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WP4: The Air Transport Sector and the Impact of COVID 19: IRELAND

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Outline

- The Air Transport Sector
- Employment in the Air Transport Sector
- Working Conditions the Air Transport Sector
- IR in the Air Transport Sector
- Conclusions

1. The Air Transport Sector: Overview

- Main actors remain in place:
 - Aer Lingus (Legacy); Ryanair (LCC); Daa (airports)



2. Covid 19 and Employment

- General Irish response: avoid redundancy!



2. Covid 19 and Employment

- Airlines made few redundancies BUT Daa approx. 25% of staff (all voluntary; mostly Dublin Airport)
- Airlines: Lay-offs and short-time working (amendment to legislation on redundancy)- 50/60%
- No perceptible increase in 'non-standard' employment
 - Despite Aer Lingus threats...



- Note *Lutz v Ryanair* in UK ET- pilot was an agency worker, not self-employed
- Overall, employment levels moving back to pre-pandemic ('staffing up' important to some actors)

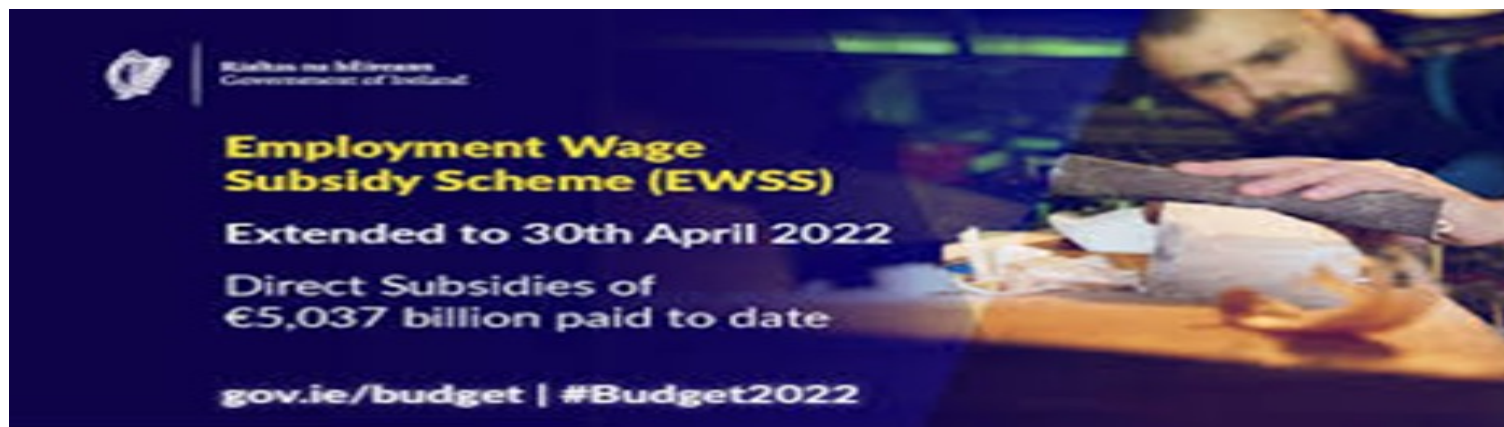
3. Covid 19 and Working Conditions: H&S

- Labour Employer Economic Forum (LEEF):
national *Return to Work Safely Protocol*
 - Social dialogue
 - Strong role for worker reps



3. Covid 19 and Working Conditions: Pay

- State subsidy schemes: TWSS (until September 2020) and EWSS (until May 2022)
- EWSS subsidy payments were made at a flat rate based on the employee's gross wage
 - From € 151.50 to € 202.99= € 151.50;
 - From € 203 to € 1,462= € 203



3. Covid 19 and Working Conditions: Pay

- **AL:** reductions to 50% then 60%- agreement with pilots (July 2020); CC(Dec 2021); GS (Aug 2022)
 - Pay freeze for all (end-2024)
 - ‘Overpayment’ clause



- **Ryanair:** 20% (pilots); 10% (CC) : Jul 2020- Jul 2024

3. Covid 19 and Working Conditions: Pay

- **Daa:** Summer 2020: guarantee pay and hours of 80% in return for work practice changes.
- accepted relatively early by many unions (representing different cohorts of airport workers) BUT not accepted by some (mainly craft) workers.
- **Shannon airport:** unilateral pay cut 20% (Sept 2020; agreement to repay in May 2021)

3. Covid 19 and Working Conditions: non-pay

- All agreements contained productivity/ work practice changes



- Pilots/ Cabin crew: rostering; sales commission; promotions
- Ground staff/ airports: rostering; demarcations; work allocation
- Aer Lingus: lower pay scales/ sick leave terms for new entrants

4. Covid 19 and IR

- No real change in actors/ density, etc
- Role of State very *passive* (nothing offered to air transport sector other than national measures)
- Despite calls from unions, in particular, for more action (note: Ryanair v critical of 'unlawful state aid' measures)



4. Covid 19 and IR: Collective Bargaining

- **Aer Lingus:** extensive negotiations with unions for all groups
- Initial 'hard-line'; direct video messages; (threats)
- Pilots: secured agreement July 2020
- CC: proposed agreements rejected in June 2020 and August 2021
- Agreement accepted Dec 2021 (with help from WRC)



4. Covid 19 and IR: Collective Bargaining



- GS: proposed agreements rejected in July 2020, August 2021, March 2022
 - Note pre/ post 2009 ballots
- Agreement accepted Aug 2022 (with help from Labour Court)
- Threat of wider IAG response ever present.....

4. Covid 19 and IR: Collective Bargaining

- **Ryanair:** Negotiated with pilots' union BUT terms ultimately offered 'directly' to pilots
- December 2021, landmark agreement with Fórsa:
 - Commitment to negotiating a comprehensive collective agreement;
 - agreeing that collective agreements would not be legally enforceable
 - settling a High Court action against the union from 2019
 - agreeing to utilise the State's third-party mediation/conciliation institutions if the parties could not agree
- significant agreement with Cabin Crew (July 2020)- (note Unite UK!)



4. Covid 19 and IR: Collective Bargaining

- **Daa:** New Ways of Working Plan (80% in exchange for work practice changes)
- Multi union (so acceptance by admin/ retail staff BUT strong resistance from skilled/ craft workers)
 - Also: more resistance in Dublin than Cork
- *Gate Gourmet:* negotiated with union throughout (and redundancies sought dropped significantly as a result)



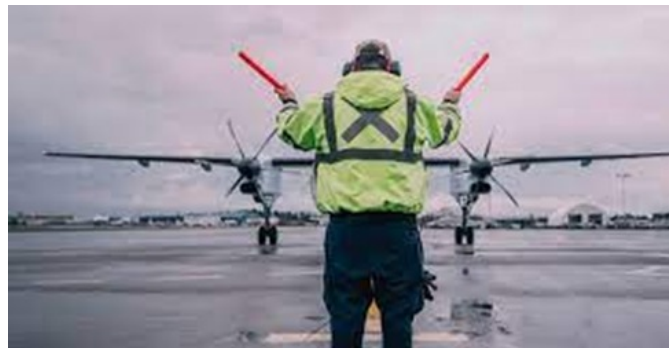
4. Covid 19 and IR: ‘post-pandemic’?

- significant concessions (on pay, working conditions, lay-offs) but almost universally negotiated with trade unions
- **Ryanair** got agreement early (and agreements, generally, operated without strife)
- **Aer Lingus/ Daa-** at some points used the ‘O’ Leary approach’...



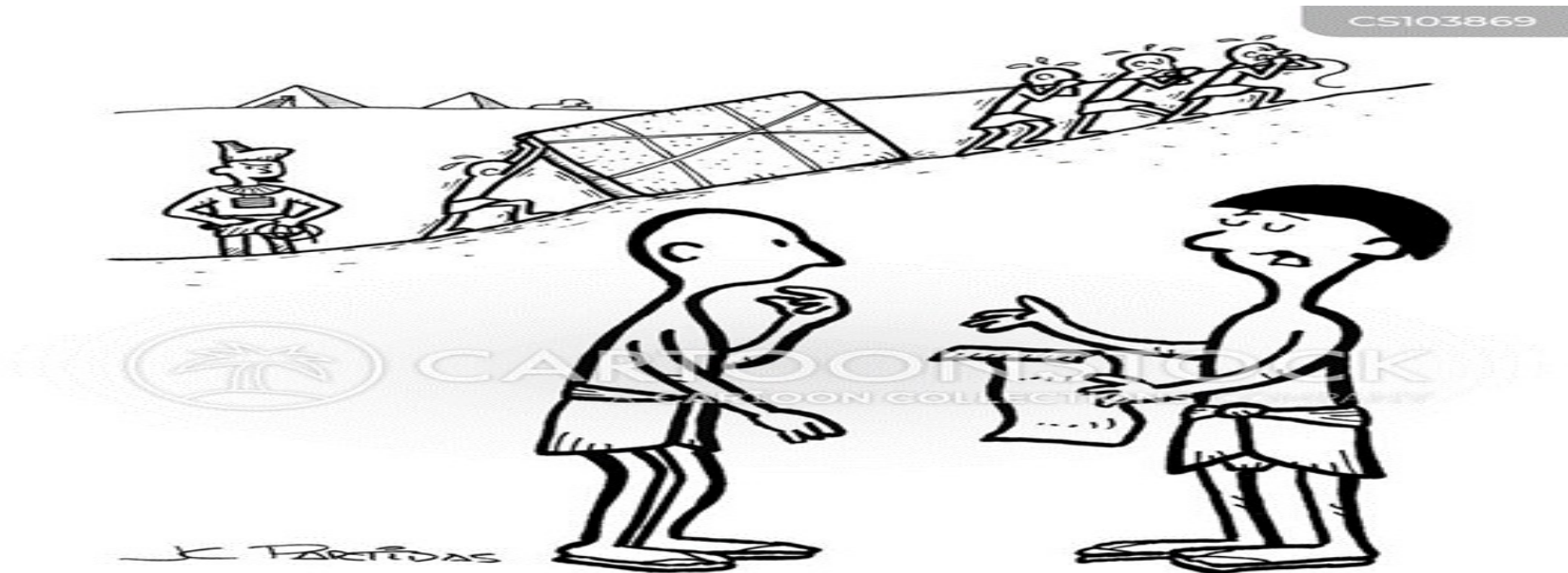
4. Covid 19 and IR: ‘post-pandemic’?

- 2022: rapid recovery in passenger numbers
- Issues now: faster pay restoration and pay increases (e.g 8% at Ireland West Knock airport; 6% at Gate Gourmet)?



Conclusions: Nothing to see here...?

- No 'big bang' events
- Structure of IR and CB also remained largely unchanged
- balance of power: back and forth; now back with workers on pay..? BUT sig work practice concessions



"IN THIS PYRAMID WE ARE UNIONIZED.
WE DON'T ACCEPT MORE THAN 50 LASHES PER DAY."

Conclusions: Nothing to see here...?



- Role for State IR institutions in avoiding industrial action
- An absent State....??
- Ultimately, a reinforcement of the Ryanair model (light...)??



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Thank you for listening!

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