

23rd October, 2015

An Taoiseach
Mr Enda Kenny, TD
Government Buildings
Upper Merrion Street
Dublin 2

Re: European Commission: Council Recommendation on the Establishment of Competiveness Boards within the European Area

Dear Taoiseach

We are aware that, at its meeting on the 21st October, the Commission has put forward a recommendation regarding the above.

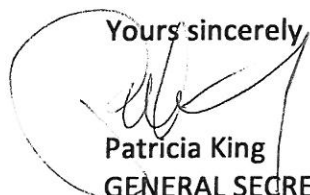
We wish to express our deep concern that such boards could infringe upon the autonomy of Social Partners in collective bargaining and wage setting. Such a mechanism is unacceptable to workers and their trade unions and would, we believe, lead to a wage 'race to the bottom' resulting in depressed internal demand, deflationary risk and prolonged economic depression within the Eurozone.

In this regard, the current architecture put in place by successive governments such as the National Competitiveness Council, provides sufficient analysis of competitive issues. The NCC, which includes two ICTU nominees has a sophisticated understanding of competitiveness that is not limited to nominal wages. The NCC does not intervene in the wage setting processes and this recognises the national practice and institutions for wage formation. It is unclear how an additional infrastructure performing similar functions would provide added value.

I would be obliged, therefore, if you would meet with us at an early date to relay to us the government's intentions in this matter and to afford us the opportunity to express our strong held view on this serious matter.

I look forward to hearing from you.

Yours sincerely,



Patricia King
GENERAL SECRETARY

cc An Tánaiste
Minister for Jobs, Enterprise & Innovation
Minister for Business and Employment
Commissioner Hogan