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Wallace, Joe; Dineen, Donal A.

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Joe Wallace, Donal A. Dineen*

Irish Services: The Industrial Relations Dimensions of a Rapidly Growing Sector**

This paper sets out to sketch the main elements of the services sector expansion, which Ireland has experienced over the last decade or more. The first section of the paper contains a review of the general changes to the Irish services sector, which have taken place since 1987. The second section gives an overview of the Irish industrial relations system, followed by a set of case studies focusing on wages and key industrial relations issues in four sub-sectors of services; banking, retailing, contract cleaning and tourism. The paper concludes with an analytical examination of developments within the Irish industrial relations system in general, and the services sector in particular. The paper demonstrates that services sector growth has largely been driven by macroeconomic developments rather than targeted initiatives. The development of a social partnership model of industrial relations is often cited as the main contribution to Irish economic success, however, this is only one of the contributory factors and the extent of its contribution is a matter for debate. More importantly the Irish model of social partnership, characterised, as it is by high variance in income distribution, low personal and corporate tax rates, is distinctly different from the neo-corporatist model, which is associated with Scandinavia in the 1950s to 1970s. This has led to severe strains in the Irish model of social partnership.

Irische Dienstleistungen: Industrielle Beziehungen in einem schnell wachsenden Sektor

Dieser Beitrag setzt an der Expansion des Dienstleistungssektors an, die Irland in der letzten Dekade erfahren hat. Der erste Abschnitt gibt einen Überblick über den allgemeinen Wandel des irischen Dienstleistungssektors seit 1987. Der zweite Abschnitt beschreibt überblicksartig das irische System industrieller Beziehungen und präsentiert Fallstudien aus vier Dienstleistungsindustrien (Bankwesen, Einzelhandel, Reinigungsdienste und Tourismus) zu zentralen Fragen der Lohnentwicklung und der industriellen Beziehungen. Der Beitrag schließt mit einer Analyse der Entwicklungen innerhalb des irischen Systems industrieller Beziehungen im Allgemeinen und innerhalb des Dienstleistungssektors im Besonderen. Insgesamt zeigt der Beitrag, dass das Wachstum des irischen Dienstleistungssektors eher durch Makrofaktoren denn durch gezielte Initiativen getrieben ist. Die Entwicklung eines Industrial Relations-Modells sozialer Partnerschaft wird oft als wichtige Erklärungsgröße des irischen Erfolges angeführt. Dies ist jedoch nur eine Erklärungsgröße, deren Bedeutung zudem noch umstritten ist. Wichtiger ist, dass sich das irische Modell sozialer Partnerschaft mit seinen großen Unterschieden in der Einkommensverteilung sowie niedrigen Personen- und Unternehmenssteuern signifikant vom neokorporatistischen Modell der skandinavischen Länder in den 50er und 70er unterscheidet. Ergebnis sind deutliche Einschränkungen des irischen Partnerschaftsmodells.

* Joe Wallace, is a Senior Lecturer in Industrial Relations and Head of the Department of Personnel and Employment Relations at the University of Limerick. His main research interests are Irish industrial relations and the changing nature of collective bargaining.

Donal A Dineen is Professor of Public Policy Analysis and Head, Department of Economics, University of Limerick. His research interests include tourism policy evaluation, labour market analysis and issues relating to the social economy.

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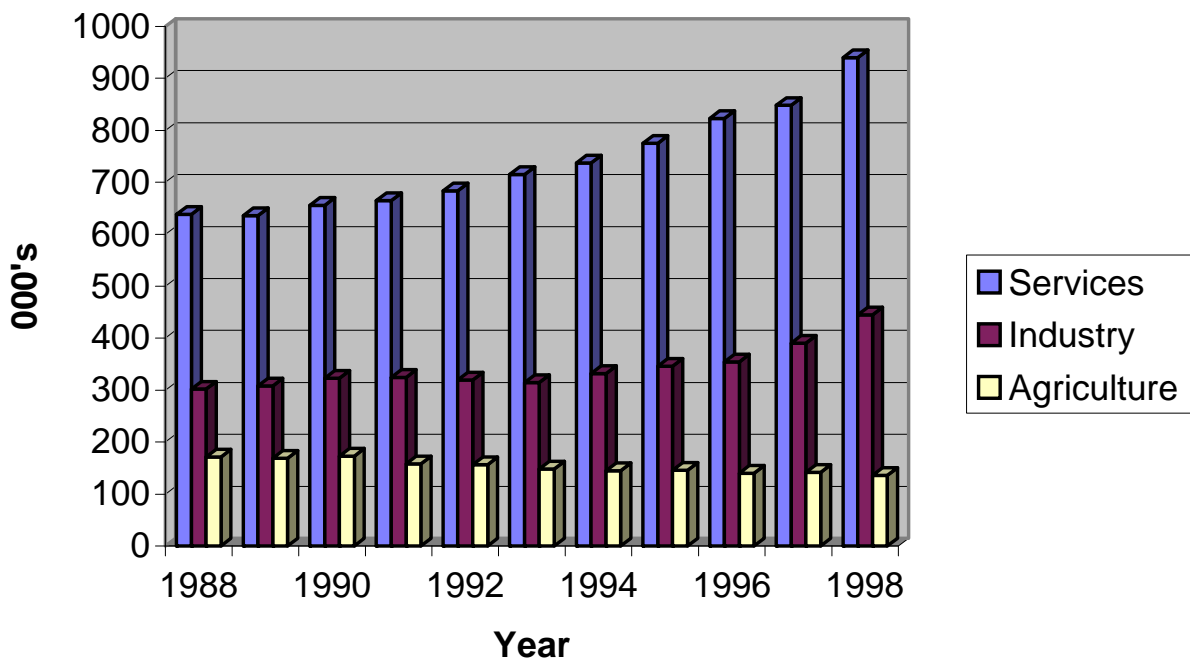
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The Services sector: an overview¹

It is now well documented that the Irish economy has been among the best performing economies in the world in the last six years. There have been two concomitant aspects of this growth. The first is a growth in manufacturing industry and the second a booming services sector. Figure 1 illustrates the changes in employment for the three main sectors of the economy, which have taken place since 1987. Growth in services sector employment (33%, 1988-1997) has been accompanied by a decline in agricultural employment and a significant growth in industrial employment (more than 30%, 1987-97). There has been growth in employment in the services sector in every year since 1989, with exceptional growth being experienced in 1995, (over 6%) and in 1998 (over 10%). Tansey (1998:35) notes, „in both absolute and proportionate terms, the services sector made the biggest contribution to employment growth during the 1990s”.

Fig. 1: Numbers Employed in the Principal Economic Sectors, 1988-1998
 (Source: CSO 1987-1997; Figures for 1998 from CSO 1999a. ILO basis for data)



1 The authors would like to express their appreciation for permission to use the results of research from a comparative study of the European services sector, which was undertaken for the Norwegian Institute for Applied Social Science (Fafo). This research is due out in the forthcoming publication „At Your Service: Comparative Perspectives on Employment and Labour Relations in the European Private Services Sector, Jon Erik Dølvik (ed), PIE Lang European University, Press Brussels.

The annual Labour Force Survey data show that growth has taken place across all sub-sectors of services from 1988-1997, with the largest growth, 67 per cent, in the „other services” category (Table 1). There was an expansion of over 30 per cent in the categories such as transport and communications, professional services, and commerce, insurance. The lowest growth, at 5.8 per cent, was experienced by public administration and is a reflection of the attempts to control public expenditure by Irish Governments since 1987.

Table 1: Employment in Services Sub-sectors 1988 and 1997
Source: Derived from CSO 1987-1997. ILO basis for data

Services sub-sector	1988 (000's)	1997 (000's)	Change 1988-1997 %
Commerce, insurance, finance and business services	226.8	295.6	30.3
Transport, communication and storage	64.2	84.6	31.8
Professional services	187.4	244.2	30.3
Public administration and defence	71	75.1	5.8
Other services	88.9	148.5	67.0
<i>Total</i>	638.3	848	32.9

Occupational changes in employment

The specific job changes in the composition of services employment from 1981 to 1997 are contained in Figure 2. The largest increase, from 1981 to 1997, has taken place in the personal services worker category. This is defined as catering occupations, domestic servants and cleaners and other service workers. Personal services frequently involve low paid employments with low union density. At the other end of the „job quality scale”, there has been substantial growth in professional, associated professional, sales and managerial occupations, which is indicative of a substantial growth in well-paid services sector employment. In the private sector, this is also employment that is substantially non-unionised and governed by individually negotiated wage rates and conditions and not by collective agreements. The most significant decrease, at 29 per cent, has been in manual labouring jobs followed by a 22 per cent decrease in agricultural occupations.

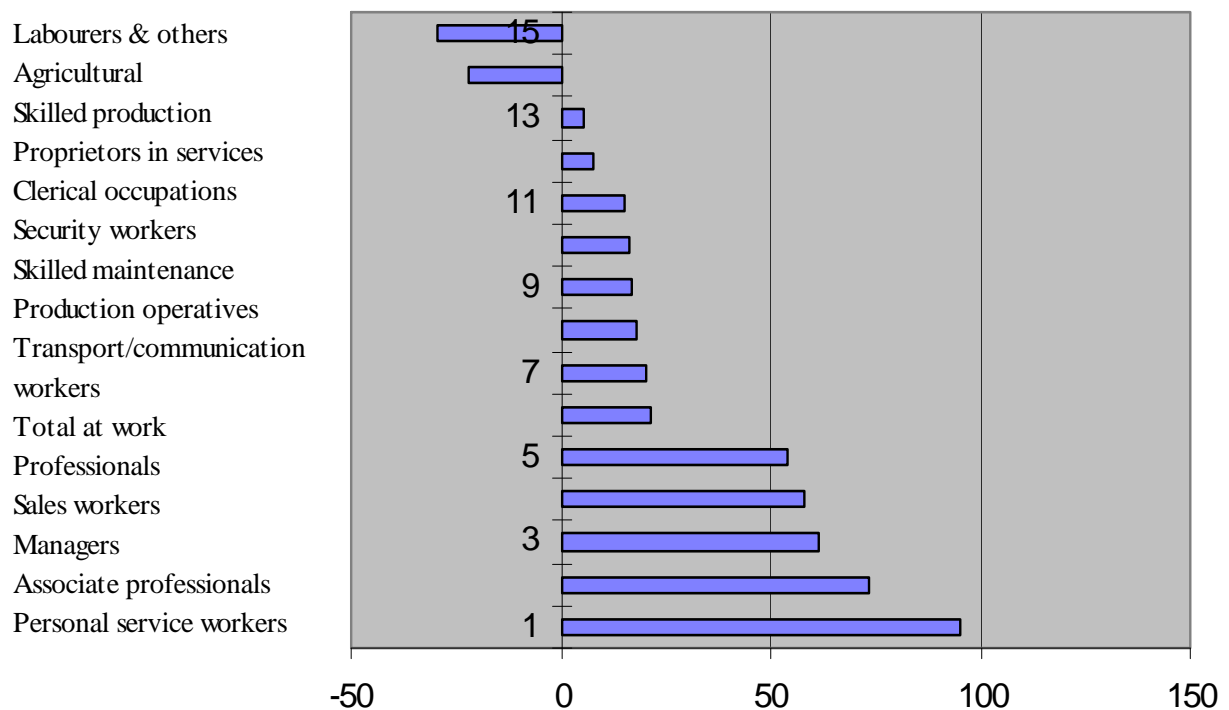
Public/private breakdown of services sector employment

The market services category incorporates distribution, transport and communications and personal and professional services². In the period 1990 to 1995,

² For a recently published account of the key factors influencing the changes in marketed services and tourism since the mid-1980s, see Deegan and Dineen (2000).

output in market services grew by an average of 3.3 per cent per annum. Although year 2000 data are not yet available, the figures when published are expected to show a substantial increase for the period 1995 to 2000, with an average 6.3 per cent per annum increase being suggested as a likely outturn (Duffy et al 1999:74). The value added by non-market services grew by just over 1.5 per cent on average per annum in the period 1985 to 1990 rising to an average annual rate of 2.5 per cent in the following years and this rate of increase is expected, by Duffy et al (1999), to continue to 2005. Numbers in employment in non-market services grew by an average of less than one per cent per annum in the years 1985 to 1990 but increased to an average of 3.3 per cent per annum between 1990 and 1995.

Fig. 2: Employment by Occupation, Percentage Change, 1981-1997
 Source: Derived from Duggan et al (1997:28); Sexton et al (1998:20)



Characteristics of services sector jobs and workforce

In 1997 a total of 818,000 persons were employed in services of which some 64,700 or 7.9 per cent were self-employed³ (CSO 1987-1997). The services sector accounted for the vast bulk (84.3 per cent) of all part-time employment, which (using Eurostat definitions) stood at 12.3 per cent in 1997 (Eurostat, 1998)⁴. When compared to industry, where just 7.5 per cent of part-time jobs were located in 1997,

³ These figures are based on principal economic status, as self-employed figures are not reported on an ILO basis.

⁴ The Eurostat definition is „any person who spends less than the normal hours of work in employment“ and by this definition the Irish figure at 12.3 is below the EU average of 16.9 per cent. The OECD definitions of working less than 30 hours shows a higher than average level of part-time work in Ireland at 15.2 per cent against the 14.3 per cent EU average.

26.8 per cent of all part-time jobs were located in commerce and business services, 25.8 per cent were found in professional services and 26.2 per cent in the other services category. The share of temporary workers in Ireland is 7.4 per cent, which is well below the EU average of 10.1 per cent. The share of temporary work is especially high in education, hotels and restaurants, health and social work and community and personal services. Temporary work is especially uncommon in transport and communication, with public administration and financial services also being low.

Male/female breakdown

One of the most prominent features of the growth of services sector employment in Ireland is the extent to which it has contributed to a „feminisation of the workforce”. In 1985, the female participation rate was 36.6 per cent but by 1998 this had risen dramatically to 52.1 per cent (OECD, 1997; OECD, 1999), with much of this growth accounted for by the services sector. Female employment in the services sector has grown progressively from 284,000 in 1988 to 489,200 in 1998 and this is faster than the equivalent growth in male services sector employment. In 1988, the relative percentage of female to male employment was 44.5 per cent but by 1998 this proportion had reached 52 per cent. By 1998, an average of 75 per cent of all female employment was in the services sector (compared with a figure of 49 per cent for male employment).

The industrial relations framework and the services sector

The Irish system of industrial relations has traditionally been characterised by adversarial bargaining and voluntarism – the latter meaning minimum intervention by the law. In recent years, major changes have occurred which have modified this system. The most important change has undoubtedly been the return to national wage agreements since 1987⁵. Initially, these were referred to as consensus agreements but since the mid 1990s have been referred to as partnership agreements. The change in terminology illustrates that, what had started as a pragmatic and experimental response to an economic crisis, has become an established feature of the industrial relations framework. The nature and depth of this change are matters for debate whereas the permanency of the partnership approach is challenged by the very economic success that partnership has helped to deliver.

On the union side, the re-emergence of centralised agreements in Irish labour relations in 1987 can be traced to union disillusionment with decentralised bargaining in the period 1982 to 1987, which had coincided with falling real wages and soaring unemployment during the recession, triggered by the second oil crisis (Gunnigle et al 1999). The direct objective of the first of the current centralised agreements, the Programme for National Recovery (PNR) of 1987, was economic recovery. The PNR was accompanied by reductions in Government expenditure designed to achieve

⁵ There had been an earlier period of centralised agreements from 1970 to 1981, which were abandoned largely because of employer dissatisfaction with them.

macroeconomic stability. This programme has been followed by four further centralised agreements – the Programme for Economic and Social Progress (PESP) negotiated in 1991, the Programme for Competitiveness and Work (PCW) in 1994, Partnership 2000 in 1997 and the current Programme for Prosperity and Fairness (PPF). This latter agreement, which came into operation in April 2000, provided for wage increases of 15.75 per cent over a 33-month period but was renegotiated in December 2000 due to the effects of rising inflation which reached 7 per cent in that month. The renegotiated agreement provided for an extra 2 per cent wage increase in April 2001 and an additional 1 per cent lump sum payment in April 2002.

The two phases: Irish economic performance 1988 to 2000

While it is common today to view the period since 1988 as one of unbroken economic success this is only partly the case. The period from 1988 to 1993 shows a distinctly mixed economic performance while extraordinary performance associated with the „Celtic Tiger” is most evident from 1994 onwards. The annual average rate of GDP growth in the years 1988 to 1993 inclusive was a healthy 4.2 per cent and the deficit in public expenditure and the debt/GNP ratio improved significantly during this period. However, while unemployment initially decreased, from 16.3 per cent in 1988 to 12.9 per cent in 1990, it subsequently increased in the three following years to reach 15.7 per cent by 1993. Long-term unemployment proved particularly intractable with an increase of some 49,000 in the period 1990 to 1993 but since then the performance of the Irish economy in relation to employment has been exceptional. Output has grown at an average of some 9.2 per cent in the five years 1994 to 1998 inclusive. Since 1993, the fall in unemployment has been remarkable with the seasonally adjusted rate of unemployment standing at 3.8 per cent at the end of November 2000. Not only has unemployment fallen year-on-year, but there has been a huge expansion of the numbers in employment, with an overall growth of some 494,000 in the period 1987 to 1999, leading to an average of 1,605,100 in employment in 1999 (CSO 1987-1997 and CSO 1999a).

The role of social partnership in the Irish economic performance

It is common for commentators to attribute to social partnership much of the credit for Ireland’s current economic success. Social partnership is, however only one of a number of factors in the policy mix and even then the extent of any contribution is unclear. Other factors include the level of Foreign Direct Investment (FDI), low personal and corporate tax rates, an English-speaking workforce, the educational system, strong domestic demand and the effects of EU structural funds (Tansey 1998:46-49).

In attempting to evaluate the impact of social partnership on the Irish economic performance it is important to tease out some of the effects. The strong contribution by direct foreign investment raises questions about the extent of the impact of social partnership. In the period 1987-1997 the OECD (1997) report a 50 per cent increase in the number of foreign multinationals investing in the Irish economy, with a

threefold increase in FDI inflows to Ireland since 1990 (and American companies accounted for 85 per cent of all inflows). Low corporate tax rates followed by quality of the workforce and a pro-business environment are key factors influencing the location decisions of American multinational companies according to Gunnigle and Maguire (2001). The issue of social partnership is not a key variable in the location decision of such companies. Gunnigle and Maguire (2001) report a strong antipathy among senior US executives to dealing with trade unions. They note, „in Ireland we have seen a dramatic growth in union avoidance over the past decade” (Gunnigle and Maguire 2001; see also McGovern 1989; Gunnigle 1995; Gunnigle et al 1997). Gunnigle and Maguire (2001) also note that American investors who were interviewed were keenly aware that union recognition was not a requirement in Ireland and that such a requirement would, in the words of one respondent to their survey, lead to a country where such a requirement existed being „immediately stricken off our list of possible locations”. Given these factors any link between social partnership and the decision of foreign companies to locate in Ireland could only be indirect. Namely, that social partnership may lead to general stable social and labour market stability. This point is bolstered by the fact that much of the industrial expansion outside of the multinational sector has been located in the services sector where unionisation rates are generally under 30 per cent and where much of the expansion has been in non-union employment such as in the international financial services sector in Dublin.

Thus it can be seen that the role of social partnership is but one of a number of influences. It is common now for commentators to talk of a confluence of favourable factors, having produced the economic success. The centrally negotiated agreements can be seen as having played different roles in each of the two phases identified earlier. Post 1993, the wage restraint that they delivered and the devaluation of the Irish pound in February 1993, combined to give the economy a sustained boost in competitiveness. Walsh (1999: 220) argues that the evidence is unambiguous that low wage inflation, combined with other factors has resulted in the competitive gains, which Ireland has experienced.

The nature of Irish social partnership

Irish social partnership comes within the rubric of bargained corporatism (Roche 1994). A number of the features, which constitute a corporatist arrangement, are present in the Irish case. For example one finds the interest articulation of capital and labour through trade unions and employer organisations at a national level, together with their strong influence on economic policy (Roche, 1989). The Irish brand of corporatism is, however, very different from the Swedish neo-corporatist model of the 1950s to 1970s. The Swedish model involved a political exchange between capital and labour in which voluntary restraint on union power was exchanged for the promotion of full employment policies and a high social wage. This led to a high tax system delivering substantial benefits to the working class in areas such as education, health and social welfare. In this model the dominant influence of the *Landsorganisationen i Sverige* (LO) confederation ensured a strong wage solidarity

which delivered a comparatively low variance in income distribution. Wages were set at levels which allowed export industries to compete, but older industries were allowed to decline, thereby increasing the marginal productivity of labour.

By contrast with the standard Swedish model of the 1950s to 1970s, the Irish system of social partnership has been built around an attempt to achieve mutual gains for employers, trade unions and government - an attempt which is focused on producing low personal and corporate tax levels. Wage restraint is traded for personal tax concessions with the objective of establishing, what Roche (1994) terms a „virtuous circle”. Tax concessions lead to higher real wages and increased employment leading to continued willingness to sustain the process as the benefits of wage restraint become evident. Social welfare, health and education provisions were subject to cuts, most notably under the PNR, but were maintained at a certain level with protection built in for certain groups, notably pensioners. The performance of the Irish economy since 1988 indicates that a „virtuous circle” has emerged, which contrasts sharply with the „vicious circle” of falling real wages and increased unemployment characteristic of the period of decentralised bargaining from 1982 to 1987. Despite this success, there is a debate emerging on the future of the Irish model of social partnership. This debate revolves around two aspects of the agreements: firstly whether centralised agreements have outlived their usefulness as a policy instrument and secondly questions as to the relative benefits deriving from the agreements and the effect on Irish society.

The economic usefulness of continuing Irish social partnership

While the centralised agreements are credited, in part, with Irish economic recovery, following the disastrous economic performance of the period 1981-1987⁶, a number of commentators have questioned whether the agreements have outlived their usefulness. As noted earlier it was found necessary to renegotiate the PPF in December 2000. While unions achieved an increase in the wage terms of the agreement in return they agreed to measures strengthening limitations on strikes and other forms of industrial action. The latter demand was prompted by a dramatic rise in working days lost in strikes dating from 1999, a development that has gathered pace in the second half of 2000. This increased level of conflict is being led by public sector workers and is indicative of the extent to which government is sensitive to any payments in excess of the terms of the PPF within the public sector. If public sector organisations pay above the terms of the agreement, then there will be major implications for the whole public sector because of the role which pay relativities have within the public sector. Such increases would risk derailing not just the public sector part of the agreement, but the whole agreement. There is also clear evidence that the agreements are unable to match developments in the labour market, as wages

⁶ There is a debate on the contribution of centralised agreements. Other factors, which are considered important, include lower income and corporate profit tax, prudent management of the public finances, an expansion in domestic demand, a highly educated English-speaking workforce and the role of EU structural funds.

are running ahead of the centrally negotiated increases in certain sectors. This represents the re-emergence of wage drift, which had been a significant factor in the earlier period of centrally negotiated wage agreements of the period 1970 to 1981. – This development has even affected the services sector and is highlighted in the case study on the retail sector.

Leddin (2000) has argued that given the economic strait jacket of the Euro, wage restraint is no longer desirable and wages should be allowed to rise, leading to a fall in competitiveness, in order to facilitate a „soft landing” from the current exceptionally high economic growth rates. One of the most telling arguments raised against social partnership relates to the dysfunctional nature of continuing to cut personal tax rates in order to secure a measure of wage restraint. The Economic and Social Research Institute (ESRI), which is otherwise supportive of social partnership, sees the continued cutting of personal tax rates as undesirable because of inflationary effects, which would result from an expansion in domestic demand.

Relative benefits from social partnership

Turner and D’Art (2000) have documented the relatively larger benefits accruing to business as against labour in the years 1987 to 1996. They note a growth in average earnings of 12.7 per cent as against a growth in profits in the same period of 77.7 per cent. Allen (2000) claims that in the period 1987 to 1997 „the share of the national economy going to profits, interest, dividends and rent grew by 10 per cent... [while] ...the share going to wages, pensions and social security declined by 10 per cent”. In a stinging attack he goes on to claim that:

„instead of sharing the fruits of the boom, the partnership programmes have facilitated a transfer of wealth to the super-rich. Instead of a trickle-down effect, there has been a steady stream upwards. Instead of inclusion, there has been a growing class polarisation. And far from producing a kinder, more regulated form of capitalism, there has been Thatcherism by stealth ...” (Allen 2000).

It is certainly the case that Irish partnership agreements have delivered quite different outcomes than the Swedish neo-corporatist model of the 1950s to 1970s, with Ireland in particular displaying high and increasing variance in income distribution. Turner, (1999) notes, „the evidence ... indicates that central wage agreements and taxation changes have tended to favour the top rather than the bottom 50% of wage earners”. He goes on to argue:

„at national level, growing income inequality in the economy makes centralised wage agreements more difficult to construct. Such agreements are based on the capacity of unions to restrain their members’ wage demands in return for concessions. However, increased income inequality is likely to undermine the consensus necessary for these agreements” (Turner 1999: 43).

While centralised agreements have come under strain and have been subject to critical comment, there is clear evidence that the social partners have considerable attachment to the social partnership process. In a survey of senior trade unionists and representative employer organisations (both public and private), 73 per cent of respondents favoured the continuation of centralised agreements as a method of

meeting the challenges posed by EMU while none preferred a return to decentralised bargaining (Wallace et al 1998).

Regulation and the labour market

The most significant changes to legal regulation have occurred in the area of individual employment law. The voluntarist system has undergone major change since 1967 with voluntarism being replaced by legal regulation based on the principle of establishing a '*floor of rights*' for employees. These developments cannot be seen as being led by the expansion of services sector employment. Centralised bargaining emerged as a response to an economic crisis, while the juridification of the employment relationship owes much to the influence of the EU, especially in the area of equality law, and also represents a response to the ILO and other international influences. This is not to claim that all influences were external. The introduction of the Unfair Dismissals Act in 1977 was, in part, an attempt to provide a mechanism to deal with frequent strikes over disciplinary issues in the workplace, many of which were unofficial (Wallace and O'Shea 1987). Broadly speaking, it would be wrong to claim that post-industrial developments, situated in the expansion of services, have been the main driving force in Irish labour relations in recent years. Broader international and national factors have been the main forces. However, there have been a number of key issues that have arisen in the services sector such as two major nursing disputes and changes in unionisation and working patterns in banking. Despite these, it is important to stress that the main influences have not been sectoral ones.

Arising from the services sector legislation introduced in 1946 (the Industrial Relations Act 1946), the existence of Joint Labour Committees (JLCs) has had, and continues to have considerable significance. When established, JLCs were one of a number of exceptions to the generally voluntarist character of Irish industrial relations. They are composed of equal numbers of employer and employee representatives who meet under an independent chairperson and make Employment Regulation Orders (EROs), which are subsequently introduced into law by the Labour Court. When the Labour Court publishes an ERO, it establishes minimum legally binding pay and conditions for all workers covered by the order. More detailed discussion of the role of JLCs is contained in the case studies on contract cleaning, retailing and tourism, all of which are, at least in part, governed by JLCs.

Levels of unionisation and collective bargaining in differing sectors

In common with many other countries, Ireland has experienced a decline in union density – from an overall figure of 48.3 per cent in 1992 to 43.5 per cent in 1997 (Table 2). Male density is somewhat higher than female density but the gap has closed slightly from 2.8 per cent in 1992 to 1.7 per cent in 1997. With the exception of transport, the changes for each sub-sector in Table 2 show that union density in services has been more stable/has declined less than elsewhere in the economy. It is noteworthy that female union density has fallen somewhat less than male density, and in the commerce and business services sector, female density is slightly higher than

male density, with the female/male gap growing slightly over time. The low union density in commerce etc. indicates a low overall level of unionisation in market services and this contrasts with high levels in public administration and defence (74.1%). Professional services, at 56 per cent, are also relatively highly unionised. This is not surprising, as the medical and nursing occupations are highly unionised due to the role that unions in these occupations have in negotiating sectoral agreements with public sector employers and Government. On the employer side the Irish Business and Employers Confederation (IBEC) is the largest and most important employer organisation although there are some smaller employer organisations representative of the services sector.

Overall earnings in services

The CSO published limited earnings figures for services in early 2000 (CSO 2000a). These show that in the period June 1998 to June 1999, average weekly earnings in services increased by five per cent from IR£ 346 to IR£ 364 (Table 3). In the distribution sub-sector, earnings grew from IR£ 326 in 1998 to IR£ 343 in 1999, compared to IR£ 358 to IR£ 375 in the business services sub-sector. Within distribution, the motor trade showed the greatest increase in average weekly earnings (6.8%), followed by the retail trade (6.2%) and the wholesale trade (5.4%). Within business services, both accommodation/catering and real estate/machinery renting showed the greatest growth between 1998 and 1999 at over 6 per cent, followed by computing activity at 4.7 per cent. These increases in earnings were well in excess of those provided for in the centralised wage agreement, Partnership 2000, which was in force at that time. Much lower increases occurred in post and telecommunications activity but average earnings in this sub-sector were highest at IR£ 503, followed by computing at IR£ 437. Accommodation and catering had the lowest average weekly earnings in services at IR£ 238 (All figures in CSO 2000a). This provides an indication of the extent to which the tourism sector is characterised by low pay.

Table 2: Trade Union Employment Densities by Sector and Gender, 1992 and 1997
Source: CSO 1987-1997, various issues

	1992			1997		
	Male	Female	All employees	Male	Female	All employees
	%	%	%	%	%	%
Agriculture etc.	12.3	13.6	12.4	8.1	3.7	7.5
Building & construction	45.0	17.9	43.7	37.2	17.1	36.0
Other production industries	55.0	52.6	54.3	48.5	43.4	46.9
Commerce, business services etc.	31.6	31.7	31.6	27.2	30.8	29.0

Transport, communication & storage	70.7	59.0	68.0	64.5	50.0	60.9
Professional services	58.7	58.7	58.7	55.6	56.1	56.0
Public admin. & defence	72.2	76.5	73.4	74.3	73.8	74.1
Other services	28.2	21.5	24.2	25.6	19.9	22.3
Total	49.5	46.7	48.3	44.3	42.6	43.5

Employment and economic performance of four sub-sectors: an overview

This section takes a closer look at industrial relations development in four sub-sectors: banking, retailing, contract cleaning and tourism with the objective of highlighting trends and developments. All sub-sectors have seen substantial expansion in employment and general economic activity, although there are wide differences between the sub-sectors in terms the level of their importance to the Irish economy and employment levels.

Retailing is the largest sub-sector with some 203,272 persons employed in 1997, of which 163,299 were employees and the remainder self-employed. According to the Irish Bankers Federation (IBF,) regarding banking and related services „an estimated 31,000 people ...were employed in the Republic by IBF members by the end of 1999. This is 11,400 or 58 per cent more than at the beginning of the decade”. - This was about 2 per cent of the workforce (IBF 1999). The overall contribution of the financial services sector to Irish GDP was 6.8 per cent in 1996.

Table 3: Average Weekly Earnings of Full-time Employees in Firms of Five or More Persons in the Services Sector
Source: CSO 2000a and CSO 2000b

Sector	June 1999 IR£	June 1998 to June 1999 % Rise
Distribution	343.36	5.36
Motor trade	305.59	6.83
Wholesale trade	386.80	5.36
Retail trade	331.28	6.16
Business Services	374.79	4.56
Accommodation/catering	238.14	6.6
Land transport	360.13	5.43
Other transport activity	394.76	0.05
Post/telecommunications	502.73	2.13
Real estate/machinery	355.12	6.47

renting		
Computing activity/research & development	437.35	4.72
Total for all sub-sectors	363.59	4.97
<i>Industry</i>	<i>313.84</i>	<i>4.79</i>

Contract cleaning is the smallest employer of the four sub-sectors, employing some 16,600 in 1997, according to Labour Force Survey estimates conducted by the CSO. A CIRCA (1999: 5,13) report estimates that there were over 333 contract cleaning companies in 1999 with turnover of the order of IR£ 120million. Thus the sector is miniscule in terms of total contribution to GDP.

By contrast, tourism is a significant contributor to overall GDP accounting for 6.1 per cent of GDP in 1998. Tourism numbers have expanded dramatically since 1985, from 1.951 million to 5.534 million in 1998. This was an increase of 183 per cent over the period, reflecting an annual average growth of 8.4 per cent compared with the world figure for growth in tourism visitor numbers of 5.3 per cent for the period 1985-1998. Matching the growth in tourism numbers has been a growth in employment, which increased dramatically; from 4.2 per cent of the total employed in 1986 to 7.9 per cent in 1998 or 111,800 persons⁷.

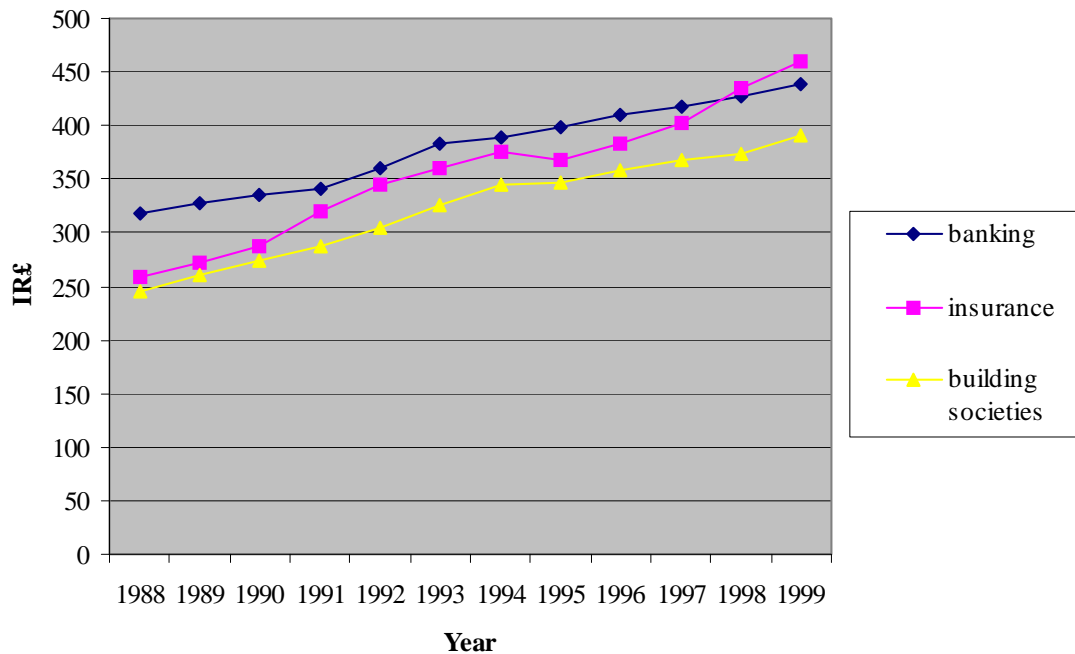
Earnings in banking

Fig. 4: Average Weekly Earnings for all Employees in Banking, Insurance and Building Societies, 1988-1999

Note: 1999 figure is for average weekly earnings for the period December 1998 to March 1999.

Source: CSO 1999b and 1999c

⁷ For a comparative analysis of the contribution of tourism to the Irish economy and a review of the factors, which shaped the revival of tourism since the mid-1980s, see Deegan and Dineen (1997).



As can be seen from Figure 4, average weekly earnings for the three sub-sectors, banking, insurance and building societies have risen steadily over the period 1988-1999. Earnings in insurance have shown the greatest increase (78.3%) for the period, followed by building societies (59.2%) with banking lagging behind with an increase of only 38.4 per cent. Despite the higher increases in building societies, average weekly earnings in the first quarter of 1999 still lagged behind banking by IR£ 48.79 with the insurance sub-sector having the highest earnings of the three sub-sectors at present. Average earnings in insurance exceeded those in banking for the first time in 1998. Interestingly, the staff turnover rate of 12 per cent in 1997 in insurance compared to a 7 per cent turnover rate in retail credit institutions – banks and building societies (The Institute of Bankers in Ireland 1998: 40). Turnover rates appear to be on the increase, with the personnel manager of one building society indicating that it was in the region of 17 per cent for a number of financial institutions. Two factors are responsible for this: firstly, the increased opportunities offered by the buoyant job market and secondly, rationalisation by some institutions where older more highly paid workers are being replaced by younger workers.

Industrial relations in banking

The retail-banking sector has a relatively high degree of unionisation, with the IBOA claiming some 60 per cent union density. The Irish Bank Officials Association (IBOA) is the main trade union representing bank employees and has negotiating rights in the four associated banks, along with two other small banks in the Republic of Ireland⁸. Membership of the IBOA in 1999 stood at a total of 15,635, of which

⁸ SIPTU represents security staff and porters.

10,095 of those are in the Republic of Ireland and 5,540 are in Northern Ireland (data from the Irish Congress of Trade Unions (ICTU)). Traditionally, the IBOA had regarded itself as „an association” rather than a trade union and it had not been a member of ICTU. As it was outside ICTU it did not regard itself bound by the centrally negotiated national wage agreements of the 1970s and this led to two bank strikes in 1970 and 1976 when the IBOA tried to achieve wage increases in excess of the national agreements. These strikes closed down the banks in Ireland for an extended period. In 1992 a further bank strike, involving the same principle, occurred which the IBOA was perceived to have lost. The advent of new technology had lessened the reliance of the banks on their employees allowing them to maintain a service in spite of the withdrawal of labour. In addition, a significant proportion of bank employees passed the pickets and undermined the strike. This led to the expulsion of about 4000 members from the IBOA in the Republic, or some 30% of the union’s membership, with a consequent reduction in union density. Following the strike, the IBOA joined ICTU for the first time in January 1993.

Outside of the associated banks unionisation is high in the Trustee Savings Bank, where the Services Industrial and Professional Trade Union (SIPTU) has negotiation rights. In the two state-owned banks the ACC Bank and the ICC Bank, unionisation is also high. In the former, employees are represented by the SIPTU and the Amalgamated Transport and General Workers Union (ATGWU), while in the latter, the Manufacturing, Science and Finance Union (MSF) achieved recognition rights only as late as 1993. The desire of employees to unionise was prompted by a suggestion of impending privatisation. MSF has all grades of employees in membership, except security staff, and union density is around 90 per cent. Unionisation is virtually non-existent in the IFSC and there is limited membership in the non-associated banks outside of those above.

Historically, collective agreements in the associated banks were concluded on an industry-wide basis, under the aegis of the Banks’ Staff Relations Committee. This was a joint employer organisation for the banks, which was dissolved in 1993, as the banks wished to move away from industry-based bargaining. Individual, company-based agreements have now been negotiated between the IBOA and each of the four associated banks. A central concern in a number of these agreements has been the issue of Performance Related Pay (PRP) and associated procedures for the implementation of performance appraisal.

In the late 1980s and early 1990s, the main banks introduced a new lower grade of Bank Assistant, which is paid at a lower rate than the traditional Bank Official grade. The IBOA now wishes to achieve parity for the Bank Assistant Grades with the Bank Official grade. The attempt to achieve parity is bound up with the issue of PRP, as the Bank of Ireland has introduced PRP in response to a parity claim by the IBOA. Only a minority of IBOA members in the Bank Assistant grade in the Bank of Ireland have opted for PRP, which is optional for the participating staff. In addition, the traditional issue of pay is looming large once again, especially as bank salaries

have been passed by those in insurance, and the differential between building societies and bank salaries has closed considerably.

Earnings in retailing

Earnings in the retail trade vary widely according to the type of job, and because of the large range of occupations, the Annual Services Inquiry does not chart average earnings for these jobs. Estimated total earnings in retailing in 1991 amounted to IR£ 831m, rising to IR£ 1,458m by 1997 (CSO 1994-1998). Average earnings per employee increased at a much slower rate than total wages – a factor accounted for by the expansion in employment and the growth in part-time work in the sector. Earnings of full-time employees in firms of five or more persons in the retail trade in 1999 were noted as averaging IR£ 331 per week. This had increased by around 6.2 per cent in the previous twelve months (see Table 4).

Table 4: Total Wages and Salaries in Retail Trade, 1991-1997, (IR£ million, at 1997 prices)
Source: CSO Annual Services Inquiry, various issues

Year	Total Wages/Salaries	Average Wages/Salaries per Employee
1991	831	8,154
1992	906	8,452
1993	975	8,550
1994	1,026	8,360
1995	1,170	8,359
1996	1,271	8,722
1997	1,458	8,900

Although British stores have shown a preference for a single job rate (IRN 1997: 13), earnings in Irish grocery retailing have traditionally been based on a six point scale (Frawley 1999: 12). A survey by Shilling (2000: 4) indicates significant variations across employments in the application of this six-point scale (Table 5). Shilling (2000: 3) claims „labour shortage is probably the most critical issue affecting the retail market at present”. Retail outlets are in competition with multinational electronic companies in attracting the young employees traditionally characteristic of the retail sector workforce. Shilling (2000) notes „the IT industry, in particular, ... has snapped up a great number of graduating students ... directly from colleges. They are prepared to invest large sums in training and they offer promotional prospects. Unfortunately, retailing still bears the lingering image of unsociable hours, poor pay and poor prospects”. As a reaction to the tighter labour market, chains such as Dunnes Stores, Tesco and Roches Stores have, for some time, been reviewing their pay systems following moves by Marks and Spencer and Superquinn to adjust their payment arrangements (Eiro 1998). However, there is wide variation in rates of pay, with just under half of the companies (49%), responding to the survey by Shilling,

indicated that their maximum rate of pay was IR£ 6.00 or greater after six years of service.

Table 5: Retail Sales Assistants Rates of Pay (*Source: Shilling 2000*)

Years of Service	1	2	3	4	5	6
Minimum	4.40	4.50	4.62	5.10	5.15	5.30
Maximum	6.35	6.60	6.95	7.30	7.50	7.80

MANDATE has become a major opponent of national partnership wage agreements in recent years because of their view that these agreements made insufficient provision for lower paid workers. At a MANDATE delegate conference to ballot on the terms of the Programme for Prosperity and Fairness, there was a unanimous rejection of the terms of that agreement. In a number of high profile instances, MANDATE has been able to negotiate wage increases well in excess of those provided for in centralised agreements, due to the tight labour market conditions.

Industrial relations in retailing

According to Fahy and Power (1997) the union density for employees in retailing in 1997 was 25 per cent, with MANDATE (the union representing the majority of bar, retailing and clerical workers) claiming a membership of 35,000 in 1998 (IRN 1998: 22). While union density is low the main reason is the non-penetration of unions in the smaller retail outlets. These are often proprietor run businesses and unions do not generally try to unionise them. Fahy and Power (1997: 21) note „most large employers in the retail sector recognise and bargain with trade unions”. The retail sector is a counter example to the growing trend of new companies not recognising unions as there are a number of notable examples of UK companies recognising and negotiating with unions. These include Marks and Spencer, Tesco, the Body Shop and Argos. Recognition in the latter case was only conceded after strike action and a much longer strike – lasting over a year – took place in the Body Shop before union recognition was conceded.

While there have been some attempts in recent years to develop workplace partnership agreements that parallel the national system of partnership, the LRC describe industrial relations in retailing as conforming to a traditional Irish adversarial model. This approach involves the recognition that differences of interests exist between workers and employers, but that these „differences can be resolved, or at least compromises can be reached, through collective bargaining and collective agreements which mark out the middle ground between management and employees” (Fahy and Power, 1997: 20). Some sub-sectors, for example the grocery trade, are covered by JLCs, which set EROs specifying minimum pay and conditions. However, the normal method of regulation in unionised employments is through

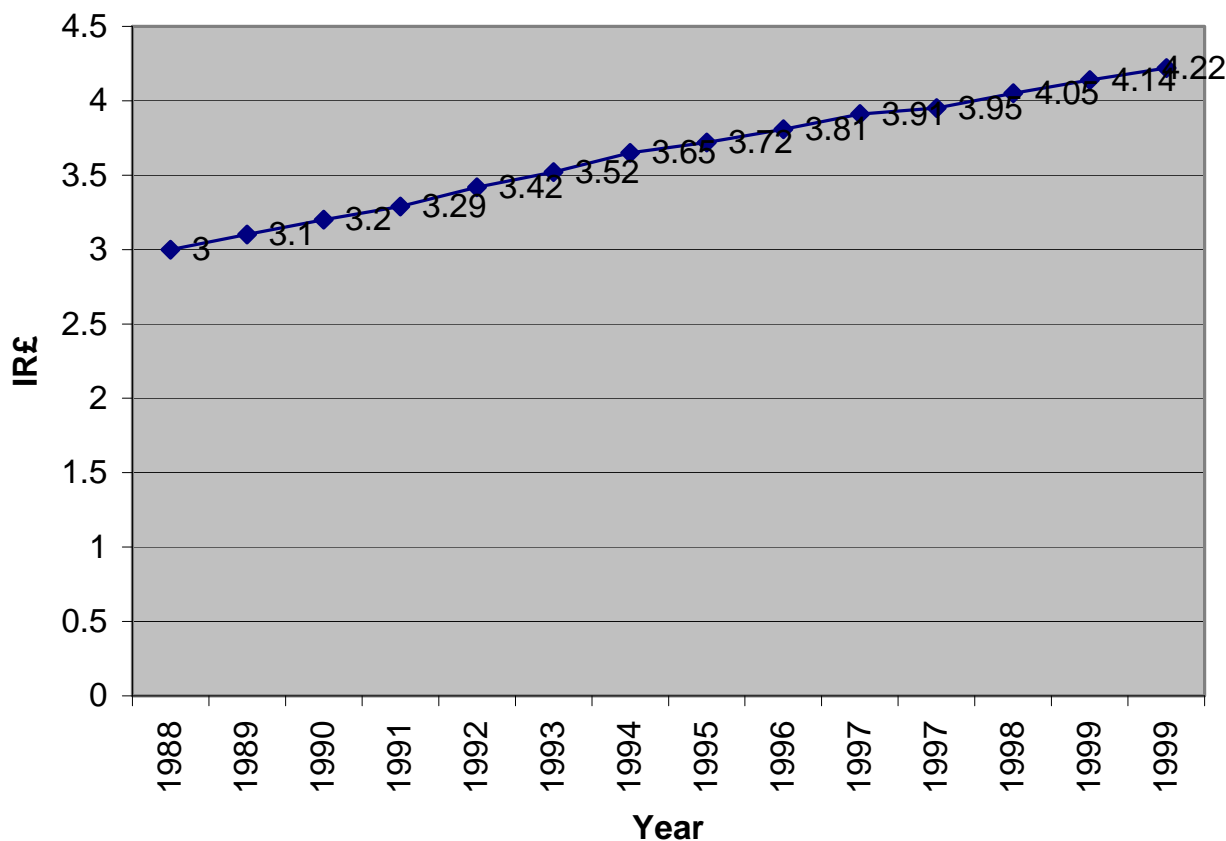
detailed procedural agreements signed at company level between employers and trade unions (Fahy and Power, 1997: 21).

Dunnes Stores challenged the acceptance of union recognition during the 1980s and 1990s. Not only did Dunnes Stores refuse to formally deal with unions but they also refused to use the state conciliation and adjudication machinery provided through the LRC and the Labour Court. The matter came to a head in 1995 and 1996 with a series of all out strikes by MANDATE. These strikes involved a dispute over, among other issues, enhanced payment for Sunday opening, what the union considered excessive part-time work and the operation of so called „zero hours contracts”. Zero hours contracts involve a situation where employees were not guaranteed any minimum number of hours of work in a week. The eventual settlement of the strikes, which the workers were perceived to have won, involved the creation of 400 permanent jobs in place of part-time ones, the guaranteeing of a minimum of 15 hours work per employee per week and enhanced payment for Sunday working but at a level less than that sought by the trade union. More fundamentally, the company on this occasion attended the Labour Court and subsequently signed a procedural agreement with the trade union for the future conduct of industrial relations (Wallace and Clifford 1998).

Earnings in contract cleaning

Contract cleaning companies in the city and county of Dublin, Ireland's capital, are regulated by orders made by JLCs. Outside of Dublin, the contract cleaning industry is currently unregulated. Although the Labour Court made an order to establish a JLC for the rest of the country in 1998, the JLC has yet to be appointed. The hourly minimum wage rates set by the Dublin JLC from 1988-1999 are contained in Figure 5, with the minimum hourly rate being raised to IR£ 4.40 with the introduction of the national minimum wage in April 2000. Actual hourly rates differ from the minimum. A survey of wage rates for 1997 by CIRCA found significant gender differences. Average hourly male rates were IR£ 5.66 while female rates were IR£ 4.10. The gender differences in average weekly wages were much greater with males averaging IR£ 224 against IR£ 65 for females (CIRCA 1999: 29). This difference is due mainly to two factors: firstly, „men tend to work a 38 hour week and women 15-16 hours per week” (Donnelly, 1999: 4); secondly, the nature of the work differs, as „men's work tends to be centred around window cleaning and jobs involving heights and outdoor work” (Donnelly, 1999: 4). By contrast women are usually employed indoors, in jobs such as the cleaning of offices.

Fig. 5: Statutory Minimum Rates of Remuneration, Set by the Contract Cleaning (City and County of Dublin) Joint Labour Committee, 1988-1999
Source: Labour Court (1999a)



Earnings of workers can affect the social welfare allowances of their adult dependants and this bears especially strongly on women workers. Unemployed workers who are drawing social welfare Adult Dependent Allowance (ADA) have these payments reduced where their spouses work and earn over IR£ 60 per week. These reductions act as a disincentive to employees in contract cleaning, especially females, to earn more than the maximum of IR£ 60. According to SIPTU, and the CIRCA report, this promotes „under the counter” or, what is termed in the industry, „cash in hand” payments in some contract cleaning companies. Both sides of industry are supportive of reform of the ADA, in the case of employers, not least because of the increased demand for labour and the associated difficulty in filling vacancies which employers are experiencing. While reform of the ADA might encourage employees to work more hours, there are limits to increasing the number of full-time jobs, as there is a resistance among client companies „to cleaning during the main office or production hours” (Donnelly 1999: 4).

Industrial relations in contract cleaning

Contract cleaning is categorised by low levels of organisation among employers and workers. The larger companies are affiliated to the Irish Business and Employers Confederation (IBEC) but the vast majority of smaller companies are not affiliated to any employer organisation. Union density is low and turnover of membership is high. This is due to the high employee turnover in the industry, which can be up to 100 per

cent per annum in some companies that lose contracts, but is more generally considered to be somewhere between 10 and 20 per cent per annum (Donnelly 1999: 3-6). The main trade union, which represents contract cleaners, is SIPTU. Due to the high turnover, it is difficult to have an accurate record of union membership levels, with membership estimated to be between 2,000 and 3,000 in Dublin⁹. In addition, there is some unionisation in the larger companies operating outside of Dublin. Overall, the union density figure is unlikely to exceed 20 per cent and may be lower.

Industrial relations are generally of the traditional adversarial type, with a large number of companies unionised and a number strongly hostile to unionisation. The Danish owned International Service Enterprise (ISS) has recently launched a „partnership agreement” with SIPTU (14th June 1999). This was concluded as part of a modernisation and diversification programme termed AIM 2002. AIM stands for ambition, innovation and motivation and, on the industrial relations front, this programme has an objective of achieving 80 per cent full-time employment by the year 2002 (ISS 1999: 1). If realised, this would run counter to the general practice in the industry, as part-time work predominates in contract cleaning, and is unlikely to be replicated throughout the industry.

Employers and unions recognise the need to improve the image of the industry, to develop wages and earnings and to enhance work practices and working conditions (CIRCA 1999: 38). Despite this shared common view, there is little evidence, with the possible exception of the ISS example, of any wide-scale reforms taking root. The industrial training authority FÁS consider that there is a strong case to be made for Government support, as contract cleaning has been a neglected sector with little or no funding having been provided for training (CIRCA 1999). FÁS is ready to support training with significant public funds, but only in the context of large-scale support from companies within the industry. To this end, the CIRCA report suggests the formation of an industry employers’ federation, under the umbrella of IBEC, in order to regulate the industry. However, the intense competition, the price sensitivity involved in the awarding of contracts, and the ease with which companies can be established, all mitigate against efforts to establish a coherent industry association which could take advantage of initiatives to improve training and development. In addition, the high turnover of employees makes employers reluctant to engage in training, as the benefits are easily lost to competitors.

Earnings in tourism

The hotel and catering sub-sectors, which are a major part of the tourism sector, are characterised by extensive forms of atypical employment (ranging from part-time workers to casual and seasonal workers), relatively low pay and unsociable working conditions. Both these sub-sectors are regulated by legally binding pay and conditions set by JLCs. Details of the minimum weekly rates for the hotel and catering sector are contained in Table 6. Both sub-sectors suffer from a poor image

⁹ Interview Official SIPTU 1999.

among potential employees and the lack of a clear career structure, especially for managerial grades, which can lead often to poor employee retention rates among managers (Deegan and Allen 1997). The general buoyancy in the Irish labour market in recent years has led to severe shortages for the hotel and related industries. The national minimum wage rate of IR£ 4.40 per hour (for workers of 18 years of age and over) and the tight labour market will limit the industry's former reliance on low pay. Employers have responded to the tight labour market by hiring large number of workers from abroad to fill vacancies – a largely new development in Irish tourism.

Table 6: Statutory Minimum Rates of Remuneration, by Class of Worker in Hotels, set by the Hotels Joint Labour Committee.

Source: Labour Court (1999b: 2)

Position	From 21 st Sep, 1999 IR£ per week	From 1 st May, 2000 IR£ per week
Trained Cook	182.63	184.46
General Workers, 20 years and over	165.22	166.87
Waiter/Waitress, 4 th year and over	154.43	156.03
Barman/Barmaid, 4 th year and over	165.35	167.00
House Assistant, 3 rd year	143.31	144.91
Porter, 4 th year	154.43	156.03
Page	116.42	117.58

Industrial relations issues in tourism

The tourism industry is characterised by a bi-modal distribution of firms by size and by ownership. Transport firms are larger, well established, unionised and usually in state ownership, though some are likely to be privatised in the near future (for example the national airline – Aer Lingus). The hotel accommodation sub-sector is also characterised by some large firms, either Irish owned, or in a small number of cases, foreign owned hotel groups. The Irish Airports Authority – Aer Rianta – is a government owned semi-state company and operates a hotel chain. The rest of the accommodation sector, and much of the rest of mainstream tourism service providers, are either small firms or family-owned micro-businesses. The vast bulk of these are non-unionised and, in addition, the industry is not well organised for the purposes of collective bargaining either on the employers' side or on the employees' side. The impending privatisation of the large publicly owned services, such as the national airline, the airports authority and some hotels owned by the latter are looming developments.

Analysis and commentary

Irish services growth has been mainly driven by the macroeconomic performance of the Irish economy and has been accompanied by the general growth in industry. The revival of the services sector occurred in conjunction with increased regulation through employment legislation and a continued importance of industrial relations issues and, in some areas, even a strengthened presence and the recognition of trade unions and collective regulation. Some legislation has had particular implications for developments in the services sector. This includes specific provision for part-time workers and the extension of the Unfair Dismissals Act in 1993 to cover employees working at least eight hours per week. The introduction of a national minimum wage in April 2000 arose from an election promise by the current Fianna Fail and Progressive Democrat parties as part of the 1997 election campaign. The growth in services sector employment, where low pay is concentrated, may have been instrumental in bringing forward this policy and it certainly has greater significance for the services sector than for manufacturing.

While new legislation introduced in the 1990s has a high profile, it is clear from the case studies that legislation introduced as far back as 1946 continues to have great importance for the services sector. This is especially so in the case of sales and personal service workers, which have expanded enormously since 1981. The continued importance of this legislation is highlighted by the case studies on retailing, contract cleaning, and hotels and catering where wages and conditions are still governed by JLCs. As the JLCs were set up to set minimum rates of pay and conditions in areas where workers were weakly organised, the continued importance of this mode of regulation is indicative of the continued weakness of worker organisation in the services sector.

The banking and retailing cases highlight the continued importance of social conflict, namely strikes, as a method for adjustment to social change and it is worthwhile looking at this in some greater depth. The unsuccessful outcome of a strike in 1992 by the Irish Bank Officials Association (IBOA) led the introduction of longer opening hours and lunchtime opening; both of these developments had long been resisted by the IBOA. In a further dispute, Dunnes Stores (retail chain) was forced to concede union recognition and to make other concessions as a result of strike action by the retail union, MANDATE. This union has also gained recognition and negotiation rights in Argos (after the threat of strike action) and in the Body Shop after a year-long strike in the Body Shop. These cases have gone against developments in recent years where employers in manufacturing industry – especially U.S. electronics companies – have operated in a growing non-union environment. Outside of the four sub-sectors studied, there have been other significant examples of industrial conflict in the services sector. In 1999, a nine-day nursing strike led to four unions, belonging to a nursing alliance, gaining wide-ranging concessions on issues of long-standing concern. The pay concession granted as part of the settlement terms far exceeded the terms of the centralised agreement then in force – Partnership 2000. The Irish police force (the Gardaí) engaged in a series of collectively organised „blue flu”, where members of the force phoned in sick, in pursuit of a pay claim in 1998.

This occurred despite the police representative body not having trade union status and in spite of the fact that industrial action by members of the police is illegal.

While these and other strikes have been significant, it would be wrong to see changes in labour market organisation as being brought about solely by industrial conflict. The extension of employment law, and the consequent growing regulation, has been the dominant method for dealing with many issues. As already noted, much of this labour market regulation is driven by EU influences and is not in any specific manner geared towards services. Perhaps what is most striking for an international observer, in the light of neo-liberal suggestions of the negative effects of labour market regulation, is the fact that the Irish services sector has flourished despite greater regulation¹⁰. This regulation, however, has a minimal impact and is not generally seen as a disincentive by US companies considering locating in Ireland (Gunnigle and Maguire, 2001). The Irish experience clearly indicates that when the macro-conditions of growth are favourable, service employment can expand, even in a context of growing institutionalisation of the labour market. The case of contract cleaning even points to the necessity for greater labour market regulation in that sub-sector. The national partnership negotiations have often been the vehicle for agreeing on the introduction of this legislation and, unlike in the UK, this has meant that it has been embraced without major controversy.

Nonetheless, when looking at wages, the limitations of centralised agreements are now becoming apparent, as labour market forces in the retailing, manufacturing and parts of the tourist sector are resulting in wage increases well in excess of the provisions in the PPF. This is similar to the limitations encountered by German corporatism in the 1950s and 1960s. Paralleling these market sector pressure there is widespread unrest in non-market services such as teaching, transport nursing and other areas of the public sector. These difficulties should not, however, obscure the attachment of the social partners to sustaining the process of centralised agreements, as evidenced by the efforts to rescue the PPF from collapse. None of the alternatives of decentralised bargaining, or a centralised public sector agreement with decentralised bargaining in the private sector, are attractive to the senior policy makers on the trade union or employer organisation sides of industrial relations in Ireland (Wallace et al 1998)

While union density in the services sector hovers in the 20 to 30 per cent range, it is worth noting that, in spite of the low base, trade union density has been more stable than in manufacturing, where union density has fallen precipitously in recent years due largely to widespread non-unionisation in new electronics companies in

¹⁰ Greater labour market regulation has been accompanied by greater competition in commercial terms. The banking industry has been opened up to greater domestic and international competition in recent years, in tourism the advent of low cost airlines such as Ryanair and Virgin have impacted on the Irish market, and in the retail sector the advent of UK and German retailers (Lidl and Aldi) have introduced greater competition to the Irish market.

particular (Gunnigle et al 1997)¹¹. However, it would be wrong to make too much of the stability of services sector unionisation. Even where union recognition is gained in the services sector, it can be tenuous due to the high turnover and continued employer opposition. The growth of non-unionisation in manufacturing, combined with the generally low level of union density in the market services sector, is indicative of an institutional frailty underlying the Irish system of social partnership. While trade union involvement in social partnership is claimed to have created the conditions for the current economic success, the capacity of the trade unions to negotiate collectively in future is threatened by the emergence of large tranches of non-unionisation in the economy – especially in electronics and the services sector. Thus trade unions risk becoming more and more concentrated in the public sector and the older industries. This trend is arguably much more serious for the trade unions than any transitory concerns arising from inflationary pressures, which can be managed through the partnership process. Two factors prevent unions addressing the fall in union density: firstly, the ability of most multinationals to maintain their non-union status through their own internal human resource management policies; and secondly, the very wage restraint which is central to centralised bargaining limits the extent to which trade unions might attract members through their ability to raise wages – the so called „credit effect”. In fact, non-union companies are free to pay above the centrally agreed rates, thus decreasing any incentive for workers to join unions. Not only does the fall in union density have implications for unions, it could, over time, undermine the system of centralised bargaining and even make it irrelevant for much of the economy. This could see centralised agreements being reduced to agreements covering only the public sector.

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¹¹ Union density is now unlikely to be much over 30 per cent, whereas in the past much of manufacturing industry would have been unionised.

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Appendix 1

Joint Labour Committees as of 2000.

- Aerated Waters and Wholesale Bottling Joint Labour Committee.
- Agricultural Workers' Joint Labour Committee.
- Brush and Broom Joint Labour Committee.
- Catering Joint Labour Committee (excluding County Borough of Dublin and Borough of Dun Laoghaire).
- Catering Joint Labour Committee for County Borough of Dublin and Borough of Dun Laoghaire.
- Contract Cleaning (City and County of Dublin) Joint Labour Committee.
- Hairdressing (Dublin and Dun Laoghaire County Borough) Joint Labour Committee.
- Hairdressing (Cork County Borough) Joint Labour Committee.
- Handkerchief and Household Piece Goods Joint Labour Committee.
- Hotels Joint Labour Committee (excluding Dublin, Dun Laoghaire and Cork).
- Hotel (Dublin) Joint Labour Committee.
- Law Clerks Joint Labour Committee.

Provender Milling Joint Labour Committee.

Retail Grocery and Allied Trades Joint Labour Committee.

Security Joint Labour Committee.

Shirtmaking Joint Labour Committee.

Tailoring Joint Labour Committee.

Women's Clothing and Millinery Joint Labour Committee.