

## Ireland – National efforts for increased CB coverage

November 2023

In March 2021, while the minimum wage directive was still being negotiated, Ireland's government set up a tripartite high-level working group "to review collective bargaining and industrial relations in Ireland"... "so that Ireland will be well-positioned to meet its obligations under EU law."

In its report published in October 2022, the working group recognised that "the draft EU legislation was of paramount importance." The key focus of the working group lay on ways to strengthen collective bargaining to fulfil the directive's obligation to increase coverage from currently 34% towards the adequacy threshold of 80%.

The key problem was the employers' reluctance to engage in negotiations with trade unions – both at sectoral and at enterprise level. Against this background, the working group's recommendations aimed at ending the employers' *de facto* veto power on the establishment of new sectoral agreements by creating incentives and soft pressure for employers to participate more actively in sectoral bargaining.

These measures represent a form of sectoral bargaining which sets out legally enforceable employment conditions and minimum rates of pay in particular in low-paid sectors where collective bargaining is limited or absent. Similarly, the working group seeks to improve collective bargaining at the company level by obliging employers to engage with trade unions in a 'process of good faith', however, without an obligation to reach an agreement.

The process will be initiated by a written request from a trade union to an employer, to engage in bargaining on pay and/or terms of employment for the relevant category of workers. Then the trade union must establish thresholds of membership. Trade unions (SIPTU) plans to outline a toolkit and an organising strategy to reach 80% coverage. Unions are motivated to work hard to seize the opportunity to reverse former setbacks in this respect.

The working group does not wish to exclude companies with fewer than 50 workers from collective bargaining, as the case is now. Furthermore, it recommends the development of a code of best practice on company bargaining.

The Irish example might be good for countries with a well-established labour relation system. However, some of the elements can no doubt be used in other regions too along with efforts for better organising. It seems to be a good example of how the minimum wage directive does not only increase pay rates but also increases collective bargaining coverage. And Ireland is one of the member states where the directive triggered reform proposals before it was even adopted.

This so-called 'Good Faith' process will need to be enacted by Parliament in the course of 2024, as it now has the status of a paper approved by Government.

**Edited by industriAll Europe.**