



Submission to the Consultation on the National Minimum Wage

Friday 9th February 2018

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 2017 MRCI provided information and support on 2,155 cases to people from 127 different countries. Of this, 33% were undocumented, 1 in 10 worked care and domestic work and 1 in 10 in restaurants. Other sectors included retail, hospitality and fisheries.

MRCI welcomes the fourth 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 4.2 per cent in 2018. In January 2018 unemployment stood at 6.1% close to what is generally regarded a 'full employment'. This makes it ideal time to significantly impact the living standards of minimum wage and low paid workers in Ireland and go beyond the 0.30 cent increase of 2017.

Data on Migrants

New data released from the Census 2016 shows that 810,406 (17.3%) of the population in Ireland is foreign-born, and according to the most recent CSO Population and Migration Estimates from April 2017 there were 566,600 (11.8%) non-Irish nationals residing in the country from 200 different nations living in Ireland. People holding dual citizenship increased by 87.4% to 104,784 persons between April 2011 and April 2016.

14.9% of the workforce is non-Irish nationals. 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.

Nearly half of all non-Irish nationals were aged between 25 and 42 years. Persons aged 65 years or over accounted for less than 5% of the non-Irish population in sharp contrast to nearly 15% for Irish nationals. In the younger age groups just 12.3% of non-Irish nationals were aged 0 to 14 years compared with 22.5% of Irish nationals.

In 2016, Ireland returned to net inward migration for the first time since 2009 - more people are entering the country than leaving. In 2017 there were 139,206 Non-EU migrants registered in

Ireland which represent 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.

Categories of Migrant Workers

Migrant workers' immigration status in Ireland influences the duration and types of jobs they can apply for:

- **Employment permit holders including spousal permits:** Migrant workers who are employed on an employment permit or spousal permit have restricted access to the labour market and hold a residence permit (stamp one). They can only work for the employer named on their employment permit and the employment is tied to their immigration status. Many jobs in low paid occupations are currently deemed ineligible for the purposes of applying for a work permit. The lack of mobility in this system has led to wage stagnation, lack of progression and exploitation.
- **Naturalised Irish citizens:** Since 2003, over 130,000 migrants have become Irish citizens, the vast majority of them (over 100,000) since the reform of our citizenship application procedures in 2011. As citizens, they enjoy unrestricted access to the labour market.
- **EU citizens:** According to the CSO, there are 427,000 EU nationals residing in Ireland. They are entitled to access the Irish labour market as per EU Treaty Rights on Freedom of Movement
- **Undocumented workers:** MRCI estimates between 20,000 and 26,000 adult undocumented migrants in Ireland. According to the survey conducted with over 1,000 undocumented migrants, most have entered the country through regular channels and subsequently became undocumented but currently they have no route out of irregularity. Among those surveyed, 89% are in employment.
- **Students:** International students from outside the EEA are entitled to work part-time while studying and full-time during fixed holiday terms. In 2015, the last year for which data is available, there were 43,540 international students from non-EEA countries given permission to reside in the state.

Gaps in Data Collection on Migrants

There are limitations in the 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. There is a need for a specific focus on data for persons from a migrant background to fully understand their living conditions including their earnings.

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 last SILC release shows that the GINI coefficient stood at 30.6% in 2016. Data from the survey shows that in spite of the increase of the 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.

MRCI collects data in our Drop in Centre to monitor emerging trends and patterns. Using a sample of 874 migrants surveyed while accessing our services in 2017 we found that 54% were at risk of poverty, this compares to 16.5% among the overall population as identified by the last SILC 2017. This can be partly explained by the prevalence of migrants with precarious legal status, high incidence of employment in low-paid sectors and a lack of mobility and progression as a result of a rigid labour migration policy.

Pervasive Issues which facilitate low pay for migrant workers.

Rigid employment permit system

The main mechanism in place for Non-EEA nationals to take up full-time employment in Ireland is through the Employment Permit System, a guest worker model that limits the rights of migrant workers. Despite welcomed reforms to the Employment Permit System by the government in 2014, it remains restrictive as a worker's immigration status in the country is dependent on their employment and a worker can only work for the employer specified on the work permit. If a worker seeks to leave this employer, within the first 12 months of employment, they are no longer eligible to work.

After the initial 12 months, in order to change employment they must undergo a lengthy and bureaucratic process during which they risk losing their employment and immigration status. This effectively results in a worker being tied to one employer. Only spouses of critical skills employment permit holders (those working in occupations considered 'high-skilled' or 'high-earning') are eligible to apply for an employment permit, in certain circumstances. This leaves many dependants, very often women, unable to join the labour market or forced to use irregular channels. The lack of mobility in the system has led to wage stagnation, lack of progression and exploitation.

Current government policy facilitates an Employment Permit System that enables migration of highly skilled workers, yet demand for a broad range of skills continues to exist within the economy and employers are identifying labour shortages especially in the care and food industry. These jobs however are deemed ineligible by the government. It is necessary to provide safe and regular migration channels to respond to the demands in essential skill areas. Without the regular channels of migration some unscrupulous employers will inevitably exploit workers to meet their on-going need as is evidence in domestic work sector of au-pairs.

There is currently a review of the employment permit system being carried out and it is essential that in this review if new permits are to be issues and new sector opened up including essential employment sectors that the fundamental right to mobility of a worker is granted.

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 workers¹, 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 common².

Au-Pairs

A recent au-pair high profile case (February 2018) continued 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 sector³.

Irregular Migration

Pay and upholding good terms and conditions of undocumented migrant workers continue to be an 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.⁴ This group are invisible in the labour market and in any official data.

¹ 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>

² 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/>

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

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

Recommendations

Living Wage

MRCI proposes that the minimum wage should, over time, reach the level of the Living Wage (€11.70 - 2017). 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. It is important that a medium target be set, rather than set on a yearly basis. A target would allow enterprises and employees to plan for the future. However, this target must be stated and grounded in both economic and socially optimal terms.

National Minimum Wage (NMW)

Last year's increase of 0.30 cent was a welcome departure from the previous year of 0.10 cent. The Government's stated aim of increasing the minimum wage to €10.50 by 2021 would mean average increase of 0.32 cent over the next three years. MRCI recommends an increase to at least €10.00 in the minimum wage in 2019 to narrow the gap between the NMW and the Living Wage.

Gender Proofing the Minimum Wage

Given the widening gender pay gap and the positive duty on public bodies to mainstream measures to promote equality, a specific measure is required to equality proof the minimum wage and related measures to ensure that income inequalities are reduced. This is compounded for migrant women who are at greater risk of discrimination and disproportionately affected in the labour market due to their status as a woman and as a migrants.

Data and Research on Migrants

The Low Pay Commission should commission a study specifically focused on persons from a migrant background in Ireland to fully understand their living conditions including their earnings and their experiences of low pay.

Employment Permit System

Under the current review of the employment permit system and as a preventative measure, the Low Pay Commission should recommended that this system provides for the mobility of workers to tackle low pay traps, lack of progression and exploitation which it engenders.