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Irish Congress of Trade Unions

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Brexit: Congress Calls for Urgent Plan to 'Save Jobs & Protect Employment Standards'



While uncertainty surrounds the Brexit process and the final shape of the UK's departure from the EU, it is difficult to be certain how it will impact on jobs and livelihoods in this economy.

Soon after the UK voted to leave, [Congress published a document setting out the key issues](#) for workers and their families which must be prioritised in the negotiations on Britain's exit from the European Union.

The [British government has since published a white paper](#) in which they set out their overall policy objectives for the process. More recently, [the European Commission also issued a white paper](#) that looked at the future of Europe post Brexit.

But the Irish government has not yet set out a detailed set of policy principles. It has highlighted some broad policy objectives for any Brexit negotiations, including:

- Maintaining the Common Travel Area;
- Preventing a hard border;
- Protecting the provisions of the Good Friday Agreement, in practice and in spirit.

But as of yet we have seen no concrete plan that will lead to the achievement of these objectives.

Of particular concern is the failure of the Irish government to develop any strategy to **protect jobs and employment standards** in the event of the 'Hard Brexit'.

What would a 'Hard Brexit' mean for the Republic of Ireland?

Ireland is one of the most globalised economies in the world. The three biggest threats to our trade arising from Brexit are:

- Imposition of trade barriers
- Currency fluctuations
- Slowdown in the UK economy

In the worst case scenario we could see the establishment of border controls between the UK and Ireland. Although both governments have emphasised their wish to see a 'seamless' and 'frictionless' border, Congress believes this would be extremely difficult – if not impossible – to achieve in practice.

In the aftermath of Brexit, goods produced in the UK would not be subjected to the same regulatory and standards regime that applied across the EU, making some form of customs regime between the territories virtually inevitable.

Therefore there is a strong possibility that future trade relationship between the EU (including the Republic of Ireland) and the UK will include a hard border with customs barriers. There is also a strong possibility that goods crossing the border in both directions could be subjected to tariffs arising from the UK being outside of the EU Single Market.

It is vital that we now begin to plan for the worst case scenario. A key consideration in any plan must be to identify the most vulnerable sectors of the economy and to design measures that will protect jobs and employment standards in those sectors.

What Jobs and Sectors are at Risk?

The UK is Ireland's largest single country export destination. Over €39 billion was traded between the UK and Ireland, in 2015: €15.5 billion in goods and €23.5 billion in services.

Drawing on data available from the Central Statistics Office, Congress has calculated that the Total Net Selling Value of production (TNSV) in manufacturing was in excess of €115 billion in 2015 (see Table 1).

This sector is dominated by Food & Beverage (47%) and Pharma/ Chem (25%). Many exposed manufacturing industries rely on the UK for over 20% of their raw material. It should also be noted that current WTO rules impose a tariff of up to 50% on food trade.

This supports **over 226,000 direct jobs** in the Republic.

In the services sector the Gross Value Added (GVA) is set out in Table 2.

This supports up to **500,000 direct jobs**.

It is clear therefore that the imposition of a hard border and the introduction of tariffs could seriously impact on the level of trade between the UK and Ireland, on the significant number of jobs that rely on this trade and also on employment rights.

What does Congress Believe should be Done?

In light of the very serious threat to the many thousands of jobs in the manufacturing and services sectors, Congress will now seek an urgent engagement with the government, opposition parties and business groups such as IBEC, with a view to ensuring that the Brexit negotiations deliver an outcome that protects and maintains workers' livelihoods and supports high standards of employment.

Brexit presents us with an unparalleled challenge that will require a clear, co-ordinated and strategic response. Current EU rules and short term thinking should not be used as an excuse when addressing the potentially devastating economic impact of Brexit, a process that itself raises doubts about the very future of the European project.

Table 1: Manufacturing - Total Net Selling Value (TNSV) by Sector for 2015 <i>(Source CSO)</i>		
Sector	TNSV €'000 2015	Employees
Mining and Quarrying	€534,456	4,300
Food Products	€20,477,992	48,000
Beverages	€2,369,142	5,000
Textiles and Related Products	€309,130	6,900
Paper and Paper Products	€1,279,603	6,800
Chemicals	€16,884,486	6,800
Pharmaceutical	€42,615,325	4,600
Rubber and Plastic Products	€1,276,470	36,000
Metals, Machinery and Electrical	€5,594,209	6,000
Computer and Electronic	€13,247,614	49,000
Wood Products and Furniture	€2,474,442	26,000
Transport Equipment	€656,778	6,200
Other	€7,938,300	13,000

Table 2: Services - Gross Value Added (GVA) & Employees 2015 <i>(Source CSO)</i>		
Sector	GVA €'000 2015	Employees
Electricity and Gas	€3,230	11,500
Construction	€5,434	131,000
Water and Waste Management	€871	6,400
Wholesale and Retail	€18,748	79,000
Transportation and Storage	€6,163	17,100
Accommodation and Food	€4,112	51,000
Publishing and Broadcasting	€11,093	11,200
Telecommunications	€1,506	15,600
Information Technology	€6,120	51,000
Financial Services	€15,560	81,000
Real Estate Activities	€14,392	11,300
Legal and Technical	€6,655	26,000