

6. A New Social Contract – a New Social Dialogue

Patricia King,

On behalf of the Irish Congress of Trade Unions, I very much welcome the invitation from Social Justice Ireland to take part in this conference and am very much looking forward to the discussion with the other speakers and participants.

I would like to begin my presentation by saying a little about ICTU.

ICTU brings together over 40 trade unions in the Republic of Ireland and in Northern Ireland.

These unions in turn represent over 700,000 workers across the entire island, each of whom pays a membership fee of around €20-25 a month, a not insubstantial sum.

With more members than the total number of votes won by *each* of three main political parties in last February's general election, the trade union movement is one of the largest, if not the largest, civil society organisation in the country. We even have more members than the GAA, which reports a total membership of 500,000 (worldwide)!

Membership in fact grew by almost one fifth (18.8 per cent) between 2016 and 2019 in the Republic of Ireland. That's twice the 9 per cent increase in total employment over this period.

And the proportion of Irish adults saying they had a positive view of unions grew from 57 per cent to 72 per over the same period.⁶¹

As we are all too aware, Covid-19 has, tragically, taken the lives of over 2,800 people across the island of Ireland – 2,000 in the Republic and 800 in the North. Approximately 110,000 people have been infected – roughly one in 60.⁶²

⁶¹ Standard Eurobarometer 85 (May 2016) and 91 (June 2019). Question not asked in two later surveys.

⁶² As of 11 November.

The virus has caused unprecedented disruption to society, separating families and friends, and wreaked havoc on the economy, putting hundreds of thousands, especially young people, out of work.

Hopefully, with news over the past week or so about the first possible vaccine, we are at the start of the end of the pandemic.

But every one of us knows that we will not be going back to the way things were. Covid-19 has caused us to think about many things that previously we may never really have considered: the importance of good public services; the need for a social security system that provides *real* security in the face of sickness and unemployment; and about concepts such as inter-dependence and solidarity.

It has led us to reassess what we mean by ‘essentially work’; who really are the ‘essential workers’; and is it right that many of them are treated the way they are. And it has fundamentally changed the relationship between business and the state.

There is no doubt that a New Social Contract is needed.

The New Social Contract that Congress would like to achieve is set out in our ‘No Going Back’ policy document published in June.

For us, its principal components would include:

- An incomes-related social security system, that resolves in the first instance the issues around sick pay and pensions
- A universal, single-tier health system
- An investment programme in public housing that ensures that everyone who needs a home has one, by right
- A system of early years’ care and education that provides high-quality, affordable services
- A Just Transition towards a sustainable green economy
- And a new relationship between workers, employers and the state that remedies the scourges of low pay and precarious work practices, and that guarantees a living wage and decent work for every worker.

We believe it is possible to achieve such a contract over the coming years.

And we believe that social dialogue is central to agreeing such a contract.

The 2020 Programme for Government, *Our Shared Future*, says that the Government (quote) ‘recognises the importance of regular and open engagement with all sectors of society’.

The programme commits to strengthening existing mechanisms, such as the National Economic Dialogue and the Labour Employer Economic Forum; to ‘create new models of sectoral engagement’; and to ensure, ‘in all engagements’, that the roles of the Oireachtas and the Government in policy formation are ‘fully respected’.

So far, LEEF deals mainly with matters that relate specifically to the labour market, such as employment rights, or related matters that clearly affect the labour market, such as housing and early years’ care and education services.

In our view, agreeing a New Social Contract must involve all those who have a stake in the outcomes of economic and social policies. And the organisations that represent them must have the opportunity to shape those policies.

In our view, the National Economic and Social Council provides an excellent forum for developing in-depth policies on these matters. Its role could and should be enhanced in order to strengthen engagement with and between all sectors of society and to create new models of engagement.

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But I do want to address one important aspect.

I think the reference in the Programme for Government to respecting the roles of the Oireachtas and the Government reflects an often unstated but widely-shared concern that social dialogue somehow ‘usurps’ the policy-making and political processes, particularly if it mainly or only involves employers and unions.

But I also think it reflects a certain lack of clarity about what we understand or, perhaps more accurately, what we want or don’t want from social dialogue.

I would like outline what the trade union movement means by social dialogue and how we see it fitting in to the wider policy-making and political processes.

I think a good starting point is the understanding of social dialogue agreed by the International Labour Organisation (ILO). The ILO was the first international organisations that the Free State joined in 1923, and in 2017, Ireland was elected to its government body for the first time in our almost 100-year membership.

The ILO defines social dialogue as referring to (quote) ‘all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.’⁶³

This definition is also reflected in European policy-making.

The European treaties (Article 152) commit to recognising and promoting the role of *the* social partners at European level and to facilitating dialogue between *the* social partners.

Equally, the European Pillar of Social Rights (Principle 8 ‘Social dialogue and the involvement of workers’) states that *the* social partners ‘shall be encouraged to negotiate and conclude collective agreements in matters relevant to them...’ I refer to these approaches not to suggest that *only* unions and employers should be involved in social dialogue but to make the point that collective bargaining is *central* to social dialogue.

And since only unions and employers can negotiate a collective agreement and as employees’ incomes account for two-thirds of gross incomes in Ireland,⁶⁴ if social dialogue is portrayed as what in reality is *civil* society dialogue, then we are side-lining the principal mechanism through which workers can address the power imbalance inherent in the employer-employee relationship, and hence achieve fairer outcomes.

And that’s precisely what collective bargaining does.

International organisations such as the IMF, the World Bank, the OECD and the European Commission have all acknowledged over recent years the positive role played by collective bargaining in tackling inequality and, consequently, in promoting economic growth.

The OECD for example has concluded that the coordinated, sectoral bargaining systems found in many central and northern European countries, produces

⁶³ [%20a#:~:text=What%20is%20Social%20Dialogue,to%20economic%20and%20social%20policy.](https://www.ilo.org/ifpdial/areas-of-work/social-dialogue/lang--en/index.htm)

⁶⁴ CSO (4 July 2019) Income in Ireland <https://www.cso.ie/en/releasesandpublications/ep/p-gpii/geographicalprofilesincomeinireland2016/incomeinireland/>

much better labour market outcomes, in terms of higher employment, lower unemployment (particularly for women, young workers and migrant workers), greater wage equality *and* higher productivity, than the firm-level bargaining (if at all) systems found in the USA, the UK and many eastern European countries. That's why the OECD now recommends that all countries put in place (quote) 'a legal framework that promotes social dialogue in large and small firms alike and allows labour relations to adapt to new emerging challenges.'

That's why the European Commission, for the first time ever, came forward with draft legislation in late October aimed at ensuring that minimum wages provide a decent standard of living and at promoting collective bargaining.

That's why one of the main planks of President-elect Biden's programme is to present a plan within 100 days of taking office to promote worker organizing and collective bargaining.⁶⁵

These initiatives will be on the Irish policy-making and political agenda over the coming years. They will have to be addressed by all stakeholders.

How the policy-making and political processes respond will determine to a very large degree whether we achieve a New Social Contract or whether people are left behind, especially low-paid workers, workers in precarious jobs, and the hundreds of thousands of young people most affected by Covid-19.

We must all consider the possible consequences of such a development. I think the votes for Brexit in the parts of the UK that never recovered from the deindustrialisation in the 1980s represent a clear precedent that we cannot dismiss.

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In our *No Going Back* document in June, we said that a deeper engagement with unions *has* to be part of a broader, more inclusive dialogue and engagement with civil society, as well as more participatory decision-making and democratic reform at all levels.

A New Social Contract has to be a *democratic* social contract in the sense of having broad support.

⁶⁵ The Biden Plan for Strengthening Worker Organizing, Collective Bargaining and Unions <https://joebiden.com/empowerworkers/#>

We believe that such a contract is capable of addressing the many challenging facing Irish society and the Irish economy.

We in the Irish trade union movement are willing to play our part in agreeing such a contract.

ENDS

Annex

(Programme for Government reference to Social Dialogue)

The Government recognises the importance of regular and open engagement with all sectors of society. This is particularly important as we steer our way out of the pandemic, rebuild our economy, and support communities that have been severely impacted by COVID-19. We will:

- *Establish a unit in the Department of Taoiseach to coordinate social dialogue. It will create new models of sectoral engagement.*
- *Utilise public consultations and citizens' assemblies and strengthen current mechanisms such as the National Economic Dialogue and the Labour Employer Economic Forum (LEEF).*
- *Ensure, in all our engagements, that the role of the Oireachtas and Government in policy formation is fully respected.*