
THE TRANSFORMATION
OF PAY
DETERMINATION IN
IRELAND
SINCE THE GLOBAL
FINANCIAL CRISIS

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Literature on collective bargaining decentralization and its effects in Europe



Ireland in the literature

Research questions

- How can the level and type of coordination and the underlying dynamics of pay determination be portrayed and explained in a decentralized system such as Ireland?
- How has decentralized collective bargaining affected pay and conditions of employment and other bargaining outcomes?
- How might recent moves to intensify and widen the scope of 'social dialogue' in Ireland affect the conduct of collective bargaining?

Research Overview



Research methods

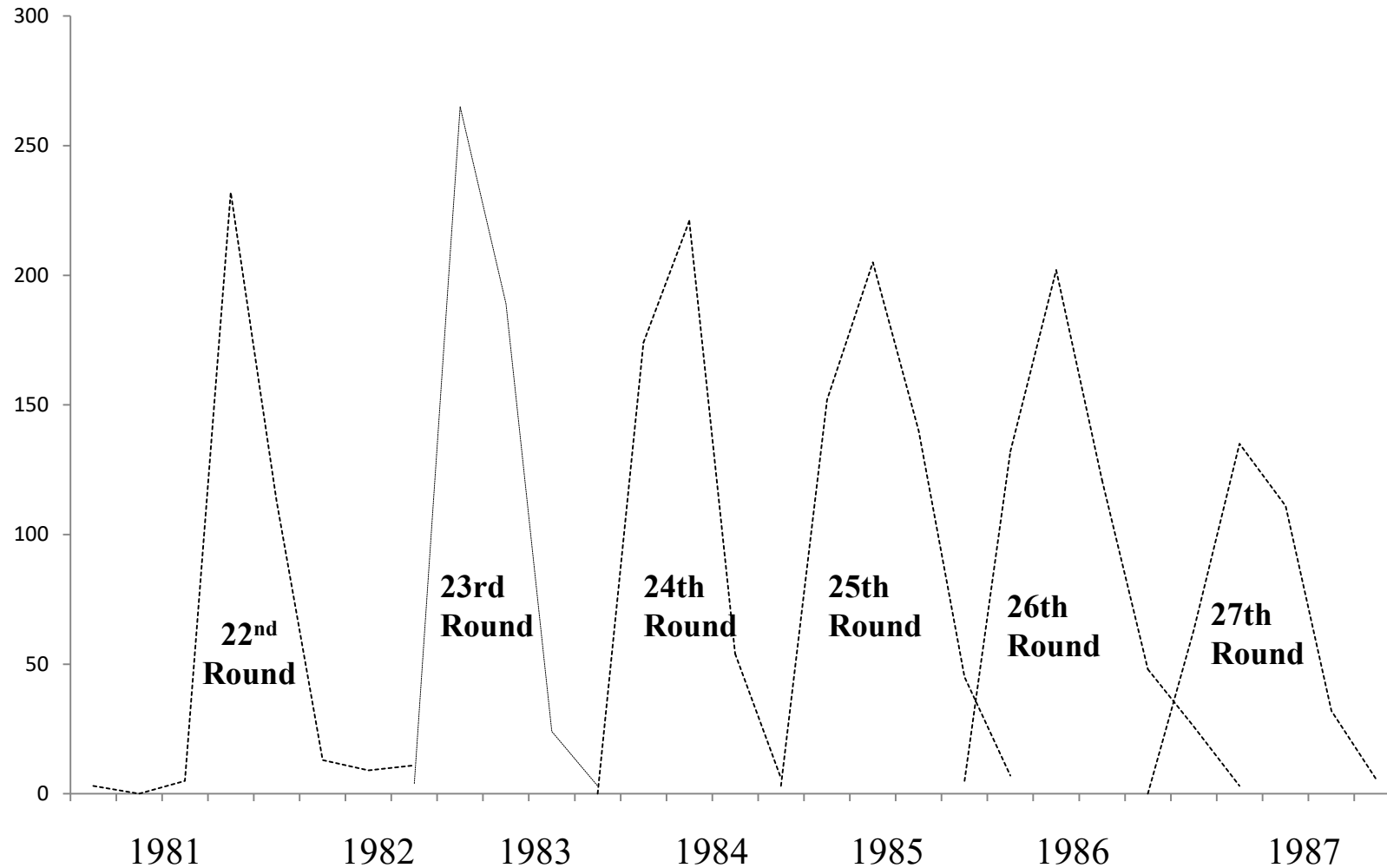
- Database of 1574 pay deals negotiated between 2011 and 2023
 - Substantively or statistically representative?
- Multiple other sources, including interviews
 - (14 TU officials) and 4 case studies
- Data mainly derived from union sources

Research findings

- 'Pay rounds' have disappeared – why?
- From 'pattern bargaining' (2% norm) to 'flexible coordination' (higher & more variable pay rises)
- Coordination mechanisms

Pay Rounds During 1980s Decentralized Bargaining

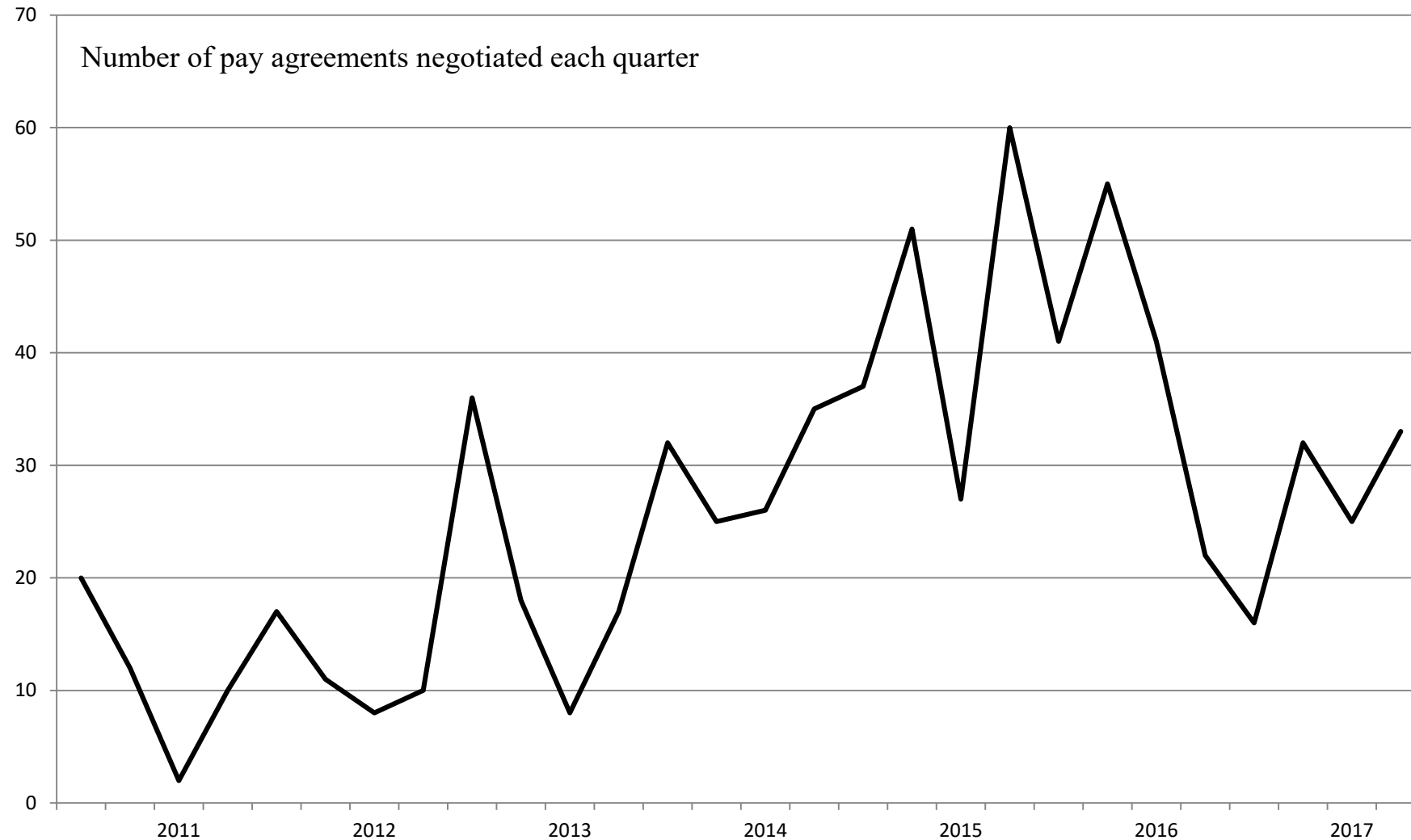
Number of
pay round
increases
taking effect
each quarter



Source: Data compiled from reports of pay round agreements in *Industrial Relations News*, 1981-1988.



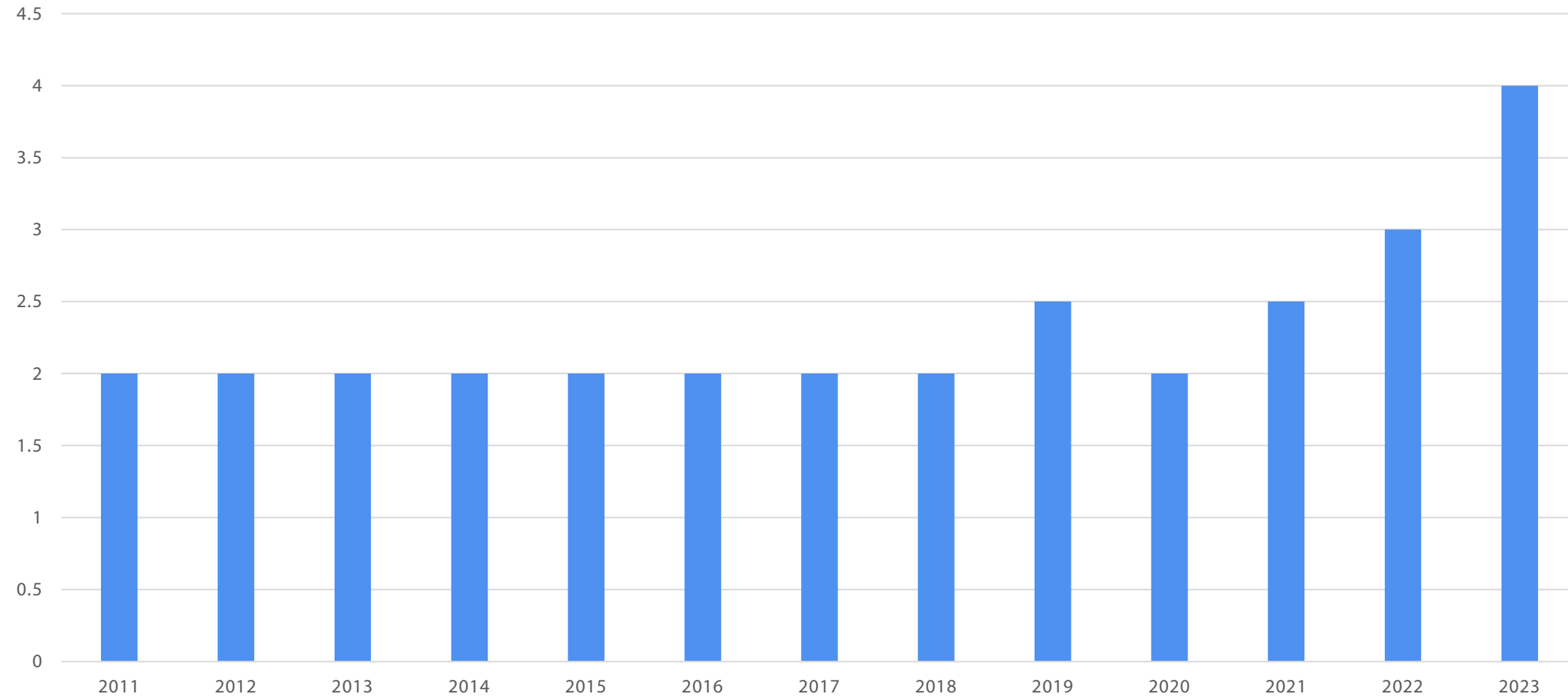
The Pattern of Pay Bargaining From 2011



Source: Pay Deals Database

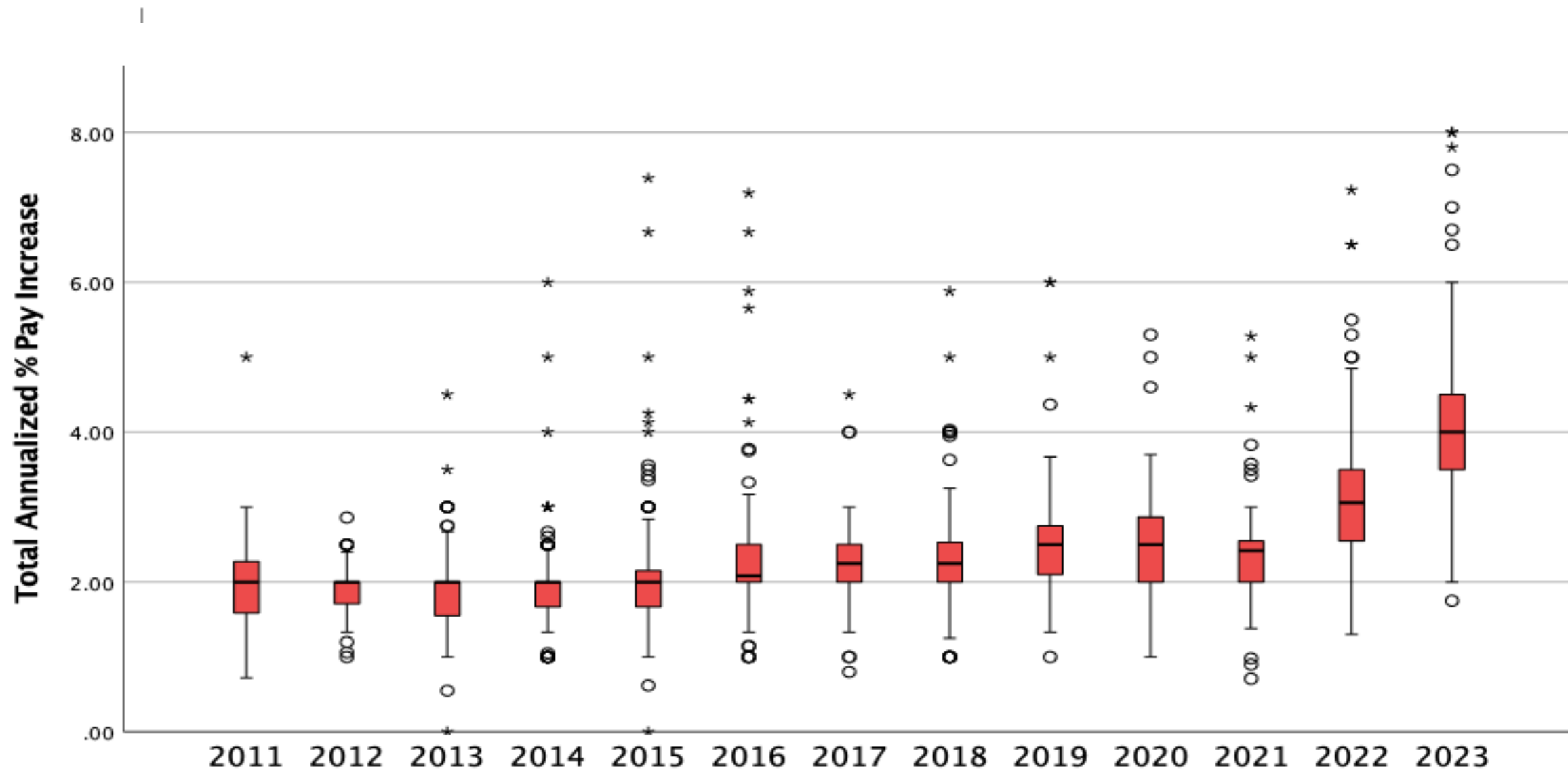


Modal % Annualized Pay Rises





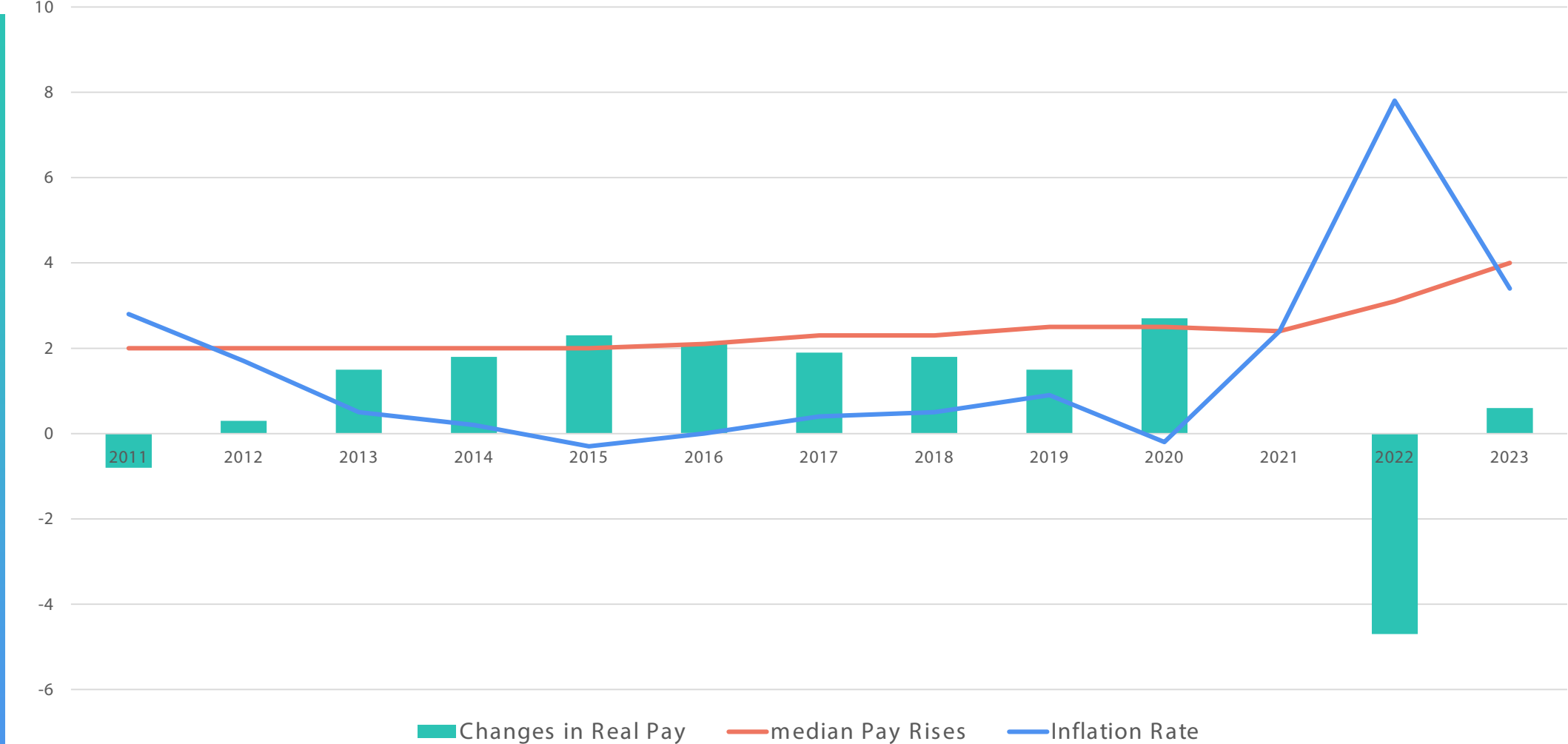
Boxplot of Annualized Pay Raises



Research findings

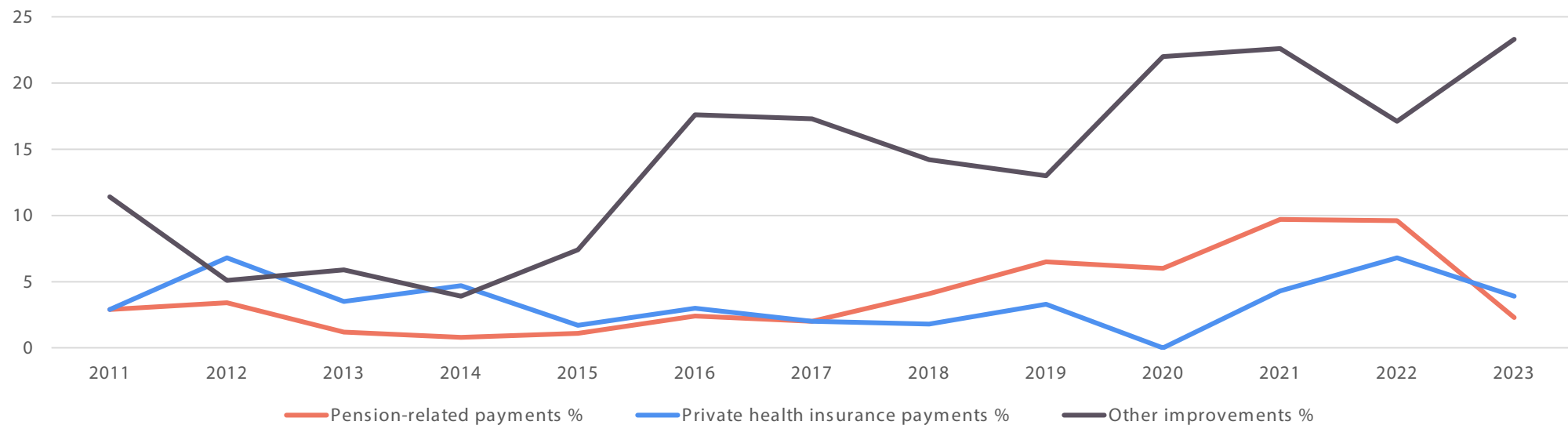
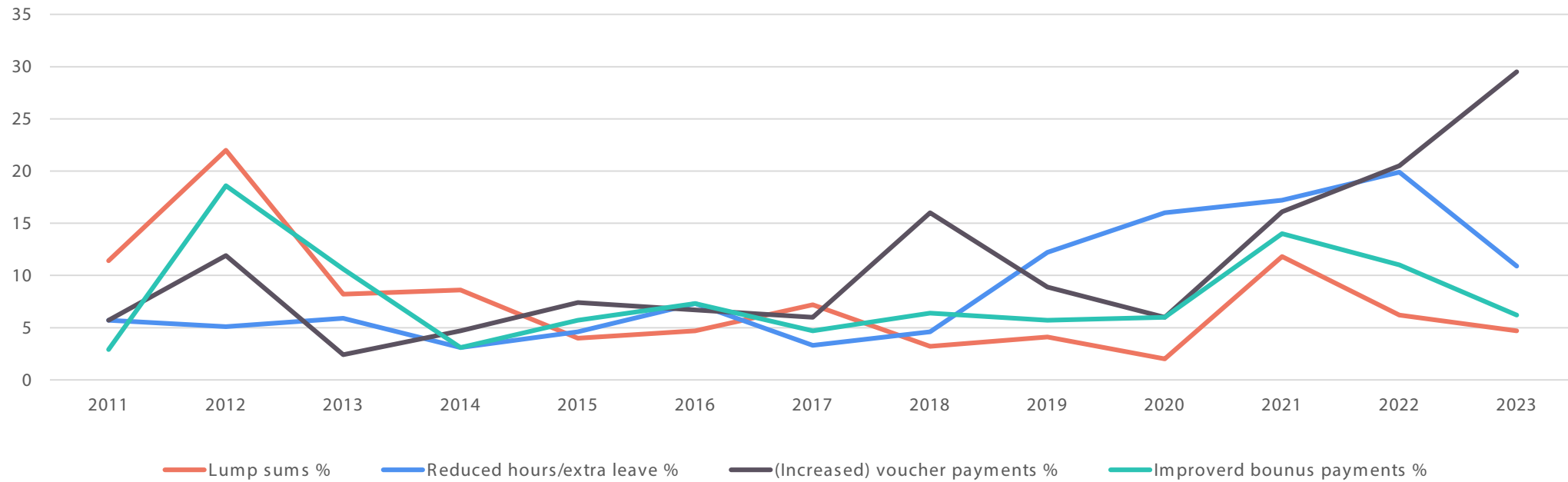
- Economic influences
 - **General:** competitiveness, predicted inflation, inflation + productivity; providing for variation in length of pay deals
 - OLS regression findings: predicted inflation (+); unemployment (-); local productivity concessions (+)
- Pay and conditions improve incrementally & significantly.
- Pay rises have become more dispersed but unions set containment objectives.
- Few disputes & little industrial conflict.
- Bargaining outcomes
 - Satisfactory for unions across a range of objectives
 - New pay model(s) not countered by employers
 - Trends metrics on pay satisfy state and EU authorities.

Trends in Median Pay Rises, Annual Inflation and Real Pay

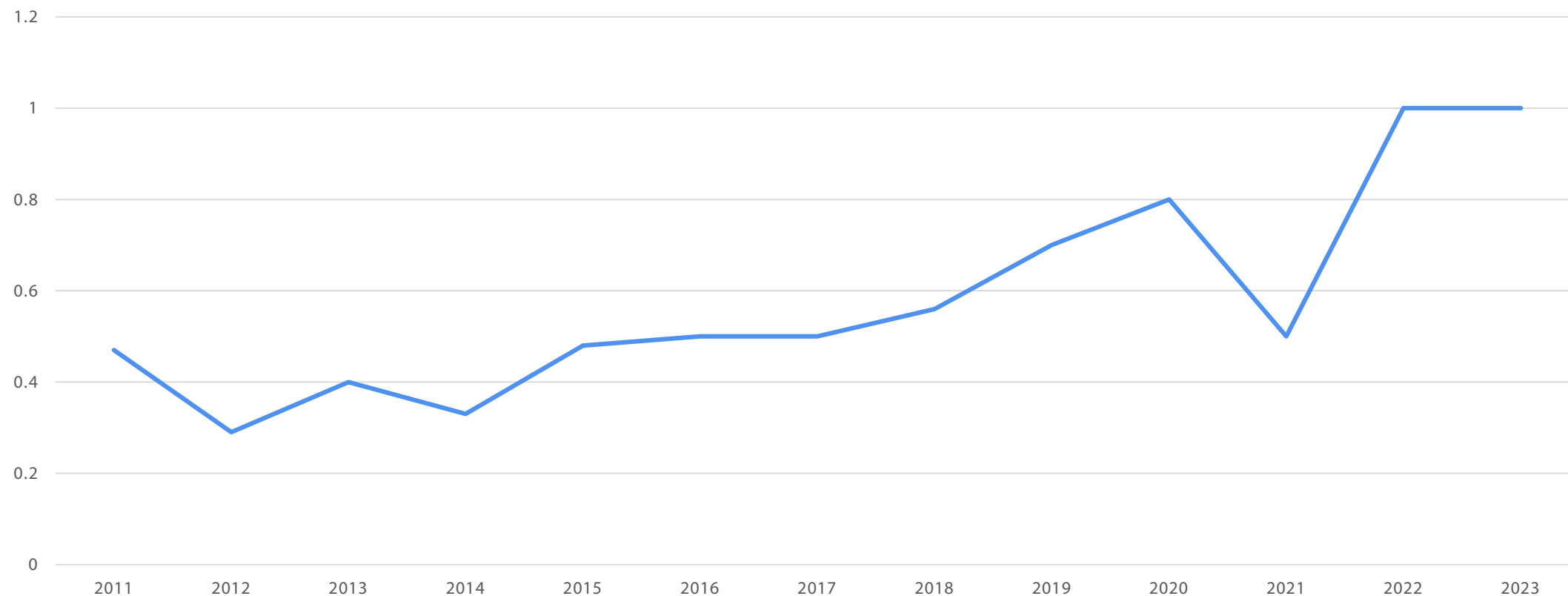




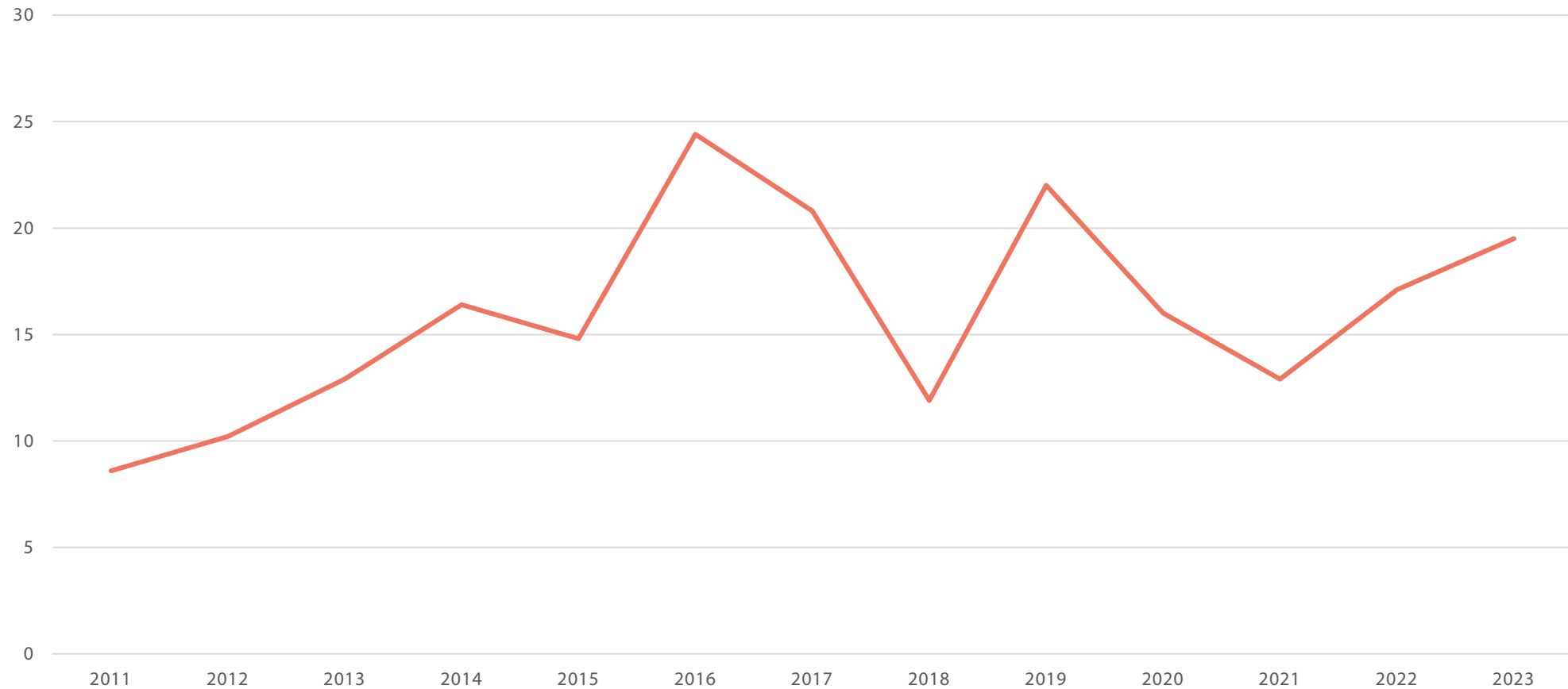
Agreements (%) Providing for Improvements in Terms & Conditions of Employment



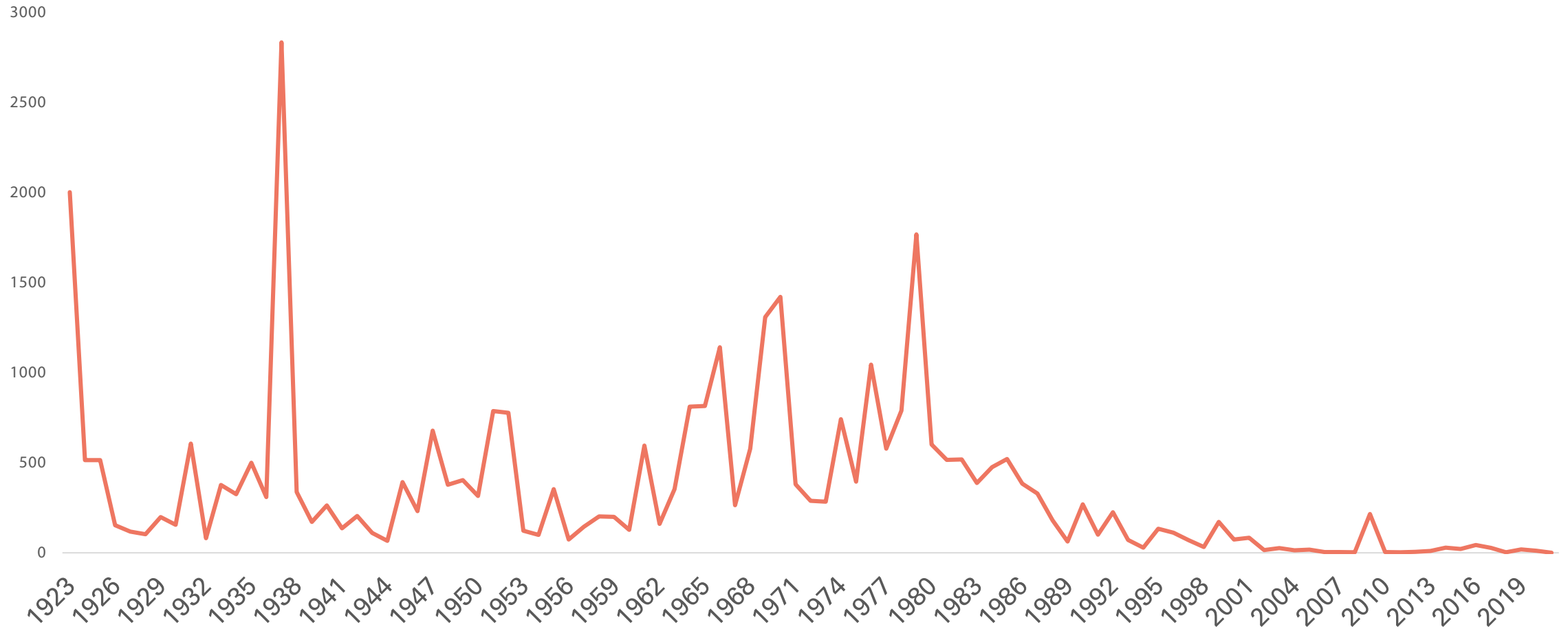
Trend in the Dispersion of Pay Rises – the Interquartile-Range



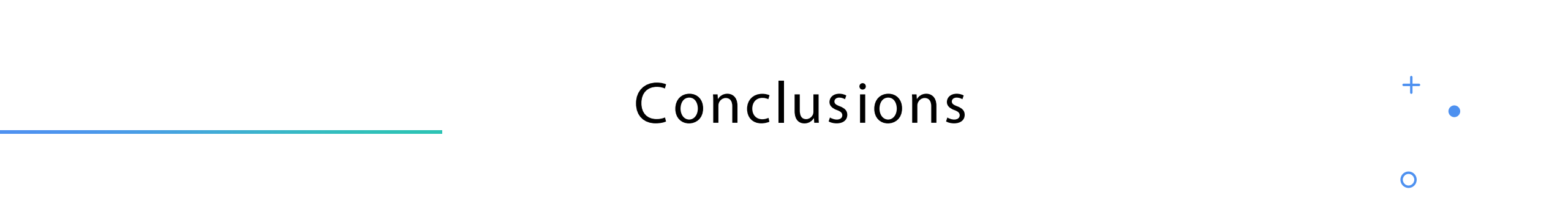
Disputes (% Deals Involved) Referred to the Labour Relations Commission/ Workplace Relations Commission/ Labour Court



Working Days Lost Due to Strikes per 1000 employees



Conclusions



Unions have 'internalized' macro and micro-level economic influences negotiating economically sustainable agreements.

Ireland as a case of 'dynamic adaptation' involving significant coordination.

Not in line with international and comparative view.

Vogue in 'social dialogue' and the prospects for 'organized recentralization'.

THANK YOU

Any questions?

