Labour Law Reforms in Ireland

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Aim of presentation

• Outline of labour regulation pre-recession
• Minimum wage
• Sectoral wages
• Pension age
• Public sector pay
Outline

• Labour market was already largely deregulated

• ‘Voluntarist’ industrial relations

• IMF gave a ‘green light’ to the labour market
  
  o Though they still suggested changes to unemployment benefit and the minimum wage (Allard et al. 2010)
Outline

• Generally any push came from the then Government (not Troika)

• Labour market largely not seen as the cause of the problem

• Troika arrive end of 2010
Minimum wage

• 1\textsuperscript{st} Feb 2011 minimum wage cut by €1 to €7.65
  o (note that employer contributions are low in Ireland)

• 1\textsuperscript{st} July 2011 this was reversed (Labour Party the junior party in new government)
Minimum wage

- Illegal to simply cut someone's wage (those on old contracts should have kept the old pay rate)
- ‘Davenport Hotel Case’ employers tried to cut the pay of mainly migrant staff
- Staff (aided by SIPTU) won Labour Court case
Sectoral wages

• Joint Labour Committees
• Cover workers in sectors with low union density
• Includes premium payments
• 7th July 2011 deemed unconstitutional
  o Not directly link to Troika, but the issue of sectoral wages had been raise by Troika
Sectoral wages

- Employers can’t unilaterally alter existing contracts
- New legislation on 1st August 2012
  - Effects yet to be seen
- Anecdotal evidence that new staff were brought in to work premium hours
Average weekly earnings

Wholesale and retail trade; repair of motor vehicles and motorcycles (G)

Accommodation and food service activities (I)
Pension age

- Age for state pension is now 66 (was 65)
- 2021 - 67
- 2028 – 68
- Ireland has a young population, so far less protest than in France
- But, for many workers retirement age in contract is 65
Finally, pay cuts in public sector

- Not quite a reform
- But, it was enacted by legislation