

## ADDRESS TO BDC 2015 BY PATRICIA KING, GENERAL SECRETARY, JULY 8 2015

The theme of this Conference is '***Challenging Inequality through Wage Led Growth***' which given the particular circumstances of the economies on this island over the past 5/6 years, seems very appropriate.

Delegates Income Inequality is a complex topic and the solutions cannot be reduced to a single answer. We know that growing income disparities are part of a global trend. We know that for decades this Island of Ireland has been subjected to a system of Neo Liberal economics, dominant in the English speaking world, the most prominent exponents of which were people like Regan and Thatcher.

We know that the main policies of this dogma were to promote free trade, cut public spending, eliminate regulation, encourage wealth creators and reduce the role of Trade Unions and Collective Bargaining all of which have over those years caused considerable hardship and damage to the lives of workers and their families. You only have to consider the circumstances in Greece today to appreciate how far they will go to pursue this dogma without much regard to the deprivation to be visited on the ordinary people of that country. Delegates inequality isn't the price to be paid for rising prosperity, Inequality **makes** rising prosperity possible. It is the engine driving this economic philosophy.

What does a properly functioning economy mean? Well it means that citizens who need a home can access one affordably, that everyone who needs healthcare can receive it through a universal system rather than a dual system which is solely based on how much wealth you own. It's the availability of quality childcare , at reasonable rates, rather than the exorbitant sums currently required and it is an economy where people are not afraid to grow old but are assured of adequate income and care in their elder years.

Creating decent jobs with decent incomes is essential to reducing this economic inequality. We need major changes in economic and social policy North and South to arrest the rise in income inequality.

Let me just outline a few facts in relation to pay on this island.

Alongside the 'troubles premium' Northern Ireland has the highest percentage of those earning Low Pay in the entire U.K. The Low Pay Commission in the U.K. note that just under 10% of workers earn the NMW and Oxfam estimate that 232,000 people in the region are living in absolute poverty.

In the Republic TASC have highlighted that 50% of all workers earn less than €28,000 and two thirds earn €35,000 or less. Nevin tells us that the adjusted wage share of GDP in Ireland has declined from 54% in 1996 to 50% in 2014. The decline being more pronounced here than in other EU countries. When we look at indicators in relation to increased profits most recent revenue figures show a 35 and a half % increase year on year in Corporation Tax receipts notwithstanding the profit shifting policies exercised by some companies.. The NMW rate of €8.65 per hour which applies to 70,000 workers leaves them unable to meet the minimum essential standard of living which the Vincentians and Nevin among others determine should be at €11.45 per hour for a Living Wage. Over a quarter of workers earn less than the Living Wage well above the EU average of 16.5%. and leaving us with 345,000 workers who could be described as the working poor.

There are strong economic advantages to the implementation of a Living Wage which would create the 'Virtuous Circle ' effect.

- increasing domestic demand leading to higher tax revenue.

- Growth in economic performance which in turn would create employment and raise living standards

The employer response , while somewhat predictable is none the less pretty deplorable. As set out in their submissions to the Low Pay Commission they can be summarised as follows.

- no justification for a NMW increase at this time,: this despite the fact that several Global Companies, who are recording large profits, operate in the hospitality sector and refuse to pay over the NMW.

They argue that the **Labour Market remains weak and any increase would prompt pay pressure across the economy** and that the NMW is high by international standards. **They believe that there is no Cost of Living imperative to raise the rate and from their point of view the currency rate difference is no longer an issue** and they are completely dismissive of the Living Wage Rate.

This position strongly contrasts with the fact that according to World Top Database , the top 1% of people in Ireland take more than 10% of all income ,while this is lower than the UK and the US, it is higher than most of our European neighbours. I think it is also worth noting that The top 10% in Ireland receive 34% of all taxable income today compared to 27% in the 1970s.

On the matter of hours of work UK legislation currently provides for Zero Hour contracts and in the South we have witnessed the widespread abuse of flexible hour contracts where employers manipulate flexibilities and rosters which mean workers are left with no certainty of income or reliable hours pattern. We need no better evidence than the Dunne's Stores dispute to demonstrate how low employers will stoop to drive their own profiteering agenda on the backs of workers. We salute those Dunne's workers who were braver than we can imagine, some even losing their livelihood as punishment , for putting up a fight for **fair treatment** in the their workplace.

On the question of Public procurement , several motions included in this section of the Conference Agenda refer to the precarious and unstable forms of work currently applying in the Construction Sector. This movement has consistently campaigned to have effective Public Procurement Rules which would ensure that public contracts were not used as a vehicle for a race to the bottom. Considerable work has been done on this over successive Public Service Agreements culminating in the very strong provisions set out in the Lansdowne House proposals. **However the use of bogus self employment methods which seem to be supported by the Revenue Commissioners need to be abolished immediately.**

In Northern Ireland one of the biggest challenges facing Public Sector workers is the current proposition to downsize the service by 20,000 people and there is no indication that this will exclude compulsory redundancies. Have no doubt this proposition will , have profound public procurement consequences and major implications for workers.

Delegates we have spent a lot of time in this movement analysing the difficulties and challenges that face workers. While such analysis plays a useful role we can't keep contemplating our position. We have to look beyond that picture and recognise that we in the Trade Union movement are the only group with the capacity to change the current order. That is why a short few month ago we decided to develop a **Congress 'Charter for Fair Conditions at Work'** across our island which outlines the topics I have outlined so far and includes the Trade Union Representation and Ethics at Work. From the outset, we have , over recent weeks, targeted each individual elected parliamentary member requesting them to sign up to and support our campaign. Our team has held no less than 125 face to face meetings with these politicians North and South and the results so far look like this:

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What you will immediately observe here is that actually there is no fundamental difference within the Left on the Congress principles for Workers Rights and how do we know that , well because we went out and asked them and they told us by signing up to our Charter. Delegates Congress has begun a national conversation on the fundamental rights of workers. It is our intention, following our parliamentary engagements, to arrange a similar process with Local Authorities and our campaign will also extend to NGO's , Faith Groups and Big business and their representatives. The purpose of this work is that the Trade Union Movement in Ireland is engaging all strands of our society in a debate on the necessity for decent work and fair employment conditions to deliver the consequent dilution of the forces of inequality.

Our capacity to influence change in the current order will in my opinion be greatly enhanced by the pending legislation currently progressing through the Oireachtas and its worth noting that we are the only country in Europe and beyond who are embarking on this at this particular time. The foresight and origin for this goes back at least to 2001 when Jack O'Connor , with all the tenacity and energy that only he can muster, manoeuvred this through various stages including its amendment in 2004 ACT and following its subsequent decimation by the Supreme Court in 2007 in the Ryan Air case, to its forcible inclusion in the Programme for Government in 2009. I know because I shared this path with him. Following the McGowan judgement the restoration of the REA' and introduction of Sector Employment Orders , positions us to achieve decent rates of pay ,where we are substantially representative of a 'class type or group of workers in a particular sector , something that has evaded us for many years.

Now that we are on the cusp of this achievement it behoves every Trade union representative to embrace the value of these mechanisms , stop the naval gazing, and inter union squabbling , deliver the value of trade union organisation to all workers suffering from the curse that is inequality.

Our job colleagues is to ensure that our legacy is not that we wasted these tools but that we organised the unorganised. That is why we have to reshape our structure faithful to the recommendations of the Trade Union Commission Report including the establishment of a Workers College, A trade Union Centre in every town and the development of an effective centralised media platform. Our movement is built on the principle of solidarity. We are not one of fragmented and insular interests. Teachers do care if restaurant worker are badly treated, Local Authority workers and Civil Servants do care if retail workers are being exploited. Everyday, health workers and emergency personnel go to work and care about people . The greatest friend inequality and those who perpetrate it have is weak trade union organisation They have tried hard to mediate a narrative of our weakness but we know that we continue to be a powerful force across this island. Knowing that fact we should also recognise that we have the key to unlock the **Equality lever** and the real people who run this country North and South , **the rich and powerful**, also know that. That is why they work day and night by various means to obstruct our progress. What better example of this could you have than the recent behaviour of the 'Corporate Thugs ' who call themselves Directors, in the **Clerys** episode, of who connived in secret, to perform company law gymnastics for the sole purpose of shedding their obligations to their workers who had given decades of loyal service. The American brothers ran back to the US with their pockets full of €19m and the new owners , fellow Irish citizens no less, await the largesse from a property development in the Dublin City Centre which no doubt they expect will return in bucket loads to them. *(We welcome the recent successful Labour Party motion supported by others on the left)* Meanwhile they abandoned their workers , left them to salvage statutory redundancy payments through the Insolvency Fund and suffer great indignity and disrespect through this appalling behaviour. Minister Nash worked hard to engage this employer. **But Congress requested** ...a meeting with Minister Bruton and he ???We have demanded that he makes the necessary amendments to the Employment Protection Act 1977 and also provide that the Directors of

Companies who do not comply should be disqualified from acting as Directors for a considerable time.

Delegates

We have an important job to do and although we haven't achieved all that we need in terms of Trade Union Representation, we have an **increased legislative capacity** to do it.

- Let us go out to the building sites and organise together, let us build a strategy in sector such as hospitality and finance to maximise the value of the collective worker voice.
- Let all strands of this movement regardless of profession, see it as a key role to convince unorganised workers, **particularly young people**, that the route to their economic progress lies in organised labour.
- Let us commit to assist in the innovative Cork and soon to be launched Belfast Organising Projects which will create a positive momentum in our strategy to organise.

Delegates, despite the obstacles and challenges which this Movement faces we have a vision of a just and fair society, which we inherited from our founders who fought so hard and made such sacrifices.

Yesterday we remembered the greatest socialist the Island has ever had .... James Connolly. He paid the ultimate sacrifice with his life, compared to his ours is simple, Lets go out and organise.

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