



Ireland: Developments in working life 2016

[Developments in working life in Europe:
EurWORK annual review 2016](#)

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Political context affecting working life aspects

No information.

The government(s) in office during 2016

Government 1	
In office since / to	6 May 2016 - Present
Name of the head of government (prime minister / chancellor / ...)	Taoiseach Enda Kenny
Name all the parties that are forming this government	Fine Gael Independent Alliance Other Independents
List the changes in the composition of the government in 2016	N/A
Additional comments	This is a minority Government made up of the largest party (Fine Gael) and a number of Independents.
Government 2	
In office since / to	9 March 2011 – 10 March 2016
Name of the head of government (prime minister / chancellor / ...)	Taoiseach Enda Kenny
Name all the parties that are forming this government	Fine Gael Labour Party
List any changes in the composition of the government in 2016	N/A
Additional comments	N/A

Elections and referenda

Election 1				
When did the elections take place?	26 February 2016			
What kind of election it was? (parliamentary / presidential / referendum / local / ...)	Parliamentary Election			
Outcomes of the election (mention also % of the votes achieved by the major participants in the election)	Party	Seats	Votes	Share
	 Fine Gael	50	544130	25.5%
	 Fianna Fail	44	519353	24.4%

	 Sinn Féin	23	295313	13.8%
	 Independents	12	242011	11.3%
	 Labour	7	140893	6.6%
	 Independent Alliance	6	88931	4.2%
	 Anti Austerity Alliance – People Before Profit	6	84168	3.9%
	 Independents For Change	4	26004	1.2%
	 Social Democrats	3	64094	3.0%
	 Green Party	2	57997	2.7%
	 Workers and Unemployed Action Group	1	7452	0.3%
Additional comments	The outcome left no party with a majority and no clear coalition. After months of negotiations Fine Gael formed with a number of Independents to form a minority Government with the largest opposition party Fianna Fail agreeing to abstain on key votes.			

Forthcoming significant elections or political events in 2017

It is planned to hold a referendum to allow Irish citizens resident outside the state - including in Northern Ireland - the right to vote in Irish presidential elections.

Reactions from the social partners on new government's working life policies

In May the Irish Congress of Trade Unions (ICTU) published 'Policy Priorities for Workers: Proposals to the Incoming Government' which set forth a number of key issues for unions including

The Living Wage must become the standard for pay across the economy. It should not fall to the state to subsidise low wage employers through the social welfare system, as happens now.

The hourly rate of the Minimum Wage (€9.15 per hour) should rise to the rate of the Living Wage (€11.50) over the lifetime of the current Low Pay Commission, which runs until 2018.

The multiplicity of pay scales in the public sector for people doing the same job is wrong, unsustainable and must be addressed.

The right to collective bargaining across all sectors must be upheld – including for freelance workers, who are denied this right.

Our pension system is dysfunctional and needs urgent overhaul. This is a critical social issue, with hundreds of thousands facing old age poverty because of bad regulation, poor oversight and lack of planning. It can only be remedied by the establishment of a National Superannuation Fund with contributions from employers, workers and government that are mandatory for those workers and employers not in a work pension scheme. The raising of pension age eligibility is happening faster and going further in Ireland than in any other EU

country. The pension age should not be extended to 68 years unless it is done as part of an EU-wide initiative.

We have contrived to create the worst of all worlds: some of the most expensive childcare in Europe provided by low paid staff with poor career progression. Our spend is among the lowest in the EU, at 0.2% of GDP. The new government should raise this - over 10 years - to the UNICEF recommended benchmark of 1% of GDP. Given that employers will benefit substantially, their rate of PRSI should rise to help fund this.

Ibec, the group that represents Irish business, published [an analysis of the Programme for Government](#) and said welcome aims now need to be matched by firm investment commitments. Ibec said strong economic growth and low interest rates create a unique opportunity to improve the national infrastructure, reform the delivery of public services and foster a dynamic enterprise economy. This opportunity must not be squandered by a lack of ambition or short-sighted political compromise. The necessary investment will require a more flexible approach to how EU fiscal rules are applied. The Government needs to work to secure a political agreement in Brussels to make this happen. Ibec has raised the issue at the highest levels with the Commission, other national governments and with other European business federations.

Developments in social dialogue and collective bargaining 2016

Major developments in national/peak-level social dialogue 2016

Changes affecting the social dialogue actors and institutions in 2016

Representativeness

No major changes.

Major developments affecting the main actors

Members of three public service unions agreed at Annual Conferences in 2016 to continue engagement in a process towards a 'New Union project', which is a proposal to combine the strength of almost 85,000 members in the three public service unions. The unions involved are IMPACT, PSEU and CPSU.

Members of the UCATT union in the Republic of Ireland (about 2,000 in total) balloted to join the TEEU (the Technical Engineering & Electrical Union).

Legislative or institutional changes to the main social dialogue institutions

A new Labour Employer Economic Forum was established in 2016 and met for the first time in October.

The Taoiseach chaired the inaugural meeting of [the Labour Employer Economic Forum \(LEEF\)](#) which brought together representatives of employers and trade unions with Government Ministers to discuss economic, employment and labour market issues.

The aim of the LEEF is to provide a space to discuss areas of shared concern affecting the economy, employment and the labour market on a thematic basis, such as competitiveness, sustainable job creation, labour market standards and equality and gender issues in the workplace. Since the collapse of social partnership in late 2009, the social partners have interacted by way of a bipartite form of social dialogue, but LEEF will take on the form of a three-way (tripartite) body.

Changes in the social dialogue processes

See answer above.

Main social dialogue topics and outcomes in 2016

Themes	Description of issue	Main result
General labour market topics		
Job creation, reduction of unemployment	No (major) issues debated in this area.	
Active labour market policies	No (major) issues debated in this area.	
Benefits (unemployment, sickness schemes)	No (major) issues debated in this area.	
Taxation and non-wage related labour costs	No (major) issues debated in this area.	
Pension reforms	No (major) issues debated in this area.	
Labour market participation of different groups	No (major) issues debated in this area.	
Working life related themes		
Wage setting systems, including the setting of minimum wages	Level of the minimum wage considered by the Low Pay Commission (to which unions and employers are members) and second report published.	Majority recommendation to raise the minimum from €9.15 per hour to €9.25 per hour from 1 January 2017 accepted by the Government.
Working time regulations	No (major) issues debated in this area.	
Terms and conditions of employment, including different forms of contracts	Government consultation with social partners stemming from UL report on 'zero and low hour' contracts. (DJEI consultation)	No legislative amendments to date, but proposal(s) expected by mid-2017
Health, safety and well-being at work	No (major) issues debated in this area.	
Work-life balance related themes, incl. family leaves	No (major) issues debated in this area.	

Skills, training and employability	No (major) issues debated in this area.	
Any other relevant themes/topics addressed in the national level/peak level social dialogue	Government consultation with social partners on Duffy-Cahill report, which looked at protection of employee interests when assets are separated from the operating entity (DJEI consultation)	No legislative amendments yet. Consultation is being jointly considered with feedback from 'zero and low hour' contract report from UL.

Examples of selected significant social dialogue debates

A new Labour Employer Economic Forum was established in 2016 and met for the first time in October. It is expected that this will be a forum for social dialogue from 2017 onwards. In 2016 the Government consulted the social partners separately on a number of issues, but there was no substantial bilateral or tripartite dialogue.

Sectoral and company level social dialogue 2016

A new Employment Regulation Order (ERO) for the contract cleaning sector provides for a cumulative total of 10.75% in three separate pay increases, which cover the period up to December 2019.

It is the second such order in the sector since new legislation the '[Industrial Relations \(Amendment\) Act 2012](#)' was introduced on wage determination mechanisms for lower-paid sectors.

The new ERO was signed by the Minister for Employment and Small Business, Pat Breen, in October 2016, following a public consultation period up to September 16, after which it was examined by the Labour Court.

Under the new legislation, which deals with the constitutional defects in the original JLC/ERO legislation, the Labour Court has to take account of a range of economic factors before approving an ERO. This ERO remains unchanged from the proposal issued in August.

The sector is understood to employ up to 30,000 workers and the ERO was negotiated by the sectoral Joint Labour Committee (JLC), which has representatives from the SIPTU Services Division and the Irish Contract Cleaning Association (which is part of Ibec).

The ERO in contract cleaning raised the single minimum wage rate for the sector from €9.50 per hour to €9.75 per hour, with effect from October 1, 2015 (an increase of 2.6%). The new ERO has the following increases:

- 30c to €10.05 per hour from December 26, 2016 – equivalent to a 3.08% increase (The original proposal was from December 1, 2016, or 60 days after the signing of the order. The order was signed on October 27, 2016;
- 35c to €10.40 per hour from December 1, 2017 – equivalent to a 3.48% increase;
- 40c to €10.80 per hour from December 1, 2018 – equivalent to a 3.85% increase.

While the ERO has no explicit expiry date for the last increase, there is an understanding that talks would be expected in 2019 on further increases from the end of that year, meaning an effective expiry date of November 30, 2019.

Main developments - other than wages and working time - from important collective agreements or bargaining rounds

Restructuring of defined benefit occupational pension schemes has been a key collective bargaining topic in 2016. Agreements were included in Kerry Group and Medtronic, while there are ongoing discussions at Abbott, CIE and Pfizer.

Examples of innovative collective agreements (at any level) made during 2016

Company Level Agreements

Guinness - there was a high minimum increase and part of the increase was not pensionable.

ESB - 2016 agreement on pay and reward which is significant due to the fact that a semi-state company is introducing an element of performance-based pay.

Policies and actions to address pay-inequalities

The recent public debate on pay gaps at the workplace

Pay in-equalities due to changing contracts or agreements with less favourable conditions for newly employed. This was particularly pertinent in the public sector where reduced pay scales and pension provisions were introduced for new entrants during the economic crisis. As part of the most recent Public Service Agreement unions prioritised the restoration of pay scales for new entrants.

The Programme for a Partnership Government published in May 2016 includes a commitment to “promote wage transparency by requiring companies of 50 or more to complete a wage survey”.

Positions regarding the posted workers directive

Positions of trade unions

In June 2016 the Irish Congress of Trade Unions criticised the Irish government’s failure to extend proper protections to ‘posted workers’, pointing out that this leaves the workers vulnerable and “unable to vindicate their rights where breaches and abuses occur.”

In a [letter](#) to Minister for Jobs, Enterprise and Innovation, Mary Mitchell O’Connor, TD, Congress General Secretary Patricia King said: “The decision not to fully transpose Article 9 of the Directive (EU Directive 2014/67/EU) on posted workers will make it extremely difficult for them, their trade unions and even inspectors of the Workplace Relations’ Commission to vindicate their rights where breaches and abuses arise,” Ms King said.

She said posted workers would be “vulnerable to exploitation and abuse and the opportunity to provide them with some form of protection has been lost for reasons that seem quite dubious.”

In the letter to Minister O’Connor the Congress General Secretary pointed out that the government had declined in the transposition process to ensure that workers posted to Ireland would be capable of representation by trade unions while working here.

Positions of employers organisations

Ibec set out its [position](#) in January 2016. It argued that there are already robust measures in place in Ireland to ensure compliance with the Posted Workers’ Directive¹, including a well resourced labour inspectorate in the form of the National Employment Rights Authority under the auspices of the Workplace Relations Commission, which also provides comprehensive employment rights information in a range of languages.

Ibec is in favour of improved cooperation between Member States and better information for employers and workers about their respective responsibilities and rights under the Posted

Workers' Directive. However, we are keen to ensure that transposition of the Enforcement Directive is done in a manner which continues to respect the freedom of companies within Member States to provide services in other EU Member States with as small an administrative burden as is reasonably possible while still ensuring that the rights of posted workers are properly respected and enforced.

It is vital that Irish companies and individual customers in Ireland continue to benefit from the increased availability of services from across the EU.

Throughout the examination of the issue of enforcement of the Posted Workers' Directive, Ibec has been deeply concerned at the prospect of a contractor being made liable for non-payment of statutory rates of pay or back payment of taxes by subcontractors in the construction sector as outlined in Article 12 of the Directive. The article appears to envisage such sanctions even in circumstances where the contractor may not be at fault or even aware of the breach, the only defence to which appears to be a costly due diligence process carried out in advance.

We are also concerned that the potential splitting of liability in this way has a possible unintended consequence; it is at odds with the objective to penalise employers who do not respect their obligations under the Directive and which may have a cavalier approach to employment rights compliance. 1 Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services

However, now that the Enforcement Directive has been finalised and must be transposed into Irish law, we respectfully submit that this provision is transposed in a manner which reduces the impact on contractors as much as possible.

Position of the government

In July 2016, the Minister for Jobs, Enterprise and Innovation, Mary Mitchell O'Connor TD and Minister for Employment and Small Business, Pat Breen TD signed the new European Union (Posting of Workers) Regulations 2016 into law.

On signing the new regulations Minister Mitchell O'Connor said: "Posting workers to and from Ireland to fulfil contracts won is an essential element of a properly functioning EU single market. Our businesses need this market to work well. These Regulations will help ensure workers posted to Ireland are better protected and can enforce the rights that posted workers are entitled to under the original Posted Workers Directive".

Minister Breen commented that "In transposing the Directive we have taken into account the views of respondents to the public consultation conducted earlier this year. The approach in transposing the Directive is to do so in a balanced manner."

Minister Breen added, "The Directive is being transposed in a way that provides significantly strengthened protections for posted workers while minimising the cost on compliant employers".

The key measures which are being introduced in these Regulations include:

- a new requirement on foreign service providers when posting workers to Ireland to notify the Workplace Relations Commission (WRC) - they must provide information which will allow the WRC to monitor posting activity and ensure compliance with posting rules;
- a new subcontracting liability in the construction sector is introduced to guard against posted workers being paid less than their minimum entitlements - where a posted worker in construction is not paid the applicable statutory rates of pay by their direct employer, the contractor one step up the supply chain can also be held liable;

- the creation of a right for a posted worker to refer a complaint to the Director General of the WRC naming both their employer and the contractor one step up as respondents;
- the introduction of a defence of due diligence for the contractor in any claim before the WRC - the Regulations set out in detail the test or criteria which the contractor will have to satisfy in order to avail of the defence of due diligence;
- new measures which allow for the enforcement of cross border financial administrative penalties and fines.

Pay gaps at the workplace

Evidence

[Morgan McKinley Gender Pay Gap Ireland 2016](#)

Key findings:

Average gender pay gap in Ireland in 2016 is 20%.

The average gender pay gap is significantly higher for male professionals in Dublin than it is in Cork or other regional locations. The gender pay gap is higher in Dublin due to two main reasons. Firstly, the dominant industries in each of the cities and secondly the location of senior management.

Financial Services is the main professional industry in Ireland with 19% of all professionals employed in this sector. It is also a sector that has the highest gender pay gap of 29% and has a greater proportion of employers and positions in Dublin than any other location nationally. The most represented industry in Cork is Technology & Telecoms with the gender pay gap of 7% in this sector.

The gender pay gap increases along with the education level attained. The gap increases from the lowest overall earnings gap of 10% for employees holding a BSc Degree up to 33% for Executive

MBA holders. That represents a gender pay gap of €32,500 annually compared to €11,500 (22%) difference between men and women with no degree.

There is a narrowing of the gender pay gap for women who make it to the executive level; They are paid almost the same as men at the same level (1% pay gap). That's largely compensated by the fact that there are less women at the executive level than in any other position (only 24%).

The gender pay gap widens with years of experience from 12% for 0-5 years' experience through to 28% for 15+ years' experience. There is no information on pay inequalities or pay discrimination on workplace level available from Labour inspectorates or other bodies.

Policies to address pay inequalities at the workplace

In September 2016, the Department of Education and two teacher unions, INTO and TUI concluded an agreement to introduce a new incremental salary scale designed to address the current difference in pay for teachers recruited since 1 February 2012.

This agreement will result in increases of up to €2,000 per year for new teachers at the start of their careers. It is estimated that over a teacher's career the value of these increases will be €135,000.

Discussions took place between the Department of Education and Skills, the Department of Public Expenditure and Reform and representatives from the INTO and TUI over the period July to September 2016 to fully scope out the issues relating to pay arrangements for newly qualified teachers recruited since 1 February 2012. This engagement took place in the context of the TUI/DES Agreement of May 2016 and both unions' acceptance of the Lansdowne Road Agreement.

Social partner's involvement in addressing pay inequalities at the workplace

See point above re agreement on new pay scales for teachers.

Promoting the reconciliation of working families and caregivers

Recent policies

[Paternity Leave](#)

Two weeks of paternity leave were newly introduced with effect from 1 September 2016. New parents (other than the mother of the child) are entitled to paternity leave from employment or self-employment following birth or adoption of a child. The Paternity Leave and Benefit Act 2016 provides for statutory paternity leave of 2 weeks. An eligible person can start paternity leave at any time within the first 6 months following the birth or adoption placement.

Employers are not obliged to pay employees who are on paternity leave but some employers do pay employees during paternity leave. Those on paternity leave may qualify for Paternity Benefit payment from the Department of Social Protection if they satisfy certain social insurance criteria and have sufficient contributions. From 2016 - 13 March 2017 Paternity Benefit was €230 per week. From 13 March 2017 Paternity Benefit will be €235 per week.

Under the Act, a “relevant parent” for the purposes of paternity leave entitlement includes:

- The father of the child
- The spouse, civil partner or cohabitant of the mother of the child
- The parent of a donor-conceived child
- In the case of an adopted child, the relevant parent includes:
 - The nominated parent in the case of a married same-sex couple or
 - The spouse, civil partner or cohabitant of the adopting mother or sole male adopter

There were no other new measures aimed at helping families with care responsibilities to better reconcile work and family life in 2015/16.

Rights to request special working time arrangements, place of work etc.

No new measures in 2015 / 2016

The role of collective agreements

This is not generally an issue that comes up in collective agreements but as collective agreements are not published it is not possible to make an assessment on this.

WORKING PAPER

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