

Work Package 5: Crisis Collective Bargaining in a Multi-Union Setting: Dublin Airport and Covid-19.

Section I: Context

This case study looks at the responses of the employer and trade unions at Dublin Airport to the outbreak, and management, of the Covid-19 crisis; i.e. **crisis collective bargaining in a multi-union setting**. The case study looks at how the employer and trade unions concluded, via collective bargaining, a negotiated response to the lockdowns, and the terms of the response focusing on three aspects:

1. The “quid pro quo” of job retention and work practice changes;
2. The use of voluntary redundancies;
3. The process of negotiating and communication during the lockdowns.

Each aspect of the response is interrogated to see what lessons or pointers it can provide for future crisis-management, in the light of the findings of the VIRAL project to date.

Ireland has three primary State Airports - Dublin, Cork and Shannon Airports- which are commercial “Semi-State” companies (owned by the State, but operated as “ordinary” commercial enterprises). Daa (Dublin Airport Authority) owns and manages Dublin and Cork airports, and also has international airport operations and investment, and a travel retail subsidiary with outlets across the world. The case study focuses on Daa as the employer at Dublin Airport. As with all countries studied in this project, and as detailed in WPs 3 and 4, the outbreak of the pandemic, and the coming into force of lockdowns, had a catastrophic effect on operations at Dublin Airport. As an Island nation, civil aviation is vital to Ireland. In 2019, Ireland ranked as the 16th largest nation in the aviation market in Europe by total seat capacity, significantly above its ranking as Europe's number 26 nation by population (source: CAPA; worldometers.info). Dublin Airport hosted 32.9 million passengers during 2019, more than 6.6 passengers per capita, and in 2019 it was the tenth largest airport in Europe. By contrast, as Ireland implemented “the most restrictive travel policy in Europe”,¹ 10.3 million fewer passengers used Irish airports in the second quarter of 2020 (the start of the pandemic) compared with quarter 2 of 2019, a decrease of 98.4% from quarter 2 of 2019.²

In its December 2020 report, the Oireachtas (Irish Parliament) Joint Committee on Transportation envisioned “living with Covid-19 for the medium term”,³ thereby indicating its view that the pandemic required planning for a longer period than had been initially thought. To this point, in testimony before the Joint Committee in October 2020, the CEO of Dublin Airport Authority articulated the peril of a loss of connectivity (noting that its re-establishment could take up to four years of intensive work), and he identified “2024 or beyond” as a point at which recovery may be achieved.⁴ A key issue for

¹ Joint Committee on Transport and Communications Networks debate, *Covid-19: Issues Affecting the Aviation Sector*. 7 Oct 2020.
https://www.oireachtas.ie/en/debates/debate/joint_committee_on_transport_and_communications_networks/2020-10-07/3/ Accessed 29th October 2022.

² Jane Burmanje, Mary Ellen O’Keeffe, and Luke Daly, *Spending Review 2021: Examination of State Funding to the Aviation Sector during the Covid-19 Crisis* (Department of Public Expenditure and Reform, November 2021), 8.

³ Joint Committee on Transport and Communications Networks, “Issues affecting the aviation industry” 33/TCN/01 (December 2020), 12.

⁴ *Ibid*, 13.

Dublin Airport (as with all airports) was that, given the regulation of airport operations, certain fixed numbers of employees are required regardless of the level of traffic. This means that, for example, even 10% capacity requires much more than 10% of employees to be working.

It was in this economic context that the Daa and the unions at Dublin Airport had to try and negotiate a response when the pandemic hit. Of course, this was also in the context of the historical framework of IR at the airport, which we will describe briefly in the next section.

Section II: Relevant Actors

First, as noted in WP4, the Irish State played a relatively small role in terms of direct sector-specific support for the aviation sector (we distinguish this from the wage subsidy schemes which were fundamental to the survival of organisations in the sector, but which were not sector-specific). At several points during the pandemic, there were calls from trade unions for a more active State approach. In March 2020, the unions at Daa called for the dividend the company pays annually to the State to be retained in the company, and used to support employee costs.⁵ Ultimately, this did occur, and the dividend was not paid. However, the Irish State did not take any *specific* measures focused on supporting IR/ employment levels in the sector.

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Therefore, management of industrial relations at Dublin Airport during the crisis was a matter for the employer, Daa, and the trade unions. There has always been a strong tradition of trade union membership in the Daa (given its, ultimate, status as a state-owned entity). The Daa recognises five unions at Dublin Airport, and collective bargaining takes place at company level (as is typical of the Irish model):

- SIPTU: Ireland's largest general union, which represents a number of groups at the airport, including ground staff (e.g. baggage handlers, cleaners, check-in staff, back-office staff, some aircraft maintenance), and security workers in the Airport Search Unit (ASU);
- Fórsa: represents administrative staff;
- Mandate: represents retail staff;
- Unite: represents certain craft (skilled manual) workers;
- Connect: the electricians' union.

Industrial relations at Dublin Airport (again, as is typical of the Irish model) have been rather adversarial since the turn of the Century. A "Cost Recovery Programme" was agreed by SIPTU and the Daa in 2009. A bitter dispute over a huge deficit in the pension fund of employees of Daa was a point of some controversy for many years. However, a significant milestone was the opening of a new terminal- Terminal 2- at Dublin Airport in 2010. There was considerable controversy about the transfer of staff from the existing Terminal 1 to T2 (the latter being operated by a wholly-owned subsidiary of Daa). An agreement reached allowed staff to transfer from T1 to T2 with severance pay. However, pay rates at T2 were set at a lower rate than T1. Since 2010, staff in the two terminals have worked separately, with staff members carrying out work only in their designated terminal.

⁵ Services Industrial Professional and Technical Union (SIPTU). *Daa Unions call for suspension of State dividend to allow supports for airport workers*. 16 March 2020. https://www.siptu.ie/media/covid-19-information/covid-19-presstatements/fullstory_21594_en.html Accessed 26th September 2022.

Section III: Industrial Relations

Once it became apparent that the pandemic was not going to be a short-lived event, Daa and the unions began to turn their minds to how to manage this unprecedented crisis. From the outset, it was clear that the response was to be negotiated, and Daa senior management held a weekly online call with the unions to update them on developments. The Daa pushed for an overall collective labour agreement (CLA) to cover all staff, pointing out that there was no time for protracted negotiations, and that the State dispute resolution bodies (the Workplace Relations Commission- WRC, and the Labour Court) were not available, due to pandemic closures. However, the unions resisted this, and the result was separate CLAs for each union, and, in some cases, for individual areas of the business. This resulted in more than 20 separate CLAs concluded with SIPTU alone. However, the unions did agree to a basic template of principles for the CLAs so there would be some common structure. We will focus on three aspects of the negotiated settlement here. First, the substantive agreement that was reached and set down in CLAs. Secondly, we will look at the use of voluntary redundancies. Finally, we will consider the process by which negotiation was reached. In all three areas, we will draw out relevant experiences that expand on themes covered in WP4.

The Quid Pro Quo

It was agreed early on that there would be no compulsory redundancies or permanent changes to core terms and conditions (notably pay). In exchange, the company would seek changes via what it termed its New Ways of Working (NWOW) plan, unveiled in June 2020. In particular, the plan focused on: what was termed “follow the work” (i.e., cross-terminal working and the removal of Terminal One/Two and landside/airside demarcations); roster changes; teamworking; sanitisation; and the embracing of new technology and associated processes.⁶ The agreement reached was that employees who accepted the NWOW plan would be guaranteed pay and hours of 80% in return for work practice changes, until “normality” resumed. The plan was quickly recommended for acceptance by some unions (e.g. Mandate and Fórsa) but not by others; in particular the craft unions (Connect and Unite) and Siptu in respect of its Airport Search Unit workers (security staff). By September 2020, approximately 90% of staff at Dublin Airport had accepted the plan, but it was rejected by the craft workers, who also rejected (in a 50-50 vote) a Labour Court Recommendation that they accept the plan in July 2021.⁷ These workers were placed on pay and hours of 60% of pre-pandemic levels from October 2020, as per the employer’s direction as to what would occur if the plan was not accepted (see below). While other workers were moved back to 100% pay in March 2021, workers who had not accepted the NWOW plan remained on 60%.

⁶ Dublin Airport Authority (daa). *Rebuilding Reconnecting Ready*. Annual Report 2021; <https://www.daa.ie/wp-content/uploads/2022/08/daa-AR2021-ENG.pdf>. A useful summary of the changes introduced by the NWOW plan, and subsequent developments, can be found in the WRC decisions of *Deighan v Daa* (ADJ-00032849/2023) and *An Electrician v An Airport Management Company* (ADJ-00043060/2023); available, respectively, at <https://www.workplacerelements.ie/en/cases/2023/january/adj-00032849.html> and <https://www.workplacerelements.ie/en/cases/2023/january/adj-00043060.html>.

⁷ <https://www.workplacerelements.ie/en/cases/2021/march/lcr22381.html>. Unite the Union (Ireland). DAA: Unite warns company against outsourcing attempts. 23 Jul 2021. <https://unitetheunionireland.org/2021/07/23/daa-unite-warns-company-against-outsourcing-attempts/>

The Use of Voluntary Redundancies

The NWOV plan was unveiled pretty much in tandem with other options, including, importantly, a voluntary redundancy plan (what was known as the voluntary severance scheme- VSS). The staff reduction arrangements offered by the company provided for three options: voluntary severance (for those with 4 years' service); a career break (for those with at least 1 year's service); or permanent reduced hours working (available to all). The terms of the VSS were viewed as extremely generous (4 weeks pay per year of service in addition to statutory entitlements, and an allowance for educational support) and, according to interviewees, provoked some concern in Government, where officials were worried about setting such a generous precedent for semi-state organisations. A result of this was that the scheme was significantly over-subscribed, with over 800 staff (approx. 25% of the total) leaving the Airport in a relatively short period of time (starting from October 2020).

This had a number of implications. First, the use of redundancies contrasted with the approach of the airlines (which focused on job retention measures via pay cuts and/or reduced hours) and meant that the airport was vulnerable to upswings in air-traffic and the return of passengers (which, indeed, occurred in 2022; see below). Secondly, the terms clearly incentivised the exit of more experienced staff, many of whom enjoyed the pre-2010 "legacy" pay and conditions. This led to some accusations by unions that the Airport was trying to replace "legacy" workers with new staff on lower terms and conditions.⁸ (We note that this approach has also been seen in Poland with Lot Airlines' hiring of new staff in 2021 and later.) However, the unions were aware that the terms of the VSS were hugely attractive to employees with longer-service, and were under pressure from long-standing members who wished to avail of the scheme. This led, in one instance, to the outsourcing of a service (cleaning) due to the exit of a number of long-term cleaning staff. This was difficult for the unions to accept, as outsourcing had long been resisted at the Airport, but they were left with little option. Thirdly, the manner in which the VSS was rolled out was a point of some contention, as we will see in the next section.

Negotiation and Communication

An interesting aspect of the experience at Dublin Airport was the problem of how to "do industrial relations" in a crisis. At one level, this was an extremely practical problem. Collective bargaining, of course, normally takes place face-to-face, where personal dynamics (body language; tone; personal relationships) can be crucial. The pandemic prevented this, meaning that a lot of negotiation had to be done virtually (via video calls, or in writing via email). This had an impact not only on the negotiations between the company and the unions, but also on the unions' ability to interact with their own members. In terms of the former, technology improved as time went on, but negotiating difficult and complicated agreements virtually remained a challenge for both sides. In terms of the latter, union representatives were undoubtedly anxious about their authority to come to agreements on issues, without being able to "take the temperature" of the membership on the ground.⁹ On one level, as virtual meetings become the "norm", this is an issue that can be solved

⁸ *SIPTU says inferior pay and conditions for daa workers key factor in Dublin Airport crisis*. 31 May 2022. https://www.siptu.ie/media/pressreleases2022/featurednews/fullstory_23003_en.html Accessed 26th September 2022

⁹ In fact, there was a significant problem for Siptu in relation to proposals from Aer Lingus, on which the union chose not to ballot, feeling the subject matter was encompassed within existing, approved agreements. Once Fórsa chose to ballot on similar issues, Siptu members protested against their union; see <https://www.independent.ie/business/focus-aer-lingus-plays-hardball-to-put-unions-under-pressure-39300132.html>.

(albeit at a financial cost) by investing in technology. At another, however, it does suggest a fundamental shift in how collective bargaining operates, and a formalisation of the process, which might significantly alter its character. On the latter point, we wonder if the ‘distance’ that virtual meetings create may also impact on the relations that often accompany in-person negotiations. It is also possible that a hybrid of virtual and in-person meetings may be utilised. If a hybrid approach is undertaken, the shift from hybrid to in-person may emerge as a new demarcation point in negotiations insofar as in-person negotiations signal some ‘progress’ in discussions.

A more controversial issue during the pandemic, and one that impacts directly on how collective bargaining operates in the company, was the manner in which the employer managed the communication process. The Daa adopted an approach, at certain points, of “direct communication” with workers (via corporate video messages from senior management), bypassing trade unions. In June 2020, the Daa CEO made announcements to workers by video message, with promises to write directly to them about how the plans would affect each worker. Importantly, this involved the clear communication to workers that by not signing up to NWOW, they would render themselves ineligible for some schemes, notably the VSS. In September 2020, at a “town hall” meeting hosted by the chief executive, employees were informed that, if the NWOW proposals were rejected, hours and pay would be reduced to 60%. This style of announcement was somewhat of a departure from tradition in the heavily unionised Daa. From the company’s perspective, this was an attempt to unequivocally outline to staff that failure to achieve cost savings via NWOW would have to be made up by reductions in hours and pay. For the unions, however, the company writing to staff directly, and outlining the terms of redundancy schemes, and what would happen if they were rejected, *before* agreements with all unions had been concluded was seen as provocative, a pressure tactic, and gave rise to the suspicion that the employer was trying to undercut the union role.

Conclusion

A first issue to look at is that of “opportunism”; did the employer exploit the crisis to implement permanent work practice changes? A crude answer would be “yes”; the changes introduced to working practices via NWOW are permanent and outlast any pandemic requirements. However, the employer was clear from summer 2020 that such changes would be needed to fund voluntary redundancy schemes, which as we have seen were generous in their terms, and to maintain pay at 80% (a figure higher than that maintained by the two main airlines, for example). Additionally, from the union point of view, the concession of cross-terminal working has in fact provided an opportunity to “level-up” and seek increases on T2 rates. At the end of 2022, the unions agreed a pay deal at Dublin Airport, amounting to a pay increase of 7.25% over two years. Before these increases were applied, significant “catch-up” pay increases were applied first to those on post-2010 contracts at entry level in the ASU, cleaning, service delivery and retailing (understood to account for over half of staff in these key areas of airport activity). These were aimed at closing part of the gap between those employed before and after 2010. Thus, as we have seen, the shifting balance of power during the years 2020-22 (as employment has increased rapidly and labour supply has come under pressure) has seen both sides use their leverage to achieve gains.

A second issue to consider from the case study is how the large-scale redundancies (albeit voluntary) affected the ability of Dublin Airport to manage the transition to recovery. As we know now, recovery in passenger traffic during 2022 was significantly ahead of many forecasts. Testifying at a parliamentary hearing in June 2022, the Daa CEO and CFO both pointed out that when the VSS was put in place, most analysts were predicting that it would be 2024 or 2025 before air traffic returned

to pre-pandemic levels, with little prospect at the time of full pre-Covid staffing being needed for several years.¹⁰ Nonetheless, the Daa was severely criticised for the delays and chaos at that occurred at Dublin Airport in May and June 2022, which were seen as directly linked to the extensive redundancy programme undertaken which left the airport understaffed to meet the rather sudden upsurge in demand. One point, noted in interviews, which contributed to the difficulties was that, in some cases, the very staff charged with implementing NWOW were themselves leaving as part of the VSS. A factor which arguably made the Daa's approach look worse was the comparison with the emphasis on job retention schemes in the main two airlines, which allowed them to meet the sudden increase in passengers much more effectively than the Irish airports. However, it should be noted that, at this time, there were difficulties at airports throughout Europe and the UK. Undoubtedly, however, there has been a loss of experienced staff from the airport, and questions remain about the wisdom of the approach of pursuing voluntary redundancies so strategically.

This leads on to a third issue; the prospect for careers in airport work into the future. At one level, the case study confirms what was outlined in WP4. The tightening of labour supply after the pandemic in Ireland, as unemployment levels dropped below 5%, meant that workers' representatives were able to go on the offensive in relation to collective bargaining. In the immediate aftermath of the recovery in 2022, the company was said to be offering significant overtime payments and incentives in order to manage the surge in passenger demand. As noted above, Daa and the unions agreed a pay rise and, importantly, measures to improve the pay of post-2010 entrants, and to improve entry level pay rates more generally, at the end of 2022.

However, while these measures are said to have helped with recruitment and retention (according to interviewees, "attrition has slowed but not stopped"), there are longer-term issues. Some of these are simply functions of the nature of work in the industry, which is significantly based on shift-work; this is simply not attractive to some workers. More fundamentally, there is the question as to how much Covid has shifted work-life balance expectations, and the desire to work from home (virtually impossible in the context of much airport work). Daa has been offering two types of contracts for new entrants: permanent contracts with guaranteed weekly hours; and seasonal contracts with variable hours. Both contracts are covered by a "banded hours agreement" with SIPTU, which assesses average hours twice a year and offers a new contract to reflect actual hours worked. However, the Daa claims that many new entrants decline higher hours contracts in order to maintain flexibility for themselves. We will have to wait and see if this becomes a longer-term issue for staffing in the sector.

In terms of the *practise of industrial relations*, there are two noteworthy points. First, there is the issue of the company engaging in direct communication with workers, in addition to the traditional means of indirect communication with the unions. As noted in WP4:

"At certain points (especially early in the pandemic) both Aer Lingus and Daa sought to take a 'tough line' in negotiations (direct messages from senior management to workers; threats of what would happen if proposals were rejected in ballots; 'punishing' those who did not sign up to Covid-response agreements). All of these examples almost come straight from the old 'Ryanair playbook'; has the pandemic seen a shift, on one hand, in terms of Ryanair dealing with unions in a more 'traditional' way, but, simultaneously, 'traditional' unionised employers moving towards a more Ryanair-like style of management?"

¹⁰ https://www.oireachtas.ie/en/debates/debate/joint_committee_on_transport_and_communications/2022-06-01/2/.

This question remains open in terms of IR at Dublin airport. The unions certainly feel that the legacy of the pandemic negotiations could lead to a more adversarial relationship in the future.

Secondly, the case study did throw up some interesting viewpoints on “preparing for the next crisis”. Both unions and employers stressed the difficulties in having no structured form of social dialogue in the context of the crisis. Although, solutions were negotiated at Dublin Airport, and industrial action was avoided, interviewees stressed that *had* there been a need to address an industrial dispute, there was no immediate social dialogue institutional framework that could be activated or accessed. In line with the WP4 findings, therefore, the case study seems to bolster the case for better social dialogue at sectoral level in Ireland.

Case-study evaluation

Please, evaluate your case study by using the following indicators and give a brief explanation of your evaluation

Criteria	Evaluation on a scale of 1-5 (1=minimum, 5=max)	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Innovation	<p>Explanation: to what degree does the topic/subject analysed in the case study deviate from existing practices and legal frameworks? Why the case study is innovative?</p> <p>The innovation lies in assessing how collective bargaining was carried out in a multi-union environment during the Covid-19 pandemic. The case study elaborates on, and investigates in greater depth some of the themes identified in WPs 3 and 4.</p>					

Criteria	Evaluation on a scale of 1-5 (1=minimum, 5=max)	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transferability	<p>Explanation: to what degree can the results/lessons learnt in the case-study be transferred along the air transport value chain? other sectors? other countries?</p> <p>We have seen that in all VIRAL countries, collective bargaining in the aviation sector is carried out at company level, and usually involves multiple unions. Although this is typical of the Irish context, it is unique in a number of the countries under study. Therefore, the experiences outlined in the case study should be of interest to all partners. The study looks at the experiences of a number of cohorts of workers along the value chain (retail, admin, ground staff, etc).</p>					

Criteria	Evaluation on a scale of 1-5 (1=minimum, 5=max)	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Inclusiveness	<p>Explanation: to what degree does the topic/subject analysed in the case-study see the involvement of partners and public actors?</p> <p>The case study focuses on the role of trade unions and the employer; there is little involvement by public actors.</p>					

Criteria	Evaluation on a scale of 1-5 (1=minimum, 5=max)	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Covid-19 causality	<p>Explanation: to what degree is the topic/subject analysed in the case-study directly related to the Covid-19 outbreak?</p> <p>The case study focuses on collective bargaining in the context of Covid-19 and its immediate aftermath.</p>					

