



Union of Students in Ireland
Aontas na Mac Léinn in Éirinn

REVIEW OF THE NATIONAL MINIMUM HOURLY RATE OF PAY

*Submission to the
Low Pay Commission*

February 2017

TABLE OF CONTENTS

TITLE	PAGE
<i>RECOMMENDATIONS</i>	3
<i>INTRODUCTION AND THE UNION OF STUDENTS IN IRELAND AND CONTEXT FOR STUDENTS</i>	4
<i>COSTS FOR STUDENTS</i>	4
<i>CURRENT CONTEXT FOR STUDENTS</i>	5
<i>WHERE ARE STUDENTS WORKING?</i>	6
<i>THE CASE FOR A LIVING WAGE</i>	7
<i>THE CASE AGAINST 'IF AND WHEN' CONTRACTS</i>	9
<i>REFERENCES</i>	11
<i>CASE STUDIES</i>	13

RECOMMENDATIONS:

- USI recommends that the Low Pay Commission outline and recommend that the Living Wage as the gross pay necessary to provide a minimum adequate income so students and all employees can work for a wage that provides less than an adequate income in order to live above the poverty line should increase to €11.50 per hour over a number of years.
- USI recommends the Terms of Employment Information Acts 1994 to 2012 be amended to require employers to provide a statement of working hours, which are a true reflection of the hours required of an employee. This requirement should also apply to people working non-guaranteed hours.
- USI recommends that the Central Statistics Office have a rolling Quarterly National Household Survey Special Module on Non-Standard Employment, which would include questions on non-guaranteed hours.

"CURRENTLY, I AM TECHNICALLY EMPLOYED PART-TIME AS A HOUSE KEEPER IN A HOTEL. ALTHOUGH I AM EMPLOYED, I HAVEN'T BEEN GIVEN HOURS IN OVER A MONTH DUE TO MY OBLIGATION TOWARDS MY COLLEGE COURSE AND BECAUSE THEY NO LONGER HAVE WEEKEND HOURS AVAILABLE FOR ME TO WORK BECAUSE I HAVEN'T WORKED IN SO LONG, MY SAVINGS ARE SLOWLY FLOATING TOWARDS THE MINUS MARK. I PAY 120 EURO A WEEK FOR RENT, 20 EURO A WEEK ON TRAVEL AND MAYBE 50-100 EURO A WEEK ON GROCERIES AND OTHER BILLS. I DON'T RECEIVE A SUSI GRANT EITHER, SO I CURRENTLY HAVE NO SOURCE OF INCOME WHATSOEVER. I'M TRYING MY HARDEST TO GET PART-TIME WORK ELSEWHERE BUT, NO WHERE WANTS TO HIRE A FULL-TIME STUDENT FOR WEEKEND WORK. THEY WANT PEOPLE WHO ARE DEDICATED TO A JOB AT A SHOP COUNTER RATHER THAN SOMEONE TRYING TO SURVIVE AND WORKING TOWARDS GETTING AN EDUCATION. I'M NOT SURE WHAT TO DO NEXT."

- Jessica Sherlock*, 2nd Year (GMIT), working and earning €9.15 per hour

"I TRAVEL TO COLLEGE MONDAY TO FRIDAY FROM CLARE TO GALWAY. THIS TAKE ME AN HOUR AND 20 MINS APPROX AND I SIMPLY CANT AFFORD TO LIVE IN GALWAY . I WORK IN MCDONALDS AS A MANAGER ON THE WEEKEND THIS JUST ABOUT SUPPORTS MY TRAVEL AND FOOD COST AND TO SAY IM STUGGLING WITH MONEY IS A UNDERSTATEMENT. I FEEL THAT IF THE MINIMUM WAGE WERE TO INCREASE IT WOULD REDUCE A LOT OF STRESS AND WORRY."

- Aoife Desmond*, 3rd Year (GMIT), working and earning €9.50 per hour

Note: Names with * are not real names in order to protect the identity of the students. Case studies that are anonymous did not give names. The text have remained unchanged and are as submitted.

INTRODUCTION TO THE UNION OF STUDENTS IN IRELAND AND CONTEXT FOR STUDENTS

The Union of Students in Ireland (USI) is the national representative body for third-level students in Ireland. USI is the sole national representative body for students in Ireland. Founded in 1959, USI now represents more than 354,000 students in over forty colleges across the island of Ireland. The goal of USI is to work for the rights of students and a fair and equal third level education system in Ireland.

USI welcomes the establishment of the Low Pay Commission and welcomes its intentions to review the hourly rate of the National Minimum Wage to fulfil the aim:

To have a minimum wage that provides an incentive to work, is set at a rate that is both fair and sustainable, and helps as many people as possible, without a significant adverse effect on the economy or a significant negative effect on employment.

The National Minimum Wage was introduced in April 2000 and was set at €5.59. The average annual increase in the National Minimum Wage between 2000 and 2007 was €6.55 (increasing from €5.58 to €8.65). On January 1st, 2017, the National Minimum Wage increased from €9.15 to €9.25 per hour.

USI believe that a Living Wage should be the minimum hourly rate of €11.50 per hour¹ for every worker in order to live a life without being in poverty, improved welfare and without financial stress. USI believe that this will generate increased revenue, reduced expenditure, increased consumption and allow students to live a proper and fair standard of living.

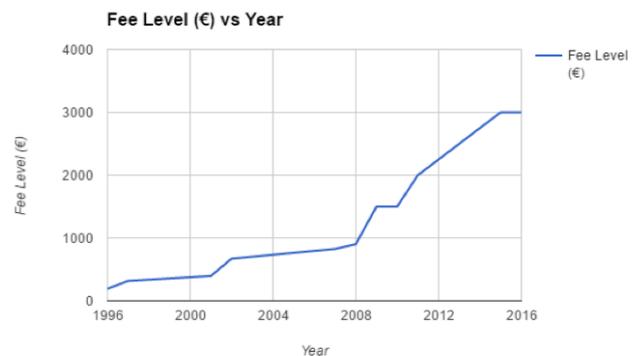
USI has always campaigned on workers' rights for students and graduates in partnership with trade unions, NGOs and other groups since the 1970s.

1. This has been calculated by the independent Living Wage technical group - www.livingwage.ie

USI proudly campaigned for the abolishment of the JobBridge internship scheme, the re-instatement of student nurses and midwives while on placement from a minimum of €6.86 per hour to €9.48 in accordance with the National Minimum Wage. In 2016, USI released information showing that 93% of student nurses and midwives considered emigrating when they finish their studies. Over 600 student nurses were surveyed across the country and 564 (92.5%) said they have thought about emigrating when they qualify as a nurse². USI firmly believe that low pay, and working conditions, drives a culture of emigration in Ireland reducing the labour market, consumption and spending.

COSTS FOR STUDENTS

Most colleges charge an annual student contribution, formerly called the student services charge. It is also known as a registration fee and it covers student services and examinations. The maximum rate of the student contribution for the academic year 2016-2017 is €3,000. It should be noted that in the period from 2007 to 2014 the student contribution fee increased by 363% from €825 to €3000³:

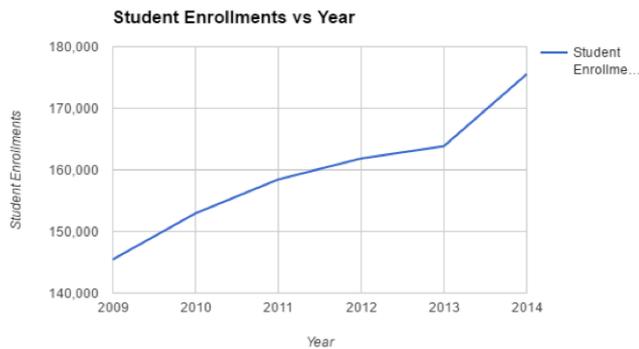


With fees at €3,000 Ireland now charges the 2nd highest rate of fees among EU countries in the OECD to those who do not qualify for a fee waiver through the maintenance grant scheme. Student enrolments have drastically increased due to encouraging unsustainable student recruitment for struggling academic units. The Higher Education Authority

2. In 2011/12 the Government unilaterally reduced the pay of fourth year students working full-time on wards on a compulsory 36-week clinical placement. Incremental credit for this period was also withdrawn - <http://www.irishexaminer.com/breakingnews/ireland/vast-majority-of-nurses-consider-emigration-after-courses-finish-707730.html>

3. This was done through each Budget

(HEA) predicts that there will be an increase from 167,991 students in Full Time Education (FTEs) in 2014 to 192, 886 FTEs in 2024 ⁴.



This effect has been amplified by a strengthening tradition of direct transition between second- and third-level and the under resourcing of the further education and training sector. Rents in Ireland stabilised during 2010 but began to increase during 2013 ⁵ and are now being reported above €1,000 in Ireland – far beyond students’ capacity where the DIT Cost of Living (2015) states that €1,222 is needed a month for students living away from home in 2015-2016. The average cost of living in Ireland for students enrolled in DIT calculated for 2016/2017 was €11,001 for students living away from home and €6,897 for students living at home (see below in Table 1 for more details) ⁶. The average cost of living in Ireland for students enrolled in NUIG calculated for 2016/2017 with overall expenses living away from home was €11,160 (see Table 2 for more details) ⁷.

The average rental figure for students in Dublin is higher at around €418 (mean of Dublin region single rent a room cost). Rent in Dublin can vary widely from less than €348 per month for a shared room, up to €1,089 or more for a one bedroom unit in Dublin 2.

Table 1. Summary of cost of living for student studying in DIT living away from home and at home during the academic term (approx. September to June)

Cost of living for students living away from home	Monthly (€)	Annual (€)
Rent (National – for Dublin see below)	325*	2925
Utilities	34	306
Food	172	1548
Travel	135**	1215
Books & Class materials	74***	666
Clothes/Medical	43	387
Mobile	32	288
Social life/Misc	74****	666
Student charge	333	3000
Total	1,222	11,001

Cost of living for students living at home	Monthly (€)	Annual (€)
Contribution to Utilities	34	306
Food	63	567
Travel	135	1215
Books & Class Materials	55	495
Clothes/Medical	43	387
Mobile	32	288
Social Life/Misc	71****	639
Student charge	333	3000
Total	766	6897

Table 2. Summary of cost of living for students studying in NUI Galway living away from home and at home during the academic term (approx. September to June)

Expense	Cost (€)
Accommodation (rented excl. bills)	440
Electricity and Oil	80
TV and internet	20
Phone	50
Food, including a weekly shop and food in college	260
Books/academic requisites	60
Photocopying and Printing	25
Clothes, laundry	60
Recreation	180
Travel	45
Medical	20
Monthly Total	1,240
Nine month academic year	11,160

CURRENT CONTEXT FOR STUDENT WORKERS

In 2010, the EuroStudent survey received 13,530 valid responses from students in Ireland ⁸. Just over half of all students (53%) indicated they work during term-time, 35% regularly and 18% occasionally. This national survey found that 65% of full-time students, and 82% of part-time students indicated that they worked during term break while 54% of full-time students and 63% of part-time students felt that working during the term time affected their academic performance. This case is typical in countries like Ireland, Greece, Spain and Portugal where there is moderate overlap between education and labour market with a very high level of youth unemployment being worst hit by the economic crisis ⁹.

The prime motivation for students to work in

4. Participation in higher education brings many benefits to the individual, society and the economy but the frequency for employment will need to match - www.hea.ie/sites/default/files/student_accommodation_report_310815.pdf

5. This is according to the Housing Agency in 2015 on the supply and demand on housing - static.rasset.ie/documents/news/housing-agency-housing-supply-demand-report-v4.pdf

6. DIT publishes this guide on a yearly basis - www.dit.ie/campuslife/campuslifeoffice/costoflivingguide201617/

7 NUI Galway estimate the costs for students annually - www.nuigalway.ie/student-life/financial-matters/cost-of-living/

8. The findings are drawn primarily from an Internet based survey of thirty higher education institutions from November 2009 to January 2010 - www.hea.ie/sites/default/files/hea_eurostudent_survey_iv.pdf

9. Countries that have a high level of employment among those in third-level education and almost no unemployment among those in education include Germany and Austria. This can be attributed to an established apprenticeship system or vocational training in secondary education resulting in high numbers of young people both in education, and employed - http://ec.europa.eu/eurostat/statistics-explained/index.php/Participation_of_young_people_in_education_and_the_labour_market

low-paid jobs is largely attributed to the cost of higher education and other relevant expenses outpacing household real income gains, parental transfers and government subsidies¹⁰. Study fees at €3,000 are cited as a factor driving students to seek employment where the burden is very high in Baltic States and in Ireland¹¹. This need to actively seek employment as a student can have a number of effects on the student's welfare and academic performance when it comes to hours, wage and conditions. Table 3 highlights the level of shared burden of fees, the high level of youth unemployment and medium to high number of students working.

EuroStat indicate that students may undertake their academic work and paid work at different times of the year (student alternating between academic course and summer jobs), or in parallel (students working at weekends or in the evenings after classes). The need to work during college is fuelled by the need not only to have a basic standard of living and income but to manage the burden of fees, cost of college and increase in rents. Evidence shows when paid hours pass a threshold (between 15 and 25 hours per week) signs of students' academic performance is lower. Longer work hours exceeding this level undermine aspects of mental health. Previous research finds that when paid hours exceed some threshold level, typically somewhere between 15 and 25 hours per week, various indicators of students' academic performance are lower. Longer work hours also undermine certain aspects of mental health¹².

CSO figures from 2014 showed that the 'at risk of poverty' rate was 16.3% compared to 15.2% in 2013 with 5% of people in employment being at risk of

10. Full-time students who work 25 hours or more a week often do so because they cannot afford to go to college if they work any less according to a study in 2007 and with the increase of fees and rent this is more likely now - <http://bit.ly/2irQMnt>

11. There are no burden of fees in no burden whatsoever in the Scandinavian countries where third-level education is publicly-funded or fees or minimal - www.ceps.eu/system/files/WD410%20Miro%20%2B%20Brian%20on%20Education_0.pdf

12. The extent to which work displaces time spent studying is consistent across levels of weekly work hours, but becomes largest when hours are 40 or more, even when controlling for various demographic and occupational characteristics, but not time spent in class which is consistent across the EU - <http://bit.ly/2irQMnt>

poverty too¹³. The 'at risk of poverty' rate was almost as high for the following groups: individuals living in households where there was no person at work (35.3%), students (33.7%) and households with one adult with one or more children aged under 18 (32.0%)¹⁴. To add, 15.2% of students fall below the poverty line with students at risk from being pushed out of education¹⁵.

WHERE ARE STUDENTS WORKING?

The most common fields for students in Ireland to work were services and catering in which 64% and 63% of students work during term time¹⁶. Across Europe, a similar picture unfolds where wholesale and retail, accommodation and catering services are fields connected with student labour, especially for young students. 25% of working students under 25 work in wholesale and retail with another 15% in accommodation and catering¹⁷.

"YOU MISS CLASS TIME WHEN YOU HAVE TO WORK IN ORDER TO MAKE ENOUGH MONEY TO GET BY ON"

- Anonymous, 3rd Year (GMIT), working and earning €10 per hour

Ireland is a low-pay economy with traditional low-paid sectors – retail and hospitality – falling even further behind EU averages¹⁸. A full picture sees students working in areas that are typically low-paid¹⁹, are at-risk or already in poverty and are in a position to work more hours (with their academic

13. Social Justice Ireland express concern over this figure - www.lowpaycommission.ie/consultations/2016/social-justice-ireland.pdf

14. CSO, Survey on Income and Living Conditions 2014 - www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2014/

15. NERI indicates the current higher education funding per student fell 27% between 2006 and 2013 despite population increase - www.nerinstitute.net/download/pdf/education_trends_inbrief.pdf

16. This is supported by previous submissions to the Low Pay Commission and other research done in other European countries as noted in footnote 7 below - www.heai.ie/sites/default/files/hea_eurostudent_survey_iv.pdf

17. Supply of highly educated workers in Europe has grown rapidly over the course of the 2000s. While in 2001 on average 17% of the population aged 25-65 had completed third level education in the EU27, in 2011 it was as high as 24% - www.ceps.eu/system/files/WD410%20Miro%20%2B%20Brian%20on%20Education_0.pdf

18. According to Unite the Union - www.lowpaycommission.ie/consultations/unite.pdf

19. EuroStat also finds student heavy sectors associated with low-skilled jobs

Table 3: Study fees on undergraduate students' budget, third-level students participating in a training programme, youth unemployment and share of working students in general and under the age of 25

	Share of fees	Share of paid training programmes	Youth unemployment	Share of working students	Share of students working <25
AT	2	4.2	8.8	50.6	33.0
BE		3.3	22.4	16.0	8.4
BG		1.5	23.2	15.5	10.9
CY		5.5	17.2	30.9	13.8
CZ	4	0.6	18.3	22.3	8.9
DE		17.1	13.8	40.3	29.5
DK	0	10.6	13.8	60.6	58.2
EE	15	1.8	32.9	38.5	22.9
ES	10	8.7	41.6	24.5	11.3
FI	0	5.2	21.4	63.2	49.2
FR	6	34.4	23.7	18.4	16.0
GR		7.3	32.9	10.7	4.7
HU		1.6	26.6	15.7	5.0
IE	22	1.7	27.7	35.6	28.5
IT		6.2	27.8	16.4	6.5
LT	41	1.8	35.1	30.4	18.5
LU		12.3	15.6	15.7	5.2
LV	19	1.0	34.5	39.1	24.3
MT	4	4.5	13.1	39.2	23.2
NL	15	2.0	8.7	75.4	68.0
PL	8	7.3	23.7	34.2	21.7
PT	14	3.8	27.7	27.3	9.7
RO		0.7	22.1	10.8	5.8
SE	0	0.3	25.2	46.0	34.6
SI		0.0	14.7	46.6	33.3
SK	9	1.1	33.6	15.9	5.4
UK		1.0	19.6	46.0	30.8
EU 27	11	5.4	23.2	32.8	21.8

Source: *Students in Work and Their Impact on the Labour Market (2015)*

performance put on the line). This is due to the pressure to meet high costs of living where fees are €3,000, rent is increasing and changes to the SUSI grant sees students are struggling to fund college, and work with little pay and not enough hours.

THE CASE FOR A LIVING WAGE

The strategic goal of the National Minimum Wage should be to bring it to the level of the Living Wage. The Low Pay Commission will be aware that in 2014, a technical working group was established to examine what was the basic level of income required to provide a decent standard of living. In its report it determined that the appropriate rate of the Living

Wage for an individual working full-time should be €11.50²⁰.

The Living Wage is a wage which makes possible a minimum acceptable standard of living. Its calculation is evidence based and built on budget standards research. The 2016 figure is based on the concept that work should provide an adequate income to enable individuals to afford a socially acceptable standard of living. It factors in the average gross salary which will enable full time (39 hours per week) employed adults (without dependents) across Ireland to afford a socially acceptable standard of living. This wage provides for needs not wants. The calculations for a Living Wage

20. This is the method used by the Technical Group - www.livingwage.ie/download/pdf/living_wage_2016.pdf

are an evidence based rate of pay which is grounded in social consensus and is derived from Consensual Budget Standards research which establishes the cost of a Minimum Essential Standard of Living in Ireland. Unlike the National Minimum Wage which is not based on the cost of living.

A Living Wage is the minimum income necessary for a student to meet their basic needs. In November 2015 the joint Committee on Jobs, Enterprise and Innovation launched a report entitled Low Pay, Decent Work and a Living Wage (2015)²¹. The committee noted, "Paying low-paid employees a living wage offers the prospect of significantly benefiting the living standards of these employees".

"AS HOME IS IN DONEGAL, THERE IS A ROUGH DISTANCE OF 250KM BETWEEN THE COLLEGE AND WHERE I LIVE AND WORK ON THE WEEKENDS. I ALSO SUFFER FROM CROHN'S DISEASE AND MUST GET A FORM OF TREATMENT DONE EVERY 8 WEEKS IN THE LETTERKENNY HOSPITAL NEAR HOME AND THIS REQUIRES ME TO MISS COLLEGE. IT IS BOTH EXPENSIVE AND TIMELY TO TRAVEL HOME EVERY WEEKEND, IN ORDER TO EARN SOME CASH, THAT HALF OF IT GOES BACK INTO PETROL TO MAKE THE JOURNEY BACK ON A SUNDAY NIGHT. HALF MY WEEKLY WAGE GOES INTO EARNING THE OTHER HALF AND IT CAN BE EXTREMELY DIFFICULT. HAVING THE MINIMUM WAGE INCREASED WOULD BE A SUBSTANTIAL AID TO MYSELF, OTHER COLLEGE STUDENTS AND ANYBODY ELSE SCRAPING THE BARREL AT MINIMUM WAGE"

- Jack Dyke*, 3rd (GMIT), working and earning €9.15 per hour

In Ireland, the CSO estimates the average wage to be around €688 a week, or €35,620 a year. This means that anyone earning under €23,641 is classed as low-paid by the OECD²². A snapshot of youth employment

21. A recommendation included "The Committee recommends that Ireland should ensure that everyone has the right to an adequate standard of living and that citizens deserve a fair wage for the work performed - www.oireachtas.ie/parliament/media/committees/Low-Pay,-Decent-Work-and-a-Living-Wage.pdf

22. The United States has the highest proportion of low-paying jobs, with

by NERI (2015) found that 30% of employees in Ireland are low paid (400,00 employees)²³ while the National Youth Council of Ireland have indicated that 39% of those on the minimum wage are under 30 years of age²⁴. Ireland's statutory National Minimum Wage fails to meet requirements for a suitable and acceptable standard of living for students. A full-time employment or even part-time employment on the minimum wage does not guarantee a decent standard of living, or prevention of poverty²⁵ or being able to fund college.

Low pay imposes costs on workers, the economy, society, and enterprises, which are dependents on workers' spending power. In 2015, 25% of employees had an hourly wage below the Living Wage threshold of €11.50 per hour²⁶. Some will contend that increasing the hourly rate of the National Minimum Wage will increase unemployment and poverty²⁷. No research shows evidence of this. In fact, poverty falls as the minimum wage rises as evident in Latin America and in other developing countries²⁸. Evidence suggests that higher wages improve workers' welfare and diminish poverty in society, which should be at the forefront of the Low Pay Commission's decision-making when working towards increasing the National Minimum Wage in Ireland.

Ireland not far behind - www.keepeek.com/Digital-Asset-Management/oecd/employment/oecd-employment-outlook-2016_empl_outlook-2016-en#.WJCForaLS1s#page2

23. This was noted by A Vincentian Partnership for Social Justice submission to the Low Pay Commission - www.lowpaycommission.ie/consultations/vincentian-partnership-for-social-justice.pdf

24. Young people comprise a significant percentage of the 47,000 on rates below the minimum wage according to the recommendations for a National Minimum Wage by the Low Pay Commission in July 2015.

25. TASC show that one-fifth of Irish jobs are classified as 'low pay' by the EU, which is significantly higher than the EU average of 16.9% and a Euro area average of 14.7%.

26. This is research conducted by NERI referenced by A Vincentian Partnership for Social Justice in their previous submission to the Low Pay Commission - www.lowpaycommission.ie/consultations/vincentian-partnership-for-social-justice.pdf

27. See ICTU and NERI submissions to Low Pay Commission in 2016.

28. See McLeod, D. and Lustig, N. (1996) *Minimum Wages and Poverty in Developing Countries: Some Empirical Evidence*. *Brookings discussion papers in economics*, no. 125.

"I HAVE WORKED FOR 3 YEARS IN A BAR IN THE CITY CENTRE. MOST OF WHICH HAS BEEN ON MINIMUM WAGE OR BEARLY ABOVE IT. I CAN ONLY SPEAK FOR MYSELF BUT THE LEVEL AND PACE OF WORK THAT IS EXPECTED OF ME DOES NOT MATCH THE RATE I AM PAID PER HOUR. WHEN WHAT YOU ARE PAID PER HOUR DOESNT COVER THE COST OF A SANDWICH YOU KNOW THERE IS SOMETHING WRONG WITH THE SYSTEM. DURING COLLEGE I NORMALLY JUST WORK 8-10 HOURS ON A SATURDAY. WHEN BREAK ARE DEDUCTED FROM MY WAGES IT LEAVES ME WITH 20 EURO SPENDING AFTER RENT. THAT DOESNT COVER BILLS AND FEEDING MYSELF FOR THE WEEK. I AM LIVING OFF THE MONEY I SAVED FROM THE SUMMER TIME. I CURRENTLY HAVE 1500EURO IN FEES TO PAY THAT I SIMPLY CANNOT AFFORD. AND EXTRA 1.30 PER HOUR WOULD MAKE A MASSIVE DIFFERENCE TO MY LIFE. THE RATE OF LIVING IN GALWAY IN RAPIDLY INCREASING. RENT BEING A MASSIVE PROBLEM IN THE CITY. AS THESE COSTS RISE THE MINIMUM WAGE SHOULD RISE TOO."

- Jennifer Wall*, 2nd Year (GMIT), working and earning €10.20 per hour

USI believe that the minimum wage exists to prevent exploitation, ensure minimum standards in terms of compensation and stop a race-to-the-bottom wage competition while also protecting migrants and other vulnerable groups. To boost, TASC point out that with the National Minimum Wage being raised to that of a Living Wage there would be close to an additional €1 billion spending in the local economy by people currently on low incomes²⁹. The positive effects on raising the National Minimum Wage will see a direct positive impact for consumption and direct benefits to public finances from income tax, USC and PRSI receipts as well as the distribution of income for the Irish economy. NERI outline that:

29. TASC outline the work done by the Vincetian Partnership for Social Justice who have calculated that for a single person to live above an absolute minimum standard they should begin earning somewhere between €390 and €480 per week - www.tasc.ie/download/pdf/tasc_low_pay_commission_final.pdf

Higher wages will increase aggregate demand and consumption by increasing disposable income, which will have positive implications for the Exchequer in terms of increased receipts from VAT and Excise.

The economic benefits for students as employees resounds beyond how much is earned, but their spending can have bigger benefits for the overall Irish economy. As well as diminish poverty, inequality and boost the Irish economy; students and all people will be in a better position to live a minimum standard of living socially acceptable today. USI agree with ICTU in that:

- 1) A living wage will not damage competitiveness of the economy;
- 2) A living wage will not negatively impact cost of living.

An increase in the National Minimum Wage to a Living Wage would see benefits for the low-paid students who are in attendance of third-level education.

- USI recommends that the Low Pay Commission outline and recommend that the Living Wage as the gross pay necessary to provide a minimum adequate income so students and all employees can work for a wage that provides less than an adequate income in order to live above the poverty

THE CASE AGAINST ZERO HOUR AND 'IF AND WHEN' CONTRACTS

Growth in precarious employment in the labour market with internships, temporary work, part-time work, zero-hour and 'If and When' contracts has a negative effect on students. USI support NYC's statement that "young people have opportunity to enter well-paid and secure employment elongated and frustrated by temporary jobs on a low wage"³⁰.

30. Statement found in submission to the Low Pay Commission in 2016 on the National Minimum Wage

Employer organisations argue that 'If and When' hours and low hours suit employees and especially suit students and women with caring responsibilities. To add, these type of organisations argue that they even have difficulty finding employees who want more working hours. A number of employer organisations also argue that providing any work to people reduces the cost to the State of paying unemployment benefit ³¹. USI argue that students who are contracted with low hours and on 'If and When' feel insecure and powerless at work ³². Today, the numbers of students who continue working fewer hours than they need is increasing and the only employment, too often, are zero hours contracts. Exploitative zero hours contracts are leaving students concerned about whether they will have enough work, finance and to be able to afford attending third-level. This sort of job insecurity is placing an unnecessary strain on students. Students, and young people, deserve to have the opportunity to work enough hours to be able to afford a decent standard of living.

As noted, students typically work in wholesale and retail and accommodation and food sectors. Evidence shows that these sectors are not only low-paid, but provide very low hours (1 - 8 hours). These 'If and When' or zero hour contracts lend to unpredictable working hours and unstable income which can have a negative impact on students' financial security. Students are paying up to €1,222 a month to live while also studying during college in Dublin. A precarious employment with an 'If and When' or zero hour contract could see students unable to buy food, pay rent, afford public transport or pay bills.

- USI recommends the Terms of Employment Information Acts 1994 to 2012 be amended to require employers to provide a statement of working hours which are a true reflection of the hours required of an employee. This requirement should also apply to people working non-guaranteed hours.

- USI recommends that the Central Statistics Office have a rolling Quarterly National Household Survey Special Module on Non-Standard Employment which would include questions on non-guaranteed hours.

"CURRENTLY I'M ON A ZERO HOUR CONTRACT, MAKING IT IMPOSSIBLE TO BUDGET OR PLAN. AT MOST, I'LL FIND OUT THAT I HAVE A SHIFT A WEEK IN ADVANCE. WHILE THE ZERO HOUR CONTRACT IS GREAT IN TERMS OF FLEXIBILITY WITH MY COLLEGE SCHEDULE, IT MAKES IT DIFFICULT TO SPEND MONEY ON ANYTHING OTHER THAN THE BARE ESSENTIALS OF FOOD, BUS FARE AND MEDICATION (ANTI-DEPRESSANTS) WITHOUT WORRYING THAT I'LL NEED THE MONEY LATER. A LOW WAGE WITH NO STABILITY IN TERMS OF HOURS CREATES UNNECESSARY STRESS, BUT I KNOW THAT HAVING NO CONTRACT MEANS KICKING UP A FUSS LEAVES ME POWERLESS. I CAN NEVER CHALLENGE MY MANAGER IF I FEEL UNFAIRLY TREATED AS I'M EASILY REPLACED. I'M PAID TWICE A MONTH, AND I'VE HAD PAY CHECKS BE WEEKS OR A MONTH LATE BUT I'M AFRAID TO KICK UP TOO MUCH OF A FUSS IN CASE THAT'S THE LAST CHEQUE I'LL GET. I'VE SOCIAL ANXIETY AND AN EATING DISORDER, ALTHOUGH I'M CURRENTLY RECOVERING. MOST OF THE JOBS STUDENTS TEND TO WORK ARE FAR TOO STRESSFUL FOR ME WHEN I'M NOT DOING WELL MENTALLY (E.G. BAR WORK, WORKING IN RESTAURANTS, RETAIL), LEAVING FEW OPTIONS. I'M GRATEFUL TO BE WORKING AT ALL, BUT I'VE BEEN LOOKING FOR A NEW JOB FOR ALMOST A YEAR WITH NO SUCCESS. I'M STUCK IN THIS JOB FOR THE TIME BEING"

- Anonymous - 3rd Year (DIT) working and earning €10 per hour

31. A Study on the Prevalence of Zero Hours Contracts among Irish Employers and their Impact on Employees in UL from 2015 - www.djei.ie/en/Publications/Publication-files/Study-on-the-Prevalence-of-Zero-Hours-Contracts.pdf

32. This is evidence from the case studies in this submission

REFERENCES:

- A Vincentian Partnership for Social Justice. (2015). *Minimum Essential Standard of Living & National Minimum Wage Inadequacy*. Dublin: A Vincentian Partnership for Social Justice.
- Baffoe-Bonnie, J., & Golden, L. (2007). *Work-Study: Time Use Tradeoffs Among Employed Students and Implications*. Washington: Penn State University.
- Beblavy, M., & Fabo, B. (2015). *Students in Work and their Impact on the Labour Market*. Brussels: CEPS.
- Citizen's Information Board. (2016). *Consultation on the National Minimum Wage*. Dublin: Citizen's Information Board.
- Collins, M. L. (2014). *The Impacts and Challenges of a Living Wage for Ireland*. Dublin: NERI.
- CSO. (2017). *Labour Market and Unemployment Figues*. Dublin: CSO.
- CSO. (2016). *Monthly Unemployment* . Dublin: CSO.
- CSO. (2014). *Survey On Income and Living Conditions*. Dublin: CSO.
- Department of Finance. (2016). *Submission from Department of Finance to the Low Pay Commission on the National Minimum Wage*. Dublin: Department of Finance.
- Early Childhood Ireland . (2016). *Early Childhood Ireland Low Pay Submission*. Dublin: Early Childhood Ireland.
- Eurostat. (2012). *Participation of young people in education and the labour market*. Brussels: Eurostat.
- Fianna Fáil. (2015). *Fianna Fáil's Submission to the Low Pay Commission on the National Minimum Wage*. Dublin: Fianna Fáil.
- HEA. (2010). *EuroStudent Survey IV: Report on the Social and Living Conditions of Higher Education Students in Ireland*. Dublin: Insight.
- ICTU. (2016). *Submission to the Low Pay Commission: Review of the National Minimum Hourly Rate of Pay*. Dublin: ICTU.
- Matheson Ormsby Prentice. (2012). *Investing in Ireland: A survey of foreign direct investors*. Dublin: The Economist.
- MRCI. (2016). *All Work and Low Pay: The Experience of Migrants Working in Ireland*. Dublin: MRCI.
- National Women's Council of Ireland. (2016). *Submission to Low Pay Commission on Women and Low Pay*. Dublin: National Women's Council of Ireland.

NERI. (2015). *Submission to the Low Pay Commission: Employment and other impacts of changes to the National Minimum Wage*. Dublin & Belfast: NERI.

NYCI. (2016). *Submission to the Low Pay Commission*. Dublin: NYCI.

Social Justice Ireland. (2016). *National Minimum Wage Consultation: Submission to Low Pay Commission*. Dublin: Social Justice Ireland.

TASC. (2016). *Low Pay Commission Submission to the National Minimum Wage*. Dublin: TASC.

The European Anti-Poverty Network (EAPN) Ireland. (2015). *The European Anti-Poverty Network (EAPN) Ireland Submission to the Low Pay Commission*. Dublin: EAPN.

Unite. (2016). *Submission to the Low Pay Commission*. Dublin: Unite.

CASE STUDIES:

Note: Names with * are not real names in order to protect the identity of the students. Case studies that are anonymous did not give names. The text have remained unchanged and are as submitted.

"I've a 1:1 level 8 degree in early years education. This is my first job in my field of study. I started on a wage of €10 and after 6 months I asked for a wage increase which brought it up to €10.50. I don't think I'll be getting anymore wage increases in the place I'm working now. I honestly think it's so ridiculous that after studying hard and attending college for 4 years, I'm barely earning over minimum wage. It affects my self esteem as although I love my job so much and I really enjoy working with children, I feel like I won't be able to stay in this career forever as the money is so bad. It also is so disheartening to have worked so hard for 4 years but get nothing in return."

- ***Anonymous – 4th Year (Cork Institute of Technology, Early Years Education) working and earning €10.50 per hour***

"I work in a bookshop. Low wages is not the main problem. The main problem is low hour contracts and schedules that change week to week. There is no security or room for planning simple things like a doctors appointment."

- ***Anonymous – Masters (Trinity College Dublin) working and earning €9.15 per hour***

"I find it hard to work and do college all at the same time. At the start of the year I would work during the week and found this very hard. I find that I could only do weekends as I was so busy during the week with assignments, my workplace is very understanding while others may not be. One of my friends is working full time and college because they cannot get the grant"

- ***Jane Power*, 2nd Year (GMIT), working and earning €9.20 per hour***

"I am always struggling to pay the bills and get food"

- ***Damien Clarke*, 3rd Year (GMIT), working and earning €9.30 per hour***

"I work 22 hours a week, and my job involves a lot of stress. I work alone and I deal with cashing up and closing up and ensuring that everything is of a healthy standard for the next day. It's a lot of stress and makes a short day feel like a week. I have to make sure everything that's out of date is gone and I also have to make people coffees and other hot drinks and uphold a high standard. Then you have to deal with customers. There's a lot of stress with my job"

- ***Colum Kelly*, 3rd Year (GMIT), working and earning €9.15 per hour***

"Been working since I've been 16, I'm now 22. Had to work my whole way through school and college and as a result I do not qualify for the grant, although I only ever exceed the income level by a few hundred euro.. I think this is so unfair as many people I know don't have to work as their parents can well afford to put them through college and they still get the grant.. like a full grant even when they don't need it at all. Anyways, I feel that working my way through college has built my character as a person and taught me the value of money and what hard work can achieve despite the many pressures I have experienced throughout all these years. Working at minimum wage is extremely difficult and seems unfair at times .. I work in a busy hotel where you work so hard for that 8.65 an hour. Trying to juggle work and college is very stressful!! Although saying all this at the time I bought, insured and taxed my first car when I was 17 and have upgraded since.. I need the car to get to and from both work and college. I feel an increase in the minimum wage would improve the quality of life for many students as we would no longer have to worry about being able to afford your shopping for the week or even printing off a few notes, its the little things that you always have to think about at the back of your mind.. can I afford to do this? I know there are a lot of people in worse financial situations than me and I feel comfortable in my situation but a higher minimum wage would be great"

- **John Clifford*, 4th Year (GMIT), working and earning €8.65 per hour**

"I do 27 hour weeks in college from Monday to Friday then between 17 - 20 hours Saturday - Sunday, it works out very little more than getting back to education allowance and having the weekends off would mean 2 days a week extra to study. It feels like I'm wasting my time working when others can get almost the same money as me without having to work. I only get paid monthly and feel like I'm always budgeting and spend 2 weeks with money and 2 weeks just about having enough for food"

- **James Costello*, 2nd Year (GMIT), working and earning €10.58 per hour**

"I am 22 years of age working in a local shop and I am still currently below the minimum as you must have 2 years work previous to working with that company. I don't think it is fair as there may be some 18 year olds on the minimum wage in the company if they had previously worked somewhere for 2 years"

- **Anonymous, 3rd Year (GMIT), working and earning €7.56 per hour**

"I work weekends in a local petrol station as a shop assistant. I work 16 hours a week on top of a full week of college. Sunday pay of roughly 10.50 euro helps a lot. I think it would be very beneficial to have a minimum wage of 11.50 in order to pay for everything needed for college. I am not in a bad situation myself as I live close to the college so I live from home but understand how tough it is for people living away from home. I'm also lucky to have a decent amount of hours per week. My employers are very nice when it comes to time needed off to study. The worst part is not qualifying for the SUSI grant even though it doesn't take into account for my parents huge mortgage and I know of other people getting the grant who are well off but I won't get into that."

- **Anonymous, 3rd Year (GMIT), working and earning €9.25 per hour**

"I travel to college monday to friday from clare to galway. This take me an hour and 20 mins approx and I simply cant afford to live in galway . I work in mcdonalds as a manager on the weekend this just about supports my travel and food cost and to say im stuggling with money is a understatement. I feel that if the minimum wage were to increase it would reduce a lot of stress and worry."

- **Aoife Desmond***, 3rd Year (GMIT), working and earning €9.50 per hour

"I work one day a week, earning just over 70€. College is a full time job, and trying to work more than one day a week isn't feasible. I did that last semester and as a result my college work definitely suffered, I was constantly tired etc due to not having a day of rest to myself. It's too much pressure for students to work part time and have a full time education."

- **Shauna Walsh***, 1st Year (GMIT), working and earning €9.15 per hour

"Being on back to education wh8ch working a part time job really is a joke.. i get docked for each day I work.. but because I work in a night club my hours are limited to 4 a night, but I still get docked a full day.. i also have to pay for taxis (€10) home because it's so late, all the while the amount of get from work average €34 a night it's a joke.. its hardly worth my time to work.. but I feel like I need the extra €20 to get me by.. it honestly feels like the government don't want you to succeed"

- **Beth Sheehan***, 2nd Year (GMIT), working and earning €9.15 per hour



Union of Students in Ireland
Aontas na Mac Léinn in Éirinn

CONTACT US

Twitter: @TheUSI
Facebook: facebook.com/usi.ie
Web: www.usi.ie
Email: info@usi.ie
Tel: +353 (0)1 7099300

The Union of Students in Ireland
Portview House
Thorncastle Street
Ringsend
Dublin 4
D04 V9Y9

© USI MMXV