



## **Submission to the Consultation on the National Minimum Wage**

### **Friday 8th February 2019**

#### **Introduction**

The Migrant Rights Centre Ireland (MRCI) is a national organisation working to promote the rights of migrant workers and their families living in situations of vulnerability throughout Ireland. In 2018 MRCI provided information and support on 1949 cases to people from 111 different countries. Of this, 34% were undocumented, 1 in 12 worked in care and domestic work and 1 in 12 in restaurants. Other sectors included retail, hospitality and fisheries.

MRCI welcomes the fifth review of the National Minimum Wage (NMW) by the Low Pay Commission. This review takes place in the context of full employment, a buoyant and growing economy and shortages in labour. The Economic and Social Research Institute forecast GDP growth a 4.5% in 2019. In January 2019 unemployment stood at 5.3% close to what is generally regarded a 'full employment'. This makes it the ideal time to significantly improve the living standards of minimum wage and low paid workers in Ireland and go beyond the 0.25 cent increase of 2019. While Brexit remains an unknown at the time of submission, this should not impact on an increase in this wage floor as day to day living costs are increasing for all workers.

#### **Labour Migration 2018**

In 2018, net inward migration stood at over 30,000, with 139,206 Non-EU migrants registered in Ireland. This represents 24.6% of the overall migrant population. The vulnerabilities and precariousness associated with immigration status merits special consideration when developing strategies to ensure equality outcomes for migrants including pay and conditions.

People from a migrant background are integral to the Irish labour market. CSO 2016 figures show that 14.9% of the workforce is non-Irish nationals with almost half are employed in Food Services, Manufacturing Industries and Human Health and Social Work. Nearly half (46.9%) are classified as non-manual, manual skilled, semi-skilled or unskilled workers, compared with 39.2% of Irish nationals. The unemployment rate among non-Irish nationals was 15.4%, compared with a rate of 12.6% among the Irish population.

#### **Ireland's Economic Migration Policy Review**

A long overdue review of Ireland's Economic Migration Policy took place in 2018 and while a welcome development it contained very little by way of providing a more flexible and open system. A core element of the Labour Migration review is the stated commitment to fighting exploitation. Unfortunately, no changes were made to addressing a worker's mobility which would assist in addressing exploitation. A worker still remains tied to their employer which

increases the risk of exploitation. MRCI is also extremely concerned about the proposed introduction of a Seasonal Employment Permit will leave workers extremely vulnerable to exploitation and is an approach which MRCI is highly critical of.

The review also provided for greater transparency in the assessment of occupations eligible for work permits. A significant change was the decision that line Departments will now take the lead on changes to the list of occupations. While the current twice-yearly review of the Highly Skilled and Ineligible Employment Lists will remain, sectors experiencing severe labour shortages will be able to submit a business case for consideration, an approach which puts much power in the hands of employers.

In 2018 Minister Humphries approved new quotas for employment permits in several sectors with identified labor shortages by business; 610 permits for chefs; 500 permits for horticulture workers; 250 permits for meat processing operatives and 50 permits for dairy farm assistants. An additional 500 permits for meat-processing operatives was approved later in the year. In tandem there was an announcement there would be an information campaign on employment rights. To the knowledge of MRCI has not been progressed. The review also failed to address the situation of undocumented workers in the state, many of whom are in the sectors where these quotas have been issued.

### **Gaps in Data Collection on Migrants**

There continues to be limitations in data being collected in relation to the participation of migrants in the labour market. The samples of publically available datasets remain too small to make statistically sound assertions on the proportion of migrant workers earning the minimum wage or in low-paid employment.

### **Income Inequality**

The Gini coefficient is a measure of statistical dispersion intended to represent the income distribution of a nation's residents and is the most commonly used measure of inequality. Data from the latest SILC shows the GINI coefficient at 30.6% in 2016. Data from the survey shows that despite an increase in median annual income, Ireland is still experiencing high levels of inequality and large numbers of people at risk of poverty.

### **Income Adequacy**

People or households are considered to be at risk of poverty when their income is less than a particular threshold. In the EU, the threshold has been set at 60% of the median income (mid-point in the scale of the highest to the lowest of all incomes in Ireland). According to the Survey on Income and Living Conditions, in 2016 the median equivalised nominal disposable income stood at €20,597 and thus, the at-risk-of-poverty threshold stood at €12,358 per annum or €1,030 per month. The minimum wage in 2016 for a 39 hour week stood at €1,564 per month.

### **Non-Compliance and Exploitation**

MRCI deals on a daily basis with people who have experienced exploitation. Exploitation continues to be persistent in low paid sectors of the economy and regime of compliance is central to its

eradication. Research by MRCI in 2015 with 104 migrant workers<sup>1</sup>, revealed that while migrant workers are more knowledgeable about their rights few are able to assert these rights and improve their conditions.

### **Fishers**

In December 2017, MRCI launched research into the experience of migrant fishers which revealed widespread exploitation.

- A majority (65%) work more than 100 hours a week,
- Average pay is just €2.82 per hour,
- One in four have experienced verbal or physical abuse,
- One in five have experienced discrimination and racism,
- 40% do not feel safe at work,
- Discrimination, exploitation and verbal & physical abuse are common<sup>2</sup>.

### **Au-Pairs**

In 2018, MRCI dealt with several au-pair high profile cases which continues to highlight the blatant disregard for employment legislation including paying the minimum wage to workers in this work and again highlighted persistent exploitation in this sector<sup>3</sup>.

### **Irregular Migration**

Pay and upholding good terms and conditions of undocumented migrant workers continues to be a serious issue for MRCI. Research carried out by MRCI in 2016 with over 1,000 undocumented migrants, found that the overwhelming majority (89%) are in employment, typically (though not always) in sectors where low-paid work is prevalent. The top five sectors of employment are Restaurant & Catering (32%), Domestic Work (29%), and Cleaning and Maintenance (13%). Other sectors include retail, hotel, medical, healthcare and agriculture.

A high proportion of these (66%) have been in their current job for over 2 years and of this 31% have been in the same job for over 5 years. 69% indicated that they are working over 30 hours, with more than half earning over €300 a week. The survey reveals that many undocumented migrants in Ireland are well-educated, with 97% possessing secondary school education and 53% educated at third level.<sup>4</sup> This group are invisible in the labour market and in any official data.

MRCI is conducting new research in this area in 2019 and will send it to the Commission when it is completed.

### **Preventing Exploitation of Migrant Workers**

MRCI acknowledges that many of the issues that arise from the Labour Migration review are outside the scope of the LPC, however, to date the Commission has taken a proactive role in highlighting exploitation and making recommendations to assist with its prevention and in

---

<sup>1</sup> All Work and Low Pay; the experiences of migrants working in Ireland (MRCI - May 2015) <http://www.mrci.ie/wp-content/uploads/2015/11/MRCI-All-Work-and-Low-Pay.pdf>

<sup>2</sup> Left High and Dry; The Exploitation of Migrant Workers in the Irish Fishing Industry (Dec 2017) <https://www.mrci.ie/press-centre/severe-exploitation-persists-on-irish-fishing-boats-says-new-report-11122017/>

<sup>3</sup> <https://www.irishtimes.com/news/social-affairs/group-urges-families-to-be-aware-of-au-pairs-rights-1.3378240>

<sup>4</sup> Ireland is Home Survey 2016: <http://www.mrci.ie/wp-content/uploads/2016/05/Ireland-is-Home-2016-Infographic-FINAL.pdf>

protecting workers, which is a very welcome approach. We encourage the LPC to continue to have a dedicated focus on preventing, combating and addressing exploitation.

## **Recommendations**

### **Living Wage**

MRCI proposes that the minimum wage should, over time, reach the level of the Living Wage (€11.90 - 2018). This would ensure that all full-time workers would earn enough to ensure a minimum adequate income. We recommend that the Low Pay Commission set a target date of increasing the NMW to the Living Wage within 4 years.

### **National Minimum Wage (NMW)**

The NMW has incrementally increased since the establishment of the LPC. There are now just two years to reach the Government's stated aim of increasing the minimum wage to €10.50 by 2021. This would mean an average increase of 0.35 cent over the next two years. MRCI recommends an increase to at least .50 cent to €10.30 for 2020 to narrow the gap between the NMW and the Living Wage.

### **Data and Research on Migrants**

MRCI recommends that the LPC agree a special module with the CSO to focus on generating data for persons from a migrant background to fully understand their living conditions including their earnings.

### **Addressing and Preventing Exploitation**

We encourage the LPC when commenting on exploitation that reference is made to the commitments outlined in Ireland's Labour Migration review to fighting exploitation and to seek assurances as to how employment rights and standards for new employment permits holders will be communicated and monitored.