BETTER WITH THE FSU

May 2025

Submission from the Financial Services Union to the Department of Enterprise, Trade and Employment Public Consultation on Ireland's Action Plan to promote Collective Bargaining

financial services union

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Who we are

The Financial Services Union (FSU) is the leading Trade Union representing staff in the Financial Services, Fintech, and Tech sectors. We support employees of retail banks, global financial services organisations, technology and FinTech organisations and workers in the Games and Animators sector. We understand what employees want, we give sound advice, and we secure better outcomes in pay and conditions for our members. We are a representative and campaigning union based on shared common values of decency, fairness, equality, and respect in the workplace.

Our purpose is to support, enable and empower members to achieve their career ambitions while leading the development of a sustainable, ethical financial services sector.

Our ambition is to be a progressive and innovative trade union, recognised for supporting, representing, and enabling members.
Our vision is of an FSU that is at the heart of the financial services community. Through our deep understanding, insights and focus on the changing world of financial services and our members' needs, we enable progress that benefits consumers, the sector, and the economy.

Overview

The Financial Services Union welcomes the opportunity to contribute to the creation and publication of a national action plan for Ireland aimed at promoting collective bargaining coverage.

Let us start by stating what collective bargaining is :
"all negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more workers' organisations, on the other, for...determining working conditions and terms of employment; regulating relations betweenemployers and workers...regulating relations between employers or their organisations and a workers' organisation or workers' organisations."

Collective bargaining is when employers and unions conclude agreements on working terms and conditions and ensure that those agreements provide the basis for regulating their subsequent relations with each other. It is about both sides talking, listening, and compromising. The objective is to reach mutually acceptable agreements on wage and conditions like working time, leave, training, pay, pensions, the introduction of new technology, employment, and productivity.

Over time countries have evolved diverse ways to organise bargaining, from plant to company, to industry to national level arrangements.

This action plan is a legal requirement for Ireland to introduce because as a Country we fall far short of the 80% collective bargaining coverage that is the stated ambition of the Directive. It is the failure of legislators to deliver a fair, equal industrial relations system that treats the rights of the worker and the employer equally that has Ireland as an outlier in the EU in relation to collective bargaining entitlements.

The consultation process as produced by Government is the minimum that could be expected and is a fraction of what should have been done. It is our intention in this submission to make the case for what should be included in the national action plan but also take the opportunity to promote and explain the benefits to both employer, employees and the economy of collective. We now have compelling evidence of the desire for trade unions amongst the workforce, especially amongst young workers. UCD research from 2023 told us that nearly half of all workers want a union in their workplace and this rises to 67% for workers under 25. Young workers especially want trade unions. We also know from independent research from Ireland Thinks polling data from 2021 and 2024, respectively, that 74% of workers want the legal right to collectively bargain with their employer and 75% of workers want greater protections for those organising a union at work. So, if people want a union why don't they have one?

Two reports, recently published, show the extent of Union Busting in Ireland. The University of Limerick first surveyed union officials (staff of trade unions) of their experience of employer responses to unions and found quite shocking levels of hostility. 93% of officials saw members victimised. 82% of officials saw an employer use consultants to resist unions and 63% of officials saw employers threatening to close or relocate their plant/office if their workers organised a union. These very high results can probably be accounted for the number of workplaces and employers that each union official will have been responsible for. But the results are, in general, mirrored and echoed by union activists and representatives in the workplace themselves.

The Financial Services Union alongside our colleagues in SIPTU, CWU and Mandate have come together to form the Respect at Work Campaign The Respect at Work, surveyed workplace representatives and found that 69% of respondents trying to organise their union at work faced employer hostility of one kind or another and the most cited example of victimisation of the union representative individually. This report also highlight the significant negative impact on mental health that employer hostility has on these activists.

The Respect at Work Campaign is a campaign that has at its core a call for new legislation to promote collective bargaining.

The campaign's three demands are
• Provide a legal framework for employees to engage in collective bargaining
• Provide legal protections for union members against dismissal and victimisation
• Provide workers with access to a trade union.

In the General Election campaign of 2024 we asked political parties and candidates to sign the following pledge.

“I pledge to support legislation which promotes collective bargaining, protects workplace representatives and ensures the right to access a trade union at work”

89 TDS, a majority of Dáil Éireann signed the pledge including TDS who are now sitting around the cabinet table.

The national action plan, when finalised should reflect these views.

Collective bargaining can:

- Enable social and economic inclusivity by seeking to ensure workers gain a fair share of economic growth.
- Collective bargaining assists individuals who may not have the power to negotiate individually, helping to compress income inequality within firms.
- When practised at a sectoral level, collective bargaining, by co-ordinating negotiations across many firms, further reduces inequalities across a larger pool of workers.
- Collective bargaining also helps to prevent and regulate workplace conflicts, thereby maintaining industrial peace.
- Where practised at the company level, collective bargaining can help improve workers’ labour market security. It can provide support, guidance, and access to up-and reskilling for workers who lose their jobs in the event of restructuring and redundancies.
- Where practised at the workplace level, collective bargaining upholds sectoral agreements and ensures employment rights are protected.

Collective bargaining can also support business performance. It reduces inefficient transactions costs for firms that arise from replicating exchanges across multiple employees. Through sectoral or national collective bargaining wage competition can be restrained across firms, while the incentives for innovation become enhanced by preventing the potential of increasing profits through low pay.

By taking wages out of competition, managers increase margins elsewhere by improving workplace efficiencies. In so doing, collective bargaining can push the economy towards a high wage and high productivity equilibrium.

By helping secure better conditions of work can stimulate workforce engagement, effort, and productivity.By enabling worker voice to be heard, collective bargaining reduces the costs associated with labour turnover, providing more incentives for more investments in the firm’s human capital. As such, collective bargaining corrects inbuilt failures and inefficiencies that can regularly occur in market economies.

Collective bargaining provides a platform for social dialogue between governments, workers and employers. It helps to manage reforms at the national, industry, and workplace levels, thereby enabling fully considered and agreed solutions to new economic challenges.

There is widespread evidence that rising income inequality in many economies is associated with declining union membership and collective bargaining. Many commentators believe collective bargaining can facilitate inclusive labour markets and improved economic performance. Ultimately, collective bargaining matters for many of the issues people and policymakers care about: employment, wages, inequality, and productivity.

Corporate Sustainability Reporting Directive (CSRD)

The Corporate Sustainability Reporting Directive (CSRD) when fully transposed into Irish Law has as one of its requirements ESG disclosures by companies. The mandatory reporting will be based on European Sustainability Reporting Standards (ESRS) and there are several metrics to be included. One of these metrics/targets to be disclosed is collective bargaining coverage and social dialogue.Under (ESRS) companies must disclose the extent to which their employees' working conditions and terms of employment are determined or influenced by collective bargaining, and the extent to which employees are represented in social dialogue. This is a further reason why the national action plan when finalised reflects the seriousness and importance of the promotion of collective bargaining coverage in Ireland.

For inclusion in the national action plan we would ask that new legislation be introduced which would include the following:

Right to access and organise

Provide trade unions (staff and elected officers) with the right to access all workplaces to educate workers on their basic entitlements, including joining the trade union and discussions on workplace issues and collective bargaining. Union Representatives must also be provided statutory facilities time and support, including digital means, to carry out union duties including the recruitment of new members into theunion. These facilities should extend to workplaces where unions are not recognised. Union Representatives must be allowed discuss all workplaces matters including pay and conditions and must be provided meetings rooms and email access to arrange both physical and digital workplace meetings. Thesemeetings can be held on paid working time. Union Representatives must be provided induction time with all new employees.

Trade union deductions at source

Legislate so workers who so wish can have trade union subscriptions deducted by their employer with the relevant details and the correct subscription passed to the designated trade union. Any employer refusing to give the right subscription should be liable to pay any arrears to the trade union and be in breach of the law and so fined. The threat or practice of removal of at source deduction needs to be removed from the bargaining table and legally protected.

Anti – victimisation & unfair dismissals

Reduce the qualifying period for all unfair dismissal protections from 12 months service to Day 1 protection.Strong anti-victimisation measures, akin to the whistle-blowing protections, should be enforced, including immediate reinstatement, pending case, and significant financial penalties if proven. Union Representatives must have the strongest protections to be able to carry out their role free from fear of employer retaliation and employers must be disincentivised from doing so.

Right to representation

Provide mandatory union recognition and collective bargaining rights for trade unions where substantial numbers of workers want it. The introduction of these rights will bring Ireland up to speed with our neighbours in Britain and other major economies like Canada and the United States as well as our European neighbors.

Tax relief for union membership

Relief for trade union subscriptions was previously provided for in section 472C of the Taxes Consolidation Act 1997. That section ceased to have effect for the tax year 2011 and each subsequent tax year. Consequently, no relief is available for trade union subscriptions for any of those tax years. Tax relief on union subscriptions was first introduced in 2001. This was to bring workers entitlements into line with people paying fees to professional bodies who already received tax relief on such fees. In 2009 the then Minister for Finance, Brian Lenihan TD. initially announced he was abolishing tax relief not just on trade union subscriptions, but on fees to professional bodies. The FSU would argue that reinstating a tax relief on trade union subscriptions should form part of this action plan.

Collective bargaining support fund

There is no point producing an action plan that fails to provide the resources to ensure it is implemented It will require resources for training and education of employees and employers' bodies. It will require new training initiatives and courses. For any plan to work the general public will need to be conscious of what is in the plan and the benefits that can accrue if the plan is implemented.

The plan will need to explain what constitutes collective bargaining and the benefits that can accrue to workers, employers and society from collective bargaining. Unless there is a concerted effort by all to promote collective bargaining, the 80% threshold required in the EU Directive will not be met. New technological advances will require large investment from unions in new technology and IT systems.

To help unions, employers and the general public the FSU propose the Government include in the action plan a requirement for the social partners to begin discussions on what resources will be required to implement the action plan required under the EU Directive on Adequate Minimum Wage and set up an initial fund for the set purpose.

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