an investment. This may be true for the rich speculators for whom the consumer price index seems more appropriate but for workers this is obvious nonsense. This leads to the absurd result that because housing costs are measured by mortgage interest rates the cost of housing has sometimes been recorded as falling while prices go through the roof! It might be thought that the cost of housing is covered by the inclusion of the cost of rent in the index. Unfortunately this has a weighting of 1.8 out of 100 while newspapers have a weighting of 1.2. (Allen 1999) If only the mortgage cost £1 per day! The Index is *'specifically designed not to take into account changes made by households'* according to the Central Statistics Office. In other words it is specifically designed to become more and more irrelevant. The alternative to social partnership clearly involves workers creating their own measure of the cost of living and updating it regularly. The Consumer Price Index is only one way of measuring increases in the cost of living. Between 1990 and 1999 it recorded price increases of 21.5% while the GNP deflator, used to measure the overall economy by excluding the effect of prices, recorded an increase of 37%. (NIE 1999) The latter measure would significantly reduce any recorded increase in real take home pay.

Some economists argue that all sources of income need to be taken into account, not just wages, and that the best measure of this is GNP per capita, that is the total output of the economy divided by the population. This shows an increase from £8,418 in 1990 to £13,384 in 1999, excluding the effect of rising prices. This would indicate an increase in living standards of nearly 60%, although this says nothing about its distribution. A number of factors have contributed to this. The fall in the birth rate since 1980 and the relatively low numbers of over 60s because of the huge emigration in the 1950s has reduced the dependency ratio. This is the

number of people, such as the very young and old that those of working age have to support. The second factor is that after initial years of jobless growth the number in work has increased from 1.110 million in 1987 to 1.591 million in 1999 with the unemployment rate falling from 16.9% to 5.7%. In other words workers living standards have increased because they have worked for it. In particular the number of women working has increased at an annual rate of 7% between 1988 and 1999 while that of men increased by only 2.4% per year. The share of women in the workforce has therefore increased from 32.8% in 1988 to 40.5% in 1999. Many working class households have made gains in living standards because both partners have gone to work. (O'Connell, 2000)

This has led to its own problems. While the official working week is down from 40 to 39 hours the real working week has expanded dramatically. Both partners working means that children have to be taken to child care if it can be found and doesn't cost a small fortune. Once that is done the lack of proper public transport and infrastructure, especially in Dublin, means long traffic jams. It has been estimated that 10% of peak time commuters in the city spend three hours every day travelling to work so that a 39-hour week becomes a 54-hour week. Some are spending four hours a day travelling to and from work. 'In general, journey times in and out of Dublin increased by 55 per cent between 1991 and 1999. (IT 18/10/00)

Most of the new jobs haven't been created in high-tech multinationals but in service industries. This has meant part time working increasing from 8% of total employment in 1990 to almost 17% in 1998, with women accounting for 70% of the total. The number of temporary workers has also increased, again disproportionately women. (O'Connell, 2000) Debate has raged over the quality of the new jobs and the categorisation of occupations into classes that informs the debate leaves a lot to be desired but it appears that both good and poor jobs have been created. The extent of the latter can be gauged from the fact that while in 1990 there were 50,000 on marginal tax relief, by 1997 this had increased to 174,000. (ATGWU, 1999) This gives some indication of the high number of new jobs that did

not require workers to pay even the standard rate of tax.

This brings to the fore the large rise in inequality over the period of social partnership. In 1987 the south of Ireland was already a very unequal society but this inequality of earnings increased in the 1990s. In the mid-1990s it had one of the highest levels of low pay in the OECD countries but the main cause of rising inequality has been the increase in earnings of the best paid. (Barrett, Fitz Gerald & Nolan, 2000) Only the rise in the number of working class women going to work prevented inequality at the household level from increasing as much. No figures are available on the unequal distribution of wealth which no doubt exceeds income inequality and is impossible to measure given the ability of the rich to hide their wealth and avoid tax.

The rise in earnings inequality has been assisted by part time, temporary, '*yellow pack*' employees beside better paid, skilled and high tech workers. This is not only the result of impersonal market forces but also a conscious strategy of employers designed to weaken trade unions. In this, as we have seen, the union leaders have collaborated. Changed terms and conditions for new workers have been negotiated while ICTU long ago stopped pretending it was trying to unionise the multinational sector. Its enthusiastic adoption of flexibility translates into increasing inequality. At the top of the pay scale top managers are above the pay limitations of the partnership deals as are the core workers of multinationals. The most amazing statistic of this increased inequality is the dramatic fall in the share of wages in the economy, falling from 71.2% in 1987 to 57.2% in 2000. In the EU as a whole the fall was from 72% to 68.6%. Even in the home of inequality, the US, the fall was from 68.7% to 67.7%. (European Economy 1999) The sheer scale of this shift can be appreciated when it is realised that those working increased by over 40%.

This damning statistic is not accidental but an inevitable result of a partnership policy based on making the country and its workers raw materials for multinationals. Wages have been restricted in a conscious effort to boost the profits of foreign and native capital alike. A further twist is introduced by the key role

of low corporate taxes, which puts downward pressure on the social wage in the shape of education, health and welfare spending. The partnership policy of pretending to make up in tax cuts what has been foregone in wage rises means that workers are doubly penalised. Not only are limits put on direct incomes but the social wage is also restricted in a strategy explicitly endorsed by ICTU. Thus while GDP grew by almost 78% between 1990 and 1999 government expenditure increased by only 36% and state spending as a proportion of total spending is now lower than in the US. (NIE 1999) This provides another explanation why workers feel that most of the benefits of the celtic tiger have passed them by.

It should therefore come as no surprise to find that state services for the working class have suffered in the middle of the boom economy. Education in particular has been dominated utterly by the requirements of multinationals for computer and engineering graduates. The State spends over twice as much per pupil on those that go on to third level education as it does on those who leave school early. (Fintan O'Toole, IT 17/10/00) Ninety percent of the children of higher professional groups go to third level institutions compared to only 13% of those of unskilled manual workers. The south of Ireland has the lowest spending per primary school student relative to GDP in the EU. (Allen, 2000) The result of this is that *'a quarter of the population is functionally illiterate and a young person from a poor background has a better chance of seeing the inside of a prison or a psychiatric hospital than of a university.'* (O'Toole IT 17/10/00)

Similar neglect is also evident in the health service despite relatively recent announcements of increased funding. Spending on health is below the EU average and was only 80% of the EU average in per capita terms in 1998. In 1960, after the disastrous 1950s, it had been nearly 84%! In 1997 there were 3.7 in-patient beds per 1,000 people, the lowest number in the EU, which had an average of 6.6. Cuts in healthcare spending in the 1980s forced many, now 45% of the population, to take out private health insurance and seventy percent are charged for visits to the GP. Those in public healthcare wait years for

treatment while for VHI members *'in excess of 80% are admitted for treatment within four weeks of seeing a specialist.'* The result is that in the summer of 2000 nearly 32,000 were on the waiting list. Private health insurance is subsidised by the State and provides only 9% of total healthcare spending *'yet it totally distorts access to services.'* Until recently it was provided by the semi-state VHI which was not a profit seeking enterprise. Changes to world trade regulations mean that it will not be long before attempts are made to change this. The result is a country where, if you reach 65, you have the lowest remaining life expectancy in the EU. (All quotes and figures from the Irish Times *'An Unhealthy State'* series, 2-6 October 2000)

The chronic underfunding of some services has led to disturbing scandals. Children as young as ten are being put into prison because there is nowhere else to look after them. *'An extremely disturbed, mildly mentally handicapped boy who was sexually abused as a child'* was put into a young offender's centre. *'In another case last month, a 17-year-old girl considered to be at "very serious" risk to herself and others was committed to the Central Mental Hospital for the criminally insane despite an expert view that it was totally inappropriate and possibly illegal.'* (IT 17/04/00) Thus we have an establishment that boasts of its ability to build factories for rich multinational companies faster than anywhere else but finds it impossible after years of neglect to build safe and caring homes for its most vulnerable citizens. And these are the partners of our union leaders.

The warped priorities can be seen in every aspect of government policy. Total current spending by the state fell by 10% in real terms between 1987 and 1989. Social security spending by 1996 was 7% lower than the European average and had converged with US levels. (O'Riain & O'Connell, 2000) Close to 854,000 people were in receipt of weekly welfare payments at the end of 1998 and when you take account of their dependants it comes to around 1.4 million people, over one third of the population. (IT 2/08/99) In housing *'somewhere in the region of 100,000 people were seeking accommodation*

from local authorities' and a further 16,000 were forced to pay rents to private landlords. (Alan Dukes, IT 6/10/99) On taxation: *'the net effect of the last three budgets has been to increase the after-tax purchasing power of a single taxpayer with a 1997 income of £100,000 a year by eight times as much as in the case of someone on £10,000 a year in 1997'* (Garret Fitzgerald, IT 11/12/99) The stunning inequality of it all can be pointed out by *'unbiased'* academics or right wing politicians. It isn't necessary to be a socialist to see and describe reality when it stares one in the face. However as that old fashioned figure from the past Karl Marx might have put it, they have only interpreted the world, the point is to change it. The first step in doing so is understanding why it hasn't been changed already.

Politics

All these statistics are not meant to imply that working class people are simply passive objects of economic, social and political forces over which they have no influence. The record of trade union struggle has shown that many workers have refused to accept their allotted role of patsy to the combined forces of bosses, State and wonderful union leaders. More than that significant numbers have sought to voice their anger and opposition politically. The reason the world hasn't changed, except for more of the same, is because of the political vacuity of that opposition.

While dissatisfaction with social partnership is only one issue that has exercised working class voters it is a fundamental element of a political system that has generated a minority but significant opposition. This has been expressed in votes for parties that could generally be considered left or at least not part of the establishment. Disenchantment with the prevailing political leadership, particularly Fianna Fail, reached a pinnacle in the 1992 election when the Labour Party which in 1987 had only 6.5% of the vote, increased its total from 9.5% in 1989 to 19.3%. It so blatantly betrayed the hopes of those sickened by the rotteness of the system by entering a coalition with Fianna Fail that its vote plummeted in 1997 to 10.4%, with Fianna Fail gaining some of the benefit and many more deciding not to vote. Declining turnout,

particularly by working class voters has been a feature of southern elections for years.

This is not surprising. Every major party supports social partnership and almost every conceivable permutation of coalition except a Fianna Fail/Fine Gael government has negotiated or presided over a partnership deal. Smaller parties to the left have risen and fallen and for a short time appeared to promise an alternative, for example the Workers Party or Democratic Left. However these parties refused to fundamentally break from the system and their perspective of reforming capitalism required a healthy capitalism to deliver the reforms. This in turn required working class sacrifice and support for the attacks that partnership involved, covered up to a greater or lesser extent by left rhetoric. When it came to the bit these parties also betrayed the hopes that many had invested in them. The Workers Party helped prop up the Charlie Haughey government in the early eighties and Democratic Left joined a rainbow coalition with Fine Gael and Labour in the mid 1990s. This discrediting of what presents itself as the left has undoubtedly played a part in the search for other alternatives in the shape of the Green Party or Sinn Fein. Neither even promises a break with the capitalist system.

At the back of this political weakness of the current left, expressed both in its limited support and minimal reformist programme, is an inheritance of monumental betrayal. This can be traced back to the willingness of the leaders of the labour movement to step aside from the democratic struggle against British imperialism in the November 1918 Labour Party and Trade Union Congress and their endorsement of the new Free State at the 1922 Congress. The '*carnival of reaction*' which followed partition as foreseen by James Connolly was expressed in the South by the workers movement's complete subordination to 26 county bourgeois nationalism expressed particularly by Fianna Fail. This led to support for whatever project happened to be favoured by the indigenous capitalist class or its State. Protected industrialisation or openness to the world market have both been adopted by the labour leaders in the trade unions and Labour Party. Acceptance of the core programme of the capitalist class has meant support for whatever measures have been required to implement them.

Thus when the strategy of handouts to multinationals led to unsustainable debt the Labour Party demand was simply that cuts in public expenditure should be more equally spread. Even critics on the supposed left such as the Workers Party accepted that the national debt had to be repaid. The internationalisation of the world economy has made the reformist projects of these social democratic parties even less tenable than in the past. In Ireland there can be no room for basing oneself on a national State delivering the goods when that State is so utterly subordinated to multinational forces.

This timidity of the left has nowhere been so cruelly expressed than by the Fianna Fail leader Sean Lemass: *'I have already said that the outstanding characteristic of the Labour Party is that it is the most respectable party in the state... So long as they cannot be accused of being even pale pink in politics they seem to think they have fulfilled their function towards the Irish people.'* However perhaps even more accurate was the remark by another Fianna Fail leader Gerry Boland: *'as England despises those who run after her, so does Capital despise those who run after it.'* (Quoted in Allen, 1997) It has continued to be Fianna Fail that politically dominates the largest part of the working class. A poll in the 1997 election showed that Fianna Fail had the support of 51% of the skilled working class and 49% of unskilled workers. (Fitzgerald & Girvin, 2000)

This political inheritance has borne down heavily on the Irish working class leaving it ill equipped to resist attacks like social partnership. There has been a tendency for some on the left to put this down to a separation of politics from economics in the tradition of social democracy represented by the Labour Party and ICTU. (Allen, 1997) In fact the problem with current social democracy is that its politics are thoroughly capitalist. The demands of social democracy always begin from what the State and system can afford. The demands of socialists start from what the working class and others need. If this proves unaffordable to the system then it only confirms the analysis that the capitalist system has to be overthrown and replaced. Whether this looks *'unreasonable'* or *'uneconomic'* concerns us not a jot. In fact we are convinced that the demands of the working class *are* uneconomic under capital-

ism and *are* unreasonable to the rich and privileged.

This is the political framework and the political obstacles that face those opposed to social partnership. It has been argued correctly that the power and influence of Fianna Fail and the Catholic Church, the historic pillars of the State, have been weakened by scandal. Mobilisation by those demanding change has played a large role in bringing this about. Unfortunately their institutional and political power remains because these mobilisations have not been sustained, again a reflection of the left's weakness. (Allen, 2000)

What then must be the strategy of opposition? Again we can learn from the past in order to understand the limitations of previous challenges and why mobilisations have not been sustained, often leaving no lasting political legacy. The 1960s witnessed impressive levels of working class combativity with strike statistics in the Irish State topping international league tables. This culminated in the maintenance craftsmen's strike in 1969. Politically it was the Labour Party that rode the crest of this wave, once more proclaiming its socialist credentials after the period of cold war reaction in the 1950s. The North exploded in the demand for civil rights, fracturing the political establishment. The Southern State responded with a political offensive threatening a wage freeze in order to impose a National Wage Agreement. The Employer-Labour Conference was beefed up and ICTU introduced restrictions on worker's picketing. The Labour Party dropped its radical rhetoric and despite rank and file organisation through a Dublin Shop Stewards Committee the workers movement had no overall political alternative so that the existing leadership strengthened its control. In the North republicanism gained leadership of the democratic struggle and eschewing class politics embarked on a doomed armed struggle strategy in the North, looking on the South simply as a base for operations.

At the end of the 1970s the South witnessed even more impressive struggles, in opposition to the punitive levels of taxation suffered by the working class. ICTU was eventually forced to call a national strike and on 20th January 1980 700,000 people came out on strike in 37 centres and 300,000 marched in a demonstration in Dublin. It was the '*largest peaceful protest in post-war Europe*'

according to the BBC, which in relative terms it could well have been (Allen, 1997). The State and union leaders again upped the ante by negotiating a partnership deal that for the first time explicitly included the government as one of the parties. The first National Understanding was brokered before the strike to a background of more threats of statutory pay restrictions. The second was endorsed by a large majority and the process only brought to a halt by the bosses who thought they could get more by following the austerity policies of the government with a free-for-all attack on worker's rights and wages. This led to the long recession of the eighties when public expenditure was cut, wages fell and union membership declined. The earlier impressive show of militancy had failed to prevent any of this. An obvious lesson of both these periods was that militancy by itself was not enough. Political weakness was exploited by the State, bosses and union leaders to impose a renewed offensive in each case.

The dramatic growth in inequality during the recent period of social partnership has been characterised as one of class polarisation. (Allen, 2000) This in itself has laid the basis for justifying resistance but the growth of inequality is not only expressed in growing polarisation of the top from the rest. Inequality has grown within the working class and sectionalism within the union movement is probably greater now than it was when partnership was first imposed in 1987. Class polarisation in sociological terms does not automatically transfer into political polarisation and it is just such a political shift that is required. Class polarisation in economic and social terms has been most strikingly confirmed by the statistics showing the declining share of wages in the economy. It should be recalled that this decline has been going on for a long time. The share of wages also fell in the 1980s from 78.6% in 1980 to 71.2% in 1987, a faster rate of decline than that of the 1990s. (European Economy, 1999) Economic conditions may currently be more favourable to a revival of working class militancy but what will always be decisive is the question of political policy and leadership to which we now turn.

Chapter 5

Alternatives to 'No Alternative'

The argument of this book has been that the interests of workers and the employer class and its state are opposed and irreconcilable. The idea of partnership, which speaks of such reconciliation, can therefore only mean that the interests of one are subordinated to the interests of the other. In a capitalist society this means that the interests of workers are subordinated to those of capitalism. The peculiar character of social partnership is that this subordination has been accomplished mainly through voluntary actions by the workers movement itself. It has not come through massive State repression or by the sort of Thatcher offensive that occurred in Britain in the 1980's and 1990s. The key to understanding how it has happened therefore lies within the workers movement itself. The ideological offensive around the 'national' debt; that 'we' had been paying ourselves too much, must pay higher taxes and accept lower wages to encourage the richest companies in the world to invest etc. etc. This by itself was not enough, despite

the repeated Thatcherite mantra that '*there is no alternative.*' The key to the enduring success of social partnership has been the role of a trade union leadership that has supported this ideological offensive, indeed often leading it, and has used its control of the union movement to sabotage any fightback against it.

Because a genuine partnership of equals with the bosses and capitalist state is not possible the partnership that has existed has been between the bosses, State and trade union bureaucracy. This has meant further attenuation of the relationship between the trade union leadership and ordinary members. Partnership with the bosses is only possible by weakening democracy inside the trade union movement because the false nature of the partnership inevitably becomes too glaring and the leadership is compelled to step in to stop workers doing something about it.

Democracy

Alongside the imposition of the rotten deals have gone attacks by the bureaucracy on union democracy. We have noted the secret negotiations, false promises, threats, lack of balloting of members on deals and attacks on delegates voting rights at ICTU conferences. This isn't the half of it. The erosion of union democracy has been going on for decades but the partnership process has pushed it much further.

The case of John Mitchell of the Irish Distributive and Administrative Trade Union (IDATU) is telling in this regard. Mitchell was leader of IDATU and had gained a reputation for supporting members in industrial action, as opposed to tying them in knots through industrial relations procedure and then selling them out. He had also taken a stand on international issues such as the rights of the Palestinian people and solidarity with Polish trade unionists. Above all he was a potential thorn in the side of, and pole of opposition to, the first partnership deal, the PNR, which was being negotiated at the time.

The issue began when Mitchell lambasted the trade union

movement for remaining silent in the face of discrimination and repression in the North, particularly criticising the shop workers union USDAW. USDAW complained to ICTU, which subsequently expelled Mitchell from the executive and suspended IDATU from Congress. His remarks were widely seen by the IDATU membership and by militants generally as an excuse to push him aside from a position of influence, weakening potential opposition to the new partnership deal. This view was confirmed when Mitchell was suspended from IDATU by its executive and later sacked after he booked a union hall for a republican meeting. Simultaneously the leadership of IDATU began pulling out of organising northern workers. How appropriate that the opponents of workers unity in the whole country should also oppose those fighting against sectarianism and repression in the North and those in opposition to partnership in the South. Also instructive was the role of Sinn Fein's leading trade unionist, Phil Flynn. Not only did he not oppose the expulsion; he seconded the motion expelling Mitchell!

This case showed the unwillingness of the trade union movement to tackle sectarianism and repression in the North or to look towards any real unity with northern workers. They bolstered sectarianism by, in effect, arguing that northern workers were not really relevant to those in the South and that Protestant workers could not be persuaded through union campaigns to treat Catholic workers as equals. It demonstrated that opposition to '*politics*' in the unions was only a cover for acceptance and support for the existing rotten political set up. The case also illustrated the weakness of union militants who left the question of organisation to left-wing leaders. The case was eventually settled in the High Court between IDATU and Mitchell, leaving the campaign to reinstate him high and dry. Reliance on a left wing leader with no strong rank and file organisation below him had proved a failure.

The State also took steps to strengthen the bureaucracy's grip on the trade union movement. It was felt that too many small unions reduced the gap between ordinary members and union leaders forcing the latter to be more responsive to the former.

The State therefore heavily promoted the merger of existing unions and in 1989 gave out £290,000 to encourage union mergers. Between 1989 and 2000 there were to be 30 union amalgamations. In order to minimise the possibility of new breakaway unions in response to this strategy the State specified that licences could only be given to unions that had more than 1,000 members and were able to raise a substantial amount of money as a deposit.

The most significant merger took place in 1990 when the Irish Transport and General Workers Union (ITGWU) and the Federated Workers Union of Ireland (FWUI) joined together in the creation of SIPTU (Services Industrial Professional Technical Union). The new union had 155,000 members comprising 40 per cent of the total ICTU membership and received a grant from the State of £700,000 to carry out the merger. The first ordinary members heard of the proposed alliance was when it was announced in the press after months of secret negotiations. The members of both unions were left with no means of determining the conditions on which the merger would take place. These conditions showed that behind the leadership rhetoric of 'one big union' lay an attack on union democracy. Thus the six general officers that headed the union were not to be elected but kept in place until 1997. The first national conference and elections for a new National Executive wasn't to be held for four years. National conferences were only to be held every two years instead of every year and in the first SDC after the merger only documents from the leadership were to be discussed. Regionalisation of the union threatened the ability to initiate State-wide action and increased powers to the bureaucracy made such action harder to achieve, placing the ability to call, and call off, strike action firmly in the hands of the bureaucracy. In the end only 23% of the membership voted and the breakdown of the figures was not revealed, except to confirm the support of an '*overwhelming majority*' which, given the lack of debate and impossibility of putting an alternative, would not have been surprising.

The ICTU bureaucrats also took other steps to increase their control of workers' potential for action. In 1987 they tightened

up the rules that governed picketing. Following the maintenance craftsmen strike in 1969, which had been won partly through effective picketing, ICTU had introduced a rule which meant that workers were instructed to pass pickets unless they were placed by their own union or given all-out strike status by ICTU. ICTU thus sought to control what solidarity action was possible and tried to enforce this by instructing member unions that they could not provide strike pay to members who crossed a picket not of their own union or approved by ICTU. In 1987 the red tape involved in getting pickets sanctioned was increased and restrictions were placed on how and where they could be placed.

The State and bureaucracy were convinced that strong legal measures were necessary to enforce discipline on rank and file workers. The 1990 Industrial Relations Act was the result. The purpose was not so much to emasculate union power but to concentrate what power the State was prepared to concede, or felt it had to allow, in the trade union bureaucracy. In that respect it differed from the anti-union laws introduced by Thatcher in Britain. In other respects it was the same except that tough class battles were required to implement these laws in Britain and ICTU was able to oversee their introduction in Ireland with relatively little resistance. Some union leaders claimed to oppose it but Bertie Ahern, the Minister for Labour, made it quite clear that ICTU's fingerprints were all over it: *'all I have to say is that if ever a Bill was discussed as much with the people concerned as this Bill has been, I would like to read the files on it.'* (Allen 2000) When some unions tried to propose amendments to the legislation they were told by Assistant General Secretary of ICTU, Kevin Duffy, that this would be *'dangerous in the extreme because if we were to do so we may get minor changes but I think the price we would pay for them would be costly indeed.'*

The Act outlawed strikes over an individual worker thus assisting victimisation of individual union activists. It made political strikes more difficult by limiting union immunities to *'trade disputes'* only. It insisted on secret ballots of all affected workers before industrial action could be taken, limited the scope of pos-

sible solidarity action and even if a majority voted for action officials were not obliged to carry it out. In other words democracy was ok as long as the vote went the right way. ICTU support was required if members of one union wanted to take action in support of workers in a different union. Blacking of scab employers and goods was probably illegal.

This strengthening of the bureaucracy was viewed favourably by the bosses. Indeed they wanted bureaucratic control of the union movement reinforced even more. Sylvia Doyle of IBEC called on ICTU to be '*strengthened to enable it to wield substantial influence over constituent unions.*' (Socialist Worker April/May 1993)

The Act quite quickly began to have an impact. Bus Eireann claimed £100,000 from SIPTU in a strike in Sligo over one worker. Irish Rail got picketing stopped in only two days in a dispute with the National Bus and Rail Union (NBRU). In Cork B+I management threatened to sue the ATGWU and to get its negotiating licence taken away. The effect of the Act was especially marked in union recognition disputes at Pat the Baker and New Ross transport where solidarity action and blacking would have been particularly important weapons. In 1998 the Building and Allied Trades Union (BATU) had to ballot its ten members twice and court action cost it £40,000 in a dispute over subcontracting. This convinced workers that unofficial action was needed and led to the jailing of two workers, David McMahon and William Rodgers, for picketing sites in Dublin. The legislation had put in jail workers protesting against a form of tax evasion in the midst of scandals that every day revealed evidence of massive tax evasion by the rich, none of whom at that point had ever been threatened with jail.

The attempt to curtail the influence of rank and file workers on union organisation also led to delayed resistance. This took the form of attempts by groups of workers to leave one union to join another such as Aer Lingus workers leaving SIPTU to join IMPACT, but this was almost invariably bitterly opposed by ICTU who viewed it as a threat to bureaucratic control. It was therefore

handy for them that they were always brought in to arbitrate and settle this sort of dispute between unions. However the most vitriolic opposition was against groups of workers who left established unions to set up their own organisation.

This could be seen most vividly in the attitude to the train drivers who left SIPTU and NBRU to set up the Irish Locomotive Drivers Association (ILDA). When the ILDA went on strike over safety concerns arising from restructuring of CIE the NBRU and SIPTU outdid the employers, State and media in attacking the new union. A prime complaint was that they were a 'breakaway' union. Rich from two unions one of which was a breakaway and the other which was the product of a merger from two other breakaway unions. SIPTU and the NBRU actively pursued a policy of scabbing on the ILDA strike with the President of the NBRU calling on workers to cross ILDA pickets. According to the 'Sunday Business Post' *'the SIPTU leadership has put intense pressure on the government not to concede to ILDA.'* (Quoted in Socialist Worker no. 133) The right of workers to join a union of their choice, in other words union recognition, was under attack not just from the State, Irish firms and multinational companies. Now it was under attack from the leadership of the trade unions themselves.

Attempts by workers to find a means of union organisation that more closely reflects their needs should be supported but this does not automatically mean agreement with setting up new unions. Such a tactic can often isolate the most militant activists from the mass of union members who are thereby more easily controlled by their existing leaderships. It can also lead to substituting organisational changes for the changes in political orientation that are required to prevent the same bureaucratic sclerosis from affecting the new union. After all the ITGWU, FWUI (i.e. SIPTU) and the NBRU were successive attempts to deal with the perceived inadequacies of previous unions to properly represent workers.

Not that winning votes in the existing unions is enough. The history of partnership is littered with union leaders taking votes (when they are not getting away with not taking them) again

and again until they get the result they want. Phil Flynn got the LGPSU to vote again and again to prevent it from refusing to collect the new £10 hospital charge. Nurses in INO voted 90% against a pay deal under the PCW that was supported by its leadership. In effect this amounted to a vote of no confidence in the leadership but this wasn't at all appreciated and the existing leaders remained in place, maintaining their capacity to mislead the membership. Attempts to introduce compulsory arbitration and limit the rights of minorities to fight changes that impact most directly on them have been further attempts to prevent democratic control of union organisation. Bureaucratic leadership of the trade unions is clearly central to this erosion of democracy.

Nature of Bureaucracy

So what exactly is the union bureaucracy? The roots of bureaucracy lie in the necessity for mass workers organisations to have permanent structures. These need professional, that is experienced and full time, workers with specialist skills and knowledge to ensure their effective functioning. These include negotiation and organisation skills often only developed with considerable experience. To do without these would reduce the power of workers organisations in the face of the state and capitalist class. An attempt to avoid bureaucratisation by avoiding organisation or full time union officers would only leave the working class exposed and more reliant on specialists from outside its ranks.

However as soon as full time professional staff are employed they tend to transform themselves into a permanent bureaucracy or apparatus with their own career structure, plans, lifestyles and their own separate interests. Initially they are usually concerned above all to protect, make more secure and ultimately make permanent their favourable employment conditions. In this sense the possibility – or rather probability - of bureaucratisation arises from every attempt by workers to build strong and independent organisations. However the solution to this problem is not to give up organisation or the skills required to make it work.

This is because real bureaucracy not only involves a technical division of labour but a social division. A technical division might involve ordinary workers paying dues to fund their union on the one hand, and full time professional workers inside the workers movement who manage and negotiate etc. on the workers behalf, on the other. A social division of labour means a complete and more or less permanent separation between those who will never have to work outside the workers organisation and who are empowered to make decisions on behalf of workers, and the mass of workers who are subject to these decisions. Once this social division takes place a divide between those who take decisions and those that are subject to them inevitably involves the potential for those taking the decisions to take them in their own interest. The history of social partnership illustrates union leaders taking decisions that strengthen their own power at the expense of rank and file workers.

It is sometimes claimed that the mere act of negotiating inevitably spawns bureaucracy. The argument is that it pits negotiators who want to sell a deal, to impress their negotiating partners that they can be trusted to deliver and are therefore worth negotiating with, against ordinary workers excluded from negotiations. But if the negotiations are subject to regular outside scrutiny and a regular mandate from a representative body, as well as final approval by all the members after a real debate, the dangers of bureaucratisation can be lessened. The split between those who take decisions and those that take the consequences is at least partially overcome. Even more so if workers' representatives are present for all negotiations and professional help is precisely that, help, not direction.

This technical and social division leads to a subjective inversion of reality by the professional employees of the workers organisation. They come to view events solely from their own position and their own little view of the world. They come to see themselves and their organisational structures not as the servants of the union, the union being the membership, but as the union itself with the membership simply being customers of the union. The most important thing becomes protecting the union struc-

tures and apparatus, including themselves, not the membership. Thus a strike might be the only way to win workers demands but this might endanger the union's strike fund threatening the funds that pay for the bureaucrat's salary. Breaking the law might be the only course if workers are to engage in effective action but again this opens the union apparatus to attack from the state. From such considerations develop the typical conservatism, often called realism, constantly preached by the union leaders. Thus ICTU leaders say '*don't oppose the anti-union laws, we might get something worse.*' A legitimate concern not to endanger existing gains becomes a willingness to agree to anything that protects the bureaucracy's position of privilege. The judgement on what risks to take can only be taken by those who will suffer or gain from the consequences. Not by a privileged group that has nothing to win by supporting a strike but everything to lose if the union strike fund is depleted.

These divergent views arise because the professional staff and ordinary workers have separate interests arising from different circumstances. Escaping the need to work for a private employer or even the state is a privilege on its own but even more so when the trade union is obliged to be a good employer. For committed socialists it is a privilege to work full time for the workers movement. These small privileges can become more meaningful if it appears that the prospect of socialism is remote or at least postponed. The everyday struggle to make ends meet and, for example, to provide a secure environment for one's children forces material concerns on even the most committed. In other words under capitalism even the most sincere socialist is under pressure to make a decent living. Either through lack of political consciousness in the first place, or demoralisation, the professional employee will be tempted to make sure that their standard of living is as high as possible. This then becomes the real material foundation of bureaucracy standing at the root of any difference over policy and strategy. These privileges become the real gains that the bureaucratic leaders of the union movement wish to protect.

We can now readily understand the willingness of union leaders

to sell productivity deals and greater flexibility. After all, they are not going to have to work any harder and all their talk of a competitive economy doesn't threaten them with unemployment. This does not necessarily mean they don't believe all the crap about competitiveness and the free market. It's just that if they did suffer in the ways ordinary workers do we would be surprised if they were quite so enthusiastic supporters of it.

It could be argued that bureaucracy would be avoided if the leaders of unions did not benefit from rights and privileges that ordinary workers did not also enjoy. There is a degree of truth in this and it is one of the means of reducing the possibility and problem of bureaucracy but it is not a solution in the sense of being a guarantee that bureaucracy cannot exist and grow. To believe otherwise is to believe that islands of socialism and socialist behaviour can exist in the midst of capitalism. It is wishful thinking to believe that the problem of bureaucracy can be solved in this way for a mass workers movement deeply integrated into capitalist society. Non-bureaucratic workers organisations are not the objective of socialists anyway. This would just be a higher form of distorted bureaucratic consciousness. The objective of socialists is socialism because we understand that while capitalism exists the distorting effects of a society dedicated to profit will be felt everywhere and by everyone.

Nevertheless the question of the degree of bureaucratic privilege and degeneration is obviously an important one. For a socialist the freedom not to have to work for a capitalist and ability to work fulltime for the workers movement is a privilege. Being well paid and giving part of the salary to the organisation is still a privilege. A large salary that is retained completely is an even greater one. Then again we have the leaders of Ireland's trade unions who are on salaries that most of their members could only dream of earning. This is rarely highlighted. It was when it became apparent how much the SIPTU bureaucrats were paying themselves. During the campaign for officer elections the socialist Carolann Duggan was able to point to the £75,000 a year that some bureaucrats were paid. This created such embarrassment that they were trimmed to £60,000.

Promotion and preferment inside the unions is clearly assisted by supporting partnership. Why else would the general secretary of the NBRU, Peter Bunting, be appointed the new Northern Ireland officer of ICTU when the NBRU is not even a member of ICTU. It wouldn't have anything to do with postponing the bus workers strike before the vote on the PPF or his role in the ILDA strike would it? Clearly the 'Irish Times' thought so, although it put it rather coyly as working '*closely with others within the CIE group during the recent unofficial train drivers dispute.*'

Large pay differentials between workers and their bureaucratic leaders are not new but social partnership has taken bureaucratic privilege a degree further. Partnership has witnessed the bureaucracy become increasingly entwined with the State. Not just with the bureaucratic machinery of partnership and its paraphernalia of industrial relations bodies but with other state and semi-state organisations. The examples are legion. Thus Kieran Mulvey became head of the Labour Relations Committee set up to prevent strikes. John Tierney, one time opponent of partnership, was put on the National Partnership Forum. Billy Attley was put on the Board of Greencore, the privatised Sugar Company. Peter Cassells was made chairman of Forfas, the State's industrial policy advisory board. The 'Sunday Tribune' put his role on this body in the following terms: '*he will be required to appreciate even more keenly issues such as the competitiveness of Irish industry compared to businesses in foreign countries and the need to keep government spending under control. He will be required to look at ways of controlling wage inflation at a time of labour shortage, just as he attempts to negotiate better deals for trade union members in the new partnership talks.*' (21/11/99) Des Geraghty was put on the board of RTE in 1995, appointed a shareholder of the Abbey Theatre in 1998 and to the board of FAS in 1999. Other union leaders are on the National Economic and Social Forum and the National Economic and Social Council. Phil Flynn probably beats the lot by becoming chairman of a State owned bank as well as roaming consultant on industrial disputes such as Ryanair, a role more accurately described as strikebreaker. More recently he

and Billy Attley were placed on the national benchmarking body. If ever confirmation was needed that workers should avoid benchmarking like the plague this is it. Perhaps even worse than this fusion of union and State at the top has been the attempt to suck a whole layer of shop stewards into the machinery of partnership, especially in public and semi-state employment, robbing workers of the very people who should form the backbone of resistance against it.

Democracy

It is perhaps this latter phenomenon that has started to convince left activists in the unions that fighting the bureaucratic union leadership is central to defeating social partnership and must be central to any alternative. Until recently while the left has complained and denounced the leaders of ICTU the bureaucracy has been regarded as a secondary problem to winning disputes or votes on deals. The history of partnership shows that winning votes without a leadership that will implement the vote is nearly useless. The history shows that getting workers mobilised in militant strike action will nearly always fail if a rotten leadership remains in control and has the initiative in deciding the direction of a dispute. Underestimation of the loyal ICTU bureaucracy has sometimes been expressed in the claim that they are not the enemy. This book has provided the evidence that they certainly are.

There really has been no excuse for the left not to understand this. The history of the workers movement internationally as well as in Ireland demonstrates the decisive role of bureaucracy. The decisive moments of international working class struggle and organisation in the twentieth century have been defined by the victory of a worker's bureaucracy over the workers movement. The last century began with the creation of mass working class trade unions and parties in the most industrialised countries and ended with these organisations becoming pillars of capitalist society with minimal active working class participation. The destruction of the promise of the Russian revolution by a worker's bureaucracy called Stalinism has left a legacy of distrust of socialism by many workers that has still not

been erased. A central moment of the century, the Second World War became almost inevitable when the bureaucratic leaders of the biggest workers organisations in the world failed to stop Hitler and fascism destroying the German working class movement. Just because a bureaucracy is not a foundational class such as the working class or capitalist class does not make its political impact anything less than of first class importance.

Leon Trotsky long ago made it clear how important the role of the trade union bureaucracy is. *'Amsterdam is the most powerful international organisation of the Trade Union bureaucracy, it is thanks to it that the whole structure of capitalism stands upright.'* And *'the Marxist will say to the English workers. The trade union bureaucracy is the chief instrument of your oppression by the bourgeois state. Power must be wrested from the hands of the bourgeoisie and for that its principal agent, the Trade Union bureaucracy be overthrown'* (Quoted in Kevin Keating 2001)

Underestimation has its roots in a view predominant in the Irish left that can be characterised as economism, a view which underestimates the specifically political tasks of the workers movement and which sees the role of socialists as one of closely following the spontaneous activity of the working class. Since this view neglects the role of an alternative leadership it is not surprising it downplays the role of existing leaders. We can see the expression of such a view in the main demand raised by the campaign against the PPF, that the ICTU go back to negotiate a higher wage increase. Besides reducing the deal to a wage agreement it was *'in fact an oblique vote of confidence in the trade union leaders which is breathtaking and if that demand had been instrumental in persuading trade union members to vote no it would hardly have represented an advance in political consciousness or self activity for those so motivated.'* (Keating 2001) As the Workers Solidarity Movement put it *'we were left with the alternative to a social partnership deal being... a different social partnership deal.'*

In addressing the problems of leadership two equal and opposite mistakes can be made. The first is simply to pose the

question as one of electing a new left wing leadership that can solve the problem. Experience shows that yesterday's left wing leaders are tomorrow's followers of partnership. The second mistake would be to concentrate solely on rank and file structures that ignore the problem of offering alternative leaders. Only by combining an active membership with a challenge for leadership can the question of bureaucracy be tackled. The very low level of rank and file worker participation in the unions is both a product and cause of bureaucracy and partnership. In fact the lower the level of participation the greater the likelihood that the bureaucracy actually reflects rank and file demoralisation and indifference. Unfortunately because workers by definition have to spend most of their time working for a living it is very rare that the whole working class is politically active. It is to be expected that in normal times only a minority of workers would be actively engaged in struggle. New structures are required that can promote and maximise continuous rank and file participation but such participation will also require an objective that goes beyond having a democratic union.

This is why the question of reinvigorating the trade union movement with rank and file activity cannot be understood or solved outside of struggles that face up to the partnership deals. The alternative to the present bureaucracy can probably only be posed realistically in a fight against the policies they are implementing. Workers are not going to oppose leaders whose policies they agree with or acquiesce in. In this process the argument for democracy can greatly assist the struggle against partnership.

Most workers readily understand the demand for democracy even if the very lack of it inside the unions makes it a very difficult battle to win in practice. Such has been the erosion of democracy under the partnership deals that even very basic demands must be raised. A campaign against Social Partnership set up in February 2001 put forward demands calling for annual conferences, for union literature open to all views and the election of union officials who are to be paid at the average industrial wage. The Workers Solidarity Movement (in a leaflet) also put forward suggestions that are worth quoting in full:

- A ballot of the members on every wage deal, and on any revised terms which may be proposed at a later date.
- Equal space in union publications for both sides of the debate before any ballot on a national pay deal.
- For elected lay editorial committees to oversee union journals and publications, and ensure that all views are given space.
- More regular branch general meetings (not just an annual general meeting).
- Allow sections and branches to retain a proportion of member's subscriptions. Such cash to be spent at the discretion of the section/branch. Full accounts of expenditure to be submitted to their annual general meeting.
- For representative voting at conferences. Where a branch general meeting (or branch committee where appropriate) votes on a specific motion going to conference, and – for instance – passes a motion by 55% to 45% their delegates should register that same percentage vote. An end to the winner takes all form of voting. Alternatively, a branch may decide to leave it to their delegates to decide how to vote after hearing all the arguments from the conference floor. The decision should lie with the people giving a mandate to their delegates.
- A maximum term of office for all full-time elected positions (even SIPTU has a five year term for its General Officers). No more elections to lifetime positions.
- No full-time union official to earn more than the average wage of the members of his/her union.
- The right of branches to directly propose rule changes to conference (presently not allowed in SIPTU)

To this list we could add the necessity for all union officials to be elected and all officials or representatives to be subject to immediate recall upon request by the requisite number of petitioning members/branches. Conference should also be subject to recall upon petition of a minimum number of branches, as should ICTU congresses upon request by a minimum number of unions. The attempts to impose change on minorities through votes involving

those who will not be affected by the changes must also be opposed. The right of any group of workers to resist attacks on its rights and position must be protected as well as the right of those workers to expect full solidarity in their fight.

Union democracy cannot be rebuilt by purely internal measures. Opposition to the Labour Court, LRC and the bureaucratic industrial relations machinery as well as attempts to introduce compulsory third part arbitration is required to ensure that union decisions are not frustrated by the state. Obviously this also means opposition to the Industrial Relations Act.

The precise demands to be raised and the resonance they have will depend on the particular union and will vary over time. The demand for equal access to union publications became central to the vote on the PPF in the Teachers Union of Ireland. The right to vote on renegotiated deals came to the fore when ICTU agreed to heavier policing of the PPF in return for an extra 3% per cent on wages, 1% on a one off basis.

The question of affiliation to ICTU is also one that must be addressed particularly following the decision of the Association of Secondary Teachers of Ireland (ASTI) to leave Congress in protest at its support for the attacks on the teachers incorporated inside the PPF. The desire to get shot of ICTU is perfectly understandable given its central role in negotiating and enforcing partnership. However it runs risks, similar to breakaway unions, of isolating the most militant memberships. Unless the proposal is to create a more democratic union organisation, and such a proposal has credibility, the effect of disaffiliation can be to enhance the sectionalism that plagues the union movement. ICTU was not slow to shower the teachers with criticism for elitism in their attitude to the rest of the trade union movement. Such criticism is both inaccurate and hypocritical since ICTU has done its best to isolate workers from each other and place barriers in the way of effective solidarity. Nevertheless a goal of socialists is to create a strong united organisation for the

trade union movement that can act as a real leadership of the working class. We are not in favour of isolated or uncoordinated individual unions co-operating in, at most, an ad hoc fashion. 'Unity is strength' is a motto just as pertinent to inter-union relations as between individual union members. The fight for a militant and democratic central leadership of the trade union movement is part of the fight for democratic individual unions. It gives the lie to ICTU's characterisation of opposition to partnership as being everyone for themselves with the weakest left to fend for themselves.

None of these measures will in the end finish off the threat of bureaucratisation of the workers movement. Kieran Allen (Allen 2000) rightly traces such bureaucratisation to the acceptance by the trade union leaders of the current capitalist system. The role of unions becomes one of regulating the exploitation of the working class through demanding higher wages for this exploitation, not one of overthrowing the system of exploitation itself. This breeds sectionalism in the organisation and consciousness of workers that goes very deep. Even in the campaign set up against partnership in February 2001 the demand for the maintenance of relativities between sections of workers was raised again and again as if such relativities were a socialist demand. They are of course a measure of how far we have to go to create a genuine egalitarian society. Socialists should only champion demands based on relativities in so far as they protect workers living standards and involve them in struggle within which it may be possible to advance their political consciousness. Allen also traces bureaucracy to the history of defeats suffered by the working class which allows the most conservative layers inside the unions to re-establish control in a period of downturn of worker participation in union affairs. Unless one believes that the working class will from now on win only victories it must be accepted that future defeats will provide yet more opportunities for bureaucracy to grow. We have noted that because of structural constraints only in revolutionary or pre-revolutionary occasions does the whole working class engage in struggle.

Alternatives

Democratic renewal of the trade union movement is not an end in itself but only a means to arm the wider working class with organisations that can defend its interests and achieve a wider democratic transformation of society. This means complete and uncompromising opposition to social partnership, which in turn requires an understanding of what it is about and why we need a political alternative. Unfortunately despite all evidence to the contrary most militants and socialists have regarded partnership as no more than a 'glorified system of industrial relations with a universal wage cap'. (ATGWU1999) At a conference on socialist unity in November 2000 both Mick O'Reilly of the ATGWU and a Socialist Party speaker spoke of partnership being finished because many workers were getting pay rises above the PPF limits. The question of pay becomes all-important: *'The real issue is what share are workers getting relative to others.'* (C Duggan in K Allen 1999) At the conference to set up a rank and file trade union campaign one speaker from the SWP said that demands for pay went to the *'heart of the system.'* *'The alternative to social partnership is that workers get the freedom to make claims against employers when they choose.'* (Allen 1999)

Our history and analysis of partnership demonstrates that these views are wrong. Partnership is a political offensive of which wages is one, extremely important, but only one, part. As this small book is written there has been an upturn in strike activity, particularly around wages. If this becomes the issue around which groups of workers regain their confidence well and good. Unfortunately up until now wage rises have gone hand in hand with setbacks in terms and conditions and the wider social and political agenda. For the left and militants generally their primary aim has to be to alert workers to this agenda and the threats posed by it. The alternative thus has to rise to meet a political challenge. So what do we mean by *political* offensive?

Partnership was born in its present form through the demand that workers suffer pay restraint, public expenditure cuts and continuing punitive tax rates in order to pay for the national debt. It was justified by arguments that the State had to make itself attractive to multinationals in order to create the jobs native industry was so obviously incapable of providing. The need to be competitive justified attacks on working conditions, unemployment, wholesale deregulation and privatisation. These were encapsulated into EU treaties such as Maastricht and EMU that the trade union movement endorsed and which set limits on almost every aspect of economic and social policy. These treaties involved significant political changes in themselves and were accompanied by others such as joining the stepping stone to NATO, the Partnership for Peace. Every aspect of government policy from education, health provision, taxation and public services was made subject to the demands of 'competitiveness' and the attraction of multinational investment.

To impose this agenda unions have been strangled by bureaucratic industrial relations machinery and shackled by the 1990 Industrial Relations Act. Many unions have been gutted of any participation by the rank and file membership and have had every move towards action in defence of their rights sabotaged by the bureaucracy of ICTU. The demand for union recognition has been ignored and the very idea that workers have distinct interests separate from their bosses has been hammered by a new business unionism, which asserts that what is good for business is good for workers. The possibility that workers might have their own economic demands is rejected. The possibility that they might have their own political agenda is not even entertained. Social Partnership is political because it is what it says it is, workers in partnership with the bosses and the State. The idea that all this becomes irrelevant or is overcome by the demand for a 20% or 30% or 40% pay rise is utterly misguided.

A situation where workers have a pay rise that is eaten away by inflation. Where services that should be public are privatised and are charged for. Where work becomes more

stressful and the working day longer. Where union rights are eroded and job security is at the mercy of globalised capital. How is this a gain for the working class? In 2000 and 2001 many workers are making wage gains while *'a renewed wave of destruction is under way. Plans are well advanced in the commercialisation and privatisation of public services. Under the terms of the General Agreement on Trade in Services being pushed through the EU and the World Trade Organisation all services must be open to tender from outside. Education, healthcare and even the payment of unemployment benefit will fall under this dictat. That is where the rush to introduce bin charges and likely water and sewerage charges comes from. Strategic Management Initiatives and the breaking down of departments into separately budgeted units can all facilitate break up and privatisation. The manoeuvres to first make the VHI a state owned company and then to privatise it can only be understood as a move to remake the health service in the American model where insurance companies rule and if you can't pay don't get sick...everything is turned on its head, instead of being a safety net and a source of security for the working class their services are transformed into a source of oppression and fear. If they become ill, will they have enough insurance cover? If they are unemployed they will have no cover for themselves or their kids. Can they go on strike, can they afford decent education etc etc.'* (Keating 2001)

The big agenda that has comprised social partnership is getting bigger. It should have been obvious that this has involved an enormous political attack that requires a political alternative. In the last couple of years two conceptions of what such an alternative should look like have been put forward. The first in a pamphlet published by the Amalgamated Transport and General Workers Union (ATGWU), a long time opponent of partnership deals, clearly recognises that its *'negative effects require a two-pronged approach: industrial and political.'* This acknowledgement allows it to put the political question of democracy first.

Unfortunately its model is not one that can be recommended. It argues for trade unions and employers to accept

'co-responsibility as the fundamental principle of managing the company,' where 'trade union(s) accept the responsibility to work with the management to improve the commercial performance of the company.' In turn the employers are obliged to 'disclose relevant information' and 'accept the legitimate role of trade unions in the strategic decisions and policy making of the company, accept employment security as a major objective co-equal with finance, marketing, customer service, etc. and accept the right of employees to share in the financial success of the company.'

Just why the employers would accept such a major reduction in their power is not explained. Their interests lie in maximising profit at the expense of wages and if they fail in this endeavour a more successful capitalist will put them out of business. Co-responsibility leaves unresolved who has the final say when profit criteria clash with the needs of workers. Who decides what information should be disclosed? What if new technology to make the company competitive requires less workers or continuous 24-hour operation? Such questions reveal the completely antagonistic interests of workers and capitalists. The answer to them implies a sacrifice by either one or the other. In a capitalist society governed by private ownership and production of commodities in the pursuit of profit the market will punish those companies that put any criteria above that of profit. In a world of cut-throat competition the least profitable companies that give equal consideration to the needs of their workers will go out of business. This is the mechanism that demonstrates that the interests of workers and capitalists are irreconcilable. The capitalist system prevents such a reconciliation. The pamphlet puts forward the idea that the current bureaucracy of partnership e.g. the Labour Relations Agency should monitor the system but this begs the question of who these agencies represent and sustains the illusion that the state is some sort of neutral mechanism above the interests of the contending classes.

The only alternative is one where the whole system of production is geared towards workers needs and not profits. In such an economy, planned for social need, all relevant information

would be fully disclosed so that the whole population could come to a democratic decision over the priorities for production. New technology could either be accepted or rejected by a democratic decision of the workers. It could be accepted in the knowledge that the planned nature of the economy allows for a rational restructuring of production that would either guarantee work in another area where labour is required or a move to reduce the working week if increased levels of production are not required. A trade-off between the two is a third possibility but these decisions only arise when capitalist profitability is not an issue. The proposed co-responsibility is obviously not so much an alternative to social partnership but an attempt to take it to its logical conclusion. As we can see the logical conclusion is that it cannot work.

Some of these problems also arise in the alternative pay strategy that is put forward by the ATGWU. A three-tier approach to wage bargaining is proposed. The first involves a flat rate increase for all workers e.g. £10 per week. The second links an additional pay increase to overall national or sectoral performance and the third involves another increase where company performance is above the national/sectoral average. Obviously those working in the most profitable companies would gain most. Numerous questions are raised by such an approach. How would the flat rate increase be determined if, as the proposal makes clear, commercial competitiveness and profitability were to be a limiting factor? It cannot be determined locally otherwise it would not affect every worker equally. If it were fought for by the whole trade union movement, negotiations that accepted company profitability as the benchmark would have to ensure that the least profitable companies were not threatened by it. Either that or an inability to pay clause would have to be agreed that allowed these companies to avoid paying. But doesn't this begin to look very like the existing partnership arrangements?

It could be argued that the second and third tiers are the difference. But are they? Pay increases for productivity deals in both the private and public sectors and pay increases that reflect the profitability of the very richest companies are hardly

unknown under the present arrangements. Indeed the fact that pay increases above the norm under P2000 is put forward as a supporting argument shows what little difference there is in the proposal. How is increased productivity to be measured? Who decides the criteria of company performance? These are some obvious questions but they are the least important. The key question is why workers should have their needs subordinated to capitalist competitiveness and profitability in the first place. As we have argued, in a booming economy such an argument will allow some gains to be achieved, but as we are seeing not as much as one might have expected. But what happens in a recession? Do workers still accept capitalist criteria of profitability and accept wage cuts? This is not just a question of the recent past or of the future. Capitalism always develops unevenly with booming sectors alongside those in decline. Are workers in the textile, clothing, farming or other traditional industries to join a pay strategy that leaves them with no justification for defence of their living standards and conditions?

In fact we can see that the alternative proposed by the ATGWU is but a more sophisticated version of the arguments put forward by private sector workers in the first years of partnership and which we have shown were inadequate and even dangerous. Dangerous because they would encourage greater inequality to develop through workers in the most successful sectors being able to race ahead of workers in less profitable industries. Why should this happen? Workers in the traditional industries work just as hard. If they receive less it is only because of the way capitalism restricts production of new goods like computers through private ownership of the knowledge and capacity to make them. The leaders of ICTU would be quick to point to the iniquitous features of this alternative, as they have in the past, despite the utter hypocrisy involved.

Failure to challenge the ideology of competitiveness and profitability severely restricts the ability of the authors of the ATGWU alternative to develop different policies in other areas. Thus large increases in pay are justified because of the low taxes enjoyed by many companies at the same time that increases in taxes on capital are advocated. In fact increased

competitiveness is used as an argument to support changes that the bosses could easily argue are threats to competitiveness. The bosses could quite simply ask how the original competitiveness was achieved except by decisions that any trade union alternative would have opposed.

Workers have to reject the whole competitiveness argument from start to finish. The whole way that society is organised around competition for the highest profit is the root of the problem. The arguments around it are designed to make them pay for problems that are inherent in the capitalist system itself. Sacrifices by workers may stave off problems or temporarily ameliorate them but since the demands of workers are not the root problem no amount of sacrifice will ever solve the economic problems that continually seem to be there even when the economy is booming. No sooner had the Irish economy started to grow strongly but we were told that there was a danger that it was '*overheating*.' What are we to make of such a system that '*is at its most vulnerable*' (IBEC) when it has escaped recession and is on the up? Isn't it obvious that under capitalism there is no such thing as a system that works without continual crisis or threat of it just around the corner? Why then should we put up with it and accept its strictures on what needs can be met?

The wealth that is created under capitalism is only possible because of the labour that is applied to produce it. Labour is the creator of new wealth and the raw materials that exists in nature only become various items of consumption because of the work applied to transform them into the million and one things that we use every day. This involves mental and physical labour and no job exists which requires only one or the other. The growth of wealth over the decades reflects the increasing productivity of labour and the claims on that wealth involve use and consumption of the products of someone else's work. This doesn't matter if one also works, but the feature of capitalism is that one class makes enormous claims on the products of labour without having to work itself. Private ownership of the means of producing wealth allows the capitalist class to ap-

propriate much of it.

Mainstream economics teaches that the capitalists' wealth is the result of either abstinence from consumption so that they save up money to invest, or is due to their enterprising spirit, which allows them to spot a good idea and organise production to capitalise on it. The first idea that capitalists abstain from consumption is laughable. The idea that profit is payment for enterprise ignores the fact that most profit goes to those who simply have the money in the first place and get others to decide where to invest it. A small number of capitalists make millions out of exploiting good ideas but either way money and good ideas in themselves add not one jot to the wealth of society from which the capitalist class enjoy so much. The secret of their wealth comes from their ownership of the means of production which allows them to hire those who do not own these means, the working class, to work on their behalf. The profit that the capitalist pockets is the difference between what the worker is paid and what the worker produces. It is not a simple difference between 'costs' and 'sales', that is selling something for more than it cost, because if that is all there was to it there would be no extra goods for the capitalists to transform their profit into. This is what socialists call exploitation. The worker creates more wealth but has no say over its use or appropriation.

It is from such very basic facts that the problems of capitalism spring and which should inform workers rejection of the arguments of the bosses. Capitalists only produce for profit. The actual use that products have is really irrelevant. That is why sixty seven varieties of one product is produced with no difference between them while life preserving drugs are ignored because those that need them have no money. That's why millions are spent on arms while the cost of health care is said to be too high. It is why you will often hear that the country cannot afford a decent health service but at the same time asked to accept that the private sector must therefore provide what's missing. Yet it is the very same resources that 'the country' requires to use up whether publicly or privately provided except that under private provision a capi-

talist can make a profit out of it.

The capitalist class seeks to maximise this profit in a number of ways; by making workers work harder or for longer or with fewer breaks so that the unpaid labour that they pocket is greater. Or they seek to pay lower wages. Either way the amount of wealth produced that is taken by the worker declines in relative terms. The capitalist seeks to take a greater and greater share usually under the banner of competitiveness claiming that they need the extra to re-invest in more production. The problem is that the more they take the more they have to invest in greater productive capacity and the less workers have to actually purchase the additional production. Of course capitalists can increase their own consumption but there are physical limits to how much food one person can eat, how many cars they can drive and how many houses they can live in. They can use their profit to buy more machinery that only makes more machines but eventually these are going to increase the products that workers are asked to buy and restriction of their wages means they won't have the purchasing power to do so. It therefore makes sense to increase this purchasing power, without increasing wages, which is why we have credit cards and before that hire purchase. This is what has fuelled the boom in the United States and has increasingly fuelled the celtic tiger. However you can only borrow so much.

An obvious way out would be to increase wages to allow workers to purchase the increased production that arises from the increased investment that comes from the increased profits. But it is then clear immediately that this would mean lowering profits and this goes against the whole purpose of the system. Instead each individual capitalist tries to prevent his or her own company going out of business by talking about competitiveness. Let somebody else go out of business and when he or she stops producing we will be able to corner their market. In the meantime to make sure it is not their company that goes bust workers must accept that they must be competitive and accept lower

wages than competitor firms or countries. Of course this reduces market demand still further and exacerbates the crisis but from an individual capitalist's point of view it makes sense. They make things even worse by trying to expand production still further both to capture a competitor's share of the market and also to gain economies of scale. These reduce unit costs and thus increase the market for an individual company by making their products more affordable to a wider group of people. This often justifies new technology and new products as well as new working conditions requiring greater work effort and flexibility.

If these efforts work then higher cost firms will indeed go out of business because they are uncompetitive. Perhaps a wage cut might mean the firm lasts a bit longer although the determinants of success are usually a lot more than lower wages. In any case it is readily apparent that workers having excessive wages is not the problem and that any solution found by lowering wages could only be temporary. The real answer would be to ensure a proper and even balance between consumption and investment so that the problems of either too little productive capacity to meet demand or too little wages to buy what is produced can be avoided. This however would require a planned economy and planning could not exist in a system built on private ownership of the means of production and production for profit. The 'solution' based on wage restraint and job losses further reduces demand and makes the problem worse. More workers are told that there is no market for their goods or that someone else is making them cheaper. Once again reality is put on its head and workers are blamed for a crisis of competitiveness when it is the very idea of competition that is the problem.

It is necessary to go into this brief explanation because the ideas of the capitalist market have gone very deep when even its opponents start to embrace some of the ideas of its pernicious outlook. We can now fully appreciate the remark by Connolly that in trade union struggles temporary victory is all that concerns us because no permanent victory is possible until permanent victory is achieved. This permanent victory is

the creation of a new society called socialism.

Political

A great merit in the contribution of the ATGWU pamphlet is that the political problems posed by partnership are addressed. It is recognised that no purely trade union alternative to social partnership is possible. A new political project based on representatives of the trade unions and the Labour Party is proposed. This new project is to be based on a programme of higher spending on public services and economic development by the State. It is to be funded through higher taxation on capital and corporate profits and would prioritise the ending of poverty and social exclusion. It would also rest on the democratic foundations proposed for industrial democracy.

Socialist Democracy would criticise this project because no fundamental break with the capitalist system is envisaged. Nothing in the strategy would change the economy from one based on profit to one based on need. Nothing in it would challenge the powers of the existing State, which would inevitably be deployed to prevent any radical change. And nothing in it envisages the majority of society, i.e. the working class, actually taking over the power to run it. The existing Labour Party is looked upon as a possible vehicle for change when its whole history is one of the most craven prostration at the feet of the establishment. The need for an entirely new party of the working class is fundamental for the creation of a new society but this is, unfortunately, not proposed.

The second alternative from Kieran Allen of the Socialist Workers Party clearly understands the need for a revolutionary transformation of society and the building of a new working class party to lead the struggle for such a goal. (Allen 1999) In some ways, however, its strengths and weaknesses are opposite to those of the authors of the ATGWU proposals. Allen underestimates the political dimensions of the problem even when he seeks to highlight the importance of politics.

This begins with the analysis of the bureaucracy. *'Acceptance of capitalism also means that the unions separate politics from economics...The role of the bureaucracy is rooted in this narrow economic and sectional nature of trade unionism.'* (Allen 2000 p108-109) While this may be an accurate picture of the way the trade union leaders like to portray their role and that of unions generally, it is not at all an accurate picture of reality. This reality is one in which the trade union bureaucracy has fully embraced the politics of the capitalist class and foisted them on the trade union movement. As we have repeated ad nauseum, this requires a political response. The downgrading of the political aspect clearly has important implications for a proposed alternative.

'The alternative to social partnership is that workers get the freedom to make claims against employers when they choose. Sometimes this will be done on a workplace basis. Shop stewards should take a mandate from their members and submit claims for higher pay rises and better conditions and report back regularly on negotiations. Sometimes this will occur on an industry-wide basis as workers have established relativities with other workers.' (Allen 1999) As we have pointed out free collective bargaining of this nature has benefits in a booming economy but is exposed in a recession. Groups of weaker workers will always fall behind in either economic climate. While it is correct to say that each group of workers must be free to defend their own living standards and interests, this, in itself, is not an alternative.

Such an alternative would facilitate pursuit of particular claims as part of a broader strategy of solidarity within a trade union movement united around an alternative programme in opposition to the numerous attacks of the State and employers. Solidarity cannot be left to spontaneous movements of workers, impressed by the gains in struggle of other workers. The very point of a trade union movement with an organising centre is to provide organisation to such solidarity and give it a political programme. The question of a union-wide programme and what it would include is not canvassed in the analyses of Allen (Allen 1999 & 2000).

The problem is posed simply in terms of building a rank and

file movement and the observation that *'there is no set formula on what workers look for. The key is to go with the wishes of the rank and file and report back to them on a regular basis.'* (Allen 1999) This is fair enough, to a degree, on a shop floor basis but is utterly inadequate as an approach to building an alternative leadership of the union movement. Socialists must explain that an alternative leadership is the primary question that a rank and file movement must address. That to do this means identifying the tasks in opposing partnership and fighting for workers to embrace these tasks and the politics that flow from them. This leadership approach stands in contrast to that of following *'what workers look for.'*

To be fair Allen rightly identifies obstacles to such an approach; the legal restrictions on solidarity action, the sectionalism of trade unions and the key role of rank and file activity. The weakness lies in the role of socialist politics, which he says should inspire a rank and file movement. There is no mention of what these socialist politics should be. This weakness flows from two sources. First the SWP has been at the centre of campaigns against social partnership deals that have characterised them as simply wage agreements. More importantly it reflects the role that the organisation sees politics playing. Politics for the SWP is the generalisation of workers struggles and their politicisation by socialists like themselves. Thus as soon as Kieran Allen identifies *'the key to success is socialist politics'* (Allen 1999) he talks about the role of a political party, which usually means the SWP itself. Unlike the authors of the ATGWU proposals the question of a political programme and organisation is not one posed to the whole union movement, to every worker. In effect it is posed only to those who could realistically be expected at this time to join a revolutionary organisation.

We have noted that such an approach leaves politics to the left organisations while often reducing the politics of the left to militant trade unionism. It should be easily understood that resisting the attacks that have taken place under the disguise of partnership and fighting for an alternative is not the sole territory of socialist parties. It must embrace the whole working

class, which means the whole trade union movement must be armed with an alternative political programme. In any case the working class will not reject partnership or the policies of the right wing parties that promote them unless they are actually convinced that there is an alternative. Spontaneous rejection of policies that hurt them will never translate into lasting opposition or commitment to sacrifice in the struggle unless an alternative is presented and is convincing. This requires activity borne out of a deep and intellectually strong conviction in the politics of an alternative. The left must argue that the alternative requires a political programme that the whole trade union movement should endorse. What does such a programme look like?

Its actual content can only be determined in the course of fighting for it, informed by the challenges posed to it and by the struggles that workers take part in. The proposals here can be no more than provisional and cannot be viewed as comprehensive. However the history of partnership has provided numerous pointers to the politics that workers need to defend their interests.

The key task of socialists and militants in the trade union movement is to build a rank and file movement in each and every union that is more than the sum of the individual parts. In other words it must be a real unified movement which together formulates policy and strategy across the union movement while leaving the tactical interventions in each individual union to the rank and file groups in that union. It must also signal its determination to organise and fight for everyone, going beyond the sectionalism prevalent today by seeking to organise an unemployed section that becomes an integral part of the movement.

The primary goal of this rank and file movement is to create a militant and democratic trade union movement with a leadership drawn from, and accountable to, all the ordinary membership of the movement. The demands that we have highlighted above are the means by which it should aim to create such a movement. While seeking to organise the widest soli-

clarity for workers in struggle its primary aim should not be to try itself to organise solidarity action that can only be achieved by the unions themselves. Of course where existing leaders refuse and the rank and file movement has the capacity, it should not be afraid to organise action on its own. However even in this situation the challenge remains capturing the existing union, giving it a militant leadership and turning it into a genuinely democratic organisation. That, or creating a real alternative. While raising money and support for individual struggles is important a rank and file campaign's primary objective is to bring to workers in action the experience of all previous struggles and the lessons that need to be grasped if victory is to be won.

Its on-going activity must be centred on opposing social partnership and calling on workers to reject the Programme for Prosperity and Fairness. It must campaign for recall union conferences and an ICTU congress so that the arguments can be presented to the whole union membership and a mandate for opposition won. Such an alternative must exclude any re-negotiation of partnership deals, i.e. a new deal, which leaves the bureaucratic leadership in place and opens the way for further horse-trading of hard won rights and benefits. The alternative must involve a campaign of the whole movement to win gains for everyone. Such a campaign of direct action must have clear goals that are won through pressure on the State and bosses.

Opposition to partnership means opposition to all its bureaucratic paraphernalia used to shackle workers, prevent direct action and impose sellouts. This means opposition to the Labour Court and Labour Relations Commission etc. It also means opposition to the 1990 Industrial Relations Act and open defiance of the law that stops workers from defending themselves but allows companies to lay waste to people's lives.

We should demand a common wage claim across the movement that ties the power of the strong to the weak and refutes the charge that the weakest will lose out in a free for all. Such

a campaign would not exclude individual groups of workers from setting their own targets and fighting for them but would increase the prospects of solidarity because stronger groups would clearly be seen as key components of the union-wide movement upon which all workers gains are dependent. The trade union movement should demand indexation of wages on a real measure of rises in the cost of living so that inflation would not immediately erode wage rises that are won.

For a decent minimum wage with no get-out clauses that exclude young people or trainees. Decent social welfare increases must also be demanded so that the threat of poverty is not held over workers should they lose their job. Welfare payments must also be linked to the real rise in the cost of living.

The trade union movement must oppose business secrecy. All firms claiming inability to pay decent pay claims or notifying redundancies must have their books opened to worker's inspection so that their claims can be confirmed or refuted. If they are confirmed the company should be nationalised under worker's control with compensation paid only on demonstration of real need. The industrial development agencies of the state should be mobilised under the direction of the workers to give them the expertise to develop production plans that will safeguard their jobs. Workers should demand the same support that is regularly given to the richest multinationals that promise to set up shop in Ireland.

The trade union movement must oppose all privatisation of public services and semi-state companies. Again the industrial development agencies of the state should be put at the service of the workers of these firms to allow them to plan the development of their services along with representatives of consumers. Unions must reject all share option schemes that tie their workers to job losses and wage restraint which only benefits profits that go overwhelmingly to the biggest shareholders. Eircom should be re-nationalised under workers control with compensation only for small investors who should receive their original stake back. This should be

funded from a tax on corporate profits starting with those individuals, banks and management consultants that made so much money out of the whole rip-off.

The trade union movement should demand decent public services funded by proper taxation of capital, wealth and profits. Public services should be fully accountable to their users who should have a voice in the management structures of these services. Thus patients' representatives should have a full voice in a new health service that is managed by those that work in the service. Education must allow a voice for students as well as parents in a service managed by the people who actually deliver education.

The trade unions should oppose all new management techniques that are means of increasing the exhaustion and stress that more and more workers are suffering. They should oppose benchmarking which ties them to '*best practice*' as defined by their bosses and performance related pay that divides them and puts them further at the mercy of an irrational market system.

The union movement must stop supporting the European Union of the bosses and oppose the international treaties that enshrine neo-liberal attacks on workers rights through de-regulation and privatisation. Real international structures must be created that allow workers across Europe and beyond to fight the blackmail of multinational firms that threaten to pull out of one country if their interests are threatened. A rank and file movement would immediately attempt to identify similar movements in other countries so that solidarity action could set an example for the whole union movement. As we have argued, internationalism is a basic requirement of a movement that has been crippled by nationalism and incorporation by the national State. The alternative to capitalist globalisation is not nationalism. In this sense even the call for nationalisation will become more and more inadequate. Instead the only viable alternative will be *internationalisation* of multinational capital under workers control.

The unions should champion the rights of women inside and

outside the workplace demanding that equality become a reality and not simply a legal definition. Workers must also oppose the attempts to divide them, and unite them with their bosses, through scapegoating refugees. The solidarity of workers should know no barriers of nationality or skin colour and the poison of racism must be vigorously opposed. The bosses are happy for the free movement of money around the world – taking place in seconds through international speculation. The union movement must stand for the free movement of workers and oppose all racist immigration controls. The trade unions should seek to be at the forefront of all progressive causes and should oppose all attacks on civil liberties North and South.

Finally a rank and file campaign must address the arguments of the bureaucracy that many of these are political questions by freely admitting that they are, and demanding that the union movement sponsor a political party that will represent workers interests and fight for the implementation of these policies, as well as many others. The task of a political alternative for the working class should be a question put to the whole working class movement, not reserved to the most politically conscious workers who might be won to revolutionary socialist organisations. A rank and file movement should set its sights on winning unions and union branches to a conference that would debate the task of winning the whole working class movement inside and outside the unions to the creation of a political party that would represent the whole working class. Such a conference would set itself the task of taking the first steps in the creation of such a party and debating its programme.

This does not render irrelevant the small socialist organisations that already exist nor is it an alternative to them. This must be obvious since such a mass working class party does not yet exist, or is even a subject of widespread discussion. The purpose of such a call is to place the question of political organisation in front of the widest number of workers, especially those already willing to engage in activity and organisation. It does so in a way that shows them that it will be their

own creation. That it will be under their control and responsive to their demands. It is a way for the already existing left to demonstrate that they do not assume their own organisations are already adequate instruments of working class emancipation, that all they really need is just more recruits. It is a means of demonstrating that the socialist ideas that they advocate are vital to working class emancipation by maintaining that such a new party must not replicate on the political terrain the same reactionary politics that presently governs the trade union movement.

Conclusion

The bureaucratisation of trade unions right across the globe is proof that we are not dealing with failings of individual leaders or policies. Despite different origins in different environments all trade unions have ended up as props of the existing economic and social system everywhere. This raises two questions. Firstly, can the trade unions be reformed to become bodies truly representative of the interests of the working class? This is closely tied up to a separate question. Are trade unions adequate forms of organisation? The examples of struggle we have looked at clearly indicate that they are not. A traditional criticism of trade union organisation by socialists is that they have organised workers as they are exploited, not as they must organise for emancipation. In fact their purely national organisation is one proof that they no longer even organise as they are exploited.

We have already argued that often trade unions are a means not only of uniting but also of dividing the working class. This is clear in the teacher's strike where the existence of separate unions clearly worked against united action. In the nurses' strike lack of rank and file control allowed the leadership to betray the strike while other health workers in other unions were bystanders in a dispute that had huge implications for them. In the Ryanair dispute the workers almost achieved victory by action across the whole airport that ignored union lines of demarcation and organisation. Baggage handlers organised solely as baggage handlers would have achieved nothing.

Time and time again we have noted the public sector versus private sector split within union ranks. The failure to organise internationally has left the whole working class open to blackmail by multinational companies, which have demanded that the whole of society be organised around their requirements. The answer is clear: trade unions are not adequate forms of organisation to defend the working class as a whole. They cannot therefore be reformed to represent the real interests of the working class. This is why we need a political movement. The second question can therefore be asked and answered. If pure trade unions are not adequate what is?

'At the same time, and quite apart from the general servitude involved in the wages system, the working class ought not to exaggerate to themselves the ultimate working of these everyday struggles. They ought not to forget that they are fighting with effects, but not with the causes of those effects: that they are retarding the downward movement, but not changing its direction: that they are applying palliatives, not curing the malady. They ought, therefore, not to be exclusively absorbed in these unavoidable guerrilla fights incessantly springing up from the never-ceasing encroachments of capital or changes of the market. They ought to understand that, with all the miseries it imposes upon them, the present system simultaneously engenders the material conditions and the social forms necessary for an economical reconstruction of society. Instead of the conservative motto, 'A fair day's wage for a fair day's work!' they ought to inscribe on their banner the revolutionary watchword, 'Abolition of the wages system!' (Karl Marx, quoted in Lapidés) In other words, trade unions, whose job it is to demand a fair day's wage, are inadequate.

This does not mean abandonment of trade unions or the fight to transform them into instruments of defence of working class interests. We can only begin where workers are presently at, although this is by no means reducible to trade unions or purely or even mainly economic struggles. We can and must therefore engage in the struggle within the trade

union movement with a socialist perspective and not simply a militant trade union one. We must understand that the final goal is not to merely transform trade union organisations but to go beyond them, to create a political organisation of the working class. The programme we have outlined is a means by which workers can start from their existing organisations, test how far they can go and be clear that however the struggle develops their real goal is the creation of a political movement of the working class. Experience of working class struggle over nearly two centuries across the world has shown that such a movement must be led by a revolutionary political party. *'Considering, that against this collective power of the propertied classes the working class cannot act, as a class, except by constituting itself into a political party, distinct from, and opposed to, all old parties formed by the propertied classes. That this constitution of the working class into a political party is indispensable in order to ensure the triumph of the Socialist Revolution and its ultimate end – the abolition of classes.'* (Marx and Engels, quoted in Lapides)

A revolutionary party understands that the task of socialists is not to view the working class as an exploited class that must politicise its struggles against its exploitation in order to create socialism. Instead it understands that the working class must be viewed primarily as a political class that must intervene into every aspect of oppression and through doing so train itself to be the new ruling class of a socialist society. This is the ultimate alternative to the false idea of partnership with the capitalist class. To go beyond partnership is therefore to go beyond trade unionism.

Sources Consulted

Newspapers & Journals

Industrial Relations News.
Irish Times.
Socialist Worker.
Sunday Tribune.

Books & Articles

- Allen, K. (1997), *Fianna Fail and Irish Labour: 1926 to the Present*, London: Pluto Press.
- Allen, K. (1990), *Is Southern Ireland a Neo-Colony*, Dublin: Bookmarks.
- Allen, K. (1999), *Workers and the Celtic Tiger Why Partnership Doesn't Pay*, Dublin: SWP.
- Allen, K. (2000), *The Celtic Tiger The Myth of Social Partnership in Ireland*, Manchester University Press.
- ATGWU, (1999), *A New Agenda for Economic Power Sharing*,
Barret, A., Fitz Gerald, J. and Nolan, B. 'Earnings Inequality, returns to education and low pay', in B Nolan, P.J. O'Connell and C.T. Whelan, *Bust to Boom The Irish Experience of Growth and Inequality*, Dublin: IPA.
Central Bank of Ireland Winter 2000.
- Connolly, 'Revolt Brews in the 'Celtic Tiger'', *Socialism 2000*, Issue 6 spring 2000, Dublin.
- Craig, J., McAnulty, J. & Flannigan, P., (1996), *Ireland: The Promise of Socialism*, Belfast: Socialist Democracy.
- CSO, *National Income and Expenditure Accounts 1997 and 1999*.
- CSO, *Housing Statistics Bulletin*, June 2000.
- Derwin, D (1995), 'I'm Part of the Union But You Still Got Me', in *The Irish Reporter* no.20. Dublin.
- Derwin, D (2000), 'The PPF: A Deal Soon Undone?' in *Red Banner* no.7. Dublin.
- European Economy, *The EU Economy: 1999 Review*, No.69.
- Fitzgerald, R & Girvin, B, (2000), Political culture, growth and the conditions for success in the Irish economy, in B Nolan, P.J. O'Connell & C.T. Whelan, *Bust to Boom The Irish Experience of Growth and Inequality*, Dublin: IPA
- Gunnigle, P., McMahon, G. and Fitzgerald G. (1999), *Industrial relations in Ireland*, Dublin: Gill & McMillan.
- Hardiman, N (1988), *Pay, Politics and Economic Policy in Ireland 1970-1987*, Oxford: Clarendon Press.
- Honohan, P (1999), Fiscal Adjustment and Disinflation in Ireland: Setting the Macro Basis of Economic recovery and Expansion, in F. Barry (ed.) *Understand-*

- ing Ireland's Economic Growth*, Basingstoke; Macmillan Press.
- Keating, K. (2001), *Fighting Social Partnership*, Red Banner No.10.Dublin.
- Lapides, Kenneth, (1987) *Marx and Engels on the Trade Unions*, New York, International Publishers.
- Mandel, E., (n.d.), *On Bureaucracy a Marxist Analysis*, London: IMG Publications.
- MacSharry, R & White, P. (2000), *The Making of the Celtic Tiger The inside story of Ireland's Boom Economy*, Cork: Mercier Press.
- NESC, *Sustaining Competitive Advantage*, March 1998.
- O'Connell, P. J. (2000), 'The dynamics of the Irish labour market in comparative perspective', in B Nolan, P.J. O'Connell & C.T. Whelan, *Bust to Boom The Irish Experience of Growth and Inequality*, Dublin: IPA.
- North, David, (1998) *Marxism and the Trade Unions*, Australia, Mehring Books.
- O'Hearn, D. (1998), *Inside the Celtic Tiger*, London: Pluto Press.
- O'Hearn, D. (2000), Globalisation, "New Tigers", and the End of the Developmental State? The case of the Celtic Tiger, *Politics & Society*, vol.28 no.1 March 2000.
- O'Malley, E., (1998), 'The Revival of Irish Indigenous Industry 1987-1997', *ESRI Quarterly Economic Commentary*.
- O'Riain, S. & O'Connell, P.J., (2000), 'The role of the state in growth and welfare', in B Nolan, P.J. O'Connell and C.T. Whelan, *Bust to Boom The Irish Experience of Growth and Inequality*, Dublin: IPA.
- Post, C. (1999), 'Ernest Mandel and the Marxian Theory of Bureaucracy', in *The Legacy of Ernest Mandel*, London: Verso.
- UN, *World Investment Report 1998 & 2000*.
- UN, *World Economic and Social Survey 2000*.

Socialist Democracy Publications

Also in Print:

Ireland: The Promise Of Socialism
(Craig, McAnulty, Flannigan)

The Real Irish Peace Process
(Craig, McAnulty, Flannigan)

