



For Decent Work & a Living Wage

It's time to **live** not just exist

We want to live in dignity, not just
exist in poverty

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APRIL 2015

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INTRODUCTION

One of the most devastating impacts of the economic and social crisis is that low pay has become prevalent at the same time as wages have continued to soar at the top end of the labour market. This is unjust, unfair and unequal and has undermined the bonds of social solidarity. Low pay and inequality in wages has ensured that economic inequality permeates our island north and south. Low pay is not only an outcome of the economic crisis it was also a key factor in the recession and is a source of the vast range of economic and social problems that our people are forced to live with on a daily basis.

Ireland north and south has a low pay problem and it is getting worse. Eradicating low pay is central to building a just, fair, equal and sustainable economy on the island of Ireland. The twenty-six counties has the dubious distinction of having the second highest percentage of low-paying jobs in the OECD, coming a close second to the United States which has the highest. The OECD *Employment Outlook Report* for 2014 also found the crisis had reduced the number of jobs available, that job seekers are experiencing difficulty in getting into the labour market; and that the percentage of unemployed people who have been out of work for twelve months or more has remained at an alarming high of 60%. More importantly it noted “the crisis has not just reduced the number of jobs available, it has also affected wages”. Taken together the three processes have dramatically altered the nature of work in Ireland.

Since the onset of the crisis real wages have declined by more than two percent per year. Thus from 2009 to 2013 Ireland experienced the highest percentage decline in real wages in the EU, apart from Greece and Portugal. The decline in employment and real wages has resulted in greater reliance on the State in terms of welfare transfers and pushed significant sections of Irish society into financial distress.

Women, young people, people with a disability, and those with limited formal education and skills are now increasingly at risk of poverty. Ironically while all of this is going on, we are witnessing an increase in productivity leading to a decline in the nominal cost of labour per unit. In other words, as a result of shifts in the political economy of global capitalism and restructuring of the Eurozone economy, labours share of capital has declined.

In Ireland this has resulted in the emergence of a new group of worker referred to as the precariat. Precarious work is uncertain, unpredictable, and unreliable from the point of view of the worker. It is characterized by low pay, limited employment protections, a lack of security and ‘flexibility’ in terms of both hours of work and work practices. In a situation where there is shrinkage in the numbers of available jobs and high rates of unemployment, the balance of power shifts in favour of the employer. In Ireland’s case the situation is exacerbated by weak employment legislation, the absence of sector wide collective bargaining and the dismantling of the state’s industrial relations architecture.

The north of Ireland

Dependence and control by Britain have been disastrous for the economy of the north of Ireland and the island as whole. In the North living standards were comparable to Britain's at the time of partition and far higher than in the south. Now they are well below the British average and far less than in the South, where independence allowed trade diversification and economic development impossible under British rule. The depth and breadth of poverty and disadvantage across the North is significant and entrenched and more concentrated than in the rest of Britain.

Income earned and living standards in the north remain well below that of Britain. Unemployment is higher and we have a high proportion of working-age individuals with no qualifications. The recent recession saw income levels before housing costs drop by 8% which was the largest drop in income compared to Britain. Income levels in the North are now 10.2% below the British average. This has led to a cost of living crisis in the north and further compounded and concentrated poverty.

The effects of the current economic downturn on the economy of the North have been profound and long-lasting. The collapse of the North's construction sector and property market led to a prolonged recession and consequently a significant increase in unemployment. The net loss in employment between 2008 and 2013 has been 50,000 jobs. The 5.9% claimant count is more than double the British average of 2.8%.

Low paid employment has long been an issue for the northern economy, but trends since the recession show a shift toward lower paid forms of employment and lower paid sectors of employment. Allied to the growth of low pay, hours of work have become more uncertain further undermining earnings among low paid workers. Moreover there has been an increase in more precarious forms of employment such as 'zero hour's contracts'. Zero hours contracts or contracts of employment without a guaranteed number of hours work, which challenge the concept of part-time and full-time work as it is presently defined.

In the aftermath of a prolonged recession, long-term and youth unemployment remains serious concerns. Employment in the north remains lower than any British region. It is above that of the South despite similar experiences in both economies especially with regard to the collapse of the construction sector.

Low pay is officially defined as two thirds of the median gross hourly wage (Eurostat, 2013). For the year 2013, the median hourly wage rate was £10.19 which implies a $\frac{2}{3}$ rate of £6.79. The percentage of those in low pay as defined by the $\frac{2}{3}$ measure has been consistently between 15% and 17% of employees since 2007. The drop to 15% in 2010 coincided with a fall in the median wage and not a decrease in low pay. Since 2007 however the numbers earning the minimum wage or below has increased steadily from a low of 6% in 2008 to 9% in 2013. This has led to growing concerns about in-work poverty levels.

It is estimated that 173,000 employees in the north earned below the then Living Wage in 2012 which is 23% of all working people in the North. These workers are disproportionately young, part-time workers with lower-skill levels working in the private sector, and are more likely to be female than male.

The occupations with the highest proportion of workers earning below the Living Wage were sales and customer services (69%), and elementary occupations (57%) in which a clear majority of employees earned below £7.20. The industries with the highest proportions of low-paid workers included accommodation and food services (74%), agriculture (56%), and wholesale and retail trade (50%). In absolute terms, the largest group of workers earning below the Living Wage were employed in wholesale and retail trade (56,000), and accommodation and food services (28,000).

Had a mandatory Living Wage been in effect in the north in 2012, the 173,000 workers earning below the Living Wage would have received an additional £221 million in gross wages to bring them up to the new minimum of £7.20 per hour, assuming no other changes in the structure of the local economy. This increase equates to one per cent the North's total wage bill. Of this £221 million, the British Exchequer would have received £88 million (around 40%), through increased direct taxes and reduced benefit and tax credit payments.

After accounting for such Exchequer effects and a small degree of savings among recipients, it is estimated that the policy would have **boosted consumption** in the North by

around £132 million (some 0.5%). It is estimated that this increase in demand would have generated up to an extra £84 million gross value added contribution to the northern economy and 2,500 local jobs.

As part of that total impact estimate, if the Living Wage had been in force across all public procurement contracts in 2012, the aggregate gross wage among these employees would have increased by £16 million. After taxes and savings have been accounted for, it is estimated that this would have provided a £10 million consumption boost within the northern economy. Taking account of the subsequent supply chain and wage consumption impacts, this spending would have supported a local gross value added contribution of over £6 million and employment for just over 180 people.

IRELAND IN CRISIS

The OECD Report paints a bleak picture of the twenty-six county labour market. For example, not only did Irish workers suffer badly during the crisis but the unemployment rate more than tripled from 4.6% in Q1 2007 to a peak of 15.1% in Q4 2013. For young people between the ages of 15-24 the situation is even bleaker with youth unemployment rocketing from a relative low of 8.8% to a high of over 31% in the first half of 2014.

The number of young people in employment remains a real concern with 15,400 less young people in employment since Labour and Fine Gael entered Government in 2011. Moreover, Ireland has the highest numbers of young people from working class backgrounds who are out of work and not in any form of education or training. Figures show that for every job created under this government five people have emigrated. Added to all of this is the alarming rise in the numbers of long term unemployed from a figure of 30% in the first quarter of 2007 to 60% in 2014.

Research from Social Justice Ireland shows that since the crash, the poorest 10% of people have lost almost a fifth of their disposable income whereas the richest 10% have lost just 11% of theirs. Added to this is the fact that government activation schemes are actually depressing wages. For example, the Indecon Report's evaluation of the JobBridge scheme observed "figures indicate that average hourly earnings among JobBridge participants who have secured employment following their placements are equivalent to around 56% of the average level of hourly earnings across the economy as a whole." The scheme is the

central plank of the government's response to the unemployment crisis. It is displacing jobs and driving down wages and its effects on wage levels may well be long long-lasting.

A LOW-PAID ECONOMY: THE FACTS

Persistent poverty in the north of Ireland is double that in Great Britain.

In 2012/13 there were almost 89,000 children in relative poverty and 96,000 children in absolute poverty before housing costs.

The forecast is bleak it has been estimated that by 2020 1 in 3 children will be living in poverty.

This means by 2020 there will be 6 or 7 children in every primary school classroom who are living in poverty.

In the South, households have faced large falls in earnings and a steep deterioration of employment rights and labour-market conditions.

Incomes of southern households fell by 1 800 euros per person since 2008, to reach 18500 euros per person in 2012. This is one of the biggest falls in the Eurozone – the loss in the average Eurozone country was 1 100 euros.

At just below 60%, the share of working-age people in employment is the seventh-lowest among 34 OECD countries.

More than 1 in 6 adults in the state live in a “jobless” household where nobody works, and this rate has nearly doubled from one in ten before the crisis. Although the poverty rate remained broadly unchanged for the population as a whole, the poor suffered large income losses. Relative poverty rates increased among youth, while they fell for the elderly.

For low-income groups losses compound difficulties in meeting their basic needs. For instance, the share of people feeling that they cannot afford food has doubled to 10%. Young people in particular have been emigrating in large numbers, reducing potential growth and further adding to future demographic problems.

Long-term unemployment is at a historic high and the proportion of NEETs (young people Neither in Employment nor in Education or Training) is the sixth-highest in the OECD – 16.7% compared with an OECD average of 12.6%. In the North the claimant count stands at 122% higher than before the economic crisis and over 140,000 people have left the region since the onset of the economic crisis.

Low pay is not just an issue for those being underpaid; it affects families, communities, the local economy, and society in general. A significant body of international research now shows that the bigger the difference between the lowest paid and the highest paid in a country, the worse that country fares on all of the key measures of well-being such as health, education, housing, workers’ rights, social mobility, and inequality. In other words, low pay and by association under employment limit a person’s ability to participate fully in society and can seriously damage their life chances and those of their children.

Conversely, the reverse is also the case when it comes to high earners. The relationship between low pay and social exclusion at the bottom end of the socio-economic hierarchy is mirrored at the upper end of the spectrum where there is a close correlation between high rates of pay, and power and privilege. Simply put pay, whether it is very high or very low or somewhere in between, is a crucial determinant in the reproduction of socio-economic class, privilege and inequality.

Since the consolidation of the neo-political project in the 1990s and the advent of the Eurozone crisis in the mid- 2000s low income workers have seen their working conditions, wages and overall standard of living subjected to an ongoing assault. Such changes however are not unique to Ireland and need to be seen within a Eurozone context. While often presented as a particular type of narrative or worldview, the neoliberal project has at its core a very real and tangible material geography that is premised on the restructuring of labour markets and profound and significant shifts in the political economy of global capitalism. In the real world of work this has significantly altered the relationship between capital and labour and had a profound effect on the societal distribution of wealth, income, and poverty. The crisis of the Eurozone coupled with the ability of neoliberalism to embed itself in the institutional structures of the state has dramatically altered the nature of work and the relationship of the working class to both capital and the state system.

While such changes are now common across the EU there are nonetheless important variations in the presence of standard, flexible, fragmented and rigid working models across

Europe. For example, research shows that the regime of standard working time i.e., where work schedules are rigid, fixed by employers, and in which clear boundaries between work and private life are set – accounts for 35% of the overall distribution of working time in Ireland. Ireland now has the third highest rate of underemployment in the EU with 127,300 workers across the state underemployed. There is clearly a relationship between this and the fact that we now have the second highest percentage of low-paying jobs in the OCED. The inadequacy of low paid workers incomes is reflected in official data on poverty in Ireland. The CSO report rising levels of in-work poverty: in 2013 12% of those living below the poverty line were working, while the working poor accounted for one in ten of those in consistent poverty i.e. they were both income poor and unable to afford basic necessities.

Rising poverty and the proliferation of low pay has resulted in increasing levels of indebtedness with growing numbers of people struggling to keep a roof over their heads and pay for basic household essentials. Falling into mortgage or rent arrears and behind in the payment of utility and other household bills puts low paid workers at serious risk of poverty and even homelessness. Wages in Ireland are below the EU average.

- A significant percentage of Irish workers live in officially defined deprivation.
- Families on the lowest incomes have been hit hard by the rising cost of living.
- The price of essentials such as food, energy costs, and childcare

has outpaced the general level of prices.

- The lack of free state funded universal childcare impacts hugely on low paid female workers, especially on lone parents and limits their ability of accessing the labour market.
- In the South the failure of successive governments to invest in public housing has resulted in one of the worst housing crises since the foundation of the state. Nationally over 100,000 households are now on the state's public housing list.
- Due to the failure of the government to regulate the private rental market and the cap on rent allowance, workers now occupy the ranks of the homeless, while a significant percentage of the working poor are at risk of becoming homeless.
- In the South, the dependence of low paid workers on a dysfunctional 'public' health system impacts their ability to live long and healthy lives.
- The chronic underfunding of the national school system profoundly impacts the life chances of children from working class families.
- Children with a disability of low paid workers are punished for living in poor households and neighborhoods by the ongoing cuts to services.

WOMENS WORK: THE GENDER PAY GAP AND THE FEMINIZATION OF POVERTY

Fifty percent of women over the age of 15 are currently in the labour force and women make up 46% of all those in employment. However in terms of labour market participation women are more likely to work on a part-time basis. Almost 70% of all part-time workers are women. While a number of factors explain female concentration in part-time positions, the issue of caring is perhaps one of the most important.

The latest figures from the EU show the Gender Pay Gap in Ireland is 13.9% - in other words women in Ireland are paid almost 14% less than men. Furthermore in Ireland the incidence of low pay is generally higher among women – 17% of male employees are low paid, while the figure for women is 26%. OECD data shows that in Ireland the Gender Pay Gap for women with no children is -17% but that this increases significantly for women with at least one child. The gender pay gap exists across all sectors but has significant implications for women working in low paid occupations.

Occupations in Ireland continue to be highly segregated. Women are, on average, paid less well than men and are also more likely to work in sectors characterized by low pay, non-unionization and poor working conditions. If we look at women's concentration in the labour market we see that they are heavily concentrated in the services, retail, and catering sectors.

Notably these are the very sectors that are governed by Joint Labour Committees (JLC's). The JLC's are wage setting agreements that guarantee wages at levels just above the minimum wage in certain industries. Research on the profile of employees working for pay rates determined by JLC's shows they are twice as likely to be women, four times more likely to be part-time than full time, six times more likely to be manual and service workers than managerial or professional workers; four times more likely to work in the hotel and restaurant sector; and three times more likely to work in wholesale and retail (Turner and O'Sullivan 2013).

A 2013 report for Mandate Trade Union who represent workers in the bar, food, hotel and retail trade, described its membership as a prime example of the precariat. They are predominantly female, and only a third have full-time contracts. Over 70% of Mandate staff have worked in the retail sector for over five years, which dislodges the myth that part-time workers are primarily transient and students. Indeed a recent *Decency for Dunnes Workers Survey* taken by Mandate of 1,200 workers showed that 98% of workers want more stable hours; 85% say insecurity of hours and rostering is used as a method of control over workers; 88% feel they are not treated with dignity & respect; and 98% of workers want Dunnes to respect their right to trade union representation.

In the retail sector which is Ireland's largest employer, the inadequacy of low paid workers incomes is reflected in official data on poverty. For example,

women now make up almost 60% of Family Income Supplement beneficiaries. The impoverishment of working class women and their over concentration at the bottom rung of the labour market is a direct result of the government's rolling back of the welfare state and the dismantling of the state's industrial relations architecture. Thus the increasing feminization of poverty is no accident. Rather it is a direct consequence of the government's right wing austerity policies and the deliberate and conscious use of the state institutional apparatus to restructure the labour market in the interest of capital. The state is therefore actively involved in the production and reproduction of poverty.

Irish labour market regulation has been designed to ensure high levels of flexibility as it is argued this helps to create jobs and grow the economy. But surly from an economic, ethical, and moral point of view we must seriously question the value of jobs that do not provide an adequate income and deny vulnerable workers the right to decent work, human respect and dignity. The National Women's Council Ireland argue that to address the inequity of the gender pay gap the government needs to increase the incomes of those working for low pay; achieve greater sharing of caring work between men and women; and provide an increased supply of affordable and quality childcare. Women carry the main responsibilities attached to caring and are still required to balance paid employment and caring work. They do this in spite of the fact that at a societal level caring is

hugely undervalued and missing from the official conversation around the organisation of work.

WORKING IN THE SHADOWS: IRELAND'S UNDOCUMENTED

In terms of the precariat 'non-Irish nationals' are twice as likely to occupy its ranks, as Irish workers. Indeed the Immigrant Council of Ireland and the Department of Justice estimate that somewhere in the region of 24,000 undocumented people are living and working in the south of Ireland. There is a

striking lack of availability of reliable and up-to-date data in terms of labour market participation of this very vulnerable cohort. In part this is to be expected as undocumented people in the main have no wish to come to the attention of the authorities. Added to this, the state's approach of 'turning a blind eye' pushes an already invisible and vulnerable group even further into the shadows where they are ripe pickings for super exploitation by bad employers.

Unite and SIPTU have described the conditions these workers experience as "slave like" and comparable to those in indentured service. These men and women work in domestic service as child-minders and domestics. They work as farm labourers, on building sites, in restaurants and in hotels. This very vulnerable group bring to the fore the need for targeted legislation to deal with the complexity of precarious work, in all its guises. It also highlights the need for greater sensitivity to the way race, class, and gender interact to reproduce in-work poverty and societal inequality.

THE LIVING WAGE

The living wage is the minimum hourly wage required to allow a worker to support themselves and their dependents. Ideally it covers the cost of housing, foodstuff, clothing and other basic needs. Importantly, although the household circumstances of individual workers will vary, the living wage rate is calculated to reflect a locally determined minimum acceptable standard of living. And unlike the Minimum Wage, a 'Living Wage' is an evidence based rate of pay. Collins *et al* (2012, 2014), have conducted extensive and valuable work in calculating the impact and challenges of a living wage for the South. Working out of the Nevin Economic Research Institute (NERI) and in collaboration with the Vincentian Partnership, SIPTU, and Unite the Living Wage Technical Group have arrived at a figure of €11.45 for the living wage.

While it would appear the 'Living Wage' has the potential to provide an important mechanism to reduce working poverty, it also has its limits. As noted earlier the 'success' of the living wage depends on the circumstances of each individual. For example, the cost of a house, the presence of another adult in the household and their earnings, as well as the number of dependents, and their ages and circumstances will, taken together have an impact on the level of income a worker and her family will need to survive.

The living wage does not negate the need for additional welfare payments made on the basis of household circumstances such as family size, disability and the availability of affordable housing. As such, the living wage does not replace welfare expenditure and it is calculated on the basis that workers claim the payments to which they are entitled.

In, and of itself, the Living Wage does not eradicate poverty or inequality. It is however an important tool in the overall struggle for decent work. Seen from a constructive, as opposed to a negative perspective, and critiqued against the backdrop of the diminished power of organised labour, the restructuring of the labour market and the ascendancy of the neoliberalism project, the Living Wage has both practical and ideological utility.

One of the issues affecting the low paid worker is a lack of disposable income. From their perspective an increase in pay at the end of the week is a step in the right direction. A Living Wage also gives vulnerable workers a degree of dignity and an awareness of the value of their labour (power).

At the societal level a campaign for a Living Wage has the potential to challenge the dominant discourse around the nature of work, and to create greater awareness amongst workers, trade unions, the centre/ left political parties and in civil society that decent work in its broadest sense is worthy of struggle. In the final analysis, decent work is good for workers, good for the economy, and good for society.

The principle underlying the Living Wage is simple and powerful: that in the first instance “work should bring dignity and pay enough to provide families the essentials of life.” (Hirsch & Moore, 2011)

SINN FÉIN BELIEVES IN SECURITY OF INCOME:

One of the highest profile issues to affect the security of income in work is the rise of zero-hour contracts. This is defended almost exclusively on the basis that ‘flexibility’ of working patterns is desired both by employers and employees.

Sinn Féin recognises there may be occasions when flexibility of working time can be of benefit to both employer and employee. However, there is a very big difference between flexibility on when hours are worked and an employer’s right to keep a worker on contract but subject them to periods with no source of income, with no advance notice and with little or no predictability. This appears to take a ‘pocket money’ approach to certain types of employment with a built-in assumption that this employment is not going to provide any consistent or reliable element of a family’s income. It assumes the price for this ‘flexibility’ must always be paid by the employee and by society which faces the ongoing cost of providing funding to prevent the destitution of the worker.

Security of employment and security of income from employment requires a different approach to industrial democracy and industrial relations. A strong and constructive relationship between trade unions and employers with the assumption of widespread collective bargaining and strong employment rights is an essential foundation for ensuring work pays. The state is a key actor in all of this and it should not be required to pick up the cost of bad employment practices that lead to poverty.

GETTING THE STATE TO WORK FOR PEOPLE: THE FIVE PILLARS

Sinn Féin is of the view that the state via (i) the **welfare** system; (ii) **pay** rates; (iii) the **taxation** system; (iii) the provision of **public services**; (iv) and robust **industrial relations** legislation can put in place a national strategy that prioritises people by emphasising their social security. In this sense we view the state not as a passive actor, nor as an entity that mediates between capital and labour but rather as a key site (of struggle) in terms of the production and reproduction of power, privilege, wealth, poverty, inequality and rights. It is interesting to note Ireland has ratified international treaties which enshrine the concept of *progressive realisation* in international human rights law. The notion of people centred social security begins from the premise that at the top of what people say they want from life are a decent job, decent housing and the security of knowing they can pay their bills and feed their family. It accepts that people want to work and participate in their society and draws from evidence which shows that people are better able to participate in the economy from a base of individual security than from collective anxiety.

It notes that societies which have achieved high rates of economic participation and low rates of poverty are ones which integrate the concept of ‘social security’ into all government actions.

(i) Welfare

Insecurity in employment from weak industrial democracy is a significant problem. The current and previous government's approach to social welfare has been one of slash and burn, demonisation and pro-anxiety. It sees welfare payments as a stick with which to beat people into work, however precarious that work maybe. Cutting and withdrawing welfare to make unemployment as painful as possible and thereby encouraging employment is the logic underpinning this approach. The strategic 'social security' approach instead looks at each of the causes of insecurity and seeks to tackle these as part of a coordinated strategy – one which does not require the vilification of any group of citizens.

The emphasis of our current welfare state is overly limited to cash transfers. It accepts, rather than challenges high inequality and low pay. It seeks to take a little of the pain out of this inequality by redistributing horizontally and vertically in a residual way. This model risks reinforcing low pay by indirectly subsidising low-pay employers and therefore penalising good employers while at the same time laying the stigma of low pay at the feet of the low paid. Even more problematically, it will never address inequality by seeking to mitigate it without addressing its fundamental causes. Low pay and coercing people into low-value jobs and then subsidising those jobs through welfare entrenches low pay and undermines the economy. Thus the state actively reproduces inequality with the result that welfare policy increases, as opposed to decreases, the need for even more welfare. An effective welfare policy should do the opposite.

The goal must be to create an economy which does not rely on welfare payments to address low pay, inequality and insecurity. Rather welfare policy should be

used as a tool in itself to encourage the development of such an economy. Initially we would propose that a series of targeted and integrated actions be pursued without promoting competitiveness based on low pay.

In the immediacy, and while the campaign for decent work and pay is fought, the reality of poverty both in and out of work must be addressed and cash transfers via the social welfare system will remain central to these efforts.

AS A PRIORITY SINN FÉIN WILL:

- Increase Family Income Supplement by 10%;
- Over the next two budgets restore the rates for young jobs seekers to the standard Jobseekers payment of €188;
- Raise One Parent Family Payment income disregard to €120;
- Reinstate Solas Training Allowance;
- Increase Fuel Allowance by 3 weeks;
- Restore Farm Assist;
- Wind down the JobBridge scheme;
- Commit to unravelling the JobPath programme.

(ii) Pay

As already noted what people want is a job, a home, access to decent public services and sufficient income to cover the bills. In short they want fairness. Yet a third of Ireland's workforce will earn €20,000 a year or less in 2015. An economy that is dependent on low pay benefits no-one and entrenched inequality undermines the potential of Ireland's recovery. Better paid workers pay more tax and spend more money locally. This in turn boosts tax revenues and allows for increased investment in public services and infrastructure benefitting all citizens, and their employers.

This debate on the Living Wage should not limit itself to a political/moral argument as there is a strong business case to be made for fair pay. Increased productivity, staff retention, improved service and enhanced reputation are just some of some of the benefits to businesses that adopt a fair pay model. There are many small businesses across Ireland that continue to trade in an extremely challenging environment, and there are immediate measures Government can take to alleviate pressures and by doing so enable businesses to grow. Developing a fairer commercial rates system and opening up the potential of public procurement for small and microbusinesses would make a real difference.

SINN FÉIN WILL DELIVER:

- An increase in the current minimum wage;
- An incremental move to a living wage as part of an equitable strategy for recovery and growth underpinned by decent public services, robust employment rights and a fair system of taxation;
- The restoration of pay and conditions of low paid public sector workers as the public finance allow;
- A review of Public Works Contracts Pay and Conditions clauses to ensure full compliance by contractors awarded public contracts.

(iii) Industrial Relations

Delivering a living wage is just one strand of a strategy to tackle workplace inequality. Industrial relations policy with active labour market interventions strengthened by collective bargaining and strong equality and employment rights legislation are necessary to protect workers.

SINN FÉIN WILL:

- Introduce Collective Bargaining legislation;
- Introduce strong anti-victimization legislation;
- Ban zero hour contracts;
- Ensure the full implementation of the EU Directive on Part-time Work;
- Attach social clauses to all capital and public works contracts worth in excess of one million euro providing much needed employment for the long term unemployed, on the job work for apprentices and development of work-related skills and training;
- Prioritise the reinstatement of sectoral Registered Employment Agreements with robust compliance and enforcement mechanisms attached;
- Establish strong wage floors in the reconstituted Joint Labour Committees.

(iv) Public Services

A New Ireland must be predicated on pursuing the real wellbeing of citizens. The wellbeing of citizens cannot be based around widespread and corrosive fear, anxiety, demonization and insecurity – or on a blame culture that victimises low-pay workers, people with disabilities, and the unemployed. It must be based on the concept of real ‘social security’, the ability to work, earn, live a good life, and on access to decent, efficient and people centred public services. This model of society is not achievable from an economy model based on a low-wage economy allied to a punitive welfare system and the privatization of key public services.

SINN FÉIN WILL:

- Increase funding for disability services;
- recruit 1,000 additional frontline health staff;
- increase emergency ambulance cover;
- increase the budget for discretionary medical cards and reduce prescription charges;
- Make pre-school year accessible to children with disabilities;
- increase resource teaching hours and funding for the school meal and book scheme;
- increase the back to education allowance for under 26s and the capitation grant by 1%;
- increase the back to school footwear and clothing grant;
- Spend one billion from the Strategic Investment Fund to deliver 6,600 homes over and above those promised by the government.
- Introduce rent controls in the private sector to stem the rising tide of homelessness;
- Change the insolvency laws to remove the veto of the banks.

SINN FÉIN WILL:

- Abolish the Property Tax and water charges;
- Take people on the minimum wage out of the Universal Social Charge (USC) net;
- Restore Capital Gains Tax to 30%;
- Reduce landlord tax relief;
- Introduce a new employer's rate of PRSI;
- Increase tax paid on income over €100,000 by 7 cent in each euro.

It is worth noting that repeal of water and property charges and other proposals by Sinn Féin will put money back in people's pockets. It will help to stimulate the economy and will not have a downward effect on employment.

The welfare state (in its broadest conception) is under continual attack and there is little sign that the efforts of the Right to dismantle it will abate anytime soon. There must be a complete change in how we think about the state and its functions. Our aim must be a state system where the concept of real social security is at the heart of all policy.

(v) TAX

Sinn Féin want to build a healthy wage economy with low levels of income inequality, a social security system that helps people to live a productive life and an approach to housing that prioritises housing as a the need for affordable, high-quality homes. All this is absolutely achievable. An equitable and progressive system of taxation is essential if this is to be achieved.

THE WAY FORWARD: THE PATH TO ECONOMIC JUSTICE

The gap between rich and poor in Ireland is now four times the OECD average and despite talk of recovery, it will continue to widen. It is clear that cuts to government spending have increased inequality. For example, the government cut health spending by 7%, second only to Greece, and spending on social transfers by €3.5bn. Unemployment, social assistance, disability, family benefits have all been hit with the result that incomes in the average households have fallen by 50% while the numbers of children living in households with no adult working went from among the lowest of developed countries second, again behind only Greece. There were also cuts to the income disregard for lone parents from €146.50 to €90 with the effect that lone parents working in low-paid employment were cut by €28 per week.

A recent Survey on Income and Living Conditions (SILC) confirmed that one-parent families are most at risk of poverty, with the highest consistent poverty rate, at 17.4%, a rate of deprivation of 63% and nearly 30% of families are at risk of poverty. When the Minister introduced changes to the one-parent family provisions, she said she would introduce free childcare. To date this has not happened. Even more worrying is the fact that low-income households lost a greater proportion of their income than the better-off while the numbers of those in poverty have risen, and the depth of poverty deepened, especially in households with young adults. The OECD warns that recessions often widen income gaps that recoveries more often than not, often fail to close. This warning is especially relevant when it comes to Ireland, where the gap between rich and poor had been increasing even before the recession.

SINN FéIN WILL WORK TOWARDS:

- Closing the gap between the rich and the poor in terms of income and living standards;
- Ensuring everyone in society has an acceptable standard of living;
- Ensuring everyone has access to free health care and education;
- Ensuring everyone has access to decent and affordable housing (public and private) and the regulation of the private rental market;
- Ensuring everyone has access to reliable and affordable public transport;
- Enacting pay policies which specifically benefit low-paid workers;
- Everyone has access to affordable and accessible childcare.

The latest income distribution data for Ireland shows that the combined direct income share of the bottom 50% is just over 8%. Income distribution and possible methods of altering it – with the aim of creating a more equal society and reducing the inequality gap is a central part of Sinn Féin’s political project going forward.

It is not acceptable that the North has the highest percentage of low paid workers in comparison with Britain or that the South has the second highest number in the OECD. The fact that increasing numbers of workers across the island of Ireland are subjected to uncertainty and exploitation in the work place and poverty wages in return for their labour, should concern us all. Low pay is not good for the economy and poverty and deprivation places enormous stress on families, on the state, and on society. We must bring a halt to this trend.

A living wage is an improvement from the minimum wage, however, it cannot address poverty or substitute for adequate in work welfare provisions. Our task is to broaden the debate and insist on standards not just for those at the bottom, but from high earners at the top.

Wealth and poverty, privilege and exploitation are two sides of the same coin. The onus on us going forward is to move beyond discussions of a minimum wage to a discussion around policy formation aimed at eradicating structural inequality.

Sinn Féin is committed to working with a progressive labour movement and civil society groups to bring about change. We believe it is only by working together in solidarity that we can build a fairer, more humane society. Our task is to create a true republic that delivers decent work, justice and equality for all.