

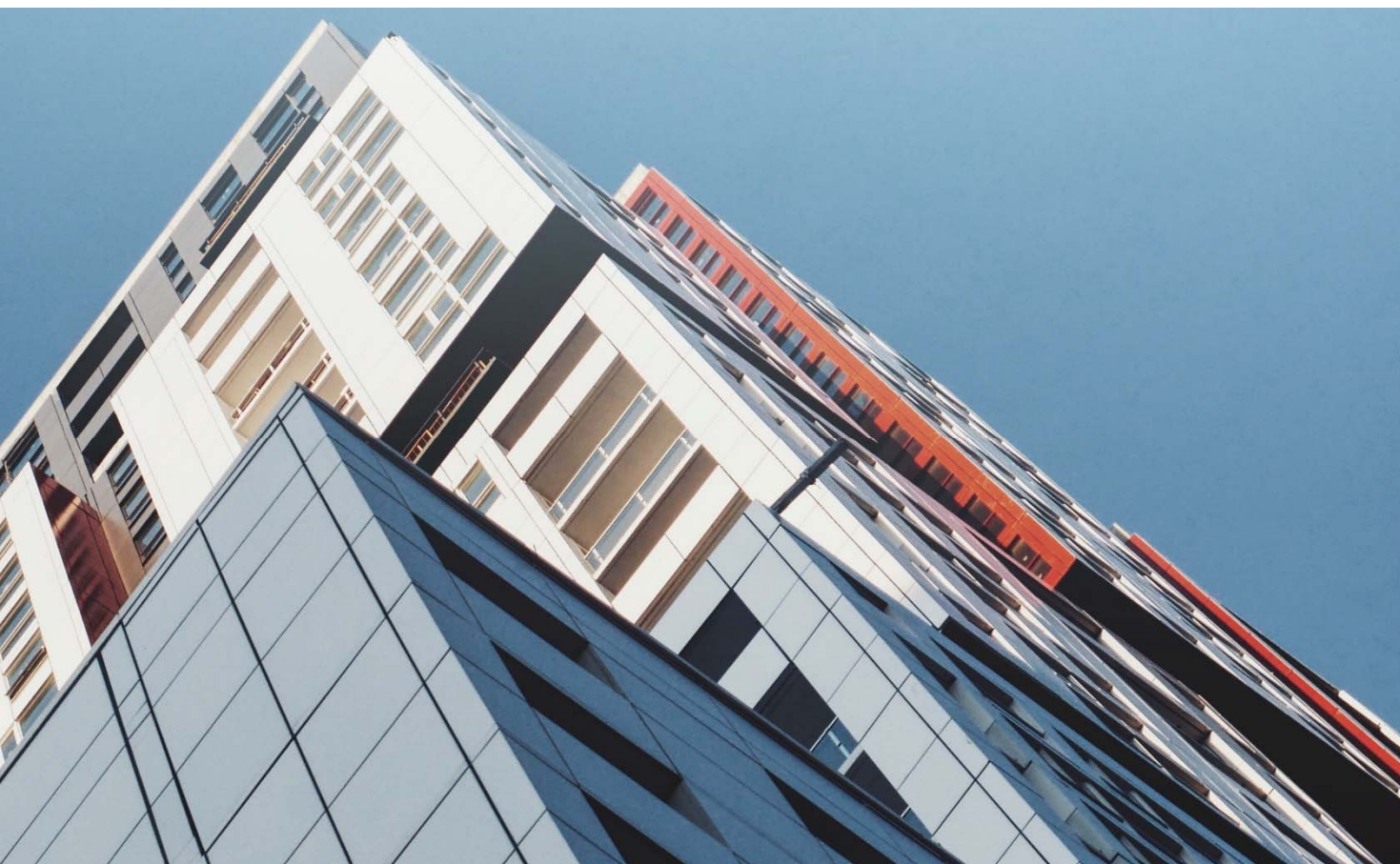


Casualising the Irish Middle?

Employment Change and the Irish Crisis

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Think Tank for Action on Social Change, Ireland

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ABOUT US

Austerity and its Alternatives is an international knowledge mobilization project committed to expanding discussions on alternatives to fiscal consolidation and complimentary policies among policy communities and the public. To learn more about our project, please visit www.altausterity.mcmaster.ca.

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Introduction

Most discussion of the societal impact of the crisis in Ireland focuses on the distribution of income and the impact on living standards. This paper looks at some of the consequences for employment and work. The crisis obviously involved a massive loss of jobs, but what about those people –the vast majority – who stayed at work? Did the crisis affect everybody in the same way? Were the changes that occurred a change of direction or just a continuation of things that had been going on before? And what about the future? Can or will the current recovery mean that everything goes back to before the crisis? We begin to answer these questions by looking at two very different sectors of employment – construction and hospitality.

After a quick outline of our research we put forward some general arguments about the nature of employment change. The core of the paper looks at our two case study sectors, showing how hospitality was in many ways a continuation of pre-existing trends, whereas in construction job quality was undermined.

The Working Conditions in Ireland Project

In countries as diverse as the USA, the UK and Germany, the quality of employment has been on the public agenda for some time. By contrast in Ireland we were arguably all hypnotised by the astonishing growth in employment in the years of boom and bubble, only to be traumatised by the catastrophic collapse of employment after 2008. Whether there were lots of jobs or very few jobs, there seemed little need to consider quality as opposed to quantity. Very recently however that has all changed. There has been widespread concern that some jobs are hardly worth having. In spring 2015 TASC therefore developed the *Working Conditions in Ireland* project. The objective was to get beyond the headline figures of job losses and job gains and to explore the reality of work in Ireland today. The major funding for the project came from Federation of European Progressive Studies (FEPS) and the project was also supported by the Irish Congress of Trade Unions (ICTU).

The study focused on four sectors in different ways central to the discussion of job quality. The **hospitality industry** (bars, restaurants, hotels, etc.) has always contained a large number of relatively poor jobs, many filled by women. By contrast the **construction industry** is an extreme case of a male-dominated sector with, at least in good times, some of the best paid manual jobs. This sector is therefore an important test of the claim that job quality has declined in jobs which, at least in some ways, were traditionally 'good jobs'. Construction is also especially

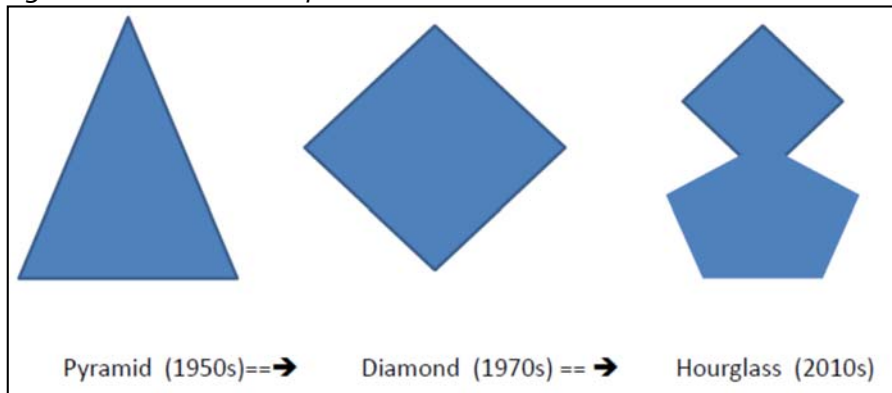


important given that the Irish construction industry was the epicentre of the recent jobs crisis, with employment falling from over a quarter of a million in 2008 to less than 100,000 in 2013. By contrast, both the **ICT/software industry** and the **financial services industry** are usually assumed to offer good jobs. Although we used existing statistical sources, we tackled these questions largely through lengthy qualitative interviews with workers in the four sectors within the Dublin area. These interviews were supplemented with another set of interviews with trade union officials familiar with the sectors. All interviews were recorded and transcribed. Where interviews are quoted the interviewees are of course pseudonyms. A final [report](#) on the project was presented at the FEPS-TASC annual conference in June 2016 and is available on our website.

What's Happening to Jobs?

Until recently it was believed that economic growth automatically created more and better jobs. 'Better' here meant jobs that were more skilled and more interesting – and better paid. This comforting belief was based on a particular picture of social change. It was assumed that the occupational structure of developed societies was changing from a pyramid towards a diamond (Figure 1) – there were unskilled low paid jobs at the bottom of the society and more and more jobs the middle of the society. In other words, changes in the sort of jobs were by themselves creating a more equal society.

Figure 1: Trends in Occupational Structure



However, in recent years something different seems to be happening in most countries. Certainly there are more skilled and highly paid jobs being created - think about the new jobs in Ireland in financial services or in the IT sector. Yet there are also many new jobs that are low paid and not especially skilled – jobs in catering and hotels, jobs in cleaning and security. At the same time the jobs that

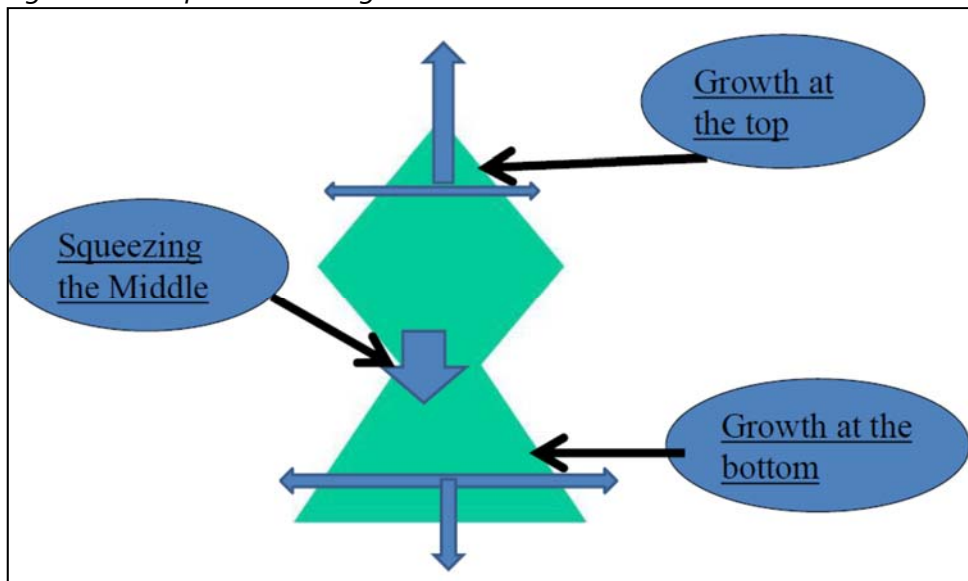


are being lost are jobs in the middle of the structure - routine but moderately well paid jobs in administration and manufacturing.

These trends started well before the last crisis. So for example, Goos and Manning (2007) used UK Labour Force Survey data for 1979 to 1999 to show that the occupations that grew during this period were those with highest pay and (to a lesser extent) those with lowest pay. They argued that technical change increases the number of good and bad jobs ('lovely' jobs and 'lousy' jobs) but reduces the number of intermediate jobs. Studies have found this trend towards occupational polarisation in other European countries including, very recently, here in Ireland (Eurofound 2015).

Such arguments assume that the actual occupations remain essentially the same and all that changes is the number of people in each occupation. This has obvious plausibility: there are virtually no coal mines now and even if there are still a few car factories, they have fewer and fewer workers of any sort. However, it takes no account of the long tradition within employment sociology that has focused on changes *within* occupations. A diamond could also be changed into an hourglass both by changes in the number in a particular occupation *and* by changes within that occupation. Figure 2 charts some of these possibilities. Thus at the bottom of the diamond the number of low paid occupations increases *and* at the same time the quality of these occupations decreases. In the middle of the diamond there are fewer regular good-bad jobs, *and* the quality of them deteriorates. At the same time the number of jobs in the higher area of the diamond expands and the quality of some of these improves. In our study the hospitality industry could be an example of the first trend and the construction industry an example of the second.

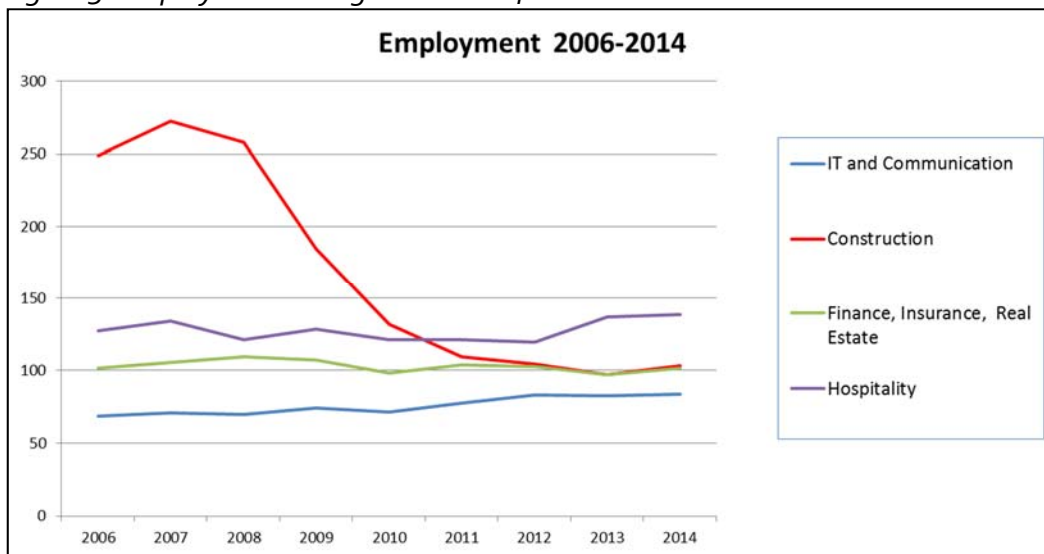
Figure 2: Occupational change revisited





The crisis itself is not seen as the cause of these rather long term occupational changes. In Ireland the boom of the early 2000s had been based on rapidly increasing property prices, themselves fuelled by easy credit. These years were years of massive in-migration and of an extraordinary expansion of the construction industry workforce. In 2007 employment in construction peaked at 269,000, amounting to 13.4 per cent of total employment. Within the EU only Spain had a similar proportion (CSO 2008:18). As Figure 3 shows, the crash was above all a crash in construction, with employment in the sector more than halving in two years. By contrast, there were relatively few job losses in hospitality and employment in financial services and ICT/software was either stable or growing during the crisis.

Figure 3: Employment change 2006-2014

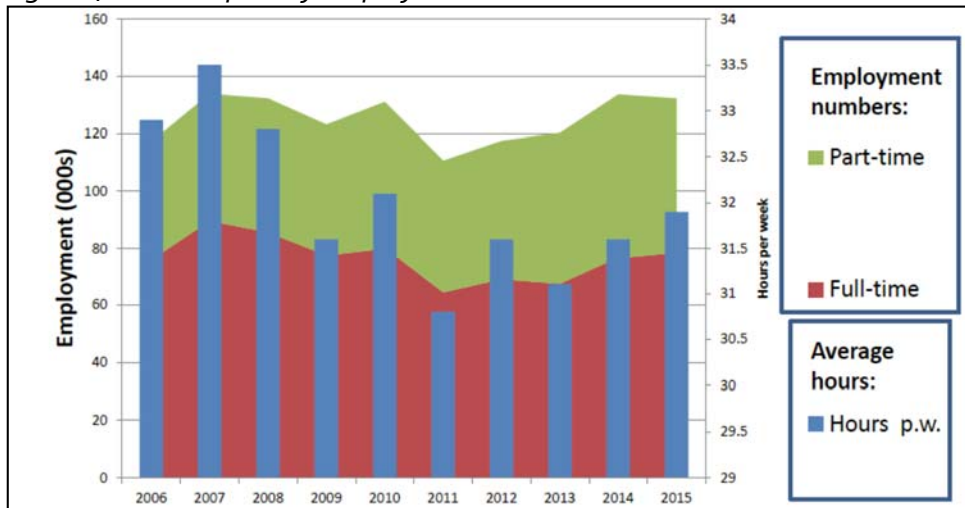


More Bad Jobs: Working in the Hospitality Sector

Within the hospitality the crisis effectively exacerbated and accelerated changes that had started more than a decade earlier. Long before the crisis, jobs were low paid and casual. As Figure 4 shows, part-time work became increasingly important in this sector. Jobs were increasingly offered as part-time as employers tried to ensure that they had a pool of workers able to work on-demand.



Figure 4: Irish hospitality employment and hours



Hours could be 'almost full-time'. Although strictly speaking there are no 'zero-hours' contracts in Ireland, the same has been achieved by so-called 'if and when' contracts. In these contracts the employer may choose to offer hours and the employee is entitled to refuse them, but in practice not taking the offers is often problematic – at best the employee will not get offered good hours in the future, at worst the employee is likely to lose their job.

Income is low because of the combination of a low hourly rate and few hours. Furthermore, irregular hours make it impossible for workers to organise their lives, and oddly enough, make it very difficult for them to find any additional work with another employer. All of this means that income is not only low but unpredictable, as this interview quote makes clear:

They [the managers] write on the roster, they write for example: start at 8am and finish at 3pm but next day you come and you see that you have work until 5pm not until 3pm (...) You never know, you can't plan anything. And now it is even worse because they put the roster on the wall the last day, on Sunday. They put the roster on the wall so for example if you have on Monday your day off you can't make a plan for your day because you didn't know [that] you will have tomorrow a day off

(...)

A: Ok, so how much did you get per week?

P: 200-300.. 400 it depends

A: How then can you plan financially?

P: You can't make any plan...you live in that hotel...like all your life is in the hotel because you don't know, you just have to go to the hotel, that's all...



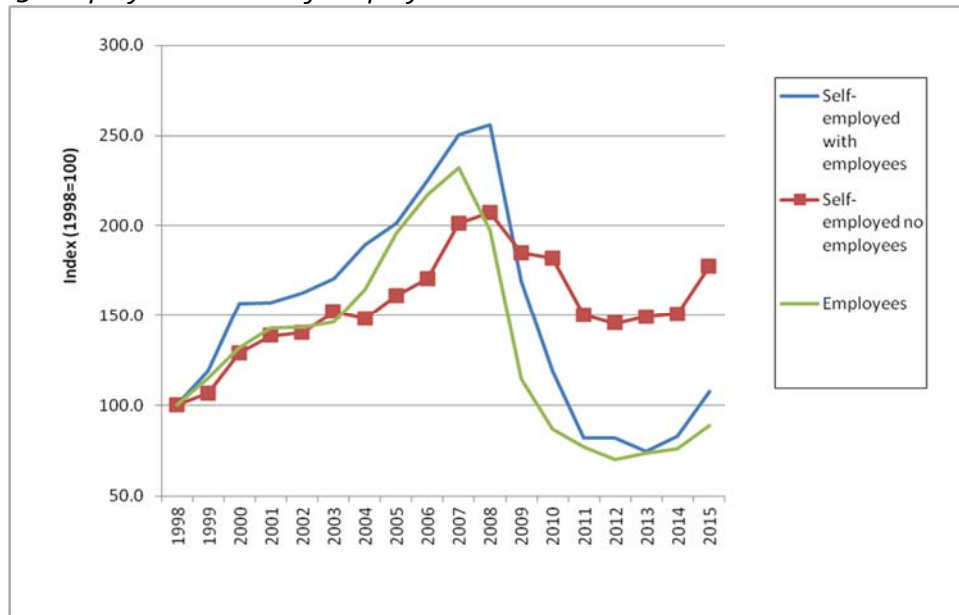
(Accommodation assistant, large hotel)

From Good Jobs to Bad Jobs: Working in Construction

During the boom working conditions in construction were good and earnings were high. Unlike in some other countries, the massive influx of immigrants was not linked to deterioration of pay and conditions and trade union membership stayed high. The industry expanded essentially without any qualitative changes. By contrast, the crisis meant not only job losses, tighter discipline and falling pay (see Krings et al 2011), it also meant a re-calibration of the employment relationships.

Many firms went out of business and many small employers laid off some or all of their employees. Instead of employing workers directly, firms lengthened the sub-contracting chain. Unskilled workers, if they worked at all, worked for agencies and labour-only sub-contractors, not for the large companies which became essentially project managers. Skilled craftworkers by contrast became self-employed. Figure 5 shows how the number of solo self-employed (self-employed without any employees) did not fall so fast as other groups and indeed has now nearly reached the same level as in the boom.

Figure 5: Employment and self-employment in the construction sector



Such self-employment was often 'bogus self-employment' They were doing the same work as before, they were still controlled by management, but now have



not been offered a job with wages, instead they payment for a contract. This has been facilitated by changes in the tax system. Through the Relevant Contracts Tax system the employer simply defines the worker as a self-employed subcontractor. In the words of a bricklayer we interviewed:

Yeah. I am working for them [large firm], but I am a sub-contractor to a sub-contractor. It's bogus subcontracting, in essence. Which is encouraged by the Revenue Commissioners...The subcontractors cover themselves by telling your details to them and he says that [interviewees name] is on a relevant contract for XXX euros for the next 6 weeks. The Revenue Commissioner acknowledges this and then sends me out a slip to say 'we acknowledge you are on...' (Bricklayer)

Since the worker is now a self-employed 'subcontractor' wage agreements and even minimum wage levels do not apply; the employer (now magically re-defined as the 'principal contractor') does not have to pay employer's Pay Related Social Insurance. Since the worker is only paid for work actually done, there is no holiday pay and no sick pay. Indeed, if there is no work, the self-employed worker has no entitlement to Job Seeker's Benefit and has to apply for the means-tested Job Seeker's Allowance.

For both craft workers and labourers, the workplace has now fragmented:

[In the past] you would get the hourly rate. You would get compensated, you would be paid. If it rained, the builder would keep you there, and as he was paying, he would find something for you to do. Inside...they'd have something. 'Do this, do that, wrap it up, get it done'. So they would get work out of you. I mean if you are working for a subbie, you have 6 men there, a machine breaks down at 10 o'clock – 'You have to go home lads, there's nothing for you today' (Bricklayer).

One fella could be on 12 euro per hour and the other on 16 euro. So that keeps everybody quiet. Divide and conquer as they say. Nobody will open their mouth if they are on different money.
(General operative)

Conclusion

In this paper we have described some of the experiences of Irish workers during the crisis. The story that emerges is not a simple one of universal deterioration or even transformation. In both our case study sectors we see casualization and (though we have not discussed here) a dramatic decline in union power. However, in hospitality these changes were well under way before the crisis and were happening



in during an unprecedented boom. By contrast the erosion of conditions in construction was very much a product of the crisis. It is not clear whether the revival of construction in Ireland as part of the general recovery will however reverse these losses.



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