



National Report

***The Role of Information and Consultation in Ireland
and how it relates to the EU Level***

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1 **Background to the INFORMIA Study**

During 2010 the Irish Congress of Trade Unions (ICTU) participated in a European Commission funded project, co-ordinated by the Confederation of Independent Trade Unions in Bulgaria (CITUB), with the support of the Bulgarian Industry Association (BIA), which investigated the nature and extent of information and consultation arrangements in four EU Member States and one candidate country - Bulgaria; Croatia; France; Ireland; and Italy.

The study analysed, not just information and consultation procedures arising from the transposition of the Information and Consultation of Employees Directive (2002/14/EC), which was adopted into national legislation in 2002 but also more long-standing arrangements, such as the European Works Councils (EWC) and health and safety committees. ¹

¹ *Analysis of Legislation and Practices in Four EU Member States and One Candidate Country* Confederation of Independent Trade Unions in Bulgaria (CITUB) INFORMIA Project, Sofia (2010)

In 2011 the European Commission funded a second phase of this project (INFORMIA II), which was designed to investigate the role of information, consultation and participation procedures in five EU Member States and in Croatia, as an Accession Country, ² and to identify ways these procedures might contribute to the improvement of competitiveness, employment and a better implementation of the European Social Model. In this second phase, there was a specific focus on local/national information and consultation fora and on European Works Councils (EWCs). The key objectives were:

- To improve the capacity, exchange of experiences and knowledge of trade unions and workers' representatives (including EWC members) and employers' representatives with regard to the role of information, consultations and participation procedures on **productivity, competitiveness and the improvement of corporate governance**
- To improve the capacity, exchange of experiences and knowledge of trade unions and workers' representatives (including EWC members) and employers' representatives with regard to the impact of the information, consultation and participation procedures for the **better implementation of the European Social Model**
- To study the impact of the **Recast EWC Directive** ³ on information, consultation and participation in general (with a focus on the national level) and on the links between the national and European levels
- To compare the opportunities to influence the information, consultation and participation structures (including the EWCs) **on the economic and social issues** at the workplace and the results of this influence in the participating countries with long traditions of free market economics in comparison to those countries in which the market economy emerged since 1990
- To study the impact of the information, consultation and the legally existing forms of participation, including works councils with participative rights and board-level representation, on economic and social issues and on **corporate governance** and to compare them with

² The participating Member States in INFORMIA II were: Bulgaria; Cyprus; Italy; Ireland; and the UK. Croatia is also a partner country. The EU Member States signed an Accession Treaty with Croatia on 9 December, 2011, and it will become the 28th EU Member State on 1 July, 2013.

³ Directive 2009/38/EC

the impact of the information and consultation procedures in the participating countries where there are no board-level representation arrangements

- To draft proposals for changes and amendments to national legislation in the participating countries and in relevant EU Directives, including **enhancing board-level representation and improving the links between the national and European levels participation.**

2 Methodology

This report consists of a review of the structures and procedures for the functioning of the employment relationship in Ireland, including the structures of the trade unions and employers' organisations. It also reviews the legal arrangements for employee involvement, including information, consultation and participation in the workplace.

Three business sectors were identified for the focus of the study – financial services; pharmaceuticals/healthcare; and the food/drink sector. The methodology applied was a series of interviews, based on an agreed questionnaire, with members of the relevant EWCs and a management (HR) representative in a company from each sector and with the responsible trade union official for the companies, a total of nine interviews per country.

3. The Structure of Employment Relations in Ireland

Because of the close ties between the British and Irish trade union movements, going back to the nineteenth century when for the first time they were united under one Trade Union Congress, the Irish system of industrial relations has evolved from the British voluntarist model. Indeed, for many years after Ireland gained its independence, both systems of industrial relation and the scope of legal powers given to trade unions was governed by the same set of UK statutes. The legacy of the industrial and political upheavals in the first decades of the twentieth century are still, to some extent, reflected in the trade union structures today.

The approach of business and management to industrial relations has also been dominated by the substantial trade links with Great Britain since long before Irish independence, links that are still strong today. With these close business ties and with many subsidiaries of UK companies operating in Ireland, the traditional adversarial model of employment relations, with the emphasis on collective bargaining, has been the dominant system. This system has been re-enforced in recent decades by the establishment of subsidiaries of US companies, in particular non-union electronic companies, in Ireland.

The State, for its part, supported the continuance of this system by encouraging the 'voluntarist' model and, consequently, it took a minimalist approach to regulating the system through legislation. The State, however, does provide the dispute resolution machinery and these institutions, such as the Labour Court and the Labour Relations Commission, strive to maintain industrial peace within parameters agreed at the national level.

In the past, information and consultation procedures, therefore, have not been central to the Irish system of industrial relations. However, there has been some change in this since Ireland became a member of the EU in 1973, with the emergence of more consensual employment relations, influenced by a series of legal instruments agreed at the EU-level

4 Labour Market organisations

The labour force in Ireland was 2,109,800 in December, 2011, with 1,807,800 in employment. This is a reduction from its peak of 2,252,000 in the first quarter of 2008. The previous quarter (Q1 2007) saw the highest ever level of employment in the Irish labour market, with 2,141,000 at work. When the current recession began towards the end of 2007, unemployment stood at 4.5%, but now there is an estimated 302,000 unemployed (14.6%).⁴

⁴ *Quarterly National Household Surveys, Q4, 2011, Q4 2007, and Q1, 2008*, Central Statistics Office (CSO)

Trade Unions

The Irish Congress of Trade Unions (ICTU) is the only trade union confederation on the island of Ireland, with 49 individual affiliated trade unions. It represents trade unions in both parts of the island of Ireland, therefore, it functions under two different legal jurisdictions and two distinct political and economic entities. Indeed, ICTU is unusual in that it also has foreign (UK) unions as affiliated members, operating both in the Republic of Ireland (RoI) and Northern Ireland (NI). Many of these unions and, indeed, unions with their headquarters in RoI, have members in both parts of the island. It is also important to note that NI has evolved its own structures and particular system of industrial relations. There are also a number of unions, mainly in the Public Sector, that operate exclusively in NI.

There are some 797,399 members of the ICTU affiliated unions – 579,578 in the RoI and 217,711 in NI (2011 figures).⁵ Individual unions, in particular the largest, the Services, Industrial, Professional, Technical Union (SIPTU) with 206,900 members, have considerable power and influence. Other major unions are IMPACT, a public service union, with 63,600 members and UNITE the Union with 72,000 members. There are also a small number of unions operating outside of Congress, the largest of these been the National Bus and Rail Workers' Union (NBRU) with 3,700 members.

With the decline in employment since 2008, the number of trade union members has also declined - by some 46,600 between 2009 and 2011, a fall of 5.5%. According to a Central Statistics Office (CSO) survey in 2009, over a third (34%) of those at work are union members, thirty-seven per cent of full-time employees and twenty per cent of part-time employees.⁶ The figures show that there has been a slower decline in trade union membership than in overall employment in the past few years.

Despite a rise in the number of union members by around 100,000 in the last ten years, the proportion of employees who are union members has fallen.

⁵ *Report of the Executive Committee to the Biennial Delegate Conference* Irish Congress of Trade Unions, July, 2011

⁶ *Quarterly National Household Survey, Q2, 2009 (Union Membership)*, Central Statistics Office, March, 2010.

The CSO labour force figures show a decline from forty-six per cent in 1994 to thirty-five per cent in 2004 and to thirty-one per cent in 2007. However, membership increased again to thirty-four per cent in 2009.⁷ This reflects changes in the labour market. In particular, unions have found it difficult to break into many of the growing sectors of the economy such as electronic companies and private services, many of which belong to foreign (mainly US) multinationals. Unions are much stronger in the public sector – where around two-thirds of employees are members – than in the private sector – where the proportion is less than a third.

The ICTU disputes the findings of the CSO 2009 survey, as its own figures suggest a rate of nearer to thirty-eight per cent in 2010 (there is an acknowledged difference of methodology between the two surveys). With regard to the unionisation of women workers, the ICTU figures for 2011 show that just under fifty per cent of the membership in the RoI was female and, in NI, some fifty-six per cent were women.⁸

Although the ICTU plays an important part in relations with government, it is a grouping of independent and autonomous unions rather than a confederation that dominates and directs the unions that belong to it.

Employers

The Irish Business and Employers' Confederation (IBEC) is the major organisation representing employers in the labour market. Its membership included some 7500 businesses and organisations and 60 business and sectoral associations. The role of IBEC is to develop and co-ordinate economic, commercial and social policies for employers and to influence national decision-making, so that national policies are enterprise and employment friendly. It represents Irish business and industry in discussions on matters of trade, economics, finance, taxation, planning and development, with the Government, the EU institutions (through BusinessEurope) and other international organisations.

⁷ *ibid*

⁸ Irish Congress of Trade Unions, July, 2011, *op cit*

All business sectors are represented by IBEC, with the exception of the construction industry, which has its own sectoral employers' organisation, the Construction Industry Federation (CIF), which represents 3,000 member companies operating in various parts of the building and construction sector.

5 Collective Bargaining

While National Wage Agreements have, on and off, been the norm since the late 1960s, National Social Partnership Agreements have provided a continual framework for bargaining from 1987 to 2009. These agreements were negotiated between the unions, employers, farming organisations and Government.

Collective bargaining also took place within the framework of a series of the agreements and covered, not just broader economic and social issues, but also pay and working conditions. The scope of the agreements was extended over the years with an additional focus on tackling poverty, social exclusion and promoting social partnership. Community and Voluntary organisations participated in the negotiations and signed up to the national agreements from 1997. The last agreement was *Towards 2016 (T16)*, ratified in September, 2006, and covered such issues as pay, pensions, compliance with labour standards and work-life balance issues.

T16 was a ten-year framework agreement. It set out pay increases to end-2008. While these agreements do not have legal force but unions and employers' organisations are expected to exert discipline on their own members. They are widely observed and disputes can be referred to the Labour Relations Commission and, in the event of failure to reach agreement, referred to the Labour Court – two bodies intended to improve industrial relations and minimise disruption resulting from disputes.

The agreement was reviewed in 2008 and, after what were considered the most difficult set of negotiations to date, a transitional agreement was eventually reached in September, 2008, (*T16 Review and Transitional*

Agreement 2008-2009) which included a pay agreement, in three phases, for 21 months. This Transitional Agreement also covered a range of additional issues, such as the management of change, training and skills levels, pensions and employment rights. As part of T16, there was a commitment by the Government to enact legislation to set up a new State agency to ensure the implementation of and to enforce employment rights, the National Employment Rights Authority.

Almost as soon as it was signed, the Transitional Agreement ran into difficulties as Ireland was hit by a tsunami of economic, financial, banking, revenue and employment problems. Several attempts were made to get the National Social Partnership process back 'on track' but with no success.

Following a series of unilateral actions by Government on cutting pay and pensions for Public Sector employees, increases in taxation on all workers and the significant cutting of Public Services, including social benefits, both the ICTU and IBEC joined forces to try to persuade the Government to re-engage with them on a national recovery plan which would urgently address rapidly increasing unemployment levels, which doubled in a year, and the credit and cash-flow crisis for enterprises. However, the National Social Partnership process finally broke-down in December, 2009, when the Government 'walked away' from a proposed public sector deal.

However, agreement was eventually reached in the summer of 2010 with the Public Services Committee of the ICTU on the reform of the Public Services, including the civil service, health, education, local authorities and the security services. The agreement included commitments to a reduction in Public Service employment, redeployment within and across the Public Service and a redesign of how Public Services are delivered. The Government, for its part, agreed not to make any further reductions in the pay of serving Public Servants during the period of the agreement. ⁹

⁹ *Public Service Agreement, 2010-2014* (Known as the 'Croke Park Agreement'), June 2010.

6 Workplace Representation

There is no statutory system for permanent employee representation in the Private Sector in Ireland. Those who work in unionised workplaces – about one-third of the total – have representation through the trade unions. However, new procedures have been introduced as a result of the EU Information and Consultation Framework Directive (2002/14/EC). In most cases, employees are either represented through their unions, or not represented at all. ¹⁰

Within the Public Sector, State agencies and State-owned companies have statutory works council type bodies for information and consultation – so-called sub-board or partnership structures – as part of a general framework of participation. In the Private Sector there are organisations that have set up works council type bodies on a voluntary basis. These are in addition to union representation in most cases. However, they are rare.

European Works Councils

The European Works Council Directive (94/45/EC) was transposed into Irish legislation by the Transnational Information and Consultation of Employees Act, 1996. This Directive was ‘re-cast’ and enacted by the Council of Ministers in June, 2009 (2009/38/EC), and was transposed into Irish legislation by Statutory Instrument in July, 2011. ¹¹

The ‘Re-cast’ Directive improves the existing legislation in a number of important ways:

- It provides better definitions of ‘information’ and ‘consultation’
- It provides for greater ‘transnational competence’ for EWCs
- It has new rules regarding interaction between the EWC and other levels of representation, e.g. local works councils
- There is a greater role for employee representatives and for trade unions
- The rule governing the functioning of the Special Negotiating Body (SNB) has been significantly improved.

¹⁰ *Informing and Consulting with the Workforce - What the New Directive means for Ireland's Voluntarist Tradition* O'Mara C (2003) Commercial Law Practitioner 15 at 16

¹¹ *European Communities (Transnational Information and Consultation of Employees Act, 1996) (Amendment) Regulations 2011 - SI No. 380 of 2011*

Under the new legislation, Irish members of the special negotiating body (SNB), for the establishment of an EWC, are either elected by the employees; or appointed by the employees in proportion to the number of employees employed in each Member State, to a revised formula as set out in the Directive. The new legislation allows for the SNB to consult with trade union officials and experts and for these experts to participate in the SNB negotiations in an advisory capacity.

The legislation also recognises the role of a Select Committee and stipulates that an agreement to establish an EWC should 'where necessary' set out the 'composition, appointment procedure, functions and procedural rules' of the Select Committee.

Another significant amendment is that, in the event of a change in the structure of a company (or companies), or where there is a conflict between the provisions in two agreements and where the existing agreement(s) doesn't cover such an eventuality, central management is required to initiate negotiations through a newly constituted SNB, either itself or on request from:

- At least 100 employees
- Employee representatives in at least two undertakings or establishments in two different Member States
- At least three members of an existing EWC, or, where two or more EWCs are involved, at least three members from each EWC.

Any EWC already in existence will continue to function during these SNB negotiations and until a new agreement is reached.

Other new requirements arising from the legislation are a) for the members of the EWC to inform employee representatives in the company or, 'in the absence of such representatives, the workforce as a whole' of the content and outcomes of the information and consultation procedures; and b) the SNB and EWC members are entitled to reasonable facilities and to training so that they can undertake their duties 'promptly and efficiently'.

Under the Re-cast Directive and under the transposition legislation, there is a requirement for EWC agreements to incorporate arrangements for the linking of the EWC to any existing 'national employee representation bodies'. In the absence of such a local or national representative body, there is a requirement for the EWC, in the case of 'decisions leading to substantial changes in work organisations or contractual relations', to inform and consult the workforce.

With regard to the 'fall-back' provisions, set out in the Second Schedule of the legislation, a number of significant changes are made. First, EWCs are entitled to meet with management and be given the reasons for decisions that might affect a range of issues relevant to employees and, in accordance with the Directive, these are set out in the Schedule. Second, the Schedule brings the 'fall-back' provisions into line with the Directive with regard to a) the membership of the EWC; b) the election and membership of the Select Committee; and c) the provisions relating to 'exceptional circumstances or decisions', defined as 'relocation, the closure of establishments or undertakings, or collective redundancies', and the rights of the EWC and affected employees to information, to meet with central or other appropriate level of management and to be consulted.

7 Three Case Studies

As part of the INFORMIA II project, three interviews were carried out with Irish members of EWCs in the:

- a) Pharmaceutical/healthcare sector (ClaxoSmithKline (GSK))
- b) Food and drink sector (Coca Cola Hellenic Bottling Co (CC HBC))
- c) Financial services (AVIVA Insurance).¹²

In additions, there were further interviews with relevant trade union officials and with a management representative from CC HBC. A further interview was carried out with a former Irish member of the main Coca Cola Company (TCCC) EWC, which provided useful background to the organisation and

¹² With regard to the targeted financial services company, UniCredit, the Irish member of the EWC declined to be interviewed for this study. Consequently, it was decided to undertake interviews with an AVIVA Insurance ECF member and an official from UNITE AVIVA Staff Committee, as a financial services company

structure of that company.

A *Coca-Cola*

Coca-Cola has a complex corporate structure globally, with three different companies operating in Europe.¹³

- The Coca-Cola Company (TCCC) Europe Group
 - TCCC operates as a holding company that wholly or partially owns the other two companies. It makes the secret concentrate and controls the system (mainly by controlling the price of the concentrate and the product marketing), but in principal it does not make or bottle any drinks or sell them to retailers. This is done by "bottlers" who have exclusive licenses to manufacture and sell coke products in their respective countries. For this reason TCCC has a relatively small, mostly white-collar and non-union, workforce dealing with marketing and accounts, etc. The company employs approximately 1600 workers in Europe and has locations in Germany, Spain, France and Italy and Great Britain (but not in Northern Ireland (NI)).
 - Carlsberg manufactures and distributes Coca-Cola products in Denmark and Finland and there are four independent operators in Spain and Portugal, but these are in the process of merging.
 - In Ireland, it has locations in Athy, Ballina, Drogheda and Wexford. There are trade union members in all these locations, with the exception of Wexford, which is non-union. The company also has office facilities in Dublin. In recent years the company has expanded its global business shared services organisation in Drogheda, which includes recent investment in new offices and the creation of up to 100 new positions, in addition to over 200 already employed there.

- Coca-Cola Enterprises
 - CCE manufactures and distributes Coca-Cola products in Belgium, France, Great Britain (not NI), Luxembourg, the Netherlands, Norway and Sweden. It doesn't have any operations in Ireland.

- Coca-Cola Hellenic Bottling Company (CC HBC)
 - CC HBC also makes the syrup concentrate and is the bottling and distribution company of the group. In Europe it operates in twenty-seven European countries, in fifteen of the EU Member States, has 60,000 employees and its headquarters are in Athens. With regard to the UK, it does not have a business presence in Great Britain, but does have a production plant in

¹³ This case study is based on information provided by Simon Cox, EFFAT, and interviews with Gerry Farrell, TCCC EWC member and Chair until 2008, Conor Feeney, CC HBC EWC and Select Committee member, John Dunne, SIPTU, and Noel Magee, HR manager

Lisburn, Co Antrim, NI.

- In Ireland the company is run on an 'all-island' basis, with the Lisburn site the main production plant on the island. It is also has locations in five centres Ireland and two in NI. It employs 1,100 in production, distribution, marketing and sales.

In total, Coca-Cola employs just under 2000 in ten locations in Ireland.

At the EU level, there are three EWCs, one for each of its three companies. The TCCC EWC is representative of just a few thousand white-collar office staff, mainly non-union, and its biggest representation is from France. Ireland has the second biggest number of members and, until the closure of the Drogheda plant in 2008, had union representation.

TCCC is in a continuous process of restructuring and, in general, management were good at sharing information with the EWC. One of the challenges for the EWC members was that management frequently insists that issues, which the EWC would like to discuss, were national rather than transnational. For example, with regard to a downsizing process in ten countries across Europe in 2008, management argued that these were national restructurings and, consequently, not for discussion with the EWC, which raised the problem, from an EWC perspective, of what is national and what is transnational?

It is the view of Gerry Farrell that the EWC worked well and that the TCCC management were good at engaging with it. However, management controlled the information flow to the EWC and 'you was never sure if you were getting the full picture'. Indeed, at the company's initiative, there was a meeting in Atlanta each year between senior management and trade union representatives, including the three EWCs and the International Trade Union Forum (ITUF), to discuss global issues, such as the political situations in Guatemala and Columbia.

During his time as Chair of the TCCC EWC Gerry Farrell initiated joint meetings with representatives from the three CC EWCs, which were

organised through the EFFAT (by Simon Cox). There were up to four such meetings each year.

The CC HBC EWC has two Irish members, one from the Republic and one from NI (vacant at present).¹⁴ The process works well and there is good support from SIPTU and the EFFAT, whose experts attend all Select Committee meetings and the workers' pre-meetings (before full EWC meetings).¹⁵ In the past two years there have been a number of extra meetings to deal with key issues, such as the proposal of management to pool services (*Omega Shared Services Centre*) to be based in Bulgaria, which will result in redundancies in other countries. The 2012 annual meeting (May, 2012) will discuss how communications with the local/national levels can be improved, in line with the requirements of the re-cast Directive.

The EWC provides the opportunity to see the 'big picture' and is a good source of information, both for the union and for management. For example, a new out-sourcing policy was shown to and discussed with the EWC before local management saw it. Confidentiality can be a problem, but Conor Feeney is guided by the Irish HR Manager (Noel Magee), as to what he can or cannot disclose to the workforce, usually to meetings of a joint union-management House Committee. Language and interpretation are also problems, when a clear understanding of the issues been discussed is needed.

At the national level, the company does not have an information and consultation forum – the House Committee in place but this is, primarily, a negotiating body and the key forum for contact between the trade union (SIPTU) and management. The House Committee has seven employee members, representing the different regions ('territories', in CC language), and operating departments. The responsible SIPTU official attends all House Committee meetings. There is a good open exchange of information and discussion on the agenda issues, which, at present, include a) health and

¹⁴ Other members are from: Austria (2 members); Bulgaria (1); Cyprus (1); Czech Rep (2); Greece (3); Hungary (2); Italy (3); Romania (3); and Slovenia (1)

¹⁵ There is a close working relationship and good co-operation between EFFAT, SIPTU and the EWC members

safety; and b) an alcohol and drugs at work policy. The EWC member was nominated by the trade union, through the House Committee, and accepted by management. He reports back regularly on the European-level issues after each EWC meeting.

B GlaxoSmithKline ¹⁶

GlaxoSmithKline (GSK) is one of the world's leading research-based pharmaceutical and healthcare companies. It has its headquarters in the UK, but operates in over 100 countries, with major research centres in the UK, Belgium China and the US. In Ireland it has global manufacturing sites in Cork, Dungarvan and Sligo (Stiefel), and with financial, marketing, HR and other 'back-room' services in Dublin. In total, there is a workforce of over 1600 people throughout Ireland.

EWCs were in existence in companies that were part of mergers, since 1996, that resulted in the establishment of GSK in 2000. There are 48 to 50 EWC members, including substitutes (members are from 28 countries – all EU Member States + Norway). However, participation in the annual meeting is limited to 33 members. There is a 6 member Operating Sub-committee (plus 1 substitute), which meets 'at least 5 times a year' and more frequently, if needed. The items on the agenda, both for the annual meetings and meetings of the Operating Sub-committee, are drawn up jointly by the joint chairpersons and these dictate which senior management would participate in the meetings.

While, the majority of EWC members are non-union, the trade unions are active in a number of countries in the election of the EWC member. For example, all the members elected to the Operating Sub-committee, from Belgium, France, Germany, Ireland (chair) and Italy are trade union members.

¹⁶ Interviews with Tomás J Curran, EWC Chairman and Joint-chairman of Operating Sub-committee, and Tony Kelly, UNITE official, Waterford Office. The management/HR representative in GSK, with direct knowledge of the EWC, declined to be interviewed for the project.

The Netherlands member of the Operating Sub-committee is not a trade union member.

The EWC Constitution was revised in September, 2011, to take account of the Re-cast Directive and, as a result, a number of key changes were made, such as:

- The EWC now has the right to get information on takeovers and to discuss with EWC members of the targeted company, if one exists, regarding how to integrate that EWC into the GSK EWC
- The EWC also has the right to get information on and to discuss with management any re-organisation/re-structuring which will impact on one country and the employees in that country
- The Operating Sub-committee may request the assistance of an expert (Section 10 of the EWC Constitution) and, if management don't agree, the onus is on management to show that an expert is not necessary. This is an issue of contention with management
- Section 11 of the new Constitution sets out the procedures for formal reporting-back to the 'workforce as a whole'.

With regard to the main issues discussed by the EWC, restructuring and measures to avoid redundancies is a constant topic, as GSK is continually cutting workforce numbers. Second, the EWC is very pro-active on dealing with corporate governance issues. Another issue, which is a constant challenge to the EWC is outsourcing and its impact on jobs.

On the whole, the EWC works well and there is good engagement by management. However, it is just an information forum, although management do actively engage with the Operating Sub-committee on a range of issues and proposals.

However, at the national level in Ireland, information and consultation arrangements are not as effective. There is a GSK Ireland Information and Consultation Forum with membership from the various 'locations', as follows: 1 trade union and 1 staff member from Cork (SIPTU) and from Dungarvan (UNITE); the Dublin office is non-union but it has 2 representatives and there are 3 HR personnel representing management – 1 from each location. When the Forum was been set up, management insisted on having 'location', rather than 'site' representation, which means that the membership is not proportionate to the workforce across the various sites. For example, there

are 750 employees on two sites in Dungarvan, 500 who are members of UNITE, and 250 who are non-union, while Cork has around 150 employees, mostly members of SIPTU, but both 'locations' have two members each on the Forum.

Even though trade union membership was initially 60% (approximately) of the GSK workforce, with just two representatives on the Forum, union membership accounts for one third of the forum membership of six. Consequently, trade union representation is always a minority on the Forum

When the I&C Forum was first set up it worked well because of the commitment of the then HR Director, who was the Forum chairman. He has since left the company, so it is now not very effective. The management representatives tightly control the agenda and discussions at the Forum. Furthermore, there are no structures in place for staff representatives to report back to the workforce at each location. So, while union representatives continue to represent their members as normal, but not for the purposes of information and consultation through the Forum.

Finally, there was little or no support from the trade union movement in Ireland when Mr Curran was first elected to the EWC in 2000. However, the UNITE head-office in the UK has provided some training and is a resource for any legal questions which might arise. However, the local UNITE official, while not knowing much about EWCs, finds the EWC useful for getting information on company plans and in helping to formulate strategies to deal with proposed changes.

3 *AVIVA Insurance*¹⁷

AVIVA Insurance is the largest UK insurance company with operations in France, Spain, Ireland, Italy, Poland and the UK, within the EU, and also in Russia and Turkey. It was created following the merger of CGU (formally Commercial Union and General Accident) and Norwich Union in May, 2000, and was re-branded as Aviva in July 2002. In 2008 AVIVA acquired

¹⁷ Interviews with Ed Thompson, EWC member, and John Gibson, Chairman of the UNITE AVIVA Committee

Hibernian Insurance in Ireland and employs around 1,800 staff in a number of locations across the country.

The present EWC (called the European Consultative Forum (ECF)) replaced the existing EWCs in the merged companies and has a membership of eighteen from eight countries.¹⁸ There is no Select Committee and inter-meeting contact with management is through the Secretariat which is provided by an Irish and a UK member, both members of UNITE.

There were proposals from management to revise the existing agreement, which established the ECF, to bring it in line with the Re-cast Directive, but, following consultation with legal experts in UNITE, these have been put on hold, as concerns about some of the proposed changes were expressed by the worker members at the annual meeting in 2011. These revisions are still under negotiations between the company management and the ECF.

With regard to the main issues discussed by the ECF, restructuring and its impact on jobs and the resulting redundancies is a constant issue. Another topic, which is a constant challenge for the ECF is outsourcing and also its impact on jobs. For example, in 2008 the company decided to transfer its service and support functions to AVIVA's global services centre in Bangalore, India, over three years, with the loss of up to 600 jobs. The union argued that this transfer would not work or make the operations of the company more efficient and, indeed, this seems to have been correct, as the outsourcing is now under review, with the possibility that the jobs will be 'repatriated'. The ECF is continually challenging management on corporate governance issues, such as this. However, measures to avoid redundancies and to minimise job losses, arising out of such decisions, is an issue for the industrial relations arena and are not dealt with through the ECF.

A key overarching problem for the ECF is that decisions are announced without the ECF been informed, in breach of the Directive, UK legislation and the ECF Agreement. Management very often by-pass it, do not give sufficient

¹⁸ France (2 members); Italy (1); Ireland (2); Poland (2); Spain (1); Russia (1); Turkey (1); and the UK (8)

information on company plans, strategies and policies which it should be provided with. The approach of management seems to be to undertake a minimalist 'tick-box' approach and there are concerns that there is a 'hidden agenda' to merge the Irish and British operations. So, on the whole, it is the view of the ECF members that it does not work as effectively as it could.

AVIVA Ireland doesn't have an information and consultation forum, but operates through the Negotiation Team, which consists of four UNITE members and the responsible union official from the UNITE Irish Region. The Team meets monthly with management and, by agreement, one meeting each quarter (four per year) is set aside for information and consultation. These meetings issue an agreed statement to all staff. Almost 70% of the staff in Ireland are members of UNITE (union membership in AVIVA UK is about 13%). The relationship with the management team in Ireland is good, but there are continuous problems with the corporate headquarters management in London.

There was general recognition of the substantial support provided by UNITE through training, such as on health and safety, shop steward programmes and negotiation skills. Also, the UNITE Legal Dept is supportive of the ECF with legal advice, when needed – for example, in the negotiations on the proposed changes to the existing ECF agreement. UNI-Finance and UNI-Youth (both affiliated to UNI-Europa) are also very supportive of the ECF members through various training programmes and summer schools.

8 Functioning of Information and Consultation Arrangements in Ireland

While the study just looked at a minuscule sample of the Irish members of EWCs, some initial conclusions can be drawn from the interviews.

General conclusions

- 1 On the whole, newly elected members of EWCs are left to develop their own expertise with regard to operating at the EU level but do get some general training from trade unions, in particular UNITE, and

from the European trade union sectoral federations.

- 2 National information and consultation fora, if they exist, are closely controlled by management and the flow of 'local' information is limited
- 3 There was a view that EWCs worked better as a source of information than the local/national arrangements, although there was some concerns expressed about managements' control of information provided to the EWC as well
- 4 However, the EWC is considered a good source of information for the trade unions at the national level on future company strategies, how these might impact on Irish workers and, therefore, is useful for developing policies to protect members and jobs
- 5 The key issues of importance for Irish employees that have come through the EWCs, which were mentioned are:
 - i. Outsourcing of functions and jobs
 - ii. Production changes
 - iii. Employment numbers
 - iv. Restructuring and the impact on jobs
 - v. Training issues
 - vi. Health and safety
 - vii. Employee share arrangements (in GSK)
- 6 In all three companies surveyed, there have been disputes within the past three years, all to do with redundancies, outsourcing of jobs, or the re-location of jobs to another Member State
- 7 The link between the EWC and any national information and consultation arrangements, or with the workforce, has, up until now, been very much up to the individual EWC member to organise. This is made more difficult by the multi-location structure of the three companies in Ireland
- 8 Where they are in place, the EWC Select Committees are where the power lies. These meet frequently, have detailed consultation with management and are seen to achieve results. The annual EWC general meetings are not seen as very effective, but are useful as a way of meeting EWC colleagues from other Member States, in particular during the pre-meeting of delegates, in understanding local

concerns and identifying common issues across the EU to be addressed at the general meeting.

- 9 The support of the trade union federations is considered important and both the European Federation of Trade Unions in the Food, Agriculture and Tourism (EFFAT), and UNI-Finance are active in supporting the work of the EWCs.¹⁹

END

¹⁹ EFFAT representing 120 national trade unions from 35 European countries, with more than 2.6 million members. UNI-Finance is part of UNI-Europa which has 320 affiliated trade union organisations in 50 countries, representing 7 million workers.

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