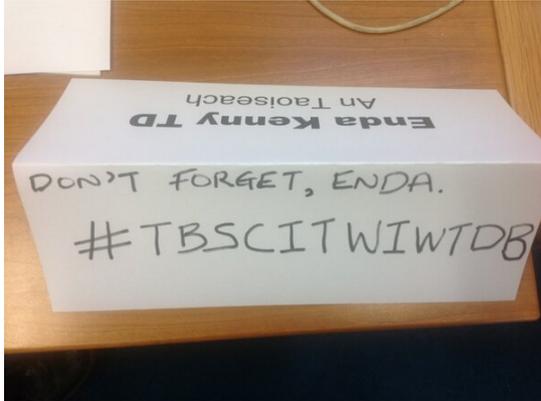


# Ireland - the best small country in the world to exploit workers?

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Enda Kenny's mantra may have been 'the best small country in the world in which to do business' but how does it look from a workers perspective

The conditions of workers of all types have changed dramatically over the last few decades - from workers' rights, conditions, legislation, wages and hours. Rights that were once taken for granted are disappearing.

In the North, 32,000 workers are on so called 'zero hour' contracts. This is where the hours an employee works are completely at the discretion of the employer and can in theory vary from no hours at all to full time. In England, approximately 1.4 million are on such contracts. The Scottish Trades Union Congress has estimated that 100,000 are on zero-hours contracts.

There are no official figures for the Republic. According to the trade union Mandate 147,000 workers classify themselves as underemployed. This means they would like to work more hours each week but are not given them. In February, the government announced that the University of Limerick had won a tendering process to conduct a study on the prevalence of zero-hour contracts here. The report is due out this summer. Unfortunately they are using just an

eight hour week as their parameters for a low hour contract.

The Organisation of Working Time Act 1997 ostensibly protects workers from zero hour contracts. In New Zealand, the Workplace Relations Minister, Michael Woodhouse, has indicated that he may ban such contracts. But in Ireland, companies use 15 hour contracts to circumvent the law, as Dunnes Stores do. Approximately 76 percent of their workforce are on these contracts.<sup>1</sup> Furthermore, 98 percent would like increased hours and job security. Overall, since 2009, part time employment in Ireland has increased by more than 25 percent, according to the CSO.

The Irish multinational Greencore is often held up as a shining example of home grown entrepreneurship. Domiciled here, the company pays an effective tax rate of just 1 percent to the Irish State.<sup>2</sup> Noteworthy media incidents involving Greencore include November 2014 when it emerged they went to Hungary to recruit for their Northampton factory. These workers were paid £6.50 an hour to work long hours in very cold, refrigerated environments. The UK's Living Wage Foundation estimates that lowest rate needed to cover the basic costs of living in Britain, outside of London, is £7.85 per hour. Greencore's Chief executive, Patrick Coveney, gets paid 160 times that.<sup>3</sup> Many of their 10,000 UK-based workers are employed on a casual basis. Unions there maintain that Greencore also use agency staff on zero hour contracts.<sup>4</sup>

The effects on workers of zero hour contracts are devastating. They are deprived of long term benefits, such as pension contributions. They have no choice or control over the hours they are given each week. In the

<sup>1</sup>Figure given by Mandate Trade Union on April 10th 2015.

<sup>2</sup>Eoin Burke-Kennedy, 'Greencore pays effective tax rate of just 1% in Ireland', *The Irish Times*, May 20, 2015.

<sup>3</sup>Eoin Burke-Kennedy, 'Greencore accused of exploiting UK staff in row over wages', *The Irish Times*, Dec. 22nd 2014.

<sup>4</sup>Business editorial, 'Cantillon: Miliband's zero-hours pledge may grate with Greencore', *The Irish Times* April 2nd, 2015.

short term, they will not qualify for loans or mortgages. Given the skyrocketing of rents, many people are not earning enough to live on. On a human level, these contracts also have serious effects to people's social lives and family commitments.

## Minimum wage

If that were not enough, the Department of Finance has made a submission to the Low Pay Commission calling for a system whereby the minimum wage - currently €8.65 per hour - can be lowered.<sup>5</sup> This exemption is a continuation of the Europe-wide austerity agenda to further squeeze profits from workers instead of from the real culprits of the economic crash.

In their 2011 election manifesto, the Labour Party announced amid fanfare their plan to save the minimum wage and reverse the Fianna Fáil cuts to it. In the same year, the coalition went on to 'reform' the Joint Labour Committee system and terminated seven of thirteen committees. This meant that wages were no longer set for thousands of low paid workers. This measure affected far more people than 'saving' the minimum wage did.

2011 saw the introduction of the JobBridge scheme whereby social welfare recipients work as interns and get €50 in addition to their dole. Not only does this scheme allow the employer not to pay this €50 but it also allows employers to reduce their PRSI contribution rates. If a welfare recipient refuses to accept a JobBridge internship, the Department of Social Protection can cut their payment. Thus, businesses are getting free labour for up to nine months with no obligation to hire any one of these workers. The original target for these internships was 3,000, but the number grew to 8,500 in 2014.

Some advertised internships include: work as a curator for the Defence Forces in

the Curragh<sup>6</sup>, a mortuary assistant in Sligo<sup>7</sup>, and a full time primary teacher in Athlone.<sup>8</sup>

The government's own Indecon report showed that 59 percent of internships are not completed. Only 19.5 percent of interns got a paid position with the same company immediately after finishing their JobBridge internship.

Dr Mary Murphy of NUI Maynooth recommended in her recent report for Impact's Education Division that the JobBridge scheme be abolished and that a commission should investigate low paid work. She also suggested that employers should make some financial contribution and that interns should receive at least minimum wage for this work, which would equate to €330 for a 39 hour week.

The Gateway initiative is another government scheme to take people off the live register. This project randomly selects dole recipients to work for their local authority. They received €20 on top of their dole payment and can have the entire welfare cut or stopped if they refuse to participate.

In *Austerity: The Demolition of the Welfare State and the Rise of the Zombie Economy*, Kerry- Anne Mendoza notes that:

Article 4 of the European Convention of Human Rights clearly states: 'No-one shall be required to perform forced or compulsory labour.' If the government threatens to withdraw a person's sole lifeline unless they supply their labour, then it can clearly be argued that this labour has been obtained forcibly. The labour is also clearly compulsory.

## Call centres

Call centres are on the rise - especially in Ireland - mainly thanks to a government incentivised scheme of low levels of corporate

<sup>5</sup>Sarah Bardon, 'Cut in minimum wage mooted by Department of Finance', *The Irish Times* on May 14th, 2015.

<sup>6</sup>Advertised on: <http://www.irishmuseums.org/career-post/369>

<sup>7</sup>Advertised on: <http://ie.indeed.com/m/viewjob?jk=5f0ac6333f9a375c&from=serp>

<sup>8</sup>Reported on: <http://www.thejournal.ie/jobbridge-teacher-job-athlone-1011094-Jul2013/>

<sup>9</sup>Samantha Perry, 'Where's the incentive', published November 1st, 2006. [http://www.brainstormmag.co.za/index.php?option=com\\_content&view=article&id=749:wheres-the-incentive](http://www.brainstormmag.co.za/index.php?option=com_content&view=article&id=749:wheres-the-incentive)

tax and the availability of grants. This was such a success that even countries like South Africa and India lost out to Ireland.<sup>9</sup> Many of these employers do not recognise unions. This is a sector which features high levels of staff turnover and extreme compartmentalisation of duties which leads to deskilling of workers. The long term implications of rotating-door employment are not as important to the State as a massaging unemployment figures.. In 2013, Ireland employed 33,000 workers in this sector. It is a natural pull for non- native workers who have foreign language skill. Immigrants are already at risk of exploitation in the labour market.<sup>10</sup>

Creeping casualisation in education has dramatically changed work in the sector.

In England, the University and College Union has reported that 42 percent of staff are on casual contracts - this includes those on zero hour contracts.<sup>11</sup> Warwick University in England has set up a pilot scheme whereby hourly paid academics can be outsourced, and not directly employed by the University in which they teach. This worrying move effectively makes agency workers out of lecturers. They have founded 'Teach Higher' - through their subsidiary the Warwick Employment Group. If successful, this could become a national scheme. 'Uni Temps' already supplies outsourced cleaning, catering and security staff to English universities.<sup>12</sup> Teach Higher are currently advertising outsourced staff for Warwick at a rate of five pounds an hour.<sup>13</sup>

In the United States 70 percent of college educators are contract, or adjunct staff, according to a recent report from the Del-

phi Project.<sup>14</sup> According to an analysis of census data by the University of California, Berkeley's Center for Labor Research and Education, 25 percent of 'part-time college faculty' and their families now receive some sort public assistance, such as Medicaid, the Children's Health Insurance Program, food stamps, cash welfare, or the Earned Income Tax Credit.

Not only does the casualisation of work mean that conditions worsen; but workers' ability to organise and resist has become much more difficult. If staff employed by a university are covered by a national pay agreement, and have balloted for strike action - where does that leave part time tutors and lecturers who are now agency staff?

Teaching staff on temporary or low hour contracts are usually not paid for the time they spend preparing their courses or meeting with students, and have no say in departmental or committee meetings.

Some states in America use Value Added Modeling - a system whereby teachers are rated by comparing student's grades. Experts have been highly critical of this method. In April there was much debate in Iowa over a proposed bill whereby the future of teaching staff would be decided by popular voting.<sup>15</sup> The elected representative proposing it received such a storm of outrage from constituents that they dropped the bill.

It stands to reason that teachers with an aptitude for their work should be promoted. However this highly pressurised and populist method is not going to achieve that. Were a blanket measure introduced, whereby no one earns over €100,000 pa, then the supposedly prestige jobs such as medicine would

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<sup>10</sup>There are many studies on this, one such being: Gillian Creese and Brandy Wiebe, 'Survival Employment: Gender and Deskilling among African Immigrants in Canada', *International Migration*, Oct. 2012, vol. 50, Nr. 5, p. 56 - 76.

<sup>11</sup><http://www.ucu.org.uk/7527>

<sup>12</sup>FACE blog post published 3rd April, 2015 on: <https://faceducation.wordpress.com/2015/04/03/warwick-uni-to-outsource-hourly-paid-academics-to-subsidiary/>

<sup>13</sup>Screenshot of job advertisement with wages taken April 8th, 2015. Can be viewed at: [https://twitter.com/zettelstelle/status/585915145945276416?utm\\_source=fb&fb\\_ref=Default&utm\\_content=590962984589090818&utm\\_campaign=John0Brennan2&utm\\_medium=fb](https://twitter.com/zettelstelle/status/585915145945276416?utm_source=fb&fb_ref=Default&utm_content=590962984589090818&utm_campaign=John0Brennan2&utm_medium=fb)

<sup>14</sup>Adrianna Kezar and Daniel Maxey, 'Adapting by Design Creating Faculty Roles and Defining Faculty Work to Ensure an Intentional Future for Colleges and Universities', 2015, p.5. For the full report, see: [https://www.insidehighered.com/sites/default/server\\_files/files/DELPHI%20PROJECT\\_ADAPTINGBYDESIGN\\_EMBARGOED%20%281%29.pdf](https://www.insidehighered.com/sites/default/server_files/files/DELPHI%20PROJECT_ADAPTINGBYDESIGN_EMBARGOED%20%281%29.pdf)

<sup>15</sup>Madeline Will, 'Iowa Legislator Wants to Give Students the Chance to Fire Underwhelming Faculty', published in *The Chronicle of Higher Education*, April 23rd, 2015.

only attract those with a genuine desire to help others.

These new work regimes have affected the intellectual climate in the universities. Terry Eagleton has pointed to the lack of critical studies in modern universities.<sup>16</sup> He finds that ‘the institutions that produced Erasmus and John Milton, Einstein and Monty Python, capitulate to the hard-faced priorities of global capitalism.’ He also highlighted how state grants are disproportionately in favour of the sciences, over the Humanities.

This pressure on lecturers has taken its toll in terms of mental health. For example, Professor Stefan Grimm was found dead last year following a distressing email exchange about funding and his ‘struggling to fulfil the metrics’ required of him at Imperial College, London.

Ireland is close to the bottom when it comes to spending on Higher Education (relative to GDP) across the OECD.<sup>17</sup> Higher Education employs almost 100,000 full time workers - that’s 27 percent of public sector employment.

As part of the attack on the public sector, the education sector has been particularly affected by casualisation. According to the Teachers’ Union of Ireland, 30 percent of teachers have neither full time hours nor a permanent contract. Secondary school teachers will spend an average of eight years on contracts before getting a permanent post. And even then, they will start on a salary that is 10 percent less than others because this government has introduced a two-tier system which openly discriminates against new employees.

However these ‘savings’ are not being made across the board. In 2010, Julien Mercille listed the top earners in education, with Prof. Des Fitzgerald, Vice-president for research at UCD coming in at €263,602 pa. Trinity College Dublin recently advertised that it is looking for a new Director of Human Resources. The new director will be

paid somewhere in the €101,404 to €136,276 per annum range. According to the Irish Times, 60 staff in the education sector are earning more than €150,000. A further 476 earn more than €110,000.

In journalism too casualization has already become the norm.

In what should be a sacred profession in the country that produced some of the world’s most prominent writers, writing too is under threat. The norm is now to trawl the internet for news stories, and generate reports which can pass as having been penned by a human author.<sup>18</sup> If this trend is allowed to continue, we could see Kurt Vonnegut’s nightmarish vision of the future fulfilled. In *Piano Player*, he paints a world where a tyrannical reign of machines have not improved the lot of the working class - only narrowed the options. As he wrote in 1952 ‘Anybody that competes with slaves becomes a slave.’

## Greater exploitation

Why an employer would do this is obvious. It is not to torture people for the sake of it. It is to further squeeze profit out of workers, have less responsibility as regards tax contributions, notice period and redundancy packets, and have fluctuating staff numbers as it suits their business. It also suits them to have varying staff depending on busier periods and market fluctuations. If a company has outsourced a department, should their needs change they do not have to fire employees and pay out redundancy pay - all they need to do is cancel their contract with the other company. Furthermore, if a job has been compartmentalised; then the employer can get away with paying lower wages to the workers executing simpler tasks.

The State is not an innocent bystander in this matter, but is following a definite ideological line. In 1974 Harry Bravermann identified how Taylorism and scientific management of labour, which was resulting in proletarianisation (or deskilling) and loss of au-

<sup>16</sup>Terry Eagleton, ‘The Slow Death of the University’, *The Chronicle Review*, April 6, 2015. <http://chronicle.com/article/The-Slow-Death-of-the/228991/>

<sup>17</sup><http://julienmercille.blogspot.ie/2010/11/top-100-best-paid-in-education-ireland.html>

<sup>18</sup>Steve Lohr, ‘Computer generated articles are gaining traction’, published in *The New York Times*, Sept. 10, 2011.

tonomy of workers.<sup>19</sup> He saw how workers' duties were being divided up, so that instead of a potter gathering clay, forming it, and firing it - these tasks were now allocated to separate workers. This disengages a person's ownership of their labour as they are robbed of their need to plan and organise their own day.

In the 1980's Reagan and Thatcher promoted neoliberal ideology using buzz words like 'flexibility' and 'competitiveness.' Since then, the concept of a secure, pensionable, nine-to-five job has become painted as old fashioned. Instead we are supposed to cherish 'flexible' hours.

Even in countries known for their strong labour rights, the same race to the bottom is occurring. Business lobbyists in France are putting pressure on the governing Socialist Party (PS) to introduce legislation which would rob private sector workers of permanent contracts, and make it easier to make staff redundant. Pierre Gattaz, the head of the Medef business federation, has been promoting these 'shock measures' to 'free up jobs.'<sup>20</sup>

In the last seven years, the Irish State has cut public sector wages by €3 billion per annum. In 2012 the government passed the Industrial Relations Amendment which empowered business to bypass legislation protecting wages in the name of competition. In 1990 there were 2,500 defined benefit pension schemes. Today there are about 800.<sup>21</sup>

The government made much of its defense of Registered Employment Agreements (REA) when bargaining with (semi and fully) public sector workers. In reality REAs are meaningless as the judiciary can deem them unconstitutional, as happened in 2013 with the electrical workers' REA.

## Fightback

Both casualization and deskilling leave workers disempowered. The problem is that the measures outlined above achieve what the French sociologist Bourdieu called a 'regime of insecurity.' That is, workers are often left atomised and pessimistic about their ability to fight back.

The solution is simple: organise. Events from our own history, such as the 1913 Lock-out, show that those workers from the most casualised sectors can be the ones that push the labour struggle the furthest - in this example the dockers and carters of Larkin's ITGWU who were day labourers. More recently, strikes by fast food workers in America prove that workers with few rights have no choice but to organise.

'Social partnership', Croke Park and Haddington Road deals have allowed union leaderships, such as that in SIPTU, to implement the austerity agenda. Successive public sector pay deals have been brokered on vague promises to bring in collective bargaining legislation. The only solution is to organise. In England, in February 2015, a national FACE conference (Fighting Against Casualisation in Education), was attended by over 150 casualised academics from across the UK.

Casualisation was a major theme of the Teachers' Union of Ireland (TUI) annual congress this year in Ireland. In a press statement, TUI President Gerry Quinn said: 'Casualisation of the teaching and lecturing professions represents a crisis in Irish education.' But teachers know that they cannot rely on the union leaders to see the fight through to the end. They need to build strong grassroots networks across schools, with politics that are prepared to take on the Labour Party, if they are going to beat back casualisation.

After a year of negotiating and threat-

<sup>19</sup>Harry Braverman, *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century*, New York, 1974.

<sup>20</sup>Kumaran Ira, 'French bosses' call to end permanent job contracts, facilitate mass layoffs', in *World Socialist Web Site*, April 7th 2015. <https://www.wsws.org/en/articles/2015/04/07/mede-a07.html>

<sup>21</sup>Kieran Allen, 'The Precariat: New Class or Bogus Concept?', *Irish Marxist Review*, vol. 3, no. 9, p. 48.

<sup>22</sup> Rebecca Nathanson, 'NYU, grad student union reach agreement on wage hike, benefits', *Al Jazeera America*, March 10th, 2015. <http://america.aljazeera.com/articles/2015/3/10/nyu-grad-student-union-reach-agreement.html>

ening strike action, New York University agreed to terms from the union, called the Graduate Student Organizing Committee.<sup>22</sup> The deal included improved wages, health care, child care and Ph.D tuition remission. In March of this year, 10,000 teaching assistant went on strike in Toronto at two of Canada's largest universities specifically against the 'normalization of precarious contract teaching.'<sup>23</sup> At the same time in France, contract staff and students occupied a garden in the Lyon 2 University to protest the precarious nature of work there, late payment of wages and the fact that staff must pay a registration fee to provide

courses.<sup>24</sup>

There is a growing movement of students occupying their institutions to protest the shift towards running them for profit and a growing lack of democracy - for example in Chile, Québec, California, Amsterdam and Dublin. In March at the University of Amsterdam, staff joined in the initially student-led occupation.

Although neoliberalism presents new obstacles to organising workers' resistance, the fight against casualization may just turn out to be the spark that ignites fightback and organisation.

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<sup>23</sup>A union official, quoted in a report by Lauren McCauley: 'In Challenge to the System, 10,000 Graduate Teachers Strike Against Toronto Schools' [commondreams.org](http://commondreams.org) on March 10th, 2015.

<sup>24</sup>For more, see:<http://www.tribunedelyon.fr/?actualite%2Fsociete%2F44037-les-vacataires-de-lyon-2-campent-sur-leurs-positions>