

“Bearing All the Hallmarks of Oppression” - Union Avoidance in Europe’s Largest Low-cost Airline

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Labor Studies Journal 34(2)

Ryanair is now Europe’s largest low-cost airline. It is also one of the most controversial, due to its outspoken boss, its cost-containment strategies, and its hostile relations with organized labor. Ryanair has consistently denied accusations that it is antiunion, stating that it respects the right of workers to organize and even claiming to be a champion of its employees’ right to non-unionization. However, this claim does not hold up in the face of extensive evidence of union suppression. This article addresses such evidence, particularly, the various methods by which Ryanair has avoided and suppressed unions. In Ireland, Ryanair successfully crushed an organizing campaign by the country’s largest union, the Services, Industrial, Professional and Technical Union, after a lengthy and bitter strike. The only other union continuing to challenge Ryanair is the Irish Airline Pilots Association. However, its efforts recently suffered a major setback when the Supreme Court ruled that Ryanair’s nonunion “employee representative committees” were a form of collective bargaining, allowing the company to affirm its nonunion status.

Keywords: *low-cost airline, trade union recognition, legislation, union avoidance, Ireland*

While one finds extensive literature on the decline in unionization and increase in employer opposition to unions in many developed countries, unionization in the airline industry has remained generally robust (Johnson 2001; Hirsh and Macpherson 2000). This has even been the case among many operators that pursue a low-fares/low-cost business strategy, for example, Easyjet in the United Kingdom, Goodjet in Sweden, Virgin Blue in Australia, and Southwest Airlines in the United States. Ryanair, a multinational company of Irish origin that has spearheaded low-cost air travel in Europe, provides a notable exception. It has persistently refused to recognize or deal with trade unions. Ryanair is now Europe’s largest, and still growing, low-cost airline. It is also a controversial company, due largely to its outspoken boss, Michael O’Leary; its various strategies to contain or cut costs; and its hostile relationship with trade unions. This article addresses the multiple strategies used by the competing parties (trade unions and Ryanair management) during their long-running and highly publicized confrontations.

We begin by examining labor relations in the airline industry, with particular emphasis on the emergence of low-cost airlines. We then review some issues of context, notably, the legal framework relating to trade union recognition in Ireland, and provide a brief description of the unions that sought to organize in Ryanair. The remainder of the article analyzes disputes between Ryanair and trade unions in Ireland with some discussion of union activities in other European countries. Data for the analysis are derived from documentary sources, such as the Irish Labour Court, High Court, and Supreme Court, as well as from interviews with officials from the Irish Airline Pilots Association (IALPA) and the umbrella body for trade unions, the Irish Congress of Trade Unions. We requested interviews with management representatives in Ryanair but were unsuccessful in this regard.

Labor Relations in the Airline Industry

The past three decades have seen significant changes in the airline industry. Liberalization of air travel had resulted in a move away from the state-owned model of air travel to the emergence of low-cost carriers, such as Ryanair. The state-owned model was associated with a monopoly position, and because of the absence of competitive pressures, employees generally enjoyed job security, attractive pay and conditions, and extensive collective bargaining (Blyton et al. 2001). In contrast, the business model of low-cost airlines, based on a cost leadership strategy, has been associated with comparatively poorer terms and conditions of employment (cf. Binggeli and Pompeo 2002; Campbell and Kinglsey-Jones 2002; Doganis 2001; International Transport Workers Federation [ITF] 2002; Lawton 2003; Strategic Direction 2006). Other changes in the airline industry, including privatization, globalization, economic downturns, rising fuel prices, and international terrorism, have placed intense pressure on airlines to reduce operating costs. Since labor represents a significant proportion of such costs, employees and their unions have felt the brunt of cost-cutting strategies. These have included greater work intensification, less job security, fewer breaks, lower earnings, pay freezes, introduction of two-tier pay systems, and increased atypical employment contracts (cf. Blyton et al. 2001; Boyd 2001; Broughton 2005). These strategies have been introduced despite relatively strong unionization particularly when compared to other service industries, such as hotels, restaurants, and cleaning. Unionization is estimated at 40 percent of overall air transport employees and over 60 percent of non-managerial employees of major airlines (Johnson 2001; Hirsh and Macpherson 2000). Even 70 percent of low-cost carriers recognize trade unions (ITF 2002). Boyd (2001, 442) argues that “moves by major European airlines to sub-contract work to lower paid, less well trained staff appear to run contrary to virtuous ‘mission’ statements, and could be interpreted as a clear signal that, in reality, cost takes precedence over quality.” Worryingly for trade unions, these cost containment strategies are increasingly being introduced unilaterally, with management bypassing established channels of consultation (Blyton et al. 2001). The problems facing airline employees are likely to be exacerbated where they do not have any union voice, and particularly where the airline adopts a union suppression strategy, such as in Ryanair.

Contemporary and Legal Context to Union Recognition Disputes in Ireland

Before addressing union recognition and avoidance in Ryanair, it is necessary to provide some background on the Irish context. Union density in Ireland reached its peak (62 percent) in 1980 but has been in decline ever since (Gunnigle, O’Sullivan, and Kinsella 2002). In 2004, union density was 35 percent, representing a fall of over 27 percentage points since 1980 (CSO 2005). While numerous factors have contributed to this decline, of particular pertinence to our analysis is the hardening of employer opposition to conceding union recognition. While initially most evident among American multinationals from the early 1980s, employer opposition has since become more diffuse:

While the early nonunion firms were predominantly US-owned and located primarily among “high-tech” firms, more recent evidence from the early 1990s points to a broader diffusion of union avoidance to embrace both Irish and other foreign-owned firms, and a broader range of industrial sectors. (Gunnigle, Collings, and Morley 2006, 282)

Research has identified a range of management strategies used to avoid and suppress trade unions. These include victimizing and dismissing union activists, threatening to relocate or close the company, distributing antiunion literature, holding captive meetings, ignoring union grievances, creating nonunion consultative structures, refusing union access to the workplace, and employing consultants and lawyers in avoiding unions (D'Art and Turner 2005; Dolan 2006; Waldron 2004). Of course, such tactics are not exclusive to Ireland and have been identified as part of union avoidance strategies elsewhere. A number of these tactics will be examined later in regard to Ryanair's union avoidance strategy.

It is all the more significant that the fall in union density and hardening of employer opposition to union recognition has occurred during a prolonged period of so-called social partnership. Since 1987, a series of centrally negotiated accords has been agreed between the "social partners" (principally, government, employers, and trade unions but also involving groups representing farming and community/voluntary interests). These agreements deal not only with pay but also with a range of economic and social policy issues, such as taxation, health care, welfare, and employment. Clearly, trade union involvement in the negotiation and implementation of such agreements has afforded organized labor considerable influence over economic and social policy. However, union involvement in the agreements has done little to stem the decline in union density or the growth of union avoidance at enterprise level:

While national social partnership agreements have provided unions with "a place in the sun" and enhanced their influence over government macro-economic strategy and social policy decision-making, the decline in union density continues, particularly in the private sector, as unions confront significant obstacles to organization in new, expanding sectors of the economy. (Geary 2006, 5)

A more specific and defining characteristic of the Irish context is the absence of laws regulating trade union recognition and a lack of involvement by the civil courts (High Court and Supreme Court) in resolving union recognition disputes. This is because the conventional Irish approach of dealing with the union-employer relationship was based on "voluntarism," meaning minimum intervention by the law or third parties (including the State). Thus, recognition disputes were traditionally resolved through a trial of strength, such as strikes, or by referral to the Labour Court—not a court but a State body composed of employer and worker representatives that resolves labor disputes, usually through non-binding recommendations (cf. Gunnigle, O'Sullivan, and Kinsella 2002). However, recent years have seen a shift away from voluntarism, due in part to trade union unrest over the growing incidence of union avoidance and declining union density.

Faced with mounting difficulties in securing union recognition, the labor movement used the social partnership process to secure legislation to facilitate union recognition. This eventually led to the introduction of the Code of Practice on Voluntary Dispute Resolution and the Industrial Relations (Amendment) Act 2001 (amended in 2004). This legislation appears confusing in its objectives and role, because disputes can be referred under it only where the employer does not engage in collective bargaining, yet the law does not provide for statutory union recognition as an outcome. Unsurprisingly, the law has been criticized for not providing an effective mechanism

for securing union recognition (cf. D'Art and Turner 2003). The only issues that the legislation does address are terms and conditions of employment, dispute resolution, and disciplinary procedures. Critically, the legislation gives the Labour Court the power to issue binding decisions on these issues, so, for example, it could set the pay and conditions of employees in a dispute. It is this aspect of the law that indicates a move away from voluntarism and has been labelled by employers, including Ryanair, as a "back door" route to union recognition.

Ryanair Plc.

Ryanair is an Irish-owned airline that was established in 1985 by the Ryan family to compete with Aer Lingus and British Airways on the Ireland–U.K. routes. By 1990, Ryanair had losses of IR£20million. It restructured and sent its current chief executive, Michael O'Leary, to Dallas to meet Southwest Airline executives. O'Leary subsequently brought back a business model based on Southwest Airline's "low-fares/no-frills" template, though in a somewhat sharper form (e.g., charging for soft drinks). The company relaunched itself under the new model and became a public company in 1997. Ryanair's business approach has all the well-documented characteristics of low-cost carriers, and its passenger numbers, earnings, and profit figures illustrate the success of the business model (cf. Creaton 2005; Strategic Direction 2006). Based on passenger numbers, in 2005, Ryanair was the fourteenth-largest airline in the world and the fifth-largest in Europe. It flew 31 million passengers and had revenues of \$1.7 billion, up 20 percent over 2004. Over 15 percent of its revenue was derived from sources other than ticket sales (Maier 2006). Ryanair's low-cost business model has been more successful than that of its "mentor," Southwest Airlines, as indicated by the former's 22 percent net profit margin compared to the latter's 7.2 percent margin. Alamdari and Fagan (2005) find that profitability of low-cost carriers may be related to the extent of similarity with the original Southwest Airlines business model. Interestingly, they concluded that Ryanair's model was closest and that it was the world's most profitable low-cost carrier.

Much of the publicity, praise, and criticism Ryanair draws is often targeted at chief executive Michael O'Leary due to his outspokenness and strong public image. For example, he has been quoted as calling the European Commission "morons," British Airways "expensive b*****," and travel agents as "f*****" who should be "taken out and shot" (A. Clark 2005). Such is the dominance of Michael O'Leary within Ryanair that in interviews with trade union officials for this article, they often referred to *he* instead of *Ryanair* or *the company*.

Trade Unions with Membership in Ryanair

In Ireland, two trade unions have been at the center of confrontations with Ryanair. The Services, Industrial, Professional and Technical Union (SIPTU) is the largest trade union in Ireland. It represents the majority of catering, cleaning, clerical, and operative staff in the country's other main airline, Aer Lingus. As in many other countries, there is a separate trade union for pilots. The IALPA was formed in 1946 by a group of Aer Lingus pilots. The IALPA draws its one thousand members from six Irish airlines. It claims that 85 percent or more of full-time Ryanair pilots in Ireland are members. The IALPA is now part of the much larger Irish Municipal Public and Civil Trade Union (IMPACT), a fifty-five-thousand strong union that predominantly represents public service employees.

Labor Practices in Ryanair

Barrett (2004, 93) argues, “The most significant contribution to the Ryanair low cost base comes from its labour productivity.” Lower labor costs and significant labor productivity from the thirty-seven hundred staff members have been achieved in a number of ways. First, Ryanair has a high passenger-to-staff member ratio (Table 1). Second, it contracts out services to specialist operators, such as catering and aircraft maintenance. Third, productivity is increased through staff multitasking; for example, cabin crew “tidy up” between flights (Kangis and O’Reilly 2003). Fourth, part of the pay of flying crew is performance related; for example, cabin crew receive commission for selling duty-free goods during flights (Kangis and O’Reilly 2003). Fifth, Ryanair’s cost cutting extends to crew’s paying for their own training, uniforms, and meals and head office staff’s supplying their own pens and not charging their mobile phones at work (A. Clark 2005). Last, Ryanair staff own 130 million shares in the company, providing an incentive for greater labor productivity.

The IALPA is critical of the practice of cabin crew’s paying for their training, not only in principle but also because it has significant implications for cabin crew employed from central and eastern European countries. The union argues that such staff would have to take loans of approximately €3,000 to €5,000 (approximately US\$4,000 to US\$6,680) to pay for the training, thereby becoming a form of “indentured labor” that “could not afford to walk out after a week because they have a loan” (IALPA union official, interview). Once crew’s training period is finished, the union claims that they are often not directly employed by Ryanair but by an agency. The union also criticized what they suggested was Ryanair’s policy of a deliberate high turnover of staff. The union hypothesized on the reasons for such a practice:

Let’s say you take cabin crew in, get a year/18 months out of them, they haven’t moved up an incremental scale if there were an incremental scale. They are, by and large, too young to be in the pension scheme so [Ryanair] is not going to incur a pension cost. They’re certainly not going to become established and secure and start banging on about their rights and joining trade unions and anything like that so [Ryanair] has a deliberate strategy of keeping people for a short period of time, working them extremely hard then turn them over again. (IALPA union official, interview)

Table 1: Number of Passengers per Staff Member in Selected Airlines, 2003

Airline	Number of Passengers per Flight Staff Member
Ryanair	10,050
Easyjet	6,293
Aer Lingus	1,540
Lufthansa	1,181
German Wings	1,000
Iberia	978
Alitalia	959
SAS	898
British Airways	758

Source: Barrett (2004).

Ryanair Avoidance and Suppression of Trade Unions

Crushing SIPTU

Ryanair's first major battle with a trade union in Ireland began in 1997, when SIPTU requested improved pay and conditions and union recognition on behalf of thirty-nine ground-handling agents in its membership in Dublin Airport. Ryanair refused SIPTU's demands. As the dispute continued into 1998, a series of work stoppages and demonstrations were undertaken by SIPTU. Ryanair cancelled airside security clearances of the ground-handling agents after it claimed the workers had intimidated staff and passengers. As the dispute progressed, the Taoiseach (prime minister), Bertie Ahern, encouraged Ryanair to recognize the union. He said that while he respected the decisions of some global firms to offer "first-class conditions to operate alternatives acceptable to their workforces, other things being equal, it is preferable that larger companies can accommodate the presence of trade unions" (Sheehan 1998a).

SIPTU continued to engage in industrial action, leading to the closure of Dublin airport on March 7. The next day, an enquiry team established by the government formulated proposals to reopen the airport, which SIPTU and Ryanair accepted. Subsequently, this team produced a report on the dispute. At the request of Ryanair management, the team met with sixteen groups of employees and found that the majority had a negative attitude toward trade union organization, and some disputed the right of a minority to join a union. They believed that unionization would decrease flexibility and would be unlikely to result in significant enhancement of pay and benefits (Flynn and McAuley 1998). It is noteworthy that the meetings were held at the request of Ryanair, though the report did not explicitly state how the employees were selected. In addition, the airline's legal advisor and/or head of personnel attended almost all the meetings.

The enquiry team commissioned a comparison of pay across a number of airlines and disagreed with Ryanair claims that its ground-handling agents earned more money, had more time off, and had better benefits than their counterparts in other airlines. The report encouraged the company to allow union representation for workers in grievance and disciplinary situations. SIPTU alleged that three probationary employees had been victimized when their jobs were terminated following their involvement in the strike. The enquiry team agreed that their participation in the dispute might have been a "consideration" taken into account by Ryanair in deciding not to offer them permanent employment. Unsurprisingly, Ryanair disagreed with the findings of the pay comparison and the enquiry team. The company challenged the pay comparison in the High Court, claiming it contained manifest errors and was unreasonable and irrational. However, the challenge failed because the High Court said that the report had not affected Ryanair's legal rights.

There were two important consequences of the strike. The first was that Ryanair did not concede to any of SIPTU's demands and continued to remain nonunion. The second is that it appears that SIPTU's inability to "break" Ryanair sent out a strong message to other unions that the strike, as the traditional union weapon, was not effective against the company. During the strike, Sheehan (1998b) questioned the wisdom of the union's taking on Ryanair:

Given the high stakes involved, at a national level, it is at least arguable that the union picked the wrong company to do battle with. Ryanair's track record on the issue of union recognition has been well documented.

Sheehan's skepticism now seems well placed. Since the strike, there has been no industrial action taken against Ryanair, and SIPTU has played a less public and vocal role in representing employees. Union sources estimate that SIPTU's membership within Ryanair is less than one hundred. Since the strike, the pilots union, IALPA, has taken the lead in organized labor's confrontations.

Ryanair and Its Pilots: The Retraining Dispute

Since 2004, IALPA has been engaged in a dispute with Ryanair over training. Ryanair offered to train pilots on new aircraft on two conditions: no union recognition and no claims against the company under the Industrial Relations Acts 2001–2004. If the company were forced to engage in collective bargaining with a union within five years, each pilot would be liable to pay back the training costs to the company (€ 15,000, or US\$20,000). In addition, if the pilots did not accept the training offer, they either would be dismissed or would have to pay the training fees. The IALPA claims that originally, pilots were provided with training of the new aircraft for free, but when pilots started to leave Ryanair after receiving training, the company began to place a bond on them. The union claims that the cost of retraining was first set at approximately €2,500, then at €3,000, then €8,000, then €15,000, each of which the union claims was “just a figment of their imagination, they can create whatever costs they want” (IALPA union official, interview).

In 2005, the pilots paid the €15,000 on union advice. The union and employees subsequently took a case against Ryanair to the High Court claiming a breach of their constitutional right to form and join unions and of their rights under the European Convention on Human Rights. In response, Ryanair argued that there was no obligation on it to recognize a union. The High Court, however, rejected Ryanair's arguments and ordered it to pay legal costs, estimated at over €1 million (Irish Times 2006). The union has since submitted a claim to the Labour Court for a refund of the training monies paid. The union argues that the dispute somewhat backfired on Ryanair because “what they have done is they have cemented these pilots together... We didn't cement them together, they cemented them together” (IALPA union official, interview).

In addition to the High Court case, Ryanair pilots submitted two hundred claims of victimization under the Industrial Relations Acts 2001–2004. They claimed that the conditions attached to the retraining amounted to victimization. Ryanair, though, challenged the authority of the State dispute resolution body involved, the Rights Commissioners, to carry out the investigations. It is awaiting a hearing in the High Court. Should a Rights Commissioner hear the claims of victimization and find in favor of the employees, IALPA predicted that the cases “would expose Ryanair to claims of up to €50 million and further legal costs” (Sheehan 2005). It has been suggested that if such costs were incurred by the company, “it might concentrate a few minds” within Ryanair management (IALPA union official, interview). However, there is no guarantee that the High Court will allow the Rights Commissioners to investigate the pilots' claims, particularly given Ryanair's success in a separate case in the Supreme Court.

The background to the Supreme Court case lies in IALPA's pursuing another claim on the retraining dispute under the Industrial Relations Acts 2001–2004 to the Labour Court. As noted earlier, in order for a case to be referred under these Industrial

Relations Acts, it must not be the practice of the employer to engage in collective bargaining. Ryanair claimed that collective bargaining did exist in the form of employee representative committees, through which consultation took place with employee representatives. Thus, the company argued that the Labour Court did not have jurisdiction to hear the union's case. IALPA argued that while it used to elect members to the committees in the 1990s, this was no longer the case. The union claimed that the typical committee would work in the following way: Management would choose the employee representative, a meeting would be called in which management would tell the employee representative of forthcoming changes to terms and conditions of employment, the meeting would end, and a letter would be circulated to staff informing them of the "agreement" that had been reached (IALPA union official, interview).

Unsurprisingly, IALPA argued that the committees were not collective bargaining fora in any meaningful sense of the word, since nominees are chosen by management, there are no elections, a person can be a member for only two consecutive years (so there is no stability), and committees do not set their own rules (IALPA union official, interview). The Labour Court agreed with IALPA that the committees did not have the essential characteristics of collective bargaining and thus—critically—that it could hear the case. Ryanair then went to the High Court, seeking to quash the decision of the Labour Court, but were unsuccessful. Ryanair appealed to the Supreme Court, and in 2007, it ruled in favor of Ryanair and decided that the Labour Court should rehear the case.

The Supreme Court's decision has potentially catastrophic consequences, not just for IALPA but also for the union movement as a whole. These arise from two parts of the Supreme Court's decision. The first is the Court's view that Ryanair's employee representative committees could be regarded as a form of collective bargaining, even though unions did not participate on them. This is significant, as it means that companies can now use nonunion representative committees to avoid the new Industrial Relations Acts, rendering the legislation effectively redundant. The second significant part of the Supreme Court's decision was a comment made by the Court that "as a matter of law, Ryanair is perfectly entitled not to deal with trade unions nor can a law be passed compelling it to do so" (emphasis added; *Ryanair v. The Labour Court* 2007). While Ryanair is entitled to operate without recognizing unions, this is the first time that the Supreme Court has suggested that a union recognition law cannot be passed. The primary reason the social partners have not introduced union recognition legislation to date has been because of the feared effects of statutory union recognition on foreign direct investment into Ireland. At no stage have the social partners articulated a view that they could not introduce statutory union recognition legislation.

Ryanair and Its Pilots: The REPA Dispute

In addition to using industrial relations legislation and the civil courts, the pilots union has been involved in a more innovative method of challenging Ryanair, through the creation of the Ryanair European Pilots Association (REPA). It was formed in 2004 with the support of the IALPA, the British Airline Pilots Association (BALPA), and the European Cockpit Association, "with a view to ensuring that Ryanair pilot concerns will be taken seriously" (www.repaweb.org). The REPA does not formally represent its members. Rather, its primary activity is to operate a Web site through

which Ryanair pilots can anonymously communicate with each other under different code names chosen by the pilots. Two code names that have been used are “ihaternair” and “cantfly, wontfly.” Ryanair’s response to the REPA Web site was aggressive, claiming the site was being used to intimidate pilots not to sign up to the retraining offer discussed earlier. In an attempt to force REPA to reveal the identities behind the code names, Ryanair initiated proceedings in the High Court and called the police to investigate. However, the High Court rejected Ryanair’s claims and concluded that pilots had not been bullied, intimidated, or isolated by other pilots or unions. In fact, the High Court turned the bullying allegation on Ryanair, when it described the conditions attached to the retraining of pilots as “most onerous” conditions that “bore all the hallmarks of oppression” (Irish Times 2006).

Ryanair and Its Pilots: Pay Raises for Nonunion Staff

In 2005, Ryanair announced a 3 percent pay raise but only to employees who did not negotiate through unions. European Transport Workers’ Federation (ETF) official Erika Young said that the selective increase

borders almost on blackmail. Inferring that affiliation to a trade union is detrimental to the company’s profits is extremely misleading, given the success of other unionised low-fares and network carriers. (AFX News Limited 2005)

Ryanair personnel director Eddie Wilson said the increase applied to all staff who participated in the “direct negotiations” with the company, and as only Dublin-based pilots did not do so, they were left out. He argued that the pay increase “reinforces the strength of Ryanair’s model whereby people negotiate directly with the company and as a result enjoy better pay and conditions than our low-pay unionised competitors” (AFX News Limited 2005).

Ryanair and Trade Unions in Europe

Ryanair’s relationship with trade unions in other parts of Europe has been just as hostile as with Irish unions. In 2001, BALPA sought union recognition from Ryanair after a successful recognition campaign at Easyjet. BALPA was convinced that it had enough members in the United Kingdom to be successful and took a case to the Central Arbitration Committee (CAC), which adjudicates on statutory union recognition applications. BALPA was surprised when the CAC decided that BALPA had just 43.2 percent of pilot membership and that a secret postal ballot would be conducted. The ballot resulted in a crushing defeat for BALPA, as 81 percent voted against recognizing the union. Following the ballot, Ryanair stated, “Since BALPA were recently granted recognition in Easyjet, Ryanair is now the only U.K. airline where the pilots (having voted in a secret ballot) have rejected union recognition” (Sheehan, 2001). Sheehan (2001) argued that the loss of the ballot by BALPA was no surprise, given the union’s density level within the bargaining unit at the time of the vote, but what was surprising was the strength of the vote against recognition. IALPA has suggested that BALPA lost by such a wide margin because it was unprepared for the aggressiveness of Ryanair. For example, it was suggested that the company expanded the electorate by bringing in agency pilots and telling them “to vote no or they all collectively would be fired” (IALPA union official, interview).

In addition to seeking recognition and establishing the REPA, European trade unions have been involved in court actions, demonstrations, and warnings to Ryanair job applicants. In Norway, the Norwegian Union of Commerce and Office Employees (NUCOE) and cabin crew union Norsk Kabinforening attended a Ryanair recruitment drive in 2005. The unions told potential candidates about poor working conditions and social practices at Ryanair and encouraged them to join a union (ITF 2005). In Belgium, a demonstration took place outside the Labour Court at Charleroi involving a number of unions and union activists from France, Spain, and Italy. The demonstration was in support of three former Ryanair employees who had lost their jobs following a one-year trial period. They subsequently took a case against Ryanair that had potentially significant implications because it centered on the fact that the three former employees were based in Belgium but were on Irish contracts of employment. The demonstrating unions demanded that the Charleroi Labour Court guarantee the three dismissed workers all their social rights according to Belgian law. In addition, the unions sought the following: union recognition by Ryanair in all countries where it employs personnel, a study of the economic and social consequences of the low-cost model by the European Parliament, and legislation by the European Commission clarifying the situation regarding employment contracts for air crew (Harper 2003). While none of these objectives was attained, the Belgian court concluded that Belgian labor law should take precedence because that was the country in which the former Ryanair employees habitually worked. Broughton (2005, 20) argued that the decision was significant, as it was “the first instance of the place of employment being used as the principal criterion for determining which law is applicable to an airline’s workers.”

Protests were also organized by the ITF in 2004, when it launched the “Ryan Be Fair” campaign. The aim of the protest and the campaign was to “highlight the need for Ryanair to recognise unions if the airline’s employees so desire” (ITF 2004). In addition, the ITF has a Ryan Be Fair Web site, through which Ryanair workers and the public can sign an “Appeal for Fairness.” The appeal made by the ITF (2004) is that “employees shall have the right to join or not to join a trade union of their choice free from coercion and victimisation” and “no employee shall be fired, harassed or intimidated, disciplined or subjected to surveillance in relation to any union activity or union position held.” ITF general secretary David Cockroft commented,

This is a new campaign tool for an old problem. For as long as there’s been trade unions, there’s been employers who try to bully workers away from them. We’re here to find ways to prevent this. Ryanair claims it’s not antiunion, it’s pro-employee. Good. We’re happy to help them prove it. (ITF 2004)

Discussion

Ryanair has consistently argued that it is not antiunion. Michael O’Leary has said he would be happy to negotiate with unions if the majority of the company’s employees were members. However, the claim of not being antiunion falls in the face of extensive evidence of union suppression. The IALPA has rubbished Ryanair claims that it would be amenable to negotiating with unions if membership were high. It argues, “Anybody that attempts to organise a union or even makes noises about it has a short shelf life” (IALPA union official, interview). However, the union also claims that pilot union activists tend to have a longer “shelf life” because so many pilots are

unionized and it would be difficult for Ryanair to “get rid” of them all. Similar to IALPA, the Irish Congress of Trade Unions (ICTU) did not believe that Ryanair would negotiate with trade unions. It pointed to the fact that “the vast majority of the pilots based in Ireland are members of IALPA and [Ryanair] will not speak to IALPA” (ICTU union official, interview). ICTU was of the view that Ryanair is scared that if it concedes ground to one employee group, other groups would seek to be represented by unions.

Ryanair’s policy of vehement opposition to trade unions derives in large measure from its business model, which seeks to establish competitive advantage via extreme cost-cutting measures, going further than other low-cost airlines. The company has stated its belief that there is a link between union avoidance and maintaining low costs and flexibility:

If [Ryanair] were forced to recognise SIPTU by a minority of its employees, it will be forced out of business by an increasing number of competitors. The scope for growth in employment will be diminished and jobs will be lost as the unions seek to replicate the inefficient work practices and attitudes which prevail at Dublin Airport, within Ryanair. (quoted in Flynn and McAuley 1998, 31)

Thus, we can identify Ryanair’s strategy of aligning its low-cost business model with its industrial relations strategy. The link between companies’ business models and industrial relations strategies is hardly new, but considerable attention has been paid to such links in so-called high-road employments, particularly, multinational companies with sophisticated human resources policies. Ryanair, in contrast, is an example of a “low-road” employment, where its business model directly influences its industrial relations approach to the detriment of employees. The company’s commercial success is likely to make it a role model for other low-cost airlines, which may also replicate Ryanair’s industrial relations practices.

In addition to chasing the bottom line, we feel that Ryanair’s antiunion stance is heavily influenced by Michael O’Leary. His views on unions reflects his free-market ideology, which, according to IALPA and ICTU, is also extremely dominant in the thinking of company management. ICTU was of the view that Ryanair’s behaviour “is from another age . . . and it seems largely to be driven by O’Leary himself. It’s very much his view of the world” (ICTU union official, interview). Ryanair’s adoption of extreme cost leadership allied to the fact that its chief executive has embraced a high profile renders it a particular variant of low-cost provision in the airline sector and one that at least some other low-cost carriers are likely to embrace. Nor is its influence likely to stop there. A number of older, highly unionized airlines have recently embraced aspects of the low-cost business model (e.g., reduced staffing, lower pay and benefits) in the face of deregulation and more intense competition (cf. Strategic Direction 2006; Harvey and Turnbull 2002). By following Ryanair, other airlines have legitimized Ryanair’s business model and, concomitantly, its nonunion status.

Ryanair’s nonunion status and the labor practices it employs exist despite extensive employment legislation and Ireland’s well-documented national social partnership system. However, this is not necessarily surprising. While social partnership is

extensive at the national level between the government, trade unions, and employer organizations, a myriad of employer approaches to trade unions exists at the enterprise level. Indeed, government objectives that national-level partnership would be mirrored by enterprise-level partnership have not transpired. There is no mechanism within the social partnership system to force or persuade employers to facilitate trade unions. To do so would be difficult, given continuing trade union decline in the private sector and a fear among policy makers and the social partners that forcing employers to pursue a pronunion stance would be detrimental to Ireland's business environment. While ICTU contends that Ryanair's behavior is from "another age," it cannot simply be considered a "rogue" employer in terms of union avoidance. Indeed, union avoidance is now commonplace among many large private sector employers. What differentiates Ryanair from many other nonunion companies is that union avoidance represents a critical factor in its business model, and it commits a high level of resources to union avoidance. This is most clearly manifested in the lengths the company has gone to challenge the legitimacy of the State dispute resolution machinery. Ryanair's recent victory in the Supreme Court has already paved the way for other nonunion companies to challenge previous Labour Court decisions under the Industrial Relations Acts 2001–2004 (cf. Higgins 2007). The company is also distinguished by the fact that it has been strongly pursued by a trade union, while other nonunion companies do not get the same union attention, primarily because trade unions find it difficult to get their foot in the door and some non-union companies, typically multinationals, have a reputation of providing attractive pay and conditions (cf. Gunnigle, O'Sullivan, and Kinsella 2002).

It is clear that IALPA has pursued a different strategy to SIPTU. While SIPTU used the traditional union weapon of the strike, IALPA has so far refrained from using industrial action and has instead used industrial relations legislation as well as the civil courts. The difference in strategies can be attributed to a number of reasons. First, industrial action was an unsuccessful strategy for SIPTU. Second, the current size and geographical spread of the airline dilutes the possible effects of industrial action in one country. IALPA officials regard the 1998 strike as a missed opportunity because Ryanair was still small and most of its business was located in Ireland. They believe that to inflict comparable damage on the company today would be a much more difficult task since Ryanair is bigger and stronger and its operations across Europe are much more diffuse. Third, IALPA is not a traditional union with experience of industrial action. It considers itself to have industrial and professional roles, such as representing the technical and safety interests on behalf of all Irish commercial pilots. In addition, and more remarkably, IALPA claims that it does not actually seek recognition from Ryanair, claiming it is "delighted not to be recognized" (IALPA union official, interview). The union believes that by not seeking recognition and by using alternatives to industrial action such as legislation and the civil courts, Ryanair is

forced into an independent arena where their performance is assessed, where the truthfulness of their statements can be assessed, where evidence can be read dispassionately as opposed to propaganda. (IALPA union official, interview)

The union suggests that seeking union recognition would only serve the company's interests. One official explained,

If you watch [Michael O’Leary] any time with us, recognition is one of two or three themes he laces into the conversation all the time and creates an impression about the mindless IALPA troublemakers seeking a thing called recognition. So he then sets up a false battle which he is then going to resist. (IALPA union official, interview)

IALPA’s claim that it does not want union recognition from Ryanair contrasts the prevailing view that all unions seek recognition in order to adequately protect their members’ interests. Thus, the non-traditional union posits an alternative strategy to deal with a nonunion employer. Despite assertions that it does not want recognition, it would, however, be difficult to envisage the union refusing offers of dialogue with the company, if these were in good faith.

The substantial use of the legal system by both Ryanair and IALPA deviates from the traditional voluntarist approach to industrial relations in Ireland. It appears that the legal system serves the purposes of both the company and union. The company can delay the possible consequences of the Industrial Relations Acts 2001–2004 by challenging each step of the process involved. Furthermore, by dragging out the process through legal challenges, Ryanair would probably hope that employees feel more inclined to give up. ICTU commented that Ryanair has

calculated that it’s worth spending the money on the legal system as opposed to having to not surrender but having to accept that they have responsibility to deal collectively with the pilots union at this point. That’s a concern for us, that they would be able to string out the process or have the potential to string out the process to the point where people become frustrated and decide it’s not worth it anymore. (ICTU union official, interview)

Similarly, IALPA believes that Ryanair’s court cases are “all means of keeping us busy, the danger of serious legal costs and the pressurizing of individuals” (IALPA union official, interview). Blyton et al. (2001, 459) note that civil aviation unions still have considerable power resources. IALPA, though, with a large proportion of pilots in its membership and seemingly significant resources, given the number of court actions it has taken against Ryanair, is not satisfied that the needs of its members have been adequately addressed.

As for the medium-term future of relations between Ryanair and IALPA, it is likely that the courts and dispute resolution institutions will remain the primary battleground. In interviews, union officials were hopeful that another victory against Ryanair in ongoing claims would cost the airline a significant amount of money and the union “would maybe look like people that a deal would have to be done with” (IALPA union official, interview). However, Ryanair’s win in the Supreme Court has dealt a serious blow to IALPA’s optimism. In regard to the long-term future, IALPA believes that as industrial action in Ireland alone would have limited effects on the company, what is needed is the development of cross-border union cooperation, because it is “impossible to deal with an employer like Ryanair unless you have the ability to organize but then to back that up with industrial action on a European-wide basis” (IALPA union official, interview). IALPA has argued that it needs

a parallel process to freedom of capital, freedom of movement and so on. We actually need freedom to operate as a trade union transnationally... Ryanair doesn't have to jump through hoops if it wants to establish a base in Poland. It's an EU airline and it's entitled to operate in any EU destination. We would take the view that any member of ours or any other pilots union should be free to take industrial action anywhere in Europe on the basis of the rules apply in the State in which we're based. (IALPA union official, interview)

An example of cross-border union cooperation is the REPA Web site. REPA claims that it was necessary because "it was recognised that the existing model of a representative body is no longer valid and required updating into a pan-European organisation" (www.repaweb.org). The chairman of BALPA, Captain Mervyn Granshaw, argued that a cross-country organization was needed, "as today's markets require more than the traditional response of sovereign trade unions" (European Cockpit Association 2004). While the Web site seems useful as an avenue through which union members across countries can share experiences, it has not, as yet, resulted in concerted, organized collective action. The existence of the Web site itself is an indication of the inability of member pilots to voice concerns without the use of code names.

The comments made by the IALPA on the need for cross-border union action against Ryanair resonate with Royle's (2002, 276) comments that multinational corporations (MNCs) are able to operate "to some extent independently of regulatory systems." The growth in neoliberalism internationally has allowed companies like Ryanair to push its business strategy to the detriment of trade unions, as evidenced by Ryanair's takeover of Buzz airline in the United Kingdom and its subsequent refusal to acknowledge the established trade unions in Buzz. There is growing literature on the extent to which European business systems have accommodated MNCs. I. Clark et al. (2005, 514) argue that industrial democracy and the enforcement of employment rights involves cost to the EU consumer and that "we all like the idea of workers in the EU being well treated... but like the idea of paying for it less so." Such realities have filtered through to the national business systems, which Clark et al. suggest are leaning toward economic efficiency rather than industrial democracy. In the Irish context, it has been argued that Ireland has effectively restructured some of its business systems to accommodate the industrial relations approaches of MNCs, particularly, their desire to avoid trade unions (Gunnigle, Collings, and Morley 2006).

Conclusion

We have seen that a number of factors have contributed to the adoption of Ryanair's union suppression strategy, particularly, the free market ideology of its CEO and the alignment of its business model and human resources strategy. In addition, we have noted that Ireland's national social partnership model has not inhibited, or attempted to inhibit, the development of Ryanair's staunch antiunion stance. It is clear that Ryanair's union suppression strategy has been successful. While union officials interviewed argued that the ground-handling agent dispute had little impact on SIPTU's recognition attempts, SIPTU has not pursued recognition in the interim. Whether or not the union considers Ryanair a "lost cause," SIPTU appears to have diverted its attention away from Ryanair. Thus, the only union that appears determined to confront Ryanair is IALPA. It should also be borne in mind that IALPA represents a minority of high-skilled employees (pilots) who are not as easy to replace

as other airline workers. Since SIPTU's withdrawal, the vast majority of Ryanair's lower skilled and lower paid workers are largely at the mercy of unilateral decision making, which remains, for the most part, unchallenged.

It is possible that Ryanair's attitude to trade unions may change if Michael O'Leary were to leave or step down as CEO. He announced a retirement date of 2008, but it remains to be seen if he will actually step down then. An IALPA official suggested that the working lives of employees might improve if a new chief executive sought to create order within the company. He believed that "order in the sense of structure, reliability, consistency—that is the enemy of exploitation" (IALPA union official, interview). Similarly, ICTU considered the possibility that

if Michael O'Leary left Ryanair tomorrow, the company under different leadership might have a different view of the world, but certainly the team that he has around them down there are very staunch in their views about this issue. You could tell just by body language, the way they gave evidence in court that this was a religion. (IALPA union official, interview)

However, as any new chief executive would be answerable to shareholders, attempts to create consistency or change labor practices may be restricted by the need to maintain the currently high profit levels, which O'Leary has delivered. Michael O'Leary's approach to business in general is aptly summed up in the following anecdote. The story goes that Michael O'Leary was once asked by a union official about "why he was such a bollix," to which he replied, "It's nothing personal; it's just bums on seats."

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