

Submission to the Consultation on the National Minimum Wage

23rd March 2022

Introduction

The MRCI is a national organisation working to promote justice, empowerment and equality for migrants and their families. Since 2001 MRCI has been working with migrants in sectors of the economy where issues of low pay, discrimination and exploitation are rife. MRCI combines frontline services, policy, advocacy, and campaigning with migrant workers to secure rights. Over the last 20 years we have developed expertise and analysis on issues where workers' rights meet immigration in Ireland.

In 2021, MRCI provided information and support on 4,123 cases to people from 131 different countries. The most common sectors of employment of the migrant workers we engage with are low pay jobs in agri-food, care and domestic work, cleaning, restaurants, retail, hospitality and fisheries.

Labour Migration 2021

In the 12 months to April 2021, net inward migration stood at 11,200.¹ At the end of 2020 (latest figures) 157,207 non-EEA migrants were registered in Ireland.² Most people with permission to remain in the State are either working or studying.

Inflation and Cost of Living

Inflation is expected jump to 8.5% or higher in the coming months, a level not seen since the early 1980s. The Economic and Social Research Institute (ESRI) warns that this year income – in real terms – will fall by an average of 2%. In monetary terms this means a typical household will see its income decline by about €1,300 once the effects of inflation are accounted for.³ Other commentators point to a higher rate €2,000 before tax.⁴

The most recent data published by the Central Statistics Office (CSO) suggests that consumer prices rose by 5.6% in February 2022.⁵ Groceries, fuel, electricity, rent, have all swung upwards. For low waged workers with little extra disposable income, this increase puts many in vastly more precarious

¹ CSO Population and Migration Estimates April 2021 [Main Results - CSO - Central Statistics Office](#)

² Immigration-in-Ireland-Annual-Review-2020 [gov.ie - Immigration in Ireland Annual Review 2020 \(www.gov.ie\)](#)

³ Major cost-of-living shock expected in coming months with inflation forecast to hit 8.5% - Irish Times 23rd March 2022 <https://www.irishtimes.com/business/economy/major-cost-of-living-shock-expected-in-coming-months-with-inflation-forecast-to-hit-8-5-1.4833635>

⁴ Why you'll need at least an extra €2,000 this year just to get by, Connor Pope Irish Times Feb 5th 2022. <https://www.irishtimes.com/life-and-style/conor-pope-why-you-ll-need-at-least-an-extra-2-000-this-year-just-to-get-by-1.4793648>

⁵ CSO February 2022 CPI <https://www.cso.ie/en/releasesandpublications/er/cpi/consumerpriceindexfebruary2022/>

living situations and will increase levels of poverty and social exclusion across the country for minimum wage and low waged workers if the minimum wage is not increased.

The Irish economy is estimated to have grown by 13.5% last year, according to national accounts published by the CSO.⁶ The European Commission predicts GDP to be 5.5% in Ireland in 2022.⁷

Unemployment and Employment

The unemployment rate is also a good measure of a healthy economy and has been consistently dropping. In February 2022, the COVID-19 Adjusted Measure of Unemployment could indicate a rate of 7.0% if all claimants of the Pandemic Unemployment Payment (PUP) were classified as unemployed. This alternative measure is down from a rate of 7.8% in January 2022 and 27.0% in February 2021.⁸ Indeed, there remains a huge demand for labour in Ireland despite these unemployment rates.

Non-EEA workers

According to Department of Enterprise figures the number of non-EEA workers employed in the employment permit system in Ireland has increased over 400% between 2013 and 2021. In 2021 the total number of permits issued and renewed was 16,275.⁹ The largest percentage increases have occurred in Agriculture, Forestry and Fishing. In 2021 there was a further opening of the employment permits to a number of occupations including: Health Care Assistants and Construction workers; quotas increased for Meat Processing Operative (+1,500) and Meat Deboner (+500); Horticulture Operatives (+1,000) Dairy Farm Assistants (+100) and Work Riders (+100) and the removal of the quota HGV Drivers.¹⁰

War in Ukraine

Finally, it remains unclear how many people fleeing the war in Ukraine will come to Ireland, at the time of writing almost 10,000 have arrived. An Taoiseach suggested that up to 200,000 people may arrive in Ireland and will have the right to work. Many are and will be women and children, with caring responsibilities. Many will enter the labour market on the minimum wage as both full-time and part time workers.

Preventing a Race to the Bottom in the Employment Permit System

MRCI believes that every person coming to live and work in Ireland should have the same set of basic rights and the opportunity to progress, earn a fair wage and live in dignity. Unfortunately, this is not the case for many people on General Employment Permits, who must wait five years before they have the right to freely change employers, making it extremely difficult for them to challenge exploitation and low wages as well as bullying and unsafe working conditions.

⁶ Exports drove Irish economy to growth of 13.5% in 2021

<https://www.irishtimes.com/business/economy/exports-drove-irish-economy-to-growth-of-13-5-in-2021-1.4818388>

⁷ European Commission Winter Forecast Feb 2022; https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/ireland/economic-forecast-ireland_en

⁸ CSO February 2022 Unemployment Rate; rate;

<https://www.cso.ie/en/releasesandpublications/er/mue/monthlyunemploymentfebruary2022/>

⁹ <https://enterprise.gov.ie/en/Publications/Employment-Permit-Statistics-2021.html>

¹⁰ <https://enterprise.gov.ie/en/What-We-Do/Workplace-and-Skills/Employment-Permits/Latest-updates/>

Throughout the pandemic, essential workers have been picking, packing, putting food on our tables, and caring for our loved ones. Undoubtedly there is a renewed demand for such essential workers and Ireland needs people to come here to work. But despite a new appreciation of the role of these workers, little has been done by the Government to recognise their contribution and provide them with fundamental rights.

Right now, the Government is considering a new piece of legislation, the **General Scheme of the Employment Permits (Consolidation and Amendment) Bill, 2019**, which aims to make the employment permits system more responsive and flexible to the needs of the labour market. However, increasing the flexibility of the system while leaving workers vulnerable and with limited rights and options is irresponsible and dangerous, and could lead to more exploitation and race to the bottom.

This is why MRCI is calling for changes to this legislation to enable workers to challenge low pay and exploitive wages and to make the system fairer. The Government has the power to recognise the contribution of essential workers and fight exploitation by simply providing people on General Employment Permits the same rights as those on Critical Skills Permits. This would mean General Employment Permit holders would have the right to freely change employers after two years instead of five years which would enable them to come forward much sooner challenge exploitation and sub-standard conditions.

At the moment for a non-EEA worker with a General Employment Permit to change their employer they need to find another employer in the same or another 'eligible' job sector and then get the prospective employer to agree to go through the process of applying for a new permit which includes a labour market needs test i.e. advertising the job for 4 weeks, application cost of €1,000 and further processing wait time of at least 4 months once received. It is a huge risk and mountain to climb for a worker looking to change employer and that's exactly why workers do not attempt it and have little option other than to endure exploitive pay and conditions until their 5 years is completed when they can apply for permission to work without a permit.

As long as the General Employment Permit system stays in its current format many employers will use the added power, they have over workers on employment permits to drive down wages, benefits, and standards. There is rampant evidence of this happening in the meat processing sector and the number of permit holders now represents a significant percentage of the workforce with over 2000+ live permits and growing according to Departmental figures.

In December 2020 MRCI published a survey of meat processing workers **Working to the Bone**¹¹. The following were the main findings:

- Almost 60% of workers surveyed said they had been injured whilst working at a meat plant
- 90% of workers are not covered by occupational sick pay schemes
- 28% of the workers on the lowest salaries (€12.00 and below) have been working for between four to 15 years.

¹¹ <https://www.mrci.ie/2020/11/30/working-to-the-bone/>

- 27% said they are not paid extra if they work overtime
- 43% felt verbally bullied / 35% felt psychologically bullied / 96% said their employer did not take effective action
- Top reasons for discrimination were related to nationality and race/ethnicity
- 87% of workers said that they had not had the opportunity to progress or be promoted
- When workers make complaints to management, the most common response given, “If you don’t like it you can go back to your country.”

The Joint Committee on Enterprise, Trade and Employment, Report on the Pre-Legislative Scrutiny of the General scheme of the Employment Permits (Consolidation and Amendment) Bill 2019

<https://bit.ly/3FkkP1x> made a key recommendation to address these concerns. Recommendation No. 5 states, “*The Committee recommends that workers with General Employment Permits are provided the same rights as those employed with Critical Skills Permits. A holder of a General Employment Permit should have the right to gain access to the labour market after two years instead of five, which would make it easier for them to challenge exploitation and substandard conditions.*” It is the hope for migrant workers in the general employment permit system that the Minister will incorporate this cross-party recommendation into the new legislation when it is brought forward.

MRCI Recommendations to the Low Pay Commission (LPC) National Minimum Wage (NMW)

The NMW has incrementally increased since the establishment of the LPC. Current inflation projections range between 5-10% based on a number of factors including the catastrophic war in Ukraine. Undoubtedly those on lower incomes will struggle the most at this time to provide essential basics of food, accommodation, heat, transport etc. unless mitigating measures are put in place. A further increase of **€1.00 per hour to €11.50** is required to keep pace with that inflation and prevent those on the lowest incomes to fall further into poverty and deprivation.

Living Wage

MRCI proposes that the minimum wage should, over time, reach the level of the Living Wage (€12.90 – 2021/2022). 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.

Addressing Low Pay and Exploitation for Employment Permit Holders

As an entity concerned with combating exploitation and poor conditions of employment, we ask that the LPC in its deliberations also write to the Minister for Enterprise to highlight concerns for workers on employment permits who have limited rights which led to the exploitation of workers.

The solution is outlined in the cross-party recommendation number 5 from the Joint Committee on Enterprise, Trade and Employment, Report on the Pre-Legislative Scrutiny of the General scheme of the Employment Permits (Consolidation and Amendment) Bill 2019 in upcoming employment permits legislation.

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