

## Introduction

Mandate Trade Union is at an important juncture in its history and it needs to make evidence based decisions. We need to be the experts in our own industries from the macro industry-wide perspective, to the micro company-specific perspective. We also need to understand better the living conditions of members as a result of external forces.

By using existing data and conducting new research, this report – the first part of two this year - will establish what the current conditions of employment are in the sectors we organise in as well as the costs of living facing our members. Crucially, we will also plan for the future.

Previous research including *End Low Pay* (2008), *Milking the Recession* (2010) , *Decent Work: the impact of the recession on low paid workers* (2012), and *Decent Work: what needs to be done* (2013), which all raised awareness amongst Mandate members, Mandate staff, political representatives and the general public of the difficulties facing retail workers.

However, it is now almost 10 years since Mandate has conducted its own research on these issues. Since then we have seen an unbalanced recovery; Brexit; a global pandemic; a housing, healthcare, and cost of living crisis; and now war once again in Europe. It is time to take stock and reflect on where we are as a union and a movement, and where we need to go in order to better serve and protect our members and their communities in these turbulent times. We need to ensure that our Union can: a) better inform the strategic direction of Mandate Trade Union across all of its core functions; b) improve the living standards of our members.

There are two broad sections to this report: the first looks at the industry, the second at households. Its purpose is to lay the groundwork for the final report later in the year, which will incorporate a survey of both Mandate members and those who are non-unionised in retail.

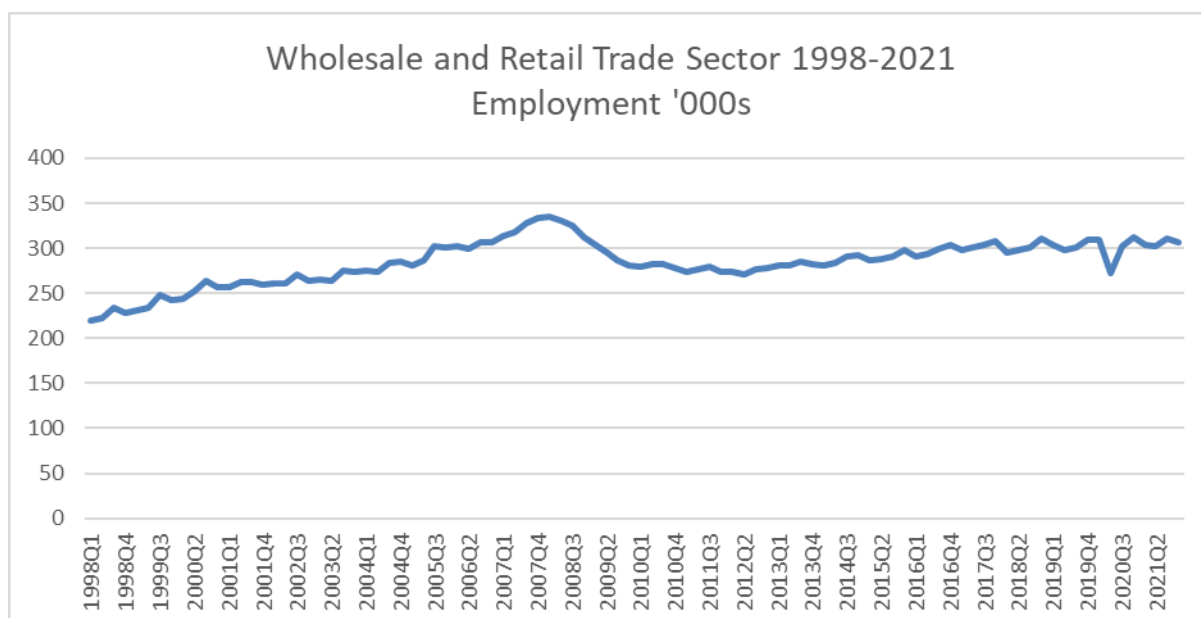
It is envisaged that the research in this document (including the final report later in the year) will serve as a training and development tool for the union for many years to come. It will emphasise the importance of members organising workers in their own company, sector and class and will produce strong recommendations which will help Mandate to both grow its membership base, but also improve living conditions for those members.

## I. Industrial and Sectoral Knowledge

According to the Department of Business, Enterprise and Innovation (DBEI) there are 37,400 retail and wholesale businesses in Ireland, of which 85% employ less than 10 people.<sup>1</sup> Overall, the sector employs 306,000 people – 146,400 (or 48%) of which are women – with 70% of all employment outside Dublin.<sup>2</sup> It accounts for just over 12% of the employed workforce of 2.5 million people.

It is important to note here that these figures are for both wholesale and retail businesses. The NACE category of Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles for 2019 contains 46,786 businesses, a one percent drop since 2011 according to the most recent CSO Business Demography statistics.<sup>3</sup> A separation of the figures into retail and wholesale is currently not available and will require information requests from the DBEI. It is hoped that these will be obtained in time for the second part of this report later in the year.

For now, though, we must rely on the sector-wide statistics which treat retail and wholesale as a single entity. They will, at least, give us a sense of the sector and its current dynamic.



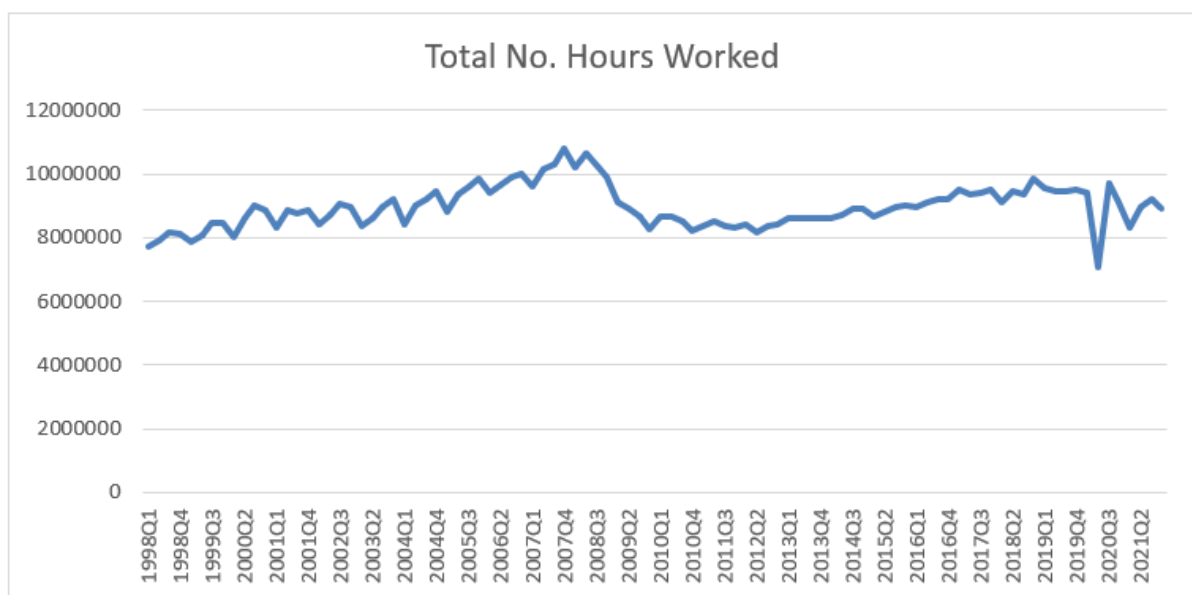
<sup>1</sup> DBEI. *Focus on Retail* August 2020. [<https://enterprise.gov.ie/en/Publications/Publication-files/Focus-on-Retail-2020.pdf>] accessed 17 Mar 2022.

<sup>2</sup> CSO> Labour Force Survey Q4 2020. [<https://www.cso.ie/en/releasesandpublications/ep/p-ifs/labourforcesurveyquarter42021/employment/>] accessed 17 Mar 2022.

<sup>3</sup> See response to Thomas Pringle TD parliamentary question 16409/22.

The number of people employed in wholesale and retail has hovered around the 300k mark for past eight years, having slowly recovered from the banking collapse albeit without reaching the same Celtic Tiger high of 335k in the first quarter of 2008. The number of people in wholesale and retail as a percentage of the entire employed workforce, however, has slightly declined, going from 14.5% in 2011 to 12% today.

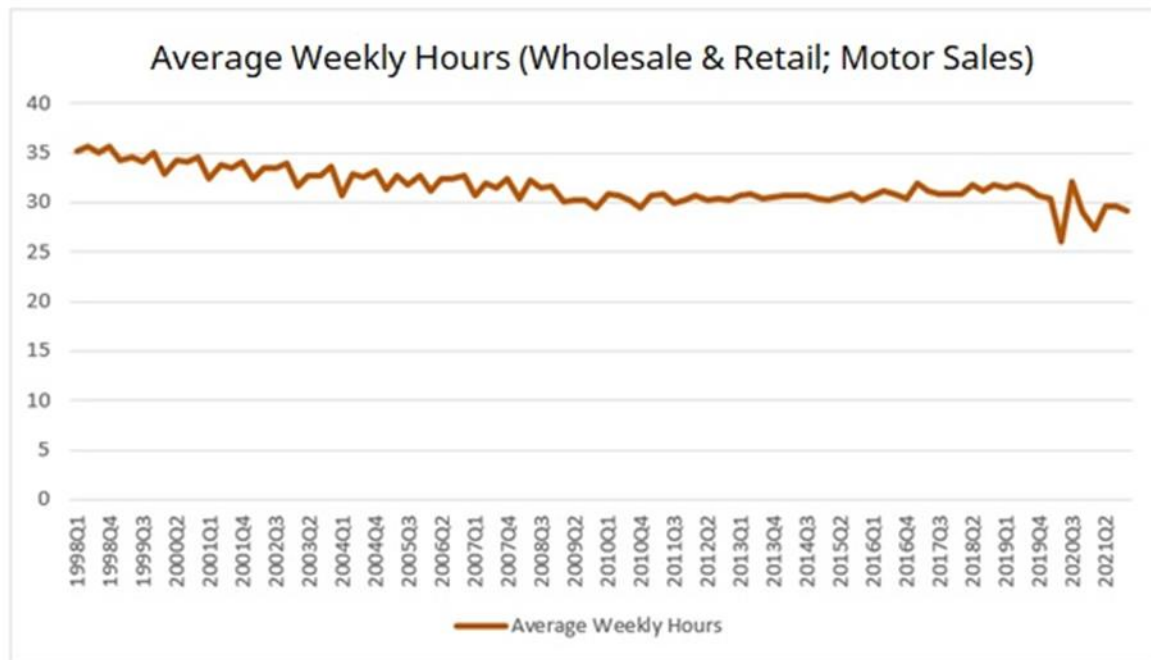
As with employment, the total number of hours worked in the sector steadily rose after the crash, with a dramatic dip due to Covid, followed by a fairly robust rebound.



Source: CSO. Labour Force Survey Q4 2021.

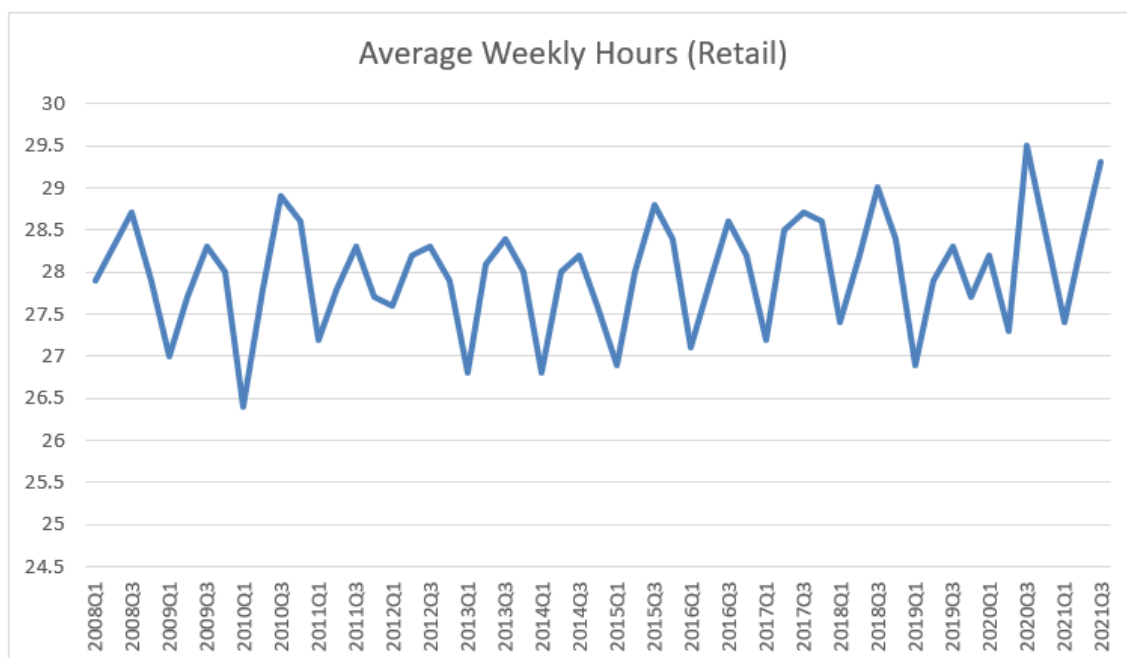
At the end of 2021, there were 8.9 million hours worked in retail and wholesale (including motor sales). This was a 6.3% decline in hours from the Q4 2019 – the last full quarter before the onset of the Covid pandemic. The same period saw a drop of 1% in employment – from 309,300 to 306,000. The average amount of hours worked, however, has declined. This is a long-term pattern that has seen average hours in the retail and wholesale sector drop from 35 hours a week in 1998, to 29 hours a week in 2021.

By way of example, the average working week in retail at the end of 2019 was 30.7 hours. In order to maintain that average at the end of 2021, given the total amount of hours worked in the sector we would expect to see an employment figure of 290,293. Instead we have a total employment of 306,000, resulting in a drop in the average amount of hours worked. As an industry, retail and wholesale (including motor sales) appears to be hiring more people, but giving them less hours.



Source: Labour Force Survey Q4 2021

However, when we look at retail alone, the average number of hours worked per person appears to oscillate between 27 and 29 hours a week. It does not show a convincing pattern of a lessening of hours worked in the sector.



Source: CSO. Earnings, Hours and Employment Costs Survey Q3 2021.

According to the quarterly *Earnings, Hours and Employment Costs Survey*, the average working week in retail was 27.4 hours at the start of 2018 and is now 29.3 hours (Q3 2021).

However, this is by no means a straight progressive linear. The somewhat dramatic change in weekly hours, not only on a yearly but often on a quarterly basis appears to reflect the lack of security in hours in the sector. Again, more research is needed on this issue.

According to the latest *Earnings and Labour Costs Quarterly* survey (Q4 2021), there are 3,700 job vacancies in retail. This is the highest number recorded by the CSO since it began the series in 2008.



Source: CSO, EHECS Earnings Hours and Employment Costs Survey- Quarterly (Q4 2021)

## Wages and Income

According to the quarterly *Earnings Hours and Employment Costs Survey* the average gross weekly wage in retail was €491 in the third quarter of 2021.<sup>4</sup> This figure is the average of all wages at all levels, including managers.



Source: CSO. Earnings Analysis using Administrative Data Sources 2020

More data is needed in order to get to a truer sense of income and hours in retail for Mandate members and potential members. This will be one of the key objectives of the sector-wide survey which will form part of the final report later in the year.

## Key Employers

The most comprehensive public source of information on retail businesses in terms of employment and turnover is the Irish Times Top 1000 Companies website.<sup>5</sup> As with the other data we have come across, the site has a number of caveats.

Firstly, the figures for employment are for all grades (including management) and cover the entire company regardless of jurisdiction. Dunnes Stores Ireland, for example, is listed as having an estimated 14,800 employees in 2020, making it on paper at least the 14<sup>th</sup> largest

<sup>4</sup> <https://data.cso.ie/table/EHQ15>

<sup>5</sup> <https://www.top1000.ie/>

private sector employer in the state.<sup>6</sup> However, it appears that these figures include the 28 stores across England, Scotland, Spain and Northern Ireland.<sup>7</sup> Similarly, the figure listed for annual turnover – an estimated €4 billion in 2020 – appears to be for the entire group in all jurisdictions. The Irish Times says there are 145 stores in the group, while the Dunne Stores website says it is 142, with 114 branches in the Republic of Ireland.

Nevertheless, if we treat the figures as *indicative* of employment and turnover, in the absence of other sources they are of use to give a sketch of the sector. As with the DEBI figures, more work is needed and it is hoped that Mandate Trade Union's own database of stores will be of use here for the second part of this report later in the year.

With these caveats in mind, here is the list of fifty of the largest store retail employers in the state, according to the Irish Times' Top 1000 Companies website.

Company	Employees	Turnover (Millions)	Company	Employees	Turnover (Millions)
Dunnes Stores Ireland	14,800	€ 4,000	Ladbroses	656	€ 45
Tesco	13,000	€ 3,000	Elvery's	633	€ 77
Applegreen	9,966	€ 2,300	Easons	633	€ 129
Grafton	8,717	€ 2,300	Euro General Retail	619	€ 67
Musgraves	8,026	€ 4,500	B&Q	575	€ 90
Smyths	5,803	€ 1,300	McCabes Pharmacy	500	€ 67
Pennys	5,000	€ 3,600	Blarney Wollen Mills Group	481	€ 41
Lidl	4,800	€ 1,600	Lifestyle Sports	466	€ 112
Aldi	4,500	€ 2,000	Specsavers	440	€ 43
Henderson Group	4,171	€ 1,100	Homestore+More	400	€ 122
Bwg Group	3,110	€ 1,600	Griffin Central (Londis)	400	€ 48
Circle K Ireland	2,300	€ 2,700	Hickeys Pharmacies	375	€ 60
Marks & Spencer	2,300	€ 468	Zara	374	€ 108
Boylesports	2,100	€ 1,400	Homebase	362	€ 47
Next	1,800	€ 156	Joyces Supermarket	360	€ 18
Dealz	1,700	€ 136	Kellihers Electrical	348	€ 169
Boots	1,603	€ 399	Windsor Motors	310	€ 200
TK Maxx	1,343	€ 240	Europcar	272	€ 50
Harvey Norman	982	€ 236	Kilkenny Group	256	€ 16
Aer Rianta International	938	€ 251	Power City	244	€ 100
Argos	911	€ 179	John Rushe	220	€ 31
Ikea	699	€ 203	Caulfield McCarthy Group	217	€ 57
H&M	675	€ 90	Cara Pharmacy	150	€ 20
Sam McCauley Chemists	674	€ 94	Golden Discs	107	€ 13
River Island	664	€ 64	Pamela Scott / Arzac	80	€ 15

Source: Irish Times Top 1000 Companies 2020

Together these companies have around 110,000 employees, which is just over one-third of the total amount of employment in the sector. Again, to restate, these figures include every person listed as employed by each company – from shopfloor staff to board of management and, as with Dunnes Stores Ireland, there is no guarantee that each person is actually working within the state. It is likely that a certain small percentage are employed in other jurisdictions. However, the table is still a good indication of the largest employers in retail in

<sup>6</sup> <https://www.top1000.ie/dunnes-stores-ireland> accessed 17 Mar 2022.

<sup>7</sup> Dunnes Stores. *Our Story*. <https://www.dunnesstores.com/content/our-story> accessed 17 Mar 2022.

Ireland. The numbers may not be completely accurate, but the *imprint* in terms of employment is reasonably certain.

## Online Sales



Source: CSO, Retail Sales – Monthly Series

Before the onset of the Covid pandemic, 3.5% of retail sales by turnover was generated via online activity. The most recent figure available (Jan 2022) puts it at 5.8%. Although the value of sales has almost doubled, employment figures (as opposed to hours) do not appear to have been affected. There is however a clear pattern of a spike in online shopping at Christmas time, and this seems to be a permanent change in shopping habits. More research is needed, though, on whether the hours people receive have been cut as a *direct* result of online shopping, and whether seasonal in-store recruitment has been similarly affected.

## Rights and Legislation

The employer-employee relationship is a coercive one. The imbalance of power, and the capacity for exploitation that is inherent to it, is the main reason why the right to join a trade union and the right to strike are human rights. Indeed, article 28 of the EU Charter of Fundamental Rights states,

Workers and employers, or their respective organisations, have, in accordance with Union law and national laws and practices, the right to negotiate and conclude



collective agreements at the appropriate levels and, in cases of conflicts of interest, to take collective action to defend their interests, including strike action.

Similarly, Article 11 of the European Convention on Human Rights protects freedom of association, including the right to bargain collectively. However, in Ireland the primary and secondary legislation that is needed to give these rights their full legal expression is either weak or lacking altogether. The law needs to be strengthened in order to ensure that trade union rights are given their full and undiluted meaning in law. The key areas are,

- The right to be heard
- The right to access to the workplace
- The right to workplace time and space for trade union activities
- The right to collectively bargain on behalf of members

It should be noted that the rights associated with the functions of trade unions are not quite the same as the rights associated with joining one, although there is an obvious crossover. The right to strike, for example, is heavily regulated in Ireland and is essentially limited to trade unions that hold a negotiating licence issued by the Minister for Business, Enterprise and Innovation under the 1941 Trade Union Act.

There is a process for compelling an employer to engage with a trade union for collective bargaining under the Industrial Relations (Amendment) Act 2015, but it 'requires a number of pre-conditions to be satisfied in order for the Labour Court to be able to hear a referral by a trade union...'<sup>8</sup> In its first three years only four cases were brought under act, which was 'much lower than originally anticipated and it is hard to see how these cases would give any trade union great faith for unfettered success in the future.'<sup>9</sup>

While these regulations do not block the constitutional right to join a trade union, they do seriously impinge and curtail its effective expression. There is in effect a legal malleability between an individual's right to join a union and the rights of a union to act on their behalf. Because of this, there is a need for legal reform in order to allow trade unions to act in the interests of their members.

---

<sup>8</sup> Bláthnaid Evans. 'Collective Bargaining? What is the current state of play in Ireland.' 30 Oct 2018. <https://leman.ie/collective-bargaining-what-is-the-current-state-of-play-in-ireland/> accessed 22 Mar 2022.

<sup>9</sup> Evans. 30 Oct 2018.

Possibly the trade union right most lacking in Ireland today is the right to be heard. At the moment, if an employee or group of employees nominate a trade union to negotiate on their behalf, there is no expressed obligation on an employer to meet or engage with the trade union. This right exists in other EU countries, but not here.

Trade unions also need access to the workplace in order to meet with both members and prospective members. This also includes time off for trade union activities and suitable meeting spaces in the place of work. The curtailment of access is an example of the imbalance of power between employers and employees. Legislation is urgently needed here.

With regard to the right to collectively bargain, the case-by-case approach under the 2015 Industrial Relations Act is cumbersome and actively benefits a truculent employer. Systemic change is needed, again through legislation. Based on prior rulings, the Labour Court appears to believe that somewhere between 25-33% of the workforce must be unionised before it will entertain an application for recognition for collective bargaining purposes.<sup>10</sup> In the UK evidence of at least 10% union membership within the proposed bargaining unit is needed before recognition can be adjudicated upon by the Central Arbitration Committee.<sup>11</sup>

While mandatory/universal collective bargaining appears to be a step too far for the courts – even at EU level – there is precedent within Ireland and the UK for recognition based on a percentage of the workforce that are unionised, from a low of 10% in the UK to a high of 33% via the Labour Court.

Either way, legislation is needed to make these rights real. It is hoped to flesh out this legislation when the final report (of which this is an overview) is published later in the year.

## **Covid-19 and the Workplace**

At the time of writing (March 2022) Ireland is in the midst of a second wave of the Omicron variant of Covid-19. The government has lifted most restrictions, and the use of masks and hand sanitiser in shops is now advisory rather than obligatory. The spike in cases has had a knock-on effect on hospitals, who are having to cancel elective procedures to cope with the surge. Regardless of how this particular wave pans out, it is clear that Covid is here to stay

---

<sup>10</sup> See Evans, 30 Oct 2018.

<sup>11</sup> Anne Morris. *Collective Bargaining (Employer Guidance)*. 15 Apr 2020.  
<https://www.davidsonmorris.com/collective-bargaining/> accessed 29 Mar 2022.

and this immediately raises questions regarding the health and safety of retail workers going forward.

The second part of this report later in the year will delve more into this issue. It will draw upon surveys and interviews to get a sense of the pressures faced by retail workers when it comes to Covid, and will use this to construct a long-term strategy for the sector regarding both the pandemic and health and safety issues in general in the workplace.

## **2. Household Income and Living Conditions**

The cost of living is typically defined as the amount of money needed to cover basic expenses such as housing, food, clothing, utilities, transport, health, and services. The fluctuation in the price of these expenses is measured by the CSO via the Consumer Price Index (CPI) and is usually referred to as inflation.

It needs to be noted that inflation, while an important measurement in itself, does not tell us whether goods, utilities and services were affordable in the first place, nor does it tell us if they are affordable now. For that we need to look at the relationship between the cost of living and personal or household income, and the starting point for that in Ireland is the Survey of Income and Living Conditions (SILC) which is produced once a year.

Definitions and criteria are important when it comes to social analysis. What gets measured, and how, is key to the nature of any report, although there is often a reluctance on the part of journalists, politicians, and policy makers to take this on board. Instead, there is a rush to make claims of statistical objectivity about such reports as if statistics are not produced through the application of assumptions and by people with a certain viewpoint of the world. When dealing with numbers we need to be both respectful and cautious, and it is always good to have more than one source when dealing with reality.

With that in mind, this section will look at the latest CSO report on income and living conditions in Ireland. The purpose is to try to get a sense of the possible cost of living pressures that are being faced by members of Mandate Trade Union, and to lay the groundwork for the second part of this report later in the year which will be based around a survey of members and workers in the retail sector.

## Household Incomes

In December 2021 the CSO published its annual *Survey of Income and Living Conditions (SILC)*.<sup>12</sup> It said that 13.2% of the population were either living below the poverty line or were at risk of poverty. It also said that 15.6% of the population were living in enforced deprivation, i.e. they experienced two or more types of deprivation on a regular basis.

The most common forms of deprivation included: unable to afford to replace any worn out furniture (17.6%); unable to afford to have family or friends for a drink or meal once a month (11.4%); and going without heating at some stage in the last year (9.3%). Just over 30% of the population experienced at least one form of deprivation in 2020. The percentage of those in consistent poverty – i.e. who were both at risk of poverty and experienced two or more types of enforced deprivation - was 5%.

The CSO found that 6.3% of those at work - around 148,000 people - were at risk of poverty. There was also a deprivation rate of 9.9% among the working population, or just over 233,343 people based on an employed workforce of 2.357 million.<sup>13</sup> Consistent deprivation for this group came to 1.7%.

The SILC defines 'at risk of poverty' as 60% of the median nominal equivalised disposable income. In 2020 this was €14,205 (based on a disposable income of €23,675). All its poverty rate figures are based on this calculation and cut-off point. However, this is a calculation of poverty based on income alone. When certain non-discretionary outgoings are factored in, the number of people at risk of poverty rises dramatically.

In 2020, for the first time, the CSO calculated the number of renters who fell below the poverty line once their rent, or mortgage repayment, was deducted from their 'disposable' income. It found that when it factored in these payments, the at risk of poverty rate for the entire population rose to 19.0%, almost 44% higher than without the deductions.

Among renters alone the rates are even higher. For those in local authority housing, the rate is 49.8%; for those in receipt of rental payments or in alternative social housing the rate

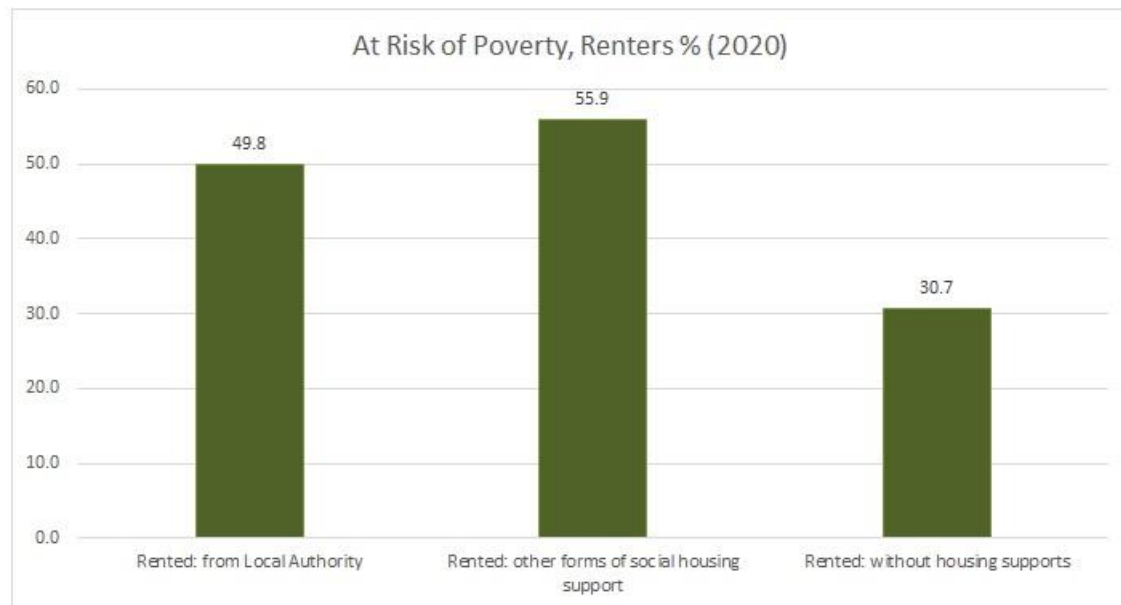
---

<sup>12</sup> CSO. *Survey on Income and Living Conditions (SILC) 2020*. 17 Dec 2021.

[<https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2020/>] accessed 15 Mar 2022. All subsequent quotes relating to this publication are from this source.

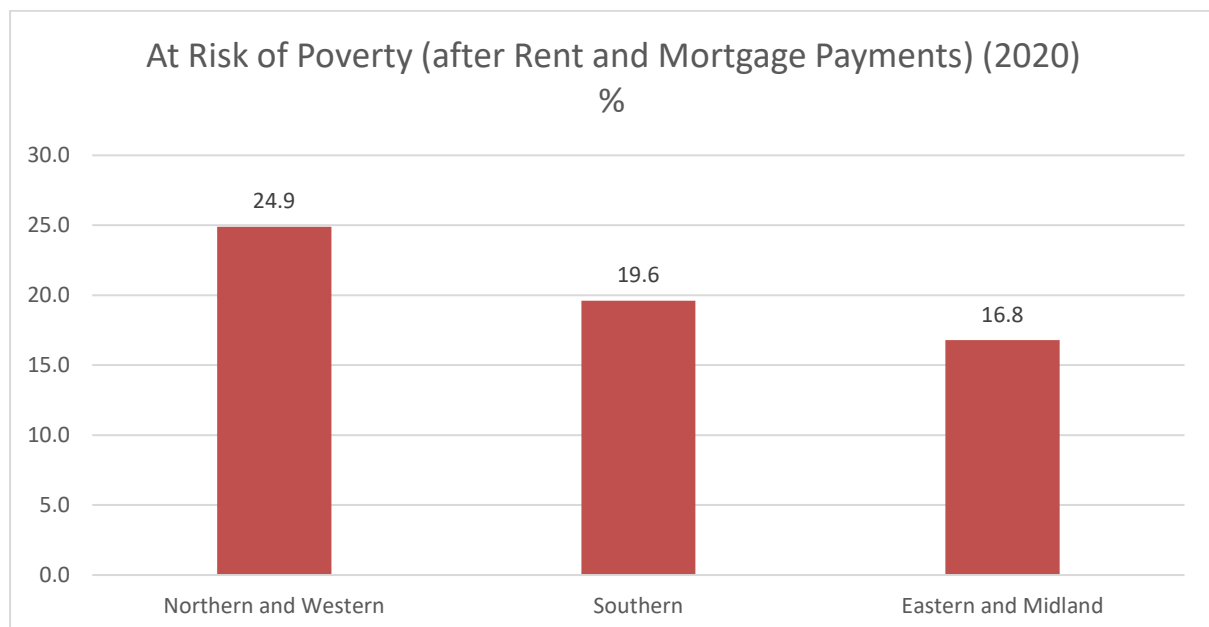
<sup>13</sup> CSO. *Labour Force Survey Quarter 4 2021*. [<https://www.cso.ie/en/releasesandpublications/ep/p-lfs/labourforcesurveyquarter42021/>] accessed 15 Mar 2022.

is 55.9%; and for renters in the private sector with no public rental supports the rate is 30.7%.



Source: CSO. SILC (2020)

There is also a strong regional variance when it comes to poverty rates. Again, once rent and mortgage payments are factored in, the number of people at risk of poverty in the northern and western region is 24.9% - that is, one in four of the entire population of the area – almost 50% higher than the corresponding figure for the eastern and midland region.



The year 2020 was the first time that the CSO calculated the at risk of poverty rate for renters and mortgage holders once those payments had been made from each person's

respective income. A similar exercise for other non-discretionary payments such as utility bills and transport would undoubtedly push more people into the 'at risk' category. This is before we factor in other costs such as heating, childcare, and education. It is clear even from the cost of rent exercise alone that Ireland not only has a poverty issue, but a poverty wage one as well.

There is one other issue that needs to be addressed before we move on from SILC 2020. The CSO's calculation of what constitutes an 'at risk of poverty' income is based on a figure derived from the median income. It is *not* based on the actual cost of living and whether people can meet their household expenses on their present income without falling into poverty.

The CSO's assumption that a disposable income below €14,205 constitutes a poverty risk, while an income about that does not, is just that: an assumption. There is no evidence whatsoever presented to justify this particular cut-off point. It is simply a statistical calculation derived from a statistical assumption. And yet so much of government policy is driven by this arbitrary figure.

## **Inflation**

The latest (March 2022) figure for inflation shows that prices on average, as measured by the Consumer Price Index, were 5.6% higher in February 2022 compared with February 2021.

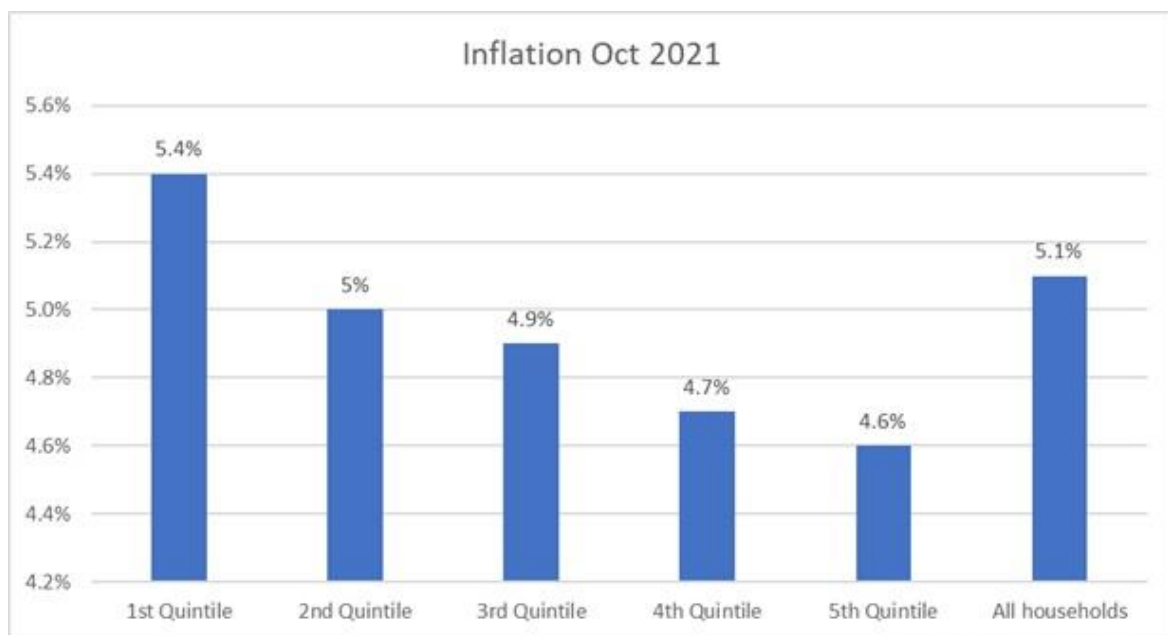
In theory, an inflation rate of 5.6% means that a basket of goods and services that cost €300 last year would now cost €316.80. Yet different income groups experience inflation in different ways. The focus on the percentage increase as opposed to the actual rise in costs can sometimes give rise to a misleading analysis.

For example, for someone who earns €300 a week, a rise of €16.80 in the cost of goods and services amounts to 5.6% of their income. For someone on €700 a week, that drops to 2.4%, and for someone on €1,000 a week, it amounts to 1.7%.

In other words, three people on three different incomes experience the same inflation rate in three different ways. While there are multiple variables at play, we can say with some certainty that the effects of inflation are greater for those on low incomes than for those on medium to high incomes.

A similar point was made recently by the governor of the Central Bank, Gabriel Makhoulf. He said in November 2021 that inflation in the Eurozone was being driven by three factors: 'higher energy prices, a rebound in prices for some goods and services that fell sharply during the pandemic, and a rebound in demand which is meeting global supply bottlenecks in both inputs and transportation.'<sup>14</sup> However, while the causes were more or less the same, the experience of inflation was not being felt equally by all sections of Irish society. He pointed out that 'inflation measures 'are designed to represent an "average" consumption basket in an economy [but that] inflation affects people in different ways and not everyone in the community will experience price increases in the same way.'<sup>15</sup>

By way of example, he calculated that while inflation in Ireland stood at 5.1% in October 2021, the rate of inflation for the bottom 20% of households (1<sup>st</sup> quintile) was higher at 5.4%, while for the top 20% of households (5<sup>th</sup> quintile) it was lower at 4.6%.



Source: Makhoulf (2021)

Makhoulf also made the point that there are regional and age variations here as well. However, his calculations on spending patterns were based on the CSO Household Budget Survey from seven years ago and on energy prices. This means that while we can say with certainty that inflation affects lower income groups more than others, we are still lacking

<sup>14</sup> Gabriel Makhoulf, 'Inflation dynamics in a pandemic: maintaining vigilance and optionality'. 23 Nov 2021. [<https://www.centralbank.ie/news/article/speech-inflation-dynamics-in-a-pandemic-maintaining-vigilance-and-optionality-gabriel-makhoulf-23-november-2021>] accessed 13 Mar 2022.

<sup>15</sup> Makhoulf, 23 Nov 2021.

the type of detailed data and analysis needed to really get a sense of by how much, and in what ways, this occurs.

The CSO has somewhat conceded in recent months that it needs to address its current 'one size fits all' approach to inflation. This was in response to a high profile campaign in the UK by British food activist Jack Monroe who highlighted the problems with inflation measurements and the realities of low-income households. She was able to get the Office for National Statistics to commit to publishing statistics that are reflective of everyday experience. The story became a news item in Ireland and St. Vincent de Paul were asked to comment. It said that in January of this year it 'had calls from people who literally have to make a choice between putting petrol in the car to get to the shop or to get the kids to school.'<sup>16</sup> It added that 'if the CSO could reflect the impact of inflation on those with lower incomes, it may lead to appropriate policy responses to mitigate poverty'.

The CSO in response said that it may address this demand for quintile-based inflation figures but that nothing would happen until the next Household Budget Survey which is due to be carried out over the course of 2022/23. The organisation, it appears, struggles to appreciate that an increase in costs of 5.4% for someone on €400 a week with little room for discretionary spending is a different experience to someone who is on €800 a week and has scope for discretionary spending. In other words, the real-world effect of inflation is not only in the increase in prices, but also in the relationship between that increase and your weekly or monthly income. On this the CSO is surprisingly silent, despite the efforts of the Central Bank of Ireland to inject it into the national conversation.

What this means is that while there is a recognition that inflation as measured in Ireland is flawed and does not accurately capture the lived experience of those on lower incomes, the CSO is not in any rush to significantly change that situation in the near future. With this in mind, it raises questions as to the use of the headline inflation figure by ICTU as a marker for wage demands for those on low incomes. And even here the cost of living crisis is not being addressed, let alone actual inflation.

---

<sup>16</sup> Stephen McDermott, 'CSO examining how to show 'disproportionate' impact of soaring inflation on poorer families'. *Thejournal.ie*, 30 Jan 2022 [<https://www.thejournal.ie/cso-inflation-lower-income-households-5666829-Jan2022/>] accessed 13 Mar 2022.



It is at this point that we must leave the CSO and look for other research that attempts to derive what level of income is necessary to meet the costs of living and not fall into poverty while doing it.

## **The Living Wage**

Every year the Vincentian Partnership for Social Justice (VPSJ) produces a living wage document that is by far the most detailed and comprehensive survey of the relationship between the cost of living and household income.<sup>17</sup> It is done in partnership with a number of organisations, including (from a trade union perspective) the Nevin Institute, SIPTU, and Unite the Union.

The living wage is ‘the average gross salary which will enable full-time employed adults (without dependents) across Ireland afford a socially acceptable minimum standard of living’.<sup>18</sup> It is calculated via research conducted by the VPSJ and aims to give financial expression ‘to a standard of living which meets physical, psychological and social needs, at a minimum but acceptable level’. It is based on needs, not wants, and the current (2021/22) rate is €12.90 per hour.

The hourly rate applies to a single person in permanent employment working 39 hours a week. In other words, it is VPSJ’s contention that a single person living alone needs a gross weekly income of €503 a week and a gross yearly income of €26,232 in order to avoid poverty. Once tax and PRSI/USC is paid, this works out as a net weekly income of €440 a week, and a net yearly income of €22,868.<sup>19</sup>

There are regional variations to the income needed for a ‘minimum but acceptable’ standard of living, and the Living Wage Technical Group supplies estimates of these variations.<sup>20</sup>

---

<sup>17</sup> <https://www.livingwage.ie/>

<sup>18</sup> Living Wage Technical Group. *Calculating a Living Wage for the Republic of Ireland*. Sep 2021. [[https://www.livingwage.ie/download/pdf/living\\_wage\\_technical\\_document\\_-\\_2021.pdf](https://www.livingwage.ie/download/pdf/living_wage_technical_document_-_2021.pdf)] accessed 16 Mar 2022.

<sup>19</sup> Based on calculations made with the PWC income tax calculator for 2022. <https://www.pwc.ie/issues/budget-2022/income-tax-calculator.html>

<sup>20</sup> *Living Wage Annual Paper 2021/22*: 2. [[https://www.livingwage.ie/download/pdf/living\\_wage\\_annual\\_paper\\_2021-22.pdf](https://www.livingwage.ie/download/pdf/living_wage_annual_paper_2021-22.pdf)] accessed 16 Mar 2022.

Living Wage 2021/22	Gross Annual	Gross Weekly	Net Weekly
Dublin	€ 32,332	€ 620	€ 520
Cities	€ 24,401	€ 468	€ 411
Towns	€ 25,621	€ 491	€ 428
Rural	€ 22,368	€ 429	€ 384

Although the national living wage works out at an average of €12.90 p/h, there is a significant difference between Dublin and the rest of the country.<sup>21</sup>

Region	Gross Weekly	Living Wage 21/11 (39hr wk)
Dublin	€ 620	€ 15.90
Cities	€ 468	€ 12
Towns	€ 491	€ 12.59
Rural	€ 429	€ 11

There are also significant variations with regard to family household composition.<sup>22</sup> The following figures are the Living Wage Technical Group's estimates for required net weekly family household income in order to avoid poverty – net income meaning income after tax and with social transfers included. The figures also assume that the parent or parents are working full-time.

Household Composition	Dublin	Cities	Towns	Rural
One Parent, One Child	€ 718.09	€ 574.61	€ 578.55	€ 574.61
One Parent, Two Children	€ 957.10	€ 680.34	€ 680.34	€ 680.34
Two Parents, One Child	€ 934.44	€ 764.70	€ 764.70	€ 764.97
Two Parents, Two Children	€ 1,110.50	€ 796.00	€ 844.30	€ 833.01
Two Parents, Three Children	€ 1,445.87	€ 963.89	€ 1,055.14	€ 1,015.96
Two Parents, Four Children	€ 1,436.22	€ 1,221.90	€ 1,221.90	€ 1,250.78

The Living Wage campaign has the advantage of being based on actual cost of living requirements – a huge improvement over the CSO's rather arbitrary 'at risk of poverty' calculation of 60% of the equivalised median income. Despite the fact that the figures from

<sup>21</sup> The following figures are the author's own estimates based on a 39hr week and are not subject to the statistical weights that the Living Wage Technical Group use to calculate the national living wage figure.

<sup>22</sup> Living Wage Technical Group. *Living Wage & Family Living Income Expenditure & Income Tables 2021/22*. Dec 2021. [[https://www.livingwage.ie/download/pdf/living\\_wage\\_family\\_living\\_income\\_tables\\_2021-22.pdf](https://www.livingwage.ie/download/pdf/living_wage_family_living_income_tables_2021-22.pdf)] accessed 16 Mar 2022.

Living Wage Campaign are empirically grounded, it is instead the CSO's calculation that is used to measure the official 'at risk of poverty' rate in the country. The difference between the two results is presented below.

Region	Living Wage Campaign Net Weekly Income	CSO 'At Risk of Poverty' Net Weekly Income Benchmark	Difference Between Living Wage and CSO Calculation
Dublin	€ 520	€ 272	€ 248
Cities	€ 411	€ 272	€ 139
Towns	€ 428	€ 272	€ 156
Rural	€ 384	€ 272	€ 112

From a trade union perspective, the usefulness of the Living Wage figures is that they give a sense of the level of income that is needed to avoid poverty in Ireland today. Does this mean that the living wage should set the minimum wage demands of trade unions? In short, yes – although the reasons are not as straight-forward as they may appear, and can only have a short-term 'catch-up' effect if undertaken in the absence of a wider (and deeper) social and public investment strategy.

By way of example (and to lay the ground for the analysis this section is building towards), in 2014 the Living Wage Technical Team calculated the hourly rate at €11.45. Then, as now, it was based upon a strongly empirical analysis of the costs and challenges facing people and the level of financial payment needed to address them. Since then the rate has risen by €1.45 p/h which works out at €2,948 per year.

In other words, the yearly cost of avoiding poverty in Ireland for a single, fully-employed person has increased by almost €3,000 in seven years. None of this is to cover additional items or services of any kind – it is simply needed to have access to the absolute minimum standard of living needed to function as a person in Ireland today. It represents a 12.7% increase in costs when inflation for those seven years amounts to just over 7%. The excess in costs over inflation are mainly accounted for by huge increases in rents and house prices, as well as childcare, transport, heating, and energy costs.

In the absence of effective government curbs on housing, health, childcare, transport, and heating costs, ordinary people have no other recourse but to demand higher wages. But the vast bulk of these increases are going not into the pockets of those workers but into the hands of landlords and other essential service providers *via* those workers. It is not too

much of an exaggeration to say that people are not working for themselves but for their landlord and/or creche provider. The living wage rate from 2014 to 2021 reflects this as it is based not so much on increasing the income of people, but maintaining the financial safety net that is needed to avoid poverty because Irish society has such a weakened approach to shared services and investment. The prioritisation of private, profit-seeking operators for essential public services and social structure means that the social wage is but a pale shadow of what it needs to be in a stable and self-reproducing society.

This has implications for wage campaigns and demands. There is only so much work a wage can do in helping someone not only avoid poverty but lead a flourishing life. It is by far the most important element, but it is not the only one.

We can see this in the underlying assumptions of the Living Wage Technical Group. The living wage rate is predicated on full-time, year-round, 39 hours a week work. Already we can see that there are problems here when applied to the retail sector. A 39 hour week in retail is not the norm anymore. The average is around the 24-hr a week mark, and in reality a retail worker is probably working anything from three to 24 hours a week. In order to have a wage-only approach to avoiding poverty, a single person working 24 hours a week would need to be paid €21 per hour. This is a flat rate that outside the realm of all but the most profitable of employers, although it is the 'average' hourly rate in the wholesale and retail sector. (For more on this see 'Industrial and Sectoral Knowledge' below).

If we want to ensure that trade union members avoid poverty, we need to ensure not only that they receive the best wage possible, but that they have access to the type of social wage which will lower the cost of living through universal or heavily-subsidised health, childcare, transport, heating, and housing services. That is why these issues are shopfloor issues: wages alone won't save us. The bulk of increases will end up going to private companies who have been given control of essential public services with profound and far-reaching consequences for social stability. We can see this in three key areas: housing, childcare, and homecare/nursing homes – all of which have a highly gendered aspect to them.

It is envisioned that the final report later in the year will delve into these issues; how they affect members; as well as possible trade union strategies to tackle them.

Closing the gap on poverty wages does not mean cutting tax ‘to make up the difference’ – for if taxes are cut how do we fund universal services? The truth is, they’re not funded under such agreements: services are cut or outsourced in direct relation to the slashing of taxes, the cost of living rises, and we’re straight back to square one with weekly wages supposed to do the heavy lifting of social stability. Ireland operates in a system of low wages and low corporation tax. The resultant crisis in social supports is an all-too-predictable consequence of this jaded strategy from the 1950s.

## **A Just Transition**

On 10 March 2022 a group of Irish trade unions and NGOs released a joint declaration on climate action under the banner of the Just Transition Alliance (JTA).<sup>23</sup> ‘We believe that the urgent drive towards a zero-carbon economy and the development of a new industrial model based on renewable energy sources and systems must lead to the creation of a fairer economy and more equal societies’ it said.<sup>24</sup> It went on to argue that the ‘single most effective means of achieving and delivering this change is by working collaboratively to ensure that all climate policy and action is framed and underpinned by the practice and principles of Just Transition’, and that this ‘will involve building a broad coalition across the trade union movement, environmental organisations and wider civil society’.

To date, the concept of a Just Transition in Ireland has centred less on transformation and more on compensation packages for workers and communities in the midlands, in particular those who either worked or were associated with Bord na Móna. The JLA says in its Joint Statement that it expects a Just Transition to consist of ‘building strong social consensus, the centrality of social dialogue, the creation of decent work, social protection and skills development’ – all elements that have been severely lacking to date.

It is clear that there is a lot more work to do on the translation of Just Transition principles into concrete action. The JLA is a step in that direction, and the second part of this report will deal with this issue in greater detail – in particular, the dynamic between climate action and the needs of retail workers and their communities.

---

<sup>23</sup> The JTA is comprised of ICTU, Fórsa, SIPTU, Tasc, Stop Climate Chaos, and Friends of the Earth.

<sup>24</sup> Just Transition Alliance. *Joint Declaration*. 10 Mar 2022. <https://www.ictu.ie/publications/just-transition-alliance-joint-declaration> accessed 22 Mar 2022. All subsequent quotes from this document are from this source.

## Conclusion

This initial survey of the available data on retail in Ireland shows that the average gross wage of all grades and positions across the sector is €491 a week, with an average working week of 29.3 hours. This is just under the average living wage of €503 a week, or €12.90 an hour for a 39-hour week.

Although the average retail wage does not fall under the current CSO definition of 'at risk of poverty', the analysis put forward by Living Wage Technical Group shows that this is indeed the case once actual, real-world, household costs and expenses are factored in.

With only a one percent drop in businesses since 2011 the retail, wholesale, and motor vehicles sector appears to be holding its own, although there is some evidence of a tendency to hire more staff on less hours. The average working week in retail is subject to significant swings over very short periods of time – reflecting a sector that has made itself structurally reliant on highly variable and uncertain hours for staff. If this is borne out by the proposed sectoral survey, it would reveal a sector that is engaging in socially-destructive work practices with far-reaching consequences in terms of financial security and necessity.

Under the current legislative apparatus, trade unions are at a distinct disadvantage in their dealings with employers and this curtailment is at odds with the ideals expressed by various EU charters and treaties on fundamental human rights. There is a need for new legislation covering the right to be heard, the right to access, the right to collective bargaining, and the right to hours within the working month for trade union meetings and activities.

The current cost of living crisis is not just a consequence of inflation. There was a crisis before the recent spike, although it has intensified as a result. These issues cannot be tackled through a wage campaign alone: there is a need to engage with issues around the wider cost of living crisis in housing, health, childcare, transport, energy and heating, and that entails a focus on the social wage as well as the living wage. Both are intertwined.

At the same time there is a need to engage with climate action and to ensure that any Just Transition takes on board the needs of retail workers, their households, and their communities, and does not fall into the trap of becoming a compensation package with a tokenistic education course that is all but useless in terms of qualification for employment.

Finally, there is a need by employers and the state to acknowledge that Covid is here to stay and that preventative and safety measures need to be given proper legislative and investment standing. More work is needed on this issue with regard to its effect on Mandate members and the wider retail sector.