

Democracy in the Workplace

**Productivity, Flexibility
and Innovation: the Arguments
for Collective Bargaining**



Workplace democracy: for employees, employers and the economy - it is win-win-win



Workplace democracy delivers significant economic and social benefits. The reason is simple. Those with detailed knowledge of the operations of a business are best placed to identify shortcomings, correct failings and highlight what works. Employees are not only the natural source of feedback on how things are going on the shop-floor, factory-floor, in the offices and building sites but also the natural source of ideas and insights into how to improve work and performance.

What we need

To capture these benefits we need to allow employees to bargain in the workplace – to bargain together. That's why we need new 'Democracy in the Workplace' legislation.

Ireland is one of the few countries in the industrialised world that does not vindicate the right of employees to bargain together with their employee – to engage in collective bargaining. Even the United States and United Kingdom have 'right to collective bargaining' legislation.

Because this right is denied, employees are denied a voice in the workplace – the fundamental pre-condition of democracy. As a result, employees' living standards suffer, business under-performs and economic efficiency suffers. How do we fix this? 'Democracy in the Workplace' legislation would:

- **Provide the legal right to employees to form a trade union in order to bargain together with their employer**

This would build on the current industrial relations architecture such as Sectoral Employment Orders (SEOs) and Joint Labour Committees (JLCs). Workplace democracy is nothing new – either here or throughout Europe.

"It is clear that collective bargaining has an equalising effect on earnings distribution by compressing wage differentials. Research has shown that wage inequality falls during periods when union density is increasing and rises when union membership is in decline".

World Bank 2013

What workplace democracy achieves

Higher Productivity

Enterprises that engage in collective bargaining achieve higher levels of productivity and innovation – because employees' input, based on their experience and knowledge is respected and included.

Higher Wages

Employees who bargain together in the workplace through a trade union earn 10% higher wages than in workplaces where they are denied this right. In particular, low and average income employees benefit raising the wage floor and reducing income inequality.

Safer Workplace

Workplaces where employees bargain together have higher health and safety conditions because workers can negotiate better conditions and safeguards. This means fewer workplace accidents and injuries and reduced bullying and harassment.

Gender Equality

The pay gap between men and women is lower in workplaces where employees bargain together, collectively because wages are managed through negotiation, not left to uncertain market or managerial choices. This can also lead to more family-friendly leave and enhanced career progression.

Business Flexibility

Where a business is suffering an economic downturn, or expanding in an upswing, employees in collective dialogue with managers can more easily reach solutions when each side contributes to a shared response. This is the new type of flexibility.

Greater Social Cohesion

With societies suffering from a breakdown in trust leading to growing divisions, conflict and inequalities, providing employees the right to bargain together helps build co-operative action at workplace level. This has been shown to lead to greater social cohesion as inequalities fall, co-operation increases, and social trust and mutual support is restored.

From greater social participation (members of trade unions are more liable to participate in the political process and social organisations) to better in-work benefits (employees bargain for better sick-pay, pension and family benefits) workplace democracy helps promote living standards and life quality.

Giving employees the right to bargain together to bargain collectively is the foundation of workplace democracy.

Workers and employers, or their respective organisations, have, in accordance with Community law and national laws and practices, the right to negotiate and conclude collective agreements at the appropriate levels . . .

European Union Charter of Fundamental Rights 2000

SIPTU is the largest trade union in the country representing 200,000 workers across almost every sector of the economy. We are organised across the island of Ireland.

