

The background of the slide features four small, light-colored, cone-shaped pots arranged in a row. Each pot contains dark soil and a young plant seedling. From left to right, the seedlings show a progression of growth: the first is a small sprout with a single leaf; the second has two small leaves; the third has two larger leaves; and the fourth is the tallest, with two well-developed leaves. The lighting is warm and focused on the plants, with a dark, blurred background.

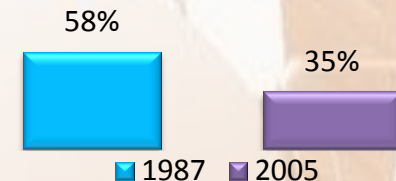
# DIADSE Project

Irish Country Report  
February 2016

Robert Mooney

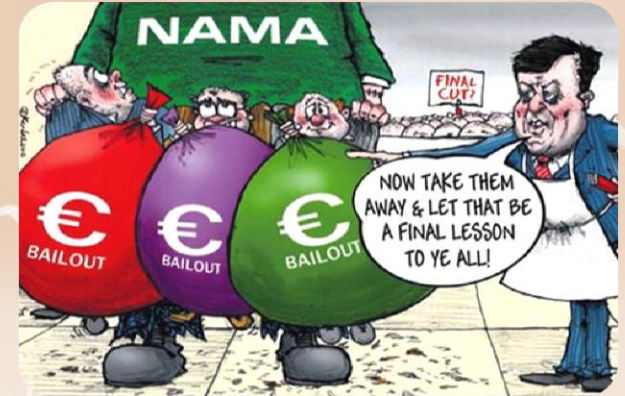
# Social Partnership in Ireland 1987 to 2008/9

- Programmes:
  - Programme for National Recovery (1987)
  - Programme for Economic and Social Progress (1990-1993)
  - Programme for Competitiveness at Work (1994-1997)
  - Partnership 2000 (1997-2000)
  - Programme for Prosperity and Fairness (2000-2003)
  - Sustaining Progress (2003-2006)
- Range of social and economic issues
- Reduction of trade union density
- Employment rights legislation
  - Payment of Wages Act 1991 - addressing deductions from wages
  - National Minimum Wage Act 2000 - set minimum wage rates
- Sectoral wage determination mechanisms including remuneration and conditions of employment of a particular class, type or group of worker.
- These remained based on the based on the Industrial Relations Act 1946 and were revised in the 2015 Act



# Growth and Decline

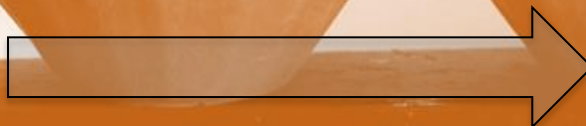
- Boom: many of these programmes were in the context of achieving a positive investment climate, near full employment, relatively low inflation, reduction in national debt, and stable industrial relations
- 2008: Economic crises hits
  - Controversy: bank guarantee of €440 billion
  - “Not burning the bond holders”
- 2009/10: Social Partnership
  - Discussions between trade unions, employers and public sector trade unions and the government set the foundations for a new national wage agreement following the Croagh Park Agreement
  - Public Service Stability Agreement (Haddington Road): pay reductions, new pension conditions, pay terms for new entrants to the public sector, but no compulsory redundancies
  - Financial Emergency Measures in the Public Interest (No. 2) Act 2009 was passed
  - Private sector employers withdrew from SP in 2009 due to disagreements on pay: SP collapsed and was never revived
  - National minimum wage reduced to €7.65





# Growth, Decline and Regrowth...

- 2010 continued ... the Troika
  - 28<sup>th</sup> November 2010 EU/IMF *Programme of Financial Support* worth €85billion
  - Fiscal consolidation, financial sector reforms and some structural reforms of the Irish Labour Market
- 2011 to 2013
  - New government: Fianna Fáil and Green Party Coalition were blamed for the financial crises reflected in poor results in the 2011 general election and a Fine Gael and Labour coalition were elected to office
  - Immediate reversal of minimum wage decision to €8.65 under the Social Welfare and Pensions Act 2011 (now at €9.15 as of the 1<sup>st</sup> of January 2016).
  - In December 2013 Ireland officially left the bailout programme
- 2015...
  - Current mechanism is the Action Plan for Jobs
  - Industrial Relations (Amendment) Act 2015 – conditions of employment including zero hour working conditions'
  - National Minimum Wage (Low Pay Commission) Act 2015- rates of pay

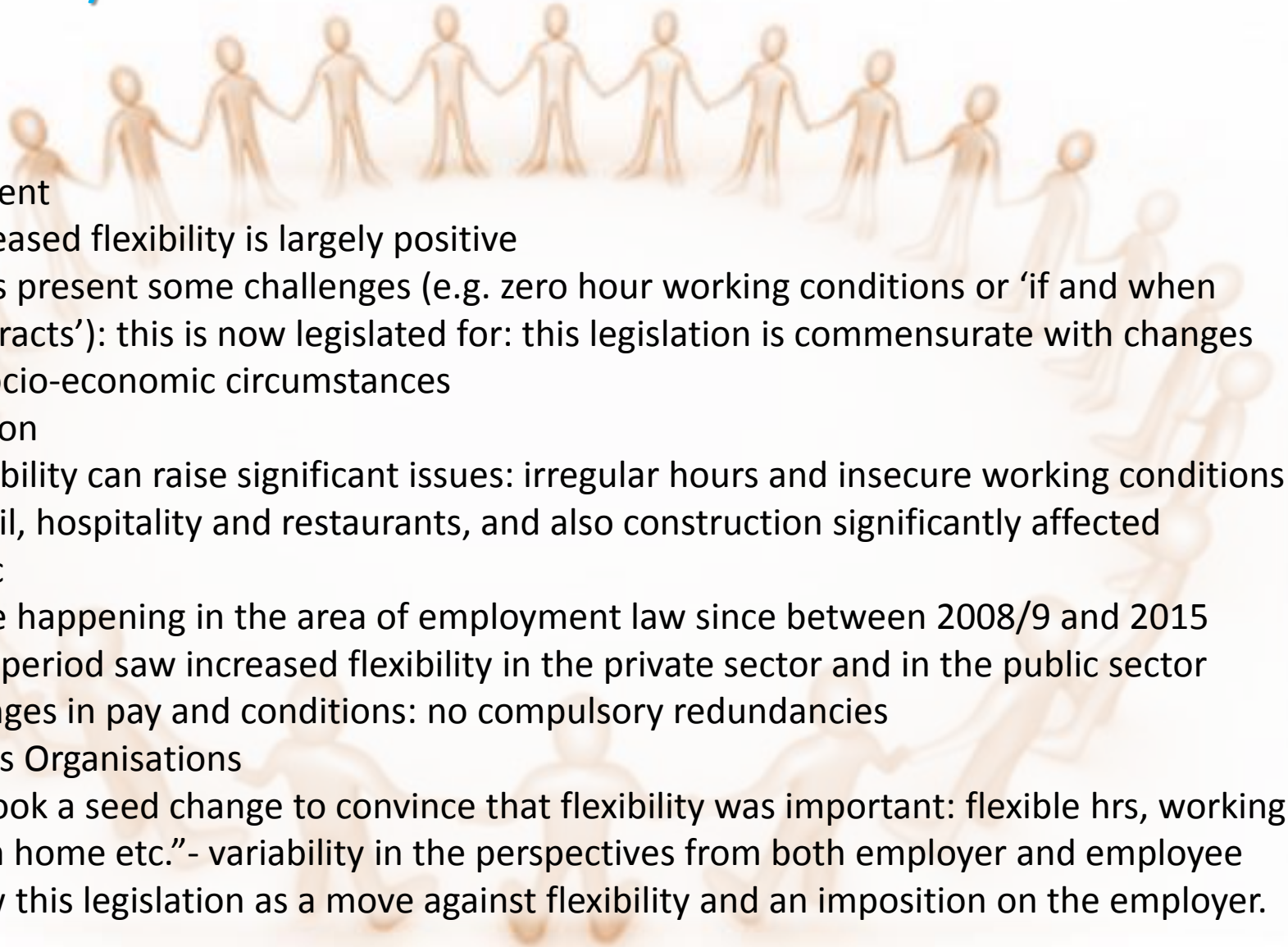


# Qualitative Research



- Examine these issues and the legacy effect conducted qualitative research
- Opinions of the key stakeholder:
  - 8 in-depth interviews between 45 and 90 minutes in length
  - Mid to late 2015
  - Targeted non-probability sampling allowing us to capture a depth and breadth of opinions
- Stakeholders included:
  - Government Officials: DJEE 2
  - Trade Unions: ICTU and TEEU 2
  - Academic Community: UCD and NUIG- 2
  - Employers / Business Organisations: SFA and IBEC 2
- In person (5) where possible and by Skype (2) or Phone in 1 case.

# Flexibility



- Government
  - Increased flexibility is largely positive
  - Does present some challenges (e.g. zero hour working conditions or ‘if and when contracts’): this is now legislated for: this legislation is commensurate with changes in socio-economic circumstances
- Trade union
  - Flexibility can raise significant issues: irregular hours and insecure working conditions
  - Retail, hospitality and restaurants, and also construction significantly affected
- Academic
  - Little happening in the area of employment law since between 2008/9 and 2015
  - This period saw increased flexibility in the private sector and in the public sector changes in pay and conditions: no compulsory redundancies
- Employers Organisations
  - “It took a seed change to convince that flexibility was important: flexible hrs, working from home etc.”- variability in the perspectives from both employer and employee
  - View this legislation as a move against flexibility and an imposition on the employer.



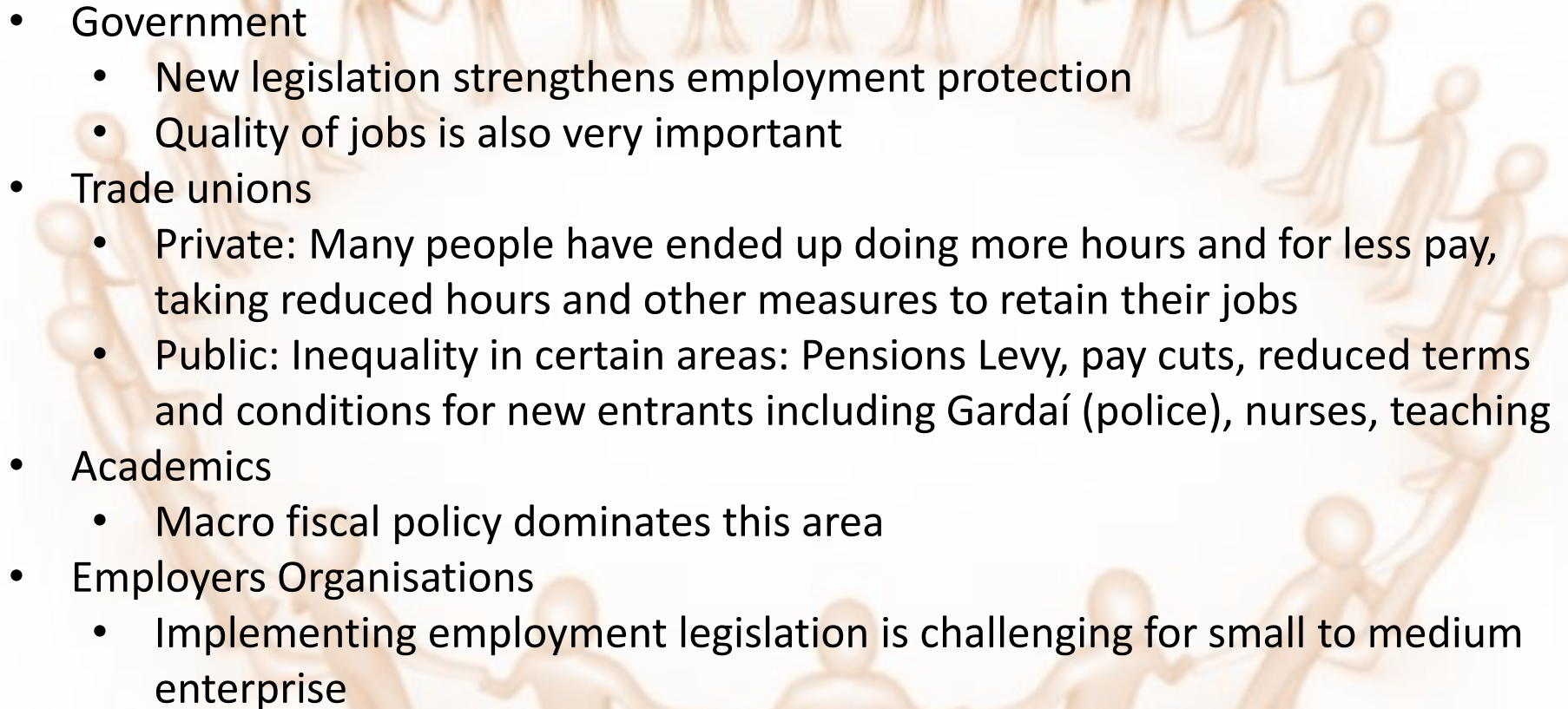
# Employability

- Government
  - Targeting people through policies: Action Plan for Jobs: JobBridge (internships), JobPath, Intreo , Solas, and Turas Nua (retraining)
  - Protecting wages through sectoral employment orders is critical
- Trade unions
  - These measures did little to improve 'real' employability as many initiatives with little actual training or mentoring- JobBridge in particular
  - Some of these initiatives reduced the unemployment figures
- Academics
  - Huge increase in internships and 'transition to work' for under 25's
  - Many cases these are highly educated people with little real life experience
- Employers Organisations
  - Very positive attitude to new programmes as they provide low cost employment placements and respond to challenges emerging in Ireland in the recovery due to skills shortages (as a result of emigration)- e.g. health and construction

“One of the big issues now is that unemployment is decreasing and we are seeing skill shortages in certain areas.... short conversion programmes implemented at local level enable people to turn around skills programmes... new apprentices in medicine, technologies, high end manufacturing and pharmaceuticals can make a lot more people employable without having to go to 3<sup>rd</sup> level”.

*Female, Employer Organisation*

# Protection

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- Government
    - New legislation strengthens employment protection
    - Quality of jobs is also very important
  - Trade unions
    - Private: Many people have ended up doing more hours and for less pay, taking reduced hours and other measures to retain their jobs
    - Public: Inequality in certain areas: Pensions Levy, pay cuts, reduced terms and conditions for new entrants including Gardaí (police), nurses, teaching
  - Academics
    - Macro fiscal policy dominates this area
  - Employers Organisations
    - Implementing employment legislation is challenging for small to medium enterprise

“Any legislation passed in recent years has tried to strengthen legislation and not water it down. We would take some credit for being able to maintain the level of protection for employees”.

Male, Government



# Vulnerable Groups

- Government:
  - Believe they are targeting initiatives like JobPath, Intreo, JobBridge, Turas Nua and point to the reversal of the reduction in the minimum wage
- Unions:
  - Points to pay cuts, changes in new entrant to the public sector creating inequality while increases in productivity were required
- Academic:
  - There was support for these groups, but only in the sense that supports were not cut more harshly
- Employer Organisations:
  - Believe that income tax increases were the wrong way to approach equity and that addressing measures such as zero hour contracts are counterproductive
- Huge variability here...

# Austerity Measures and Social Dialogue

- Government
  - Social partnership collapsed in 2009
  - Some productive dialogue retained with unions and employers: including IBEC, Congress and the DJEE.
- Trade union
  - Argue that there is no formal process at all anymore
- Academic
  - In the public sector; the government at least was able to retain negotiations with unions- so there was some form of social dialogue; e.g. Haddington Road
- Employers Organisations
  - Bilateral talks
  - “It has created an era of industrial peace as pay rates have been going nowhere for the past few years”.
  - Maintain competitiveness in international employment market

“Social partnership collapsed in 2009: it didn’t have the capacity to deal with the shock that hit and everyone folded their tents and went away”.

Male, Government

“Advisory groups on small business working with the DJEE, finance groups in the DoF, working group on public procurement in the Office of Public Works. ... not be anyone from farming, or from the community, so it is not the old pillar, but it includes interested parties advising government on how to create a more pro-business environment”.

Female, Employer Organisations

# The Involvement of the Courts



- John Grace Fried Chicken Ltd v Catering Joint Labour Committee
  - 12<sup>th</sup> May, Fast food restaurant in Cork challenged the Industrial Relations Acts 1946 and 1990
  - High Court case 2011:
    - 1946 and 1990 Acts failed to set out anything that could properly be described as policies or principles directing or informing Joint Labour Committees and the Labour Court as to the matters to be taken into account in carrying out the task of fixing wage rates and conditions of employment and thus the powers delegated to those bodies were excessive and amounted to an impermissible transfer of power from the Oireachtas (the Irish Parliament) contrary to Article 15.2.1 of the Constitution
  - In response the Oireachtas passed the Industrial Relations (Amendment) Act 2012
    - Joint Labour Committees, when formulating their proposals, to take into account a variety of factors, such as the legitimate commercial interests of employers and levels of employment and wages in comparable sectors both in Ireland and within the European Union



# Troika and the Labour Market

- Memorandum of Understanding of November 2011
  - An employer might apply to the Labour Court, where there is a substantial risk that a significant number of workers would be laid off or made redundant or where the sustainability of the employer's business would be significantly adversely affected, for a derogation down to the level of the national minimum wage for one or more recurring periods up to a maximum of two years.
  - There should be a requirement that Joint Labour Committees be reviewed every five years.
  - There should be a requirement for the committee and the Labour Court, to take into account, where enterprises in the sector in question are in competition with enterprises in other Member States, the general level of wages in the enterprises in that other Member State.
  - The extent of any Employment Regulation Order be restricted.

## Responding to the Crises

# Social

“There are more structures focusing on the regional level and the local level. The Action Plan for Jobs works well; it has targets and a skills agenda on a regional level which allow fit the effective roll out at this level. This was also in response to the rural/urban divide”.

Female, Employers Organisations

“Tensions have not been significant”

Female, Trade Union



# Central to decentralised bargaining

- SP had become large, complex and ineffective
- There has been fragmentation on all levels: public and private
- This leads to a lack of transparency and inclusivity
- One suggestion (employer organisation) was that this is a centralised concept and is outdated as is the union model which relates to the hierarchical model where a capitalist employer exploits its blue collar employees; Google was cited as an employer that exemplifies a new form of employment where employees are treated extremely well

Social Pillars: “it was very difficult to see the hall there were so many pillars in it”  
Male, Government

“SP is in retreat; this was beginning to happen in advance of the recession anyway. The recession further eroded the salience of SP in the European model”.  
*Male, Academic*



“There are a number of targets: to reduce unemployment, public expenditure, etc. [they have been reached]. In terms of macroeconomic outcomes, other than progress made in terms of targets achieved, there is not so much reform of the labour market. The focus has been on macro finances; anything else that happened has been incidental.”  
Male, Academic



Have reforms been achieved?



# Restoration of the Registered Employment Agreement system

- Industrial Relations Amendment Act 2015:
  - empowers the Minister for Jobs, Enterprise and Innovation to make "sectoral employment orders" regulating the terms and conditions relating to the remuneration, and any sick pay or pension scheme, of workers in a specific sector of the economy
- Other responses to the crisis:
  - Minister for Public Expenditure and Reform all government departments would be required to achieve a 10% reduction in overtime payments and a 5% reduction in the cost of allowances/premium payments
  - New sick leave scheme for the public service: Public Service Management (Recruitment and Appointments) (Amendment) Act 2013

# Observations

- SP (before 2008) had become large, overly complex and ineffective / inefficient and viewed as being operated by those with no electoral mandate
- Institutional and Democratic Deficit
  - Bilateral discussions: reduced transparency, inclusivity and governance
  - Powerful lobby groups now have access to government without other voices
- Research illustrates that there are radically different perspectives:
  - Market perspective takes the approach that economic planning in the market will ensure stability for all
  - The unions take a rights based approach and are critical of the lack of new legislation and the failures of, and challenges in, the implementation of legislation
  - The government perspective includes a heavy emphasis on legislating with little real focus on implementation
  - The academic perspective is critical of any one single viewpoint
- Different definitions of what constitutes 'good practice'

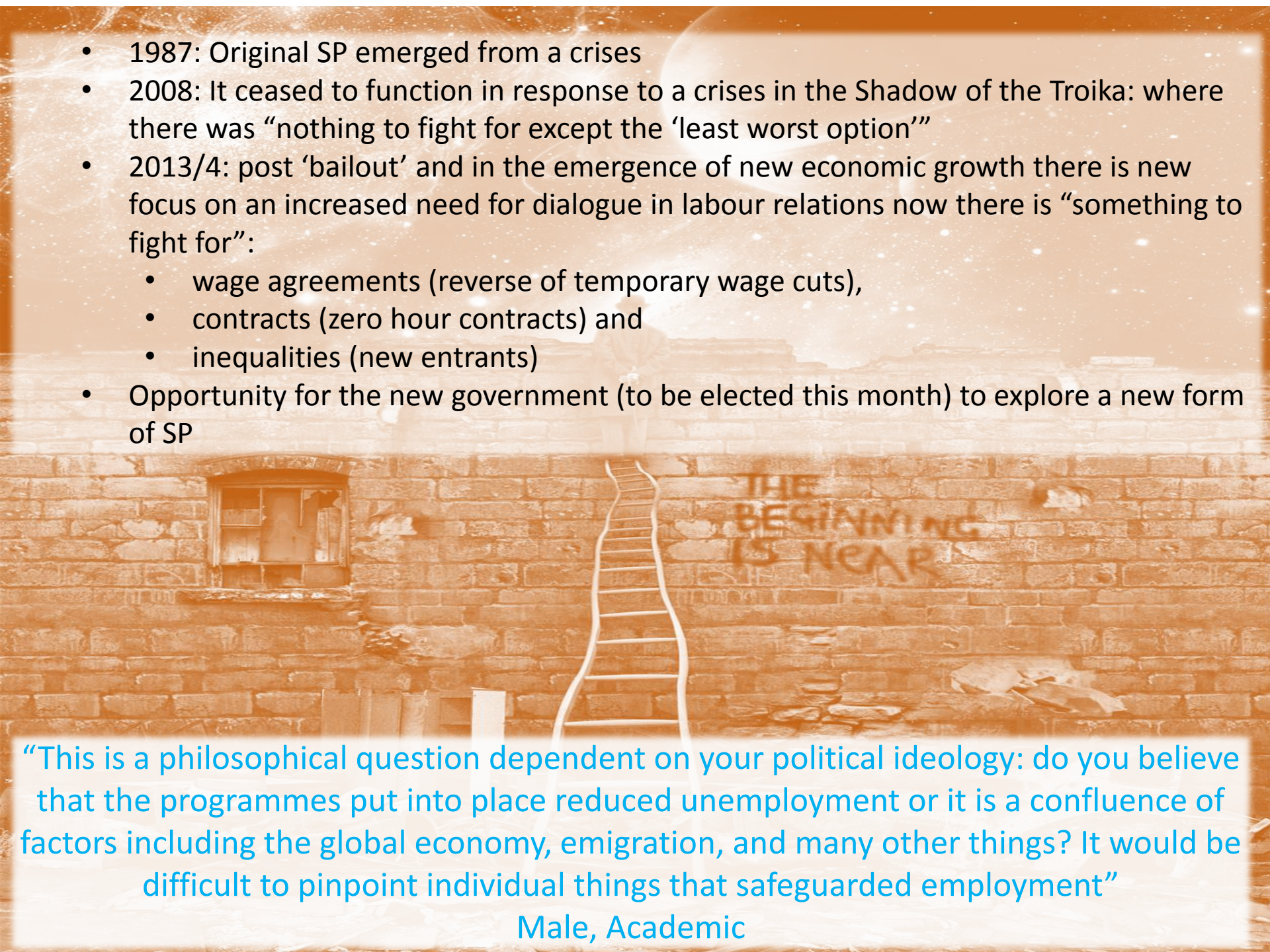
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*Male, Academic*

Social Pillars: "it was very difficult to see the hall there were so many pillars in it"

*Male, Government*



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- A person is climbing a white ladder against a brick wall. The wall has a small window on the left and graffiti on the right that reads "THE BEGINNING IS NEAR". The scene is set against a bright, hazy sky with a large, glowing orb. The entire image has an orange tint.
- 1987: Original SP emerged from a crises
  - 2008: It ceased to function in response to a crises in the Shadow of the Troika: where there was “nothing to fight for except the ‘least worst option’”
  - 2013/4: post ‘bailout’ and in the emergence of new economic growth there is new focus on an increased need for dialogue in labour relations now there is “something to fight for”:
    - wage agreements (reverse of temporary wage cuts),
    - contracts (zero hour contracts) and
    - inequalities (new entrants)
  - Opportunity for the new government (to be elected this month) to explore a new form of SP

“This is a philosophical question dependent on your political ideology: do you believe that the programmes put into place reduced unemployment or it is a confluence of factors including the global economy, emigration, and many other things? It would be difficult to pinpoint individual things that safeguarded employment”

Male, Academic