

## Living Wage 2014 Ireland

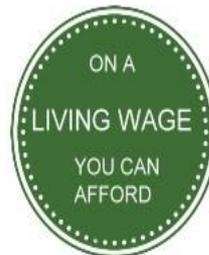
### Why The Minimum Wage is Not a Living Wage

Do you know that 1 in 8 of households living in poverty in Ireland is headed by an adult working full time? A 39 hour working week with a National Minimum Wage rate of pay does not ensure a minimum acceptable standard of living. There is a growing realisation in Ireland, the UK, USA and elsewhere that individuals working full time should have a decent standard of living.



Many people in Ireland are not aware of the difference between the National Minimum Wage and a Living Wage. They assume that both are synonymous. Households dependent on the National Minimum Wage know they are not synonymous, as do organisations working to eradicate poverty and inequality.

As a member of the newly formed Living Wage Technical Group the Vincentian Partnership for Social Justice is very pleased that its facts and figures on what constitutes an acceptable standard of living have contributed to the development of a Living Wage. This edition of Just.Now focuses on the Living Wage.



The Vincentian Partnership for Social Justice consists of

The Society of St. Vincent de Paul, The Vincentian Congregation, The Daughters of Charity and The Sisters of the Holy Faith.

*Working for social and economic change, tackling poverty and social exclusion*

## The Current National Minimum Wage (NMW)

- Was introduced in 2000 at a £4.40 (Euro 5.58) hourly rate
- Today the hourly rate is €8.65
- The Minimum Wage Commission decided in 2000 that the rate for a NMW should be set around two thirds of median earnings (the median wage is the midpoint wage where 50% earn above and 50% below)
- Since 2000 the NMW rate has fallen considerably below this threshold
- Originally the rate was set by balancing the need to establish a rate which would prevent in-work poverty and which would not have a negative impact on the economy or employment
- The current NMW is not a living wage for the majority of earners



## The Living Wage 2014

- Launched on 3<sup>rd</sup> of July 2014 for the Republic of Ireland by the Living wage Technical Group – two trade unions – UNITE and SIPTU, two think tanks – TASC and NERI and two Social Justice Groups – Social Justice Ireland and the VPSJ.
- Will be updated on an annual basis to reflect changes in the cost of a Minimum Essential Standard of Living (MESL)

### *Minimum Wage*

- €8.65 per hour
- A rate which is set by policy makers
- Is arbitrarily determined, and does not reflect the cost of a standard of living
- Does not change as living costs change

### *Living Wage*

- €11.45 per hour
- A rate which is based on evidence and research
- Benchmarked against the cost of minimum standard of living
- Updated each year to reflect changes in the cost of a Minimum Essential Standard of Living

## How is the Living Wage Calculated?

The Living Wage for Ireland is calculated on the basis of the Minimum Essential Standard of Living research in Ireland, conducted by the Vincentian Partnership for Social Justice (VPSJ). This research establishes a consensus on what members of the public believe is a minimum standard that no individual or household should live below. Working with focus groups, the minimum goods and services that everyone needs for a Minimum Essential Standard of Living (MESL) are identified. With a focus on needs not wants, the concern is with more than survival as a MESL is a standard of living which meets physical, psychological and social needs, at a minimum but acceptable level. Where necessary the core MESL data has been complemented by other expenditure costs for housing, insurance and transport. The Living Wage Technical Group has decided to focus the calculation of a Living Wage for the Republic of Ireland on a single-adult household.

## Family Living Incomes

While the calculation of the Living Wage is based on a single-adult household, the Living Wage Technical Group recognises that households with children experience additional costs which are relevant to any consideration of such household's standards of living.

To put the Living Wage rate in context, and demonstrate the additional income and social support needs of households with children, a range of Family Living Income needs have also been calculated, following a complementary method to that used for the Living Wage. Details of these Family Living Incomes will be published each year to accompany the annual Living Wage update.

## Benefits of a Living Wage

Enabling workers to have a decent standard of living means people can buy more goods which in turn increase demand, which in turn expands employment and business, which in turn improves the economy and which in turn increases tax revenue!

## Challenges

- Show how a Living Wage will benefit everybody
- Lobby that the minimum wage is increased over the long term until it corresponds to a Living Wage
- Promote the Living Wage at political level
- Persist in the promotion of the Living Wage Movement – locally, institutions e.g. Universities, professional organisations, faith based groups and civil society groups.

## What Can We Do?

- Be in solidarity with low paid workers
- Promote the Living Wage in our conversations
- Join a group which promotes the Living Wage
- Learn from UK Citizens Organising ([www.citizensuk.org](http://www.citizensuk.org)) - Faith based communities working for a Living Wage
- Obtain more information from Living Wage website – [www.livingwage.ie](http://www.livingwage.ie) or from the VPSJ
- If applicable implement a progressive realisation of a Living Wage for all in our employment
- Keep in mind the Gospel teaching – “The Labourer is worthy of his (her) hire” *Luke 10:7*



## **Reflection and Prayer** **in Preparation for the 17<sup>th</sup> October Commemoration**

On the 17<sup>th</sup> of October 2014 at 11.30am people will gather at the 17<sup>th</sup> of October Human Rights and Poverty Stone to listen to men and women as they tell their stories of poverty, injustice or discrimination in their daily lives. People will stand together in solidarity with the millions of men, women and children who throughout the world yearn for food, accommodation and friendship. They also yearn for their human dignity to be recognised and their human rights to be respectful.

Since 2008 the Irish 'Human Rights and Poverty Stone' is situated near the Famine Memorial on Customs House Quay. Similar stones can be found in over 50 significant places around the world and they all bear the pledge of Fr. Joseph Wresinski (1977-1988), initiator of the UN Day for the Eradication of Poverty.

*"Wherever men and women are condemned to live in extreme poverty, human rights are violated. To come together to ensure that these rights be respected is our solemn duty."* *Fr. Joseph Wresinski*

*"Poverty is the worst form of violence" – Gandhi*

*"Poverty is not natural, it is man-made, and it can be overcome and eradicated" – Nelson Mandela*

*"In a country well governed, poverty is something to be ashamed of. In a country badly governed, wealth is something to be ashamed of" – Confucius*

*"If you are neutral in situations of injustice, you have chosen the side of the oppressor" – Desmond Tutu*

*"Poverty devastates families, communities and nations. It causes instability and political unrest and fuels conflict" - Kofi Annan*

*I came that they may have life to the full – John 10:10*

*Whatever you do to the least of my Brothers and Sisters you do to me. Matthew 25:42*

### **Universal Prayer**

*composed by Father Joseph Wresinski, October 17, 1987, Notre Dame Cathedral, Paris*

For these millions of children twisted by the pain of hunger, no longer able to smile, yet still yearning to love. For these millions of young people, who have no reason to believe or even to exist, and who vainly search for a future in this senseless world.

*Our Father we pray to you, Send hands to reap your harvest.*

For these millions of men, women and children, whose hearts are still pounding strong to the beat of struggle, whose minds rise in revolt against the unjust fate imposed upon them, whose courage demands the right to priceless dignity.

*Our Father we pray to you, Send hands to reap your harvest.*

For these millions of children, women and men who do not want to condemn, but to love, to pray, to work and to unite, so that a world of solidarity may be born. A world, our world, in which all people would have given the best of themselves before dying.

*Our Father we pray to you, Send hands to reap your harvest.*

May all those who pray find a hearing in God's presence and receive from Him the power to remove misery from humanity, the humanity created in His image.

*Our Father we pray to you, Send hands to reap your harvest.*

*Pope John Paul II chose this prayer to open the 1997 Paris World Youth Days.*