

“Far too early” to set collective bargaining target – Coveney

ANDY PRENDERGAST

The Minister for Enterprise, Trade and Employment Simon Coveney has said there “is not the same demand for union membership in some sectors of the economy as there is in others” and that it “is far too early for the Government to be setting a specific target.”

Speaking in the Dáil last week, Minister Coveney said the social partners will begin work on what should form Ireland’s ‘action plan’ to promote collective bargaining, next month.

The action plan forms part of Ireland’s obligations under Article 4 of the Directive on Adequate Minimum Wages, which applies to Member States with collective bargaining coverage below 80%.

Member States are expected to have completed and published action plans by the end of 2025, but, the Minister said, “it is hoped we will be able to shape it long before then.”

A general election will have to take place between now and the deadline to publish collective bargaining action plans; it remains to be seen if the direction and content of the action plan will be influenced by the election.

Answering questions from Sinn Fein Deputy Louise O’Reilly, the Minister said that a technical group within the social partner Labour Employer Economic Forum (LEEF) has been set up to develop the action plan.

The work of the LEEF subgroup on collective bargaining, chaired by the Minister of State, Neale Richmond, which is exploring mechanisms to encourage greater collective bargaining coverage in Ireland, will also feed into the action plan.

EFFORT, NOT RESULT

In November of last year, an EU expert group reported on how the Directive can be transposed. Regarding the action plan, the report notes that there is “an obligation of effort, not of result” (the 80% threshold is “an indicator triggering the obligations ... and not a mandatory target to be reached”) and that the design of the framework of enabling conditions “is entirely up to Member States.”

On the process for designing the framework of enabling conditions, Member States can provide for this framework by law after consulting the social partners; or by agreement with

them. ICTU and Ibec diverge as to whether new legislation is needed to transpose the Directive (see IRN 04/2024).

The Directive does not foresee sanctions if these efforts do not lead to an increase in collective bargaining coverage. In this regard, Member States are required to regularly review action plans, at least every five years, and update them if they are found to be ineffective.

The Commission services explained that the framework of enabling conditions and the action plan should be seen as complementary, with the former establishing an overall regulatory framework (more in line with the elements included in Article 4(1)), and the latter including more concrete measures with a specific timeline. The Directive does not suggest particular measures, leaving it to the discretion of Member States in line with national traditions and practices, and respecting social partners' autonomy.

NO TARGETS SET

Minister Coveney noted that the Department, through the permanent representation to the EU in Brussels, is now engaging with other Member States "to share best practice with regard to the development of the action plans."

He said that Ireland has not set targets on bargaining coverage and that "it is important to say we are a long way short of that 80% figure."

"Ireland's economy is different from many other economies around Europe. There is not the same demand for union membership and representation in some sectors of the Irish economy as there is in others. I think it is far too early for the Government to be setting a specific target", he explained.

The Minister added: "What we will do is facilitate and be part of discussions between employers and union representatives to see how we can have an appropriate action plan designed to ensure there are no barriers to the setting up of trade unions in the future and that the action plan is consistent with the approach being asked of us by the European Union, which we buy into."

He also noted that "industrial unrest is not a major feature" of Ireland's economy and that "there is a lot working well in industrial relations and relationships between employers and employees in Ireland today."

"Can we improve it? I think we can, and this action plan can be part of that. Let us see how that debate progresses between the social partners", he said.