

# EXPLAINING THE TRAJECTORY OF COLLECTIVE BARGAINING IN IRLAND

2000-2017

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# INTRODUCTION: SOME FACTS

- Ireland: traditionally defined as “voluntarist country”, yet:
  - Decreasing union density + weak legislative support for CB
  - Increase in *individual* workers’ rights→ Shift towards a rights-based system
- Growing employers’ preferences for non unionised workplaces
- The national tripartite agreements (“Social Partnership”) collapsed in 2009 → reconfiguration of role of employers and workers organisations

# EXTENT OF BARGAINING

- Data on CB coverage are patchy, last data available is 40 per cent in 2009, but we can assume it diminished during the crisis for the following reasons.
- The extent of bargaining is shaped by level of trade union density, which has been falling consistently throughout the 1990s and 2000s → lowest point in 2016 (24 per cent)
- After the end of SP:
  1. Wage agreements in the public sector are still negotiated at the sectoral level between government and the unions, and apply to the whole sector
  2. In the private sector instead they are negotiated at the firm level and there are no extension mechanisms (with 2 exceptions)

# EXTENT OF BARGAINING (2)

- The only extensions mechanisms for the private sectors were called and employment regulation orders (EROs): and registered employment agreements (REAs)
  1. EROs set wages and working conditions for low paid sectors
  2. REAs covered mainly constructions sector
- They have been declared unconstitutional in 2011 and 2013 respectively, following legal challenges by some employers.
- Later reintroduced (under close observation by the Troika) but they cover less sectors and their scope has been reduced.

# SECURITY OF BARGAINING

- Irish legislation is unfavourable to development of CB:
  - Not only there are no extension mechanisms but..
  - There is **no legal right to collective bargaining**
- Industrial Relations Acts 2001/2004: In firms with no CB provisions, unions could go to the Labour Court to obtain a legally binding determination over pay, working conditions, conflict resolutions → effectiveness?
- Such laws has been made ineffective following Supreme Court judgment which in 2007 ruled in favour of Ryanair against the pilot union IALPA.
- Ryanair claimed successfully that CB was taking place through (non-union) employee representative committees.

# SECURITY OF BARGAINING (2)

- After “Ryanair” firms could avoid CB by establishing employees’ committees even without unions involvement → the number of cases to the Labour Court dropped to almost zero.
- The IRA2015 reintroduced a modified “right to bargain”:
  - Stricter representativeness criteria for unions...
  - But also stricter criteria for establishing independent non-union bodies at the firm level
  - Some first positive effects in the number of cases taken up by the labour court, but it is early to evaluate effect
- Recent efforts trade unions and left-wing opposition parties to strengthen pro-union legislation have been rejected by the government.

# LEVEL OF BARGAINING

- From 1987 to 2009 a series of centralised wage agreements (Social Partnership) set wage norms and a wide range of policies involving both public and private sector. Very strong degree of centralisation
- Collapse of the SP in 2009 after the government decided to unilaterally impose significant wage cuts in the public sector
- Since 2010:
  1. In the public sector the government negotiated further retrenchment policies with the unions, although under the threat of unilaterally imposed legislation if union members voted to reject the agreements. Two new agreements provided pay restoration in 2015 and in 2018.
  2. In the private sector, bargaining has been decentralised at firm level → which kind of decentralisation?

# LEVEL OF BARGAINING (2)

In the private sector emerged a form of **coordinated pattern bargaining** [Roche and Gormley, 2017]

- Since 2011 the manufacturing division of the largest Irish union (SIPTU) started to target employers in the sector (relatively sheltered from the crisis) asking for 2 per cent wage increases
- The increase was considered reasonable: in line with ECB inflation target; in line with trends in similar sectors in other EU countries
- The norm has been extended to other sectors by other unions
- The target has been raised with the beginning of the economic recovery

# DEPTH OF BARGAINING

- In the era of SP, national agreements were negotiated by peak-level organisations, with no involvement of local union members
- Attempts to develop workplace partnership mostly failed, and faded away after 2009
- Forms of consultation under the 2002 EU Directive remained weak thanks to legal loopholes
- End of SP meant at least an increase in involvement of union members and local workforce in formulations of claims and implementation of agreements.

# DEGREE OF CONTROL

- During the SP era centralised agreement exercised a high and increasing degree of control (“organised centralisation”) → Limited pay drift at the local level.
- Even with the end of social partnership it appears that the norm set by pattern bargaining has been respected
- The system for disputes resolution is rather complicated → Workplace Relations Committee (WRC) in 2015
- NERA (now embedded in the new WRC) was established only in 2005 after two blatant cases of breaches of employment law. In 2016, 37 per cent of employers inspected were found to be to some extent in breach of employment legislation

# SCOPE OF AGREEMENTS

- The SP agreements covered a broad number of topics beyond wage setting
- The end of tripartite agreements led also to a reduction in the scope of agreements:
  1. In the **public** the government negotiates with unions on pay, pension and workplace reform.
  2. In the **private** sector:
    - Concession bargaining at least in the first part of the crisis
    - Contrasting evidences for the period since 2010
    - Moreover, reduction in the scope of sectoral wage setting mechanisms

# CONCLUSION

- Most relevant institutional change in the last years is the end of Social Partnership, which seems unlikely to return
  - In the public sector, bipartite bargaining takes place but with reduced scope
  - In the private sector bargaining has been decentralised to the firm level, although pattern bargaining emerged
- The state has played an increasingly important role and the shift towards a rights-based system continued
- Most worrying aspect for the unions is constant decline in union density.
- However, the end of SP offers also opportunities for union renewal and increasing involvement of the union local members → key challenge is whether renewed union organising effort will be able to revert this negative trend