

Society of St Vincent de Paul

**Submission to the Review of Joint
Labour Committees**

SVP Social Justice and Policy Team

February 2013



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Introduction

The Society of St Vincent de Paul welcomes this opportunity to make a submission to the review of Joint Labour Committees (JLCs). The Society of St. Vincent de Paul is the largest charity of social concern and action in Ireland. Through direct assistance and the provision of a wide range of services for individuals and families experiencing poverty and social exclusion we aim to maintain the dignity of those we assist, to promote their long-term self-sufficiency and to advocate and work for changes required to create a more just and caring society.

Maintaining the Joint Labour Committees

SVP considers that the individual JLCs should be maintained. The original rationale of JLCs was that they would provide a 'living wage' for vulnerable workers and protection for 'good employers' by setting a legal *minimum* standard. They ensure that in highly competitive sectors, competition is not at the expense of workers or labour standards. The JLCs are a versatile and important form of social dialogue where employers and workers from within designated sectors meet to discuss and agree ways of dealing with the challenges and opportunities that arise in their respective sectors.

JLCs are an essential mechanism to help ensure decent minimum terms and conditions for lower and middle-income workers, thereby helping to tackle income poverty. Abolishing any of the JLCs will serve only to expose already vulnerable, low paid workers to further exploitation and thereby further add to the decline in consumer demand which is holding back our economic recovery.

Response of the Society of St Vincent de Paul

Based on the findings of a vast body of social research and our own extensive experience, the Society opposes any proposal to abolish any of the JLCs as this will likely result in a reduction in workers' rates of pay and conditions and –

1. Increase the risk of poverty for these workers, and their dependants.

Reduced income tax credits and tax-bands, increased taxes on income (including the abolition of the PRSI free allowance) shorter working weeks and less availability of overtime together with cuts in Child Benefit rates are already making it difficult for increasing numbers of workers and working families to meet their basic needs.

Research conducted by the Vincentian Partnership for Social Justice in 2011 on minimum essential budgets for different household types found that it was not possible for a single adult working full time on the National Minimum Wage to reach the minimum acceptable standard of living.¹ Abolishing the JLC system would leave workers with only the safety net

¹ www.bugeting.ie

of the National Minimum Wage and result in increased numbers of households unable to afford the basic essentials necessary for an acceptable standard of living.

2. Increase the welfare trap for potential workers in these sectors.

Worsening the terms and conditions of low and middle income workers will increase replacement rates, creating an unemployment trap for welfare recipients seeking work in these sectors.

3. Increase the number of jobless households.

As part of an anti-poverty strategy social welfare was reformed from the late 1990s to facilitate lone parents and women married to unemployed men into employment. While they are generally small, their earnings are, in many cases, sufficient to lift them and their families above the poverty line. Moreover, it is widely accepted that children have a stronger attachment to the workforce as adult if they are reared in a household with a parent in paid work. These women's employment decisions are, however, particularly sensitive to changes in wage rates. With 25% of children now living in jobless households, the priority should be to reduce the number of jobless households by protecting women's access to decent employment.

4. Increase social inequality.

Widening the wage gap between lower and higher-skilled workers, women and men, younger and older generations and migrants and indigenous workers will add greatly to the existing inequalities in Irish society. This will have additional cost implications for the exchequer in the long run and negative consequences for everyone.²

² See Richard Wilkson and Kate Pickett (2010) *The Spirit Level: Why more equal societies almost always do better*. London: Penguin