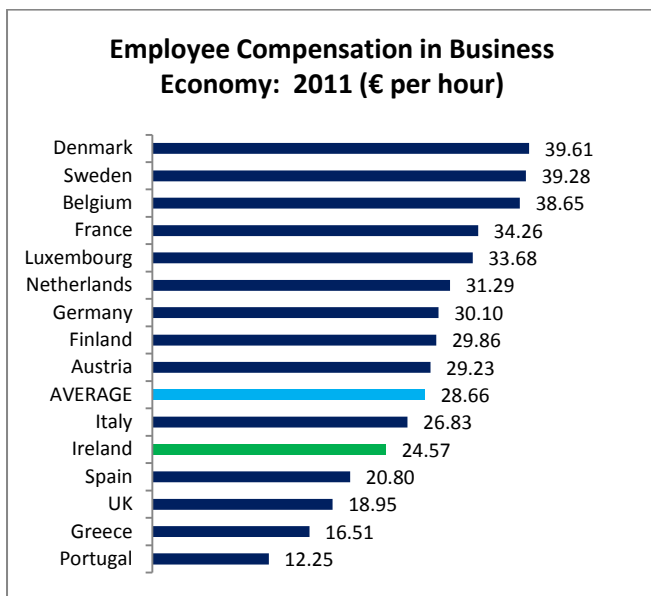


Unite Notes: Ireland Needs a Wage Increase



Ireland is a low-waged yet highly productive economy which yields high levels of profits. Irish workers, who have borne the brunt of a crisis they did not create, now have the right to a wage increase.

Low Waged Economy



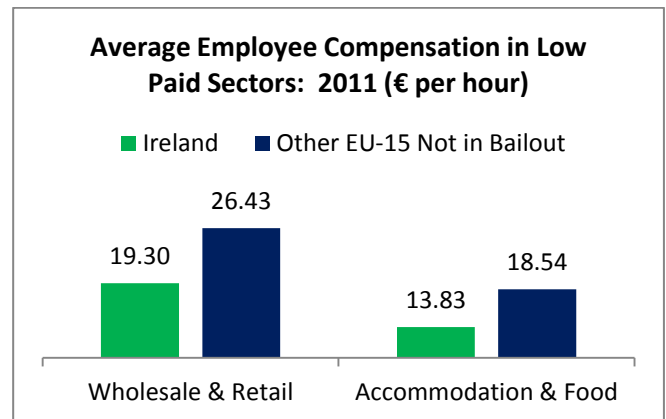
Irish employee compensation ranks 11th in the EU-15 in the business economy (essentially, the private sector). Employee compensation which includes nominal and social wages (employers' PRSI) is:

- 14 percent below the average of other EU-15 countries
- 21 percent below the average of other EU-15 countries not in bailout (excluding Portugal and Greece)
- 30 percent below the average of our peer group in the EU – other small open economies.

This represents the cost of hiring labour for one hour – a cost which shows Irish employers get labour on the cheap.

The Low Paid Sectors

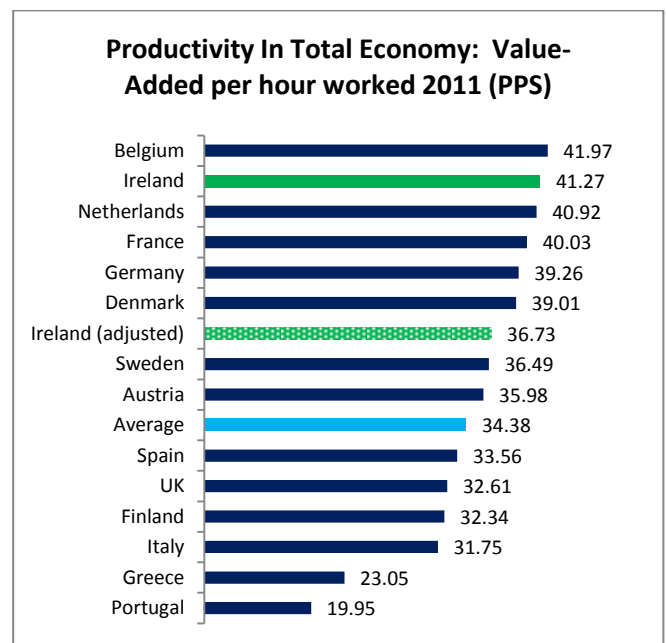
In the main low-paid sectors – Wholesale & Retail and Accommodation & Food – Irish wages fall even further behind EU averages.



To reach the average of other EU-15 countries not in bailout, wages and/or employers PRSI would have to increase by 35 to 35 percent in these sectors. That's how low compensation is in these sectors.

A Highly Productive Workforce

The Irish economy is highly productive in comparison to other EU-15 economies.



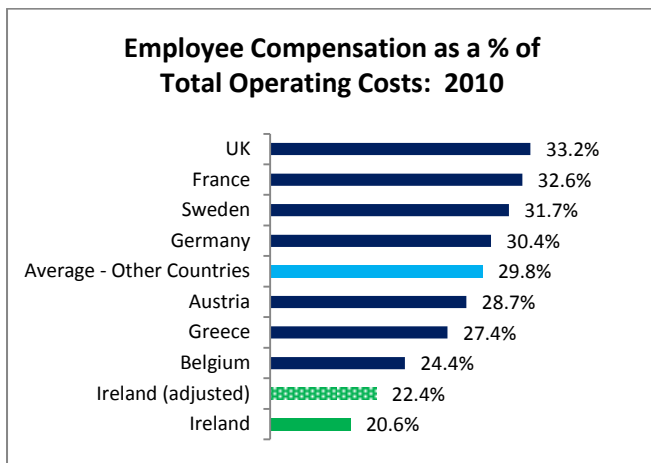
Whether using the standard measurement or the Irish Fiscal Council's adjusted GDP measurement (a proxy for removing multi-national accounting practices that inflate gross value-added), Irish productivity is well above the average of other EU-15 countries.



Unite Notes: Ireland Needs a Wage Increase



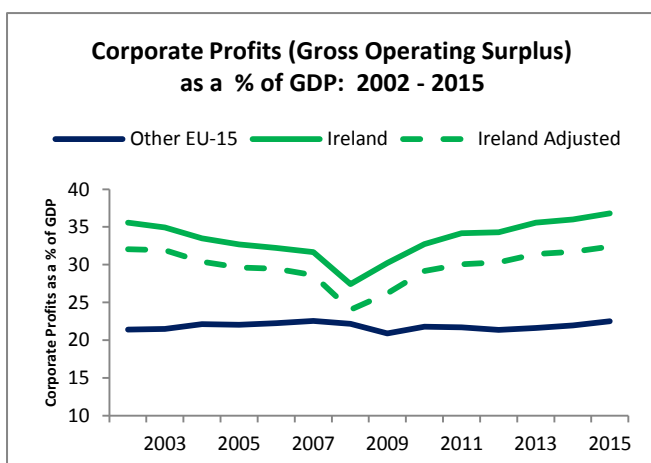
Operating Costs and Labour Costs



Labour costs make up less than 23 percent of total operating costs in the business economy. This compares with the other countries where labour costs make up a much higher proportion. If there is an issue in operating costs in Ireland, it's not due to the cost of labour – which is relatively low.

Profits

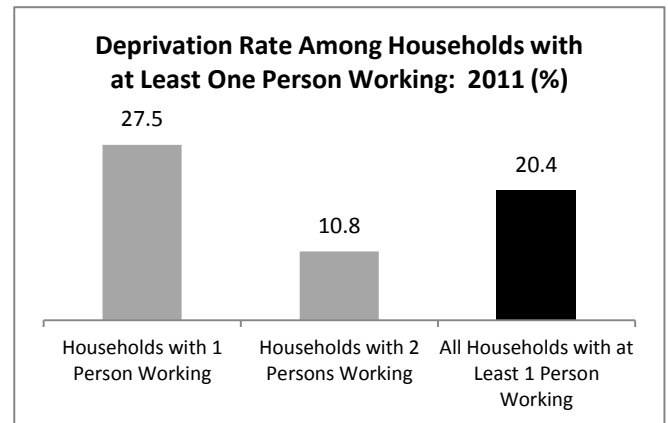
While difficult to measure profits that are actually generated in the Irish economy due multi-national accounting practices, data shows Ireland to be a high-profit economy.



Whether using headline data and adjusted data (which attempts to factor out distorting accounting practices) Irish profits are growing at a faster rate than profits throughout the EU-15.

In-Work Deprivation

The CSO finds that one-in-five households with there is income from working suffer multiple deprivation experiences.



This is due to a number of factors (including six years of austerity), but a major contributor is low wages combined with rising living costs.

Ireland Needs a Wage Increase

It is now time for wage increase to lift living standards and economic activity. There are a number of ways this can be done. UNITE is already supporting members wage claims. But we must go further:

- Increase the **National Minimum Wage**
- Establish strong wage floors in the reconstituted **Joint Labour Committees**
- Pursue pay policies which give particular **benefit to low-paid workers**
- Introduce the **right to collective bargaining**
- Implement the **EU Directive on Part-time working** to give workers the ability to increase their working hours
- Pursue a **Living Wage** throughout the economy in both the public and private sectors; and insert Living Wage clauses in all Government procurement contracts

These are some of the strategies UNITE will be campaigning for – to ensure that the recovery in the economy is a workers' recovery.

