
Consultation on Ireland's action plan on the promotion of collective bargaining.

Response from the American Chamber of Commerce Ireland (AmCham) to the Department of Enterprise, Trade & Employment's consultation on Ireland's action plan on the promotion of collective bargaining.

May 2025

The American Chamber of Commerce Ireland

The Voice of US-Ireland Business

The American Chamber of Commerce Ireland (AmCham) is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and investment.

AmCham welcomes the opportunity to contribute to the Department's consultation on Ireland's action plan on the promotion of collective bargaining.

In an ever-changing geopolitical environment, Ireland's competitiveness on the global stage is of the utmost importance in terms of ensuring Ireland's attractiveness for growth and investment into the future. In a recent AmCham member survey, 9 in 10 respondents stated that their corporate headquarters had a positive view of Ireland as an investment location based on their experiences in the past 12 months.

As the Department considers Ireland's action plan for the promotion of collective bargaining, Ireland's competitiveness for FDI must be a key consideration. The investment and work culture which currently exists in Ireland is a key tenet of the country's attractiveness and competitiveness and the current proposal on collective bargaining would constitute a significant change in this landscape.

Ensuring certainty and consistency in Ireland's investment and work culture landscape will be important in continuing to deliver key investments and in maintaining confidence in Ireland's competitiveness.

Further, having a business ecosystem which can be agile and respond to the needs and demands of markets is essential in ensuring Ireland remains a destination of choice for investment and growth. As such, any changes with regard to collective bargaining must be considered in terms of any potential impact which could occur on the ability of businesses to innovate and grow in Ireland. Given that there is a lack of detail within the consultation, this can increase uncertainty and generate concerns for business in this context.

With regard to the relevant EU Directive (on Adequate Minimum Wages), 93% of respondents to a recent AmCham member survey believe their company already fully meets or exceeds the spirit of the Directive, that is, ensuring workers are protected by fair and adequate pay, with particular attention to decent living standards, wage growth, and strong social protections (e.g. pensions, paid leave, health benefits). The remainder of respondents indicated they believe they meet the spirit of the Directive to a large extent. Further, this highlights the commitment of respondents to adhering to global standards and practices in employee relations and compensation, ensuring competitiveness for global talent and growth within Ireland.

The framing of the Directive links the promotion of collective bargaining with addressing low wage levels. However, the indicated survey results showcase that, for the multinational community, there has been a focus on providing significant employee benefits and compensation, to support their workforce in Ireland. This aligns with the fact that 63% of respondents to an AmCham member survey indicated that Ireland's highly educated and skilled talent pool is the country's number one competitive advantage for inward investment.

Consultation timing and scope

In relation to the timing of this consultation, it is noted that the Advocate General of the Court of Justice of the European Union (CJEU) has recommended that the Court annul EU Directive on Adequate Minimum Wages following legal challenges from some member states on the basis that certain obligations contained within the Directive were not compatible with EU law. As such, uncertainty exists in relation to the status of the Directive until such time as the CJEU issues a decision in this regard.

Within the consultation, a number of elements are vague, which creates ambiguity. In advance of any proposals being progressed, it would be essential that more detailed consultation with industry and stakeholders takes place to avoid and mitigate unintended consequences and the implementation of measures which impact on Ireland's overall attractiveness as an investment location. The direct engagement model of industrial relations has been successful and effective in supporting employer-employee relations in the multinational community in Ireland, underpinned by strong, existing employee protections. Given the success of the direct engagement model in Ireland, caution should be taken with regard to any future proposals for change, with further consultation, clarity and consideration needed.

Joint Labour Committees and social partners participation

The mission of this section of the consultation is unclear, particularly with regard to understanding the desired outcome. In the experience of the multinational community in Ireland, employee satisfaction surveys and employee viewpoint surveys are very positive. Further clarity on the intention of this section of the consultation is required.

It is important that any measures with regard to incentivising social partners participation in Joint Labour Committees are not forced nor advanced in a manner which could depress competition, given that this could be counterproductive to the intention of such action. Further, it is possible that this may be interpreted as going beyond the working of the EU Directive on Adequate Minimum Wages and the provision of clarity on this by the Department would be important.

In relation to Joint Labour Committees, there have previously been difficulties with regard to verifying information provided to business – an issue which has been raised in the Irish court system before. Addressing such challenges would be important to any changes or proposals brought forward in this space.

Skills development and wage-setting practices

In terms of skills and knowledge development, there is a need for much greater understanding with regard to the role of MNCs in terms of Ireland's competitiveness for inward investment, and with regard to wage-setting practices within MNCs. As such, a significant knowledge gap may exist between industry and those not directly involved in the multinational sector.

In a recent AmCham member survey, 85% of respondents said their company's wage and benefits offering was above average in comparison to sectoral and national averages in Ireland, while no respondents had a below average offering. Additionally, 93% of respondents said their company provides extensive non-wage benefits that substantially enhance employee compensation, with the remainder providing some benefits in this regard.

There is a need for skills development to ensure actors, including trade unions, have a full and comprehensive understanding of key wage-setting practices within multinationals, and the role of industry in supporting Ireland's attractiveness for FDI into the future.

'Good-faith engagement'

With regard to the 'good-faith engagement', there are already strong protections for employees in place, backed up by strong legislation. With regard to the proposals on 'good-faith engagement', much uncertainty exists, with a lack of clarity provided over a number of key factors. Particularly, in practical terms, there is uncertainty with regard to what would constitute 'good faith'. Further, there is ambiguity in relation to how such engagement would be enforced, and what recourse either party may have, should discussions halt. Given the lack of clarity, these proposals may introduce more questions than answers. This has the potential to ultimately impede operational matters within business or bring about protracted legal disputes as a result of undefined obligations, given that this ambiguity would hinder business from planning or being confident in terms of compliance.

Internal employee engagement mechanisms are already in place within multinationals. Indeed, 93% of respondents to AmCham's recent member survey said the direct engagement model in industrial relations is important for the continued success of US FDI in Ireland. Where established and well-functioning internal employee engagement forums exist, it would be important that any measures do not work to undermine the effective and successful direct engagement models already in place in many companies. Concern exists that the potential layering of a collective bargaining process on top of existing internal processes could create conflict with systems that provide for effective employee engagement and create confusion in terms of processes for dialogue. In this context, it is important that forums and mechanisms which have successfully and effectively provided for

meaningful employee engagement through the direct engagement model should be recognised in any industrial relations system moving forward.

Employment protections and dispute-resolution avenues for employees in Ireland are currently strong. Introducing uncertainty in relation to such processes with mandatory ‘good faith engagement’ could lead to potentially disruptive statutory obligations, and further consideration is required in this context. The current voluntarist system, supported by existing robust protections, allows for flexibility and collaboration in a manner which protects relations, while avoiding potential strains on them.

Should the proposed obligations be advanced, it would be important that a reasonable materiality threshold is in place. This would ensure that ‘good faith engagement’ would occur in situations whereby a significant level of employee interest exists. This would further prevent any potential undue burden being placed on business. Such a scenario would ensure that proposed measures would apply when a substantial percentage of employees request bargaining mechanisms to be triggered, rather than such mechanisms being triggered with the potential to affect the entire organisation where a small group seek to initiate such processes.

The potential increases in terms of the ‘cost of doing business’ must also be considered in relation to proposals on collective bargaining and ‘good faith engagement’ given the impact this may have on Ireland’s investment proposition and its competitiveness in terms of business investment and growth. Ireland’s current, flexible, direct engagement model has provided for strong employer-employee relations to date and given the positive experiences and outcomes, has become an integral component within the Irish system, enhancing Ireland’s competitive edge on the global stage.

Access to the workplace

With regard to a statutory entitlement to allow trade union access to the workplace, or activities within the workplace, significant concerns exist. Many MNCs in Ireland operate secure sites or have secure or sensitive facilities within their sites, and such an entitlement would present an issue with people accessing sites un-registered. Further, NDAs are in a number of instances used to access offices – there is an absence of clarity with how this requirement would interact with such an entitlement. Additionally, concerns with regard to trade practices and I.P. issues would be substantial in this context. Overall, the paramount importance of privacy and confidentiality would be contrary to such an entitlement.

Concerns exist that a statutory entitlement in this regard could lead to an increased number of causes requiring adjudication by the Workplace Relations Commission and the Labour Court. This could have a significant cost impact for all involved. It could also create a

significant additional administrative and cost burden for business, which would particularly impact small and medium sized enterprises. Consideration should be given to alternative approaches, with a particular focus on existing communication channels in a manner which can ensure the interests of all actors and stakeholders are best served.

In this context and given the importance of protecting Ireland's competitiveness for FDI and inward investment, the potential impact of such a statutory entitlement and its practical implications for business must be further considered given the impact it would have on Ireland's investment proposition.

Conclusion

As Ireland considers its action plan on collective bargaining, it is paramount that Ireland's competitiveness for inward investment is a prioritised consideration. Ireland's current flexible, direct engagement model has supported strong and meaningful employer-employee relationships, and has become a key tenet of Ireland's competitive edge. As such, it is important that any measures to change or amend this are approached and advanced with caution, to ensure Ireland's competitiveness remains a foremost consideration.

Continued dialogue will be of integral in ensuring the viewpoints of business are understood and considered in the decision-making processes with regard to Ireland's action plan for collective bargaining and the related proposals. AmCham would be pleased to provide any further feedback which may be helpful to the Department and policymakers, and to have ongoing dialogue and collaboration with the Department in relation to its action plan on collective bargaining.