

# TOWARDS A LIVING WAGE

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# The Living Wage

- The Living Wage Technical Group has set a Living Wage for a full-time single worker
  - a) €11:45 per hour
  - b) €466 per week
  - c) €24,300 per year
- While the per hour wage is the figure campaigns will mobilise around in order to popularise the Living Wage, it is imperative we maintain an equal focus on the weekly and annual figures.
- The Living Wage is a 365 day necessity.

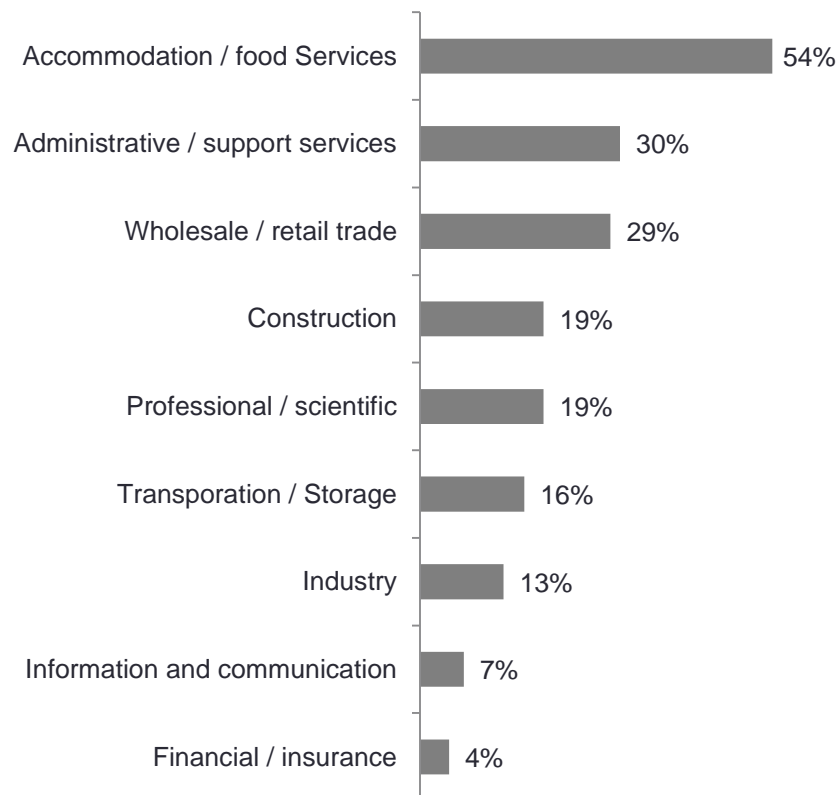
# Numbers Living Below the Living Wage

- Unite has estimated that approximately 300,000 earn below the hourly Living Wage of €11.45. However, this does all include all workers below a Living Wage.
- It does not include the under-employed – part-time workers who want to work more hours or full-time. There are approximately 150,000 under-employed workers, the 2<sup>nd</sup> highest in the EU.
- It does not include households with children, where expenditure is higher and, therefore, have a need for a higher wage. This is captured by the **Family Living Income** but it is difficult to estimate the numbers below these thresholds.

# Numbers Below Living Wage

- In the market economy (excl. agriculture / public sector) nearly one-in-four earn below hourly Living Income. Most are concentrated in the three low-paid sectors. But all sectors suffer. It ranges through a number of occupations – even professional.

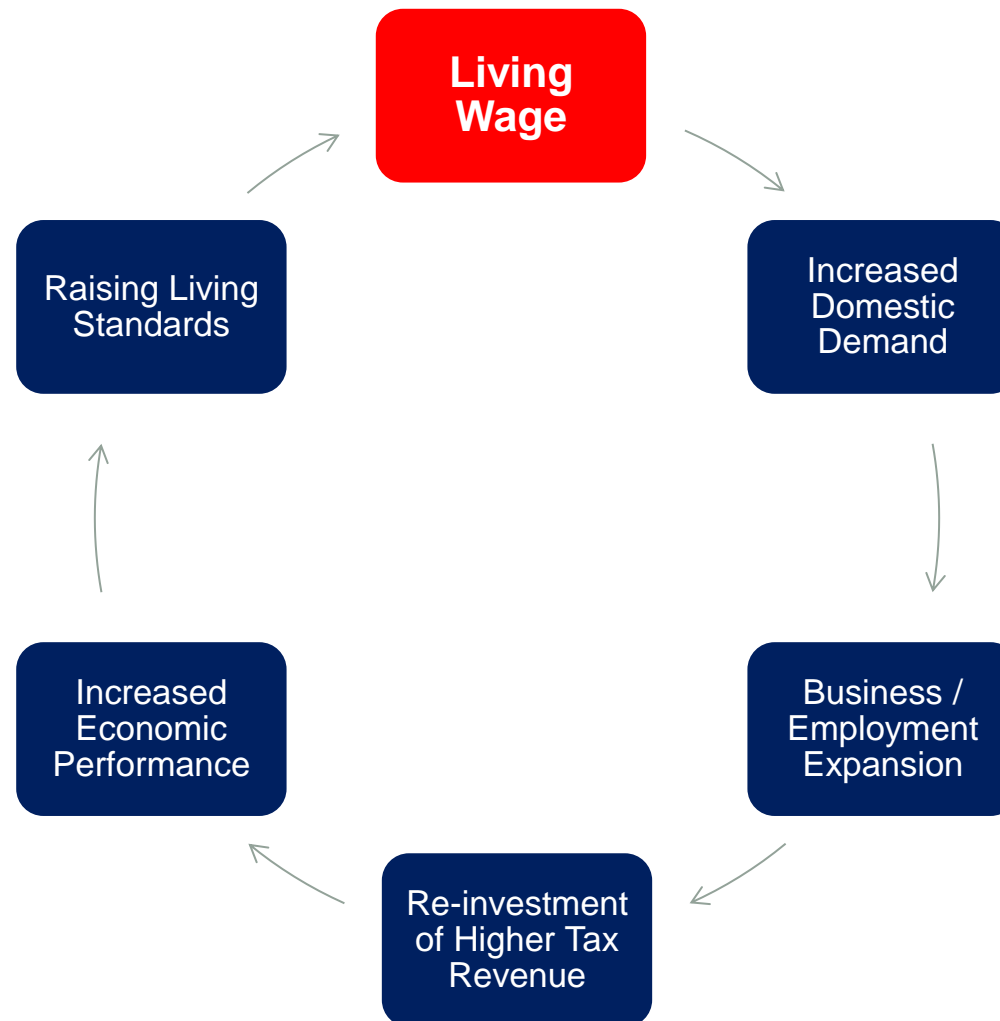
**Estimated Percentage of Workers Earning Below the Hourly Living Wage by Market Economy Sector**



# 1. The Challenge of Ideas

- The Living Wage will challenge
  - a) the discredited model of supply and demand in the labour market – the idea that labour is just another commodity to be bought and sold in the marketplace.
  - b) The self-serving and erroneous definitions of competitiveness.
  - c) All of us to show how a Living Wage can create a virtuous circle where each iteration of the cycle reinforces the previous one and builds the next one.

# The Virtuous Cycle of the Living Wage



# The Challenge of Ideas

- Fortunately, we are in a stronger position to meet these challenges – with the establishment of NERI as a major commentator in the public debate
- We must present our arguments that people can use in their workplace and communities – Fact Sheets, Q & As, Talking Points
- We must continually challenge our opponents: establish a Rapid Response Unit to immediately counter any negative or incorrect analysis
- We must take our arguments everywhere – into the business shows and business pages of the media

## 2. The Challenge of Solidarity

- We must show people how a Living Wage will benefit them – especially those who may not see a direct connection with their own circumstance:
  - a) **Higher-paid workers:** how a Living Wage will improve the living standards of higher paid public sector workers through a stronger revenue base and higher growth; higher private sector workers through higher consumption and resulting investment.
  - a) **Unemployed / Fixed Incomes:** how a Living Wage will lead to higher employment and, again, a stronger revenue base for greater investment in social protection and infrastructure.
  - a) **Self-employed / own account workers:** those who are almost totally reliant on domestic demand and consumer spending.
- Beyond people as economic agents – we must invite everyone into the moral challenge of creating a Living Wage society,



### 3. The Policy Challenge

- There is no magic bullet in introducing a Living Wage. It will come through the interaction of a complex of policies which will need to be pursued in tandem. The following is not exhaustive, nor are they listed in any particular order of priority. Priorities will be determined by the contemporary concrete conditions and the comparative strength of workers –in the workplace or in political society.

# The Policy Challenge

1. **The National Minimum Wage:** the statutory floor is a vital element in the introduction of the Living Wage. It should be noted, though, that the minimum wage would have to rise by a third to reach the Living Wage threshold.
  - **ACTION:** Increase the minimum wage so that over the long-term it converges with the Living Wage.
2. **Precarious Employment:** Keeping in mind that the Living Wage is a weekly and annual figure, reaching the hourly Living Wage may not be sufficient to achieve a living income. We need action to ensure that part-time employees who want more hours, and certainty in hours (or at least pay), can achieve that in their workplace:
  - **ACTION:** Introduce the EU Directive on Part-Time Employees into statute and minimum hours/pay in contracts.

# The Policy Challenge

3. **The Government as a Living Wage Employer:** the largest employer in the state must provide a demonstration effect and ensure all employees are paid a Living Wage. This should extend to public enterprise and agencies predominantly funded by the state.
  - **ACTION:** Prioritise lifting all employees in the public sector up to the Living Wage.
4. **Public Procurement:** Over 7,500 contracts are signed representing €12 billion worth of goods and services purchased from the private sector, not including public enterprise. The EU Commission has issued a paper outlining how such contracts can be targeted to pay fair wages.
  - **ACTION:** Introduce a Living Wage clause in public sector and enterprise procurement contracts.

# Policy Challenge

- 5) **Collective Bargaining:** every worker in every workplace must have the right to bargain collectively with their employer. A basic labour right (ILO, EU Charter for Fundamental Rights) but uniquely denied to Irish workers. There is an identifiable premium to trade union membership and collective bargaining (recent estimates of up to 8 to 10 percent depending on the sector).
  - **ACTION:** Campaign for the introduction of the right to collective bargaining.
6. **Freedom of Enterprise Information:** Many businesses can hide their profit accounts from public view. To move towards the equalisation of power in the workplace require equal access to enterprise information.
  - **ACTION:** Require all companies to register their full business accounts/ register the gap between the highest and lowest paid (manager and worker).

# Policy Challenge

7. **Social Wage:** When researching a Living Wage for households with children, it was evident a market wage could not provide a living income. Example: Childcare can cost over €10,000 per year while lack of social housing forces people into market rents. Need to increase public provision at below-market prices (de-commodify):

*Childcare \* Social rental accommodation \* Health care, GP care and prescription medicines \* Public transport (increased public subvention to reduce fares)*

- These will reduce the gap between the current situation and a living income.
- **ACTION:** Extend social insurance and public provision – starting with increased employers' PRSI to conform to European norms.

## 4. Organisational Challenge

- First, this must be a grass-roots movement where people can campaign for a Living Wage wherever they are – geographically, workplace, community, sector. Examples:
- Local campaigns to make Cork a Living Wage city or Donegal a Living Wage country through their local governments
- Campaigns in universities and other public institutions to introduce a Living Wage: make UCD a Living Wage university.
- Campaigns among occupational and professional groups: Plumbers for a Living Wage / Accountants for a Living Wage / Carers for a Living Wage.

# Organisational Challenge

- Second, the campaigns for a Living Wage must be democratic and broad-based. It cannot become the property of any one group, organisation or political party. If it is to be inclusive all groups must have ownership over the campaign. It will need to balance the policies, the strategies, the priorities of the different campaigns that will hopefully emerge. Such alliances are not easy but if they are made up of people and organisations intent on consensus and cooperation, then the chances of success are greater.
- Third, it must be resourced and ideally have a dedicated campaign team co-ordinating the different elements. Civil society groups / trade union are already currently stretched in their work. The Living Wage deserves full-time commitment.

# The First Step in the Living Wage

- But the beginning and end of all these challenges is to build the strongest possible labour movement – a movement actively working with civil society.
- **Joining a union** is the first step towards a Living Wage that each and every worker can make.
- **Recruiting fellow workers, friends, neighbours, family members into a union** is the second step towards a Living Wage that we can all make.
- The Living Wage will not be granted by the good graces of employers and those ideologically opposed to the privileging of labour. It will be done through maximising the unity of workers and employing that unity to the benefit of all of us – not one person left behind.



# The New Common Sense

- The Living Wage must become the New Common Sense.
- It must not remain an aspiration. We need a target to focus our work. Example: Our campaign could be called **Living Wage 2020**. We should target 2020 as the date when all workers in the economy will earn a Living Wage and no worker will suffer anything less.
- We are pushing at an open door. Most people would fully support the proposition that a job should pay enough to meet basic needs.
- We need to present the policies, pursue the strategies, build the alliances that will mobilise this progressive constituency into an irresistible force for change.