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Caroline Murphy and Lorraine Ryan

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CAROLINE MURPHY
LORRAINE RYAN

KEMMY BUSINESS SCHOOL, UNIVERSITY OF LIMERICK, IRELAND

EMPLOYMENT RELATED CHANGES IN IRELAND IN RESPONSE TO COVID-19

As is the case globally, the onset of Covid-19 required rapid and significant changes to be introduced in Ireland, many of which had employment related impacts. The situation in Ireland, was further complicated due to the fact that a general election had been held in early February 2020, with no political party achieving a significant majority required for the formation of a new government.

By the time the Covid-19 pandemic reached considerable containment measures in early March, the country was still without a newly formed government, leaving the previous administration to take charge of decision-making surrounding Ireland's response to the virus. A National Public Health Emergency Team was formed, and on March 12th emergency measures to be put in place were announced, including requests that all those who could work from home were to do so¹.

The emergency measures were initially to be place for a period of just two weeks, however, within days restrictions were tightened further and extended. The impacts on the economy and employment were profound and required substantial financial supports to be put in place for employers and employees.

These emerged as part of the Emergency Measures in the Public Interest (Covid-19) Bill 2020 and consist of unemployment compensation in the event of a pandemic **(I)**, the maintenance of the link between companies and workers **(II)**, specific developments in childcare **(III)**, and the development of teleworking **(IV)**.

I - PROTECTING WORKERS' INCOMES - PANDEMIC UNEMPLOYMENT PAYMENT

Of fundamental importance at the beginning of the Covid-19 crisis was the need for an effective mechanism to maintain workers' incomes. Resultantly, the government introduced a Pandemic Unemployment Payment (PUP) whereby

1 Irish Government News Service (2020): [https://merrionstreet.ie/en/NewsRoom/News/Statement by An Taoiseach Leo Varadkar On measures to tackle Covid-19 Washington 12 March 2020.html](https://merrionstreet.ie/en/NewsRoom/News/Statement%20by%20An%20Taoiseach%20Leo%20Varadkar%20On%20measures%20to%20tackle%20Covid-19%20Washington%2012%20March%202020.html)

workers who lost their jobs due to the crisis could access an enhanced emergency Covid-19 pandemic unemployment payment of €350 per week².

This was substantially more than the €203 regular payment awarded to job seekers. The Covid-19 illness payment, available to workers who contract the virus or those required to self-isolate was also increased to €350 a week. The PUP was also extended to self-employed workers, who may not be able to operate their businesses during the emergency period³.

The social partners were largely positive regarding the introduction of the PUP which was viewed as largely in line with international trends in response to Covid-19. However, the PUP scheme was soon met with criticism from employers who argued that the generous payment level of €350 per week would act as a disincentive for workers in areas like retail to return to work since the payment rate is close to the after-tax minimum wage rate which is common in some sectors⁴.

This was found to be particularly important in relation to part-time workers in potentially affecting their decision to return to work as restrictions were lifted and a phased re-opening of the country began. In response to criticisms, the government amended the PUP scheme and announced that as of late June the scheme would become two-tiered in operation.

This meant that any individuals who were earning less than €200 per week before the outbreak of Covid-19 would see a reduced payment of €203 per week rather than the full amount. Patricia King, president of the Irish Congress of Trade Unions (ICTU), was critical of the change in scheme describing the lower rate as "deficient" in supporting workers⁵.

II - MAINTAINING EMPLOYER AND EMPLOYEE LINKS

There was consensus among social partners that actions were needed to maintain links between employers and employees while the economy went into hiatus. The outcome was the introduction of a Covid-19 Temporary Wage Subsidy Scheme (TWSS) (Covid Measures, Industrial Relations News).

The scheme operated through the Revenue system provided for a subsidy of 70 percent of an employee's net pay, up to a maximum of €410 per week. The government later extended the terms of the TWSS by raising the subsidy level from 70 percent to 85 percent of net earnings in order to bring more workers into the scheme where average net weekly pay did not exceed €412. To qualify for the

2 Gov.ie (2020) COVID-19 Pandemic Unemployment Payment: <https://www.gov.ie/en/service/be74d3-Covid-19-pandemic-unemployment-payment/>

3 Law Society of Ireland (2020) Pandemic supports still evolving: <https://www.lawsociety.ie/gazette/in-depth/Covid-state-supports/>

4 Industrial Relations News: https://www-irn-ie.proxy.lib.ul.ie/article/25651_COVID_MEASURES_IRN_12_26/03/2020

5 Irish Examiner (2020): <https://www.irishexaminer.com/breakingnews/business/ictu-head-patricia-king-warns-paschal-donohoe-against-cutting-350-pandemic-payment-1001604.html>

scheme an employer must demonstrate they had lost at least 25 percent of their business, in the period of March 14 to June 30.

As one of the principles underlying such a scheme was the need to maintain employment links and avoid mass redundancies, those employers who had already laid off staff prior to the introduction of the scheme in late March were encouraged to bring those staff back on the payroll and avail of the subsidy⁶.

A second aim of the scheme was to ensure than post pandemic it would be easier to reopen businesses and also protect employees from losing accrued service and entitlements. While employers were not required to top up the subsidy payment, the government's aim was that many would do so in order to maintain incomes as close to 100 percent as possible⁷.

A final amendment to the scheme was introduced in June 2020 to address an issue raised by the National Women's Council of Ireland. An anomaly in the operation of the PUP negatively affected those individuals who has been availing of maternity/adoptive leave during the reference period January/February 2020⁸.

In line with the overall objectives of the TWSS, an abeyance on an employee's right to claim redundancy after a lay-off period, was also introduced to cover the period March - May 31st 2020⁹.

In effect this meant that standard redundancy provisions which employees can typically claim after being without work for four consecutive weeks, would not apply where the layoff was due to the effects of measures required to be taken by the employer in order to comply with government policy regarding COVID-19¹⁰.

The leaders of both the Irish Congress of Trade Unions (ICTU) and the Irish Business Employers Confederation (IBEC) welcomed the introduction of the TWSS. However, some members of the Law Society were critical of the wage subsidy scheme (questioning its fundamental operability, and arguing that for employers it had features akin to a declaration of insolvency) (Industrial Relations News, 23/04).

The Law Society representatives claimed that the manner in which the legislation was drafted meant that it was « unlikely to be availed of by most employers” and would likely “stymie the stated aim of the legislation »¹¹.

6 Industrial Relations News: https://www-irn-ie.proxy.lib.ul.ie/article/25651_COVID_MEASURES_IRN_12_-_26/03/2020

7 Lewis Silkin (2020) Ireland: The new Temporary COVID-19 Wage Subsidy Scheme (<https://www.lewissilkin.com/en/insights/the-new-temporary-Covid-19-wage-subsidy-scheme>).

8 RTE.ie Twss open to women returning from maternity leave: <https://www.rte.ie/news/business/2020/0529/1143446-twss-open-to-women-returning-from-maternity-leave/>

9 Industrial Relations News: <https://www-irn-ie.proxy.lib.ul.ie/article/25659>

10 Lewis Silkin (2020) Ireland: The new Temporary COVID-19 Wage Subsidy Scheme (<https://www.lewissilkin.com/en/insights/the-new-temporary-Covid-19-wage-subsidy-scheme>).

11 Law Society of Ireland (2020) Pandemic supports still evolving: <https://www.lawsociety.ie/gazette/in-depth/Covid-state-supports/>

However, the views would appear somewhat unfounded given that within a short period, 36,000 employers had taken up the scheme, and by late June almost one third of employers were availing of the scheme¹².

III - SECTOR SPECIFIC CHANGES - CHILDCARE

All schools, colleges and childcare facilities closed on March 12th 2020 as part of the first set of restrictions introduced to reduce the spread of the coronavirus.

Childcare facilities presented a particular problem for the government given structural issues in the sector whereby there were concerns that a large number of smaller, and/or privately operated childcare facilities would be unable to sustain their organisations throughout the closure period, thus triggering a dramatic shortage in childcare when the economy re-opened. In response to concerns of childcare providers, the government introduced a special initiative, named the Wage Subsidy Childcare Scheme.

The aims of the scheme was threefold: firstly, to support the sustainability of the sector so that it is in a position to reopen after COVID-19; secondly, to provide parents with a reassurance that they are not required to pay fees during the COVID-19 crisis in order to maintain their childcare places for the future; thirdly, to provide those working in the sector with security and retain them in employment¹³.

It quickly too became apparent that the closure of childcare facilities had a knock-on effect on the ability to retain workers in essential services where they had no alternative form of childcare available to them. Shortly after the crisis began, suggestions were mooted regarding temporarily available childcare staff being used to provide care for the children of frontline workers¹⁴.

However, this idea was met with criticisms surrounding public health concerns given the higher risk of infection for healthcare workers. It was later proposed that partners of healthcare workers who were also employed in the public sector would receive paid leave to provide care for their children¹⁵.

Those proposals were criticised by nurses' representatives from the Irish Nurses and Midwives Organisation (INMO) who claimed they were « worse than irrelevant » and would « do nothing for the vast majority of nurses and midwives ». A scheme was announced in May by the Minister for Children, Katherine Zappone to provide a childminding service for healthcare workers, at a total cost of €4.7 million per week, which would be partially-funded by the families themselves.

12 Industrial Relations News: <https://www-irn-ie.proxy.lib.ul.ie/article/25674> Take-up of Wage Subsidy Scheme suggests common sense is prevailing 02/04/2020

13 Early Childhood Ireland (2020) Covid-19 News and Information: <https://www.earlychildhoodireland.ie/policy-campaigning-and-advocacy-team-update-dail-questions/>

14 RTE : <https://www.rte.ie/news/coronavirus/2020/0506/1136870-childcare-healthcare-workers/>

15 Irish Times Irish Times <https://www.irishtimes.com/news/health/coronavirus-paid-leave-for-some-partners-of-healthcare-workers-to-assist-with-childcare-1.4235059>

The basis of the scheme was entirely voluntary, so those with such concerns can opt out but childcare workers volunteering to provide childminding in the homes of healthcare workers would be paid an average of €15 per hour and still remain employees of the childcare provider who employed them before the outbreak¹⁶. However, that scheme was abandoned due to poor uptake by providers and a lack of insurance cover for those participating in the scheme. As part of the roadmap for reopening the country, childcare facilities could reopen on June 29th.

IV - SPOTLIGHT ON WORKING FROM HOME

The Covid-19 crisis prompted many organisations and workers to engage (or increase their level of engagement) in working from home with many occupations expected to remain fully working from home until at least the end of 2020.

While workers have welcomed many of the benefits of homeworking such as reduced commuting times, more flexible work days and increased autonomy as the initial emergency response has become a more permanent way of working there have also been numerous work issues highlighted.

At the outset the most highlighted issues related to those balancing work and care / schooling responsibilities given the closure of schools and childcare facilities. Employers responded where possible with reduced hours, split working days and flexible start and finishing times.

The move to homeworking and indeed the impact of Covid-19 generally has once again highlighted gender inequality work issues relating to women bearing a disproportionate burden of household and care work. Other work issues highlighted include those in relation to working time, health and safety, particularly ergonomic, stress and mental health issues.

Research shows that remote working is favoured by many however a core challenge concerns the « right to disconnect ». The Economic and Social Research Institute (ESRI) has suggested there could be greater capacity for homeworking in lower paid jobs to address to help combat the unequal consequences of job loss due to Covid 19¹⁷. These issues are likely to require further discussion and regulation in the post-pandemic workplace.

Conclusion

While many parts of the economy, for example non-essential retail, hospitality and construction sectors have been severely negatively affected other areas have been more insulated. For example, pharmaceuticals and healthcare related manufacturing are likely to see a significant increase in demand, a sector that employs a large number of people in the Irish economy.

Some areas of retail also saw increased demand and some large supermarket chains such as Tesco, Aldi and Dunnes rewarded their front-line workers with 10

16 Industrial relations News: <https://www.irn.ie/article/25768>

17 Industrial Relations News : <https://www-irn-ie.proxy.lib.ul.ie/article/25801>

percent bonuses reflecting the importance of this workforce during the Covid-19 period.

The impact of COVID-19 is likely to have significant long-term effects on the employment relations landscape, in particular in relation to future pay. The ESRI forecast significant economic contraction stemming from an unprecedented increase in public expenditure to combat the virus, coupled with the loss in revenue from the fall in economic activity¹⁸.

The authors of a survey on pay and remuneration in Ireland conducted annually argue that the pay bargaining landscape is likely to be significantly changed going forward, with pay negotiations being seen as off limits for the time being, making 2020 a « lost year » in the terms of pay increases¹⁹.

18 Economic and Social Research Institute : <https://www.esri.ie/news/irish-economy-faces-largest-recession-in-history-as-lockdown-takes-its-toll>

19 Chartered Institute of Personnel Development Pay Survey in conjunction with Industrial Relations News.