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Unions 'ready' to take short-term pay deal if public servants are insulated from inflation

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Fórsa general secretary Kevin Callinan. Picture: Dominick Walsh

Unions are “ready” to accept a short-term public pay deal if it means workers’ wages are better protected from inflation, a chief union negotiator has said.

Fórsa general secretary Kevin Callinan told the *Business Post* that while the government is in favour of multi-annual arrangements, unions are not ruling out the option of a single- or double-year deal to ensure wages keep pace with inflation.

It comes as union leaders were told to prepare for the possibility of strike action after exploratory talks for a new agreement ended on Thursday, with union reps and Department of Enterprise officials at odds over the framework of fresh negotiations.

There has not been an all-out strike in the public service in almost 40 years, according to Callinan. Action over the summer months would prove embarrassing for the government as it hosts the EU presidency.

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Unions are pushing for pay and living standards to be discussed at the beginning of talks and play a greater role in informing negotiations. However, the government favours an approach “similar to previous negotiations... pay is not discussed until the end, or near the end, of the process”.

“Accordingly, we have to prepare for the likelihood there will be no agreement in place from July 1 [when the current deal runs out] and the possibility that this will be the case for an indefinite period,” Callinan wrote in a letter to 19 unions representing public servants.

He told this newspaper that unions are pushing for pay to be discussed at the outset of negotiations as workers face “profound uncertainty” on numerous fronts due to war in the Middle East and technological advances. Higher inflationary forecasts have fuelled concerns over wages, he said.

While Callinan would not be drawn into specifics on how much unions would like to see public pay increased when negotiations do begin, he said that they will be advocating for pay hikes “influenced by inflation”.

He highlighted an announcement from the Central Bank on Thursday in which the regulator [revised its inflationary forecasts upwards](#). In a severe scenario, the bank said inflation could reach 4.8 per cent in 2027, 1.9 percentage points higher than in its central scenario.

“How are we meant to go back to members and say they won’t be protected?” Callinan said. “Unions or the government can’t provide absolute certainty, but we can provide as much certainty as possible.”

He said the government has indicated its preference to secure a multi-annual agreement, as has been the case with the last numerous public sector pay deals.

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“We’d be open to that but we are ready to do a short-term deal - and we are ready to take a defensive position if changes [to public servant pay or conditions] are imposed without agreement,” he said.

A source in the Department of Public Expenditure indicated that government officials are unlikely to yield to union requests to place talks of pay at the beginning of discussions. They said that recent public pay deals have “worked well, served the public well and achieved balance”.

On the threat of industrial action, the source said: “Of course unions would put that out there, it is an obvious bargaining chip for them.”

However, they acknowledged that there “is a lot to be said for industrial peace”, and said that department officials are “available and waiting” to begin negotiations.