

# TASC



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## ***Decent Jobs and Wage-led Growth in the UK and Europe***

co-organized by

Greenwich Political Economy Research Centre (GPERC)

Foundation of European Progressive Studies (FEPS)

Think-tank for Action on Social Change (TASC)

Kingston University Political Economy Research Group (PERG)

Thursday, 28 April 2016

# Workers' experience of new employment strategies: The Irish case

Conference

Decent Jobs and Wage-led Growth in the UK and  
Europe

University of Greenwich

28 April 2016

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TASC – Think-tank for Action on Social Change

Dublin Ireland

# Outline

- **The issue:** recovery, jobs and employment
- **Ireland:** poster boy for recovery – Ireland a critical case for Europe
- **What's actually happening in Irish workplaces:**
  - Hospitality
  - Construction
  - Financial services and ICT/internet
- **Conclusion**
  - From voluntary to imposed flexibility
  - looking for anchors – re-institutionalisation

# What sort of recovery?

Return to growth in Europe as political imperative -  
but **what sort of 'growth'?**

**Trade unions:** 'wage-led growth' – level of wages

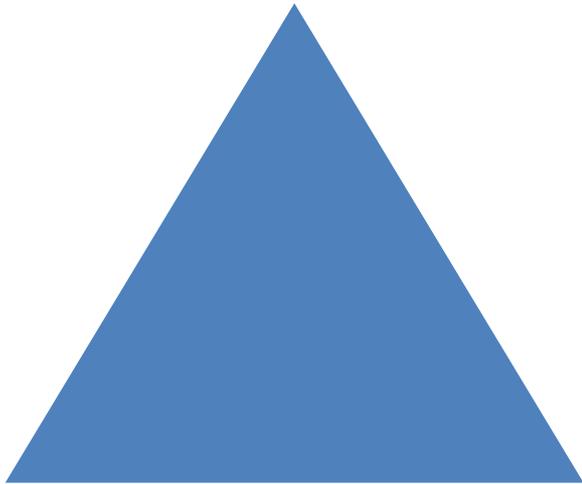
**Social democrats:** (1) reducing inequality – raising  
lowest wages; (2) quality of *employment* – work  
as basis for social integration and citizenship;

**Environmentalists:** normal growth guarantees  
ecological catastrophe ('No jobs on a dead  
planet')

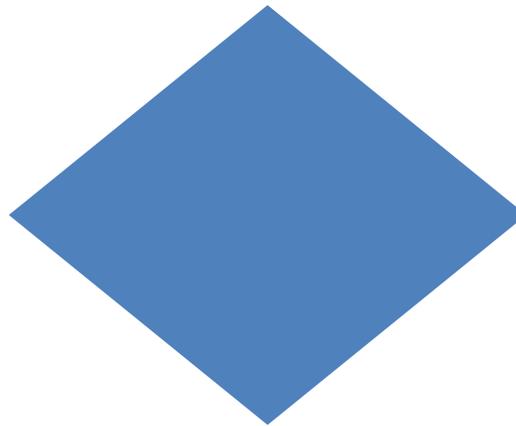
## **Before the crisis**

- Growing inequality (super-rich...)
- Neo-liberal offensive (deregulation, declining union density...)
- Mass immigration and wage pressure
- Precariat thesis
- Growth of in-work poverty (USA, UK, Germany)
- **Occupational shift** (hollowing out, from diamond to dumb bell, 'lovely jobs and lousy jobs')

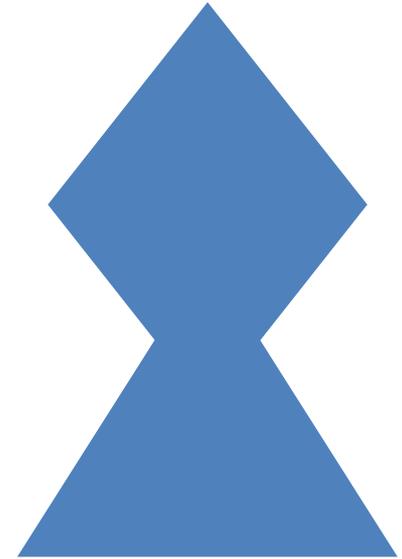
# Changing occupational structure



Pyramid (1950s)



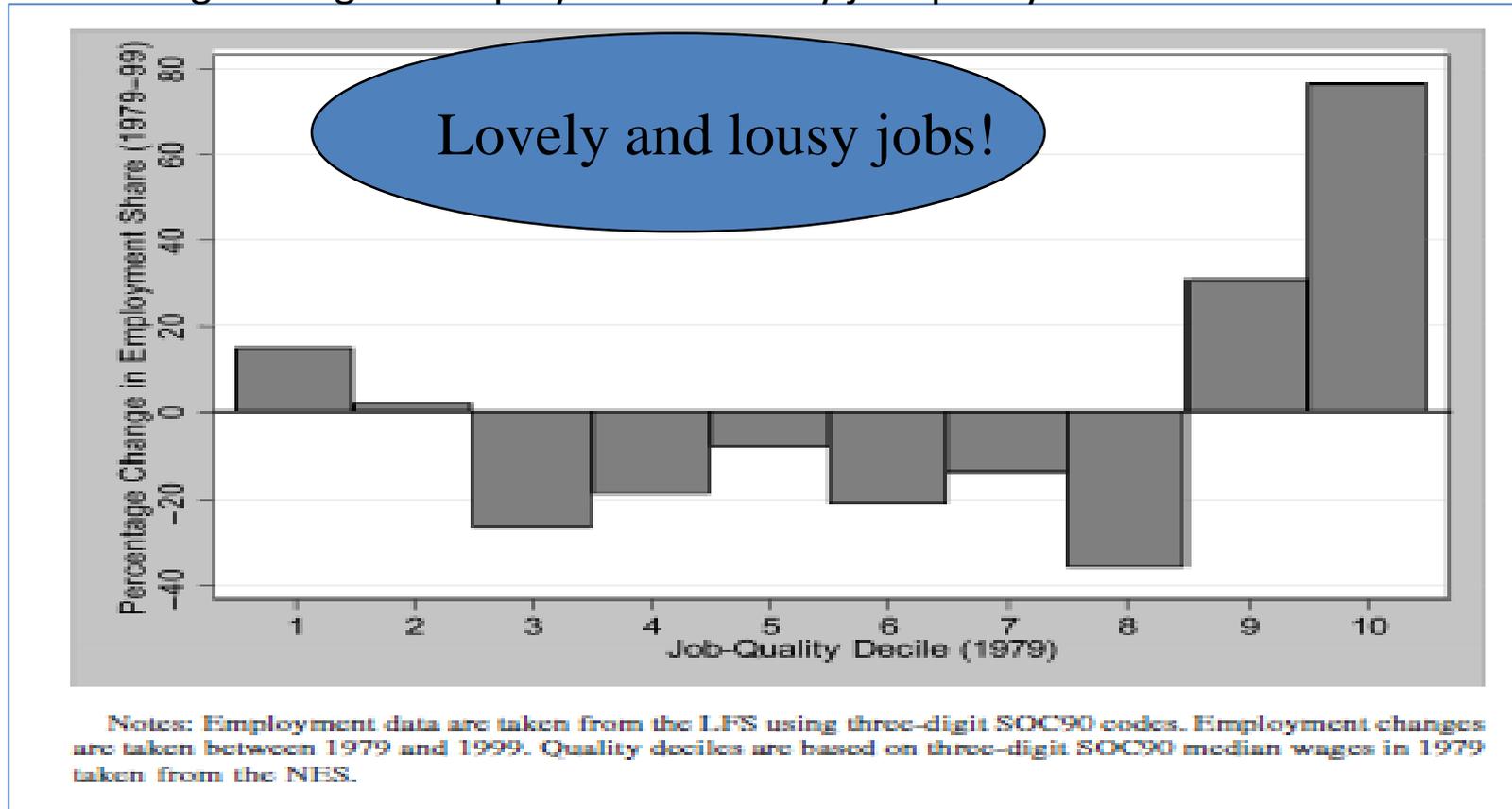
Diamond (1970s)



Hour glass (2010s)

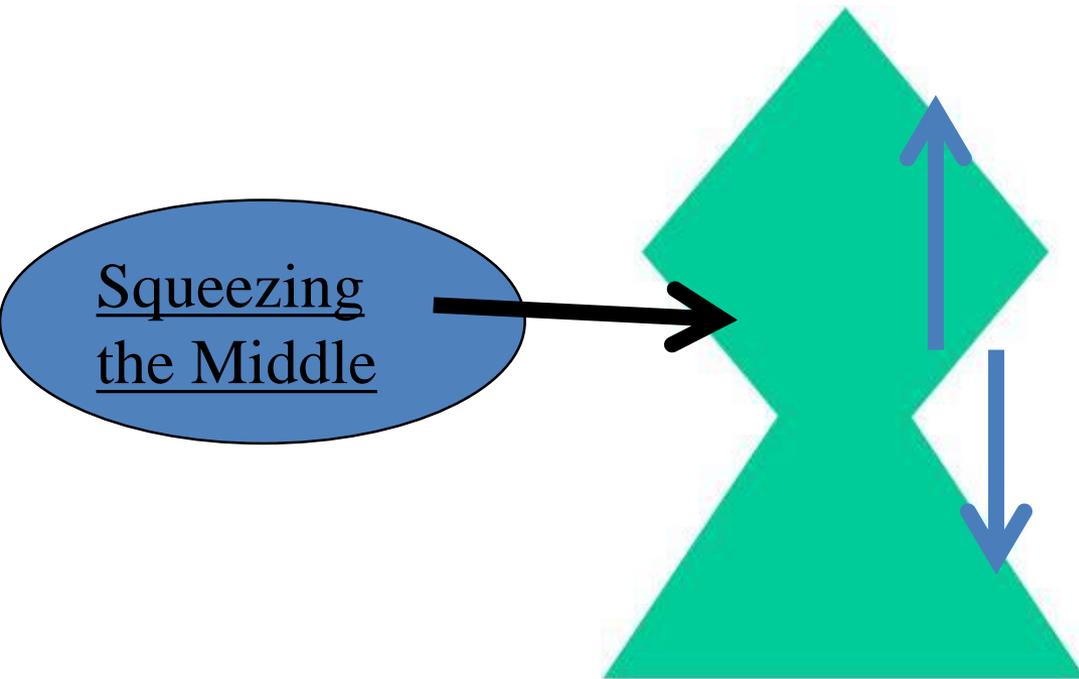
# Labour market evidence

Percentage change in employment share by job quality decline UK 1979-1999



Source: Goos and Manning (2007)

# What's happening inside occupations?



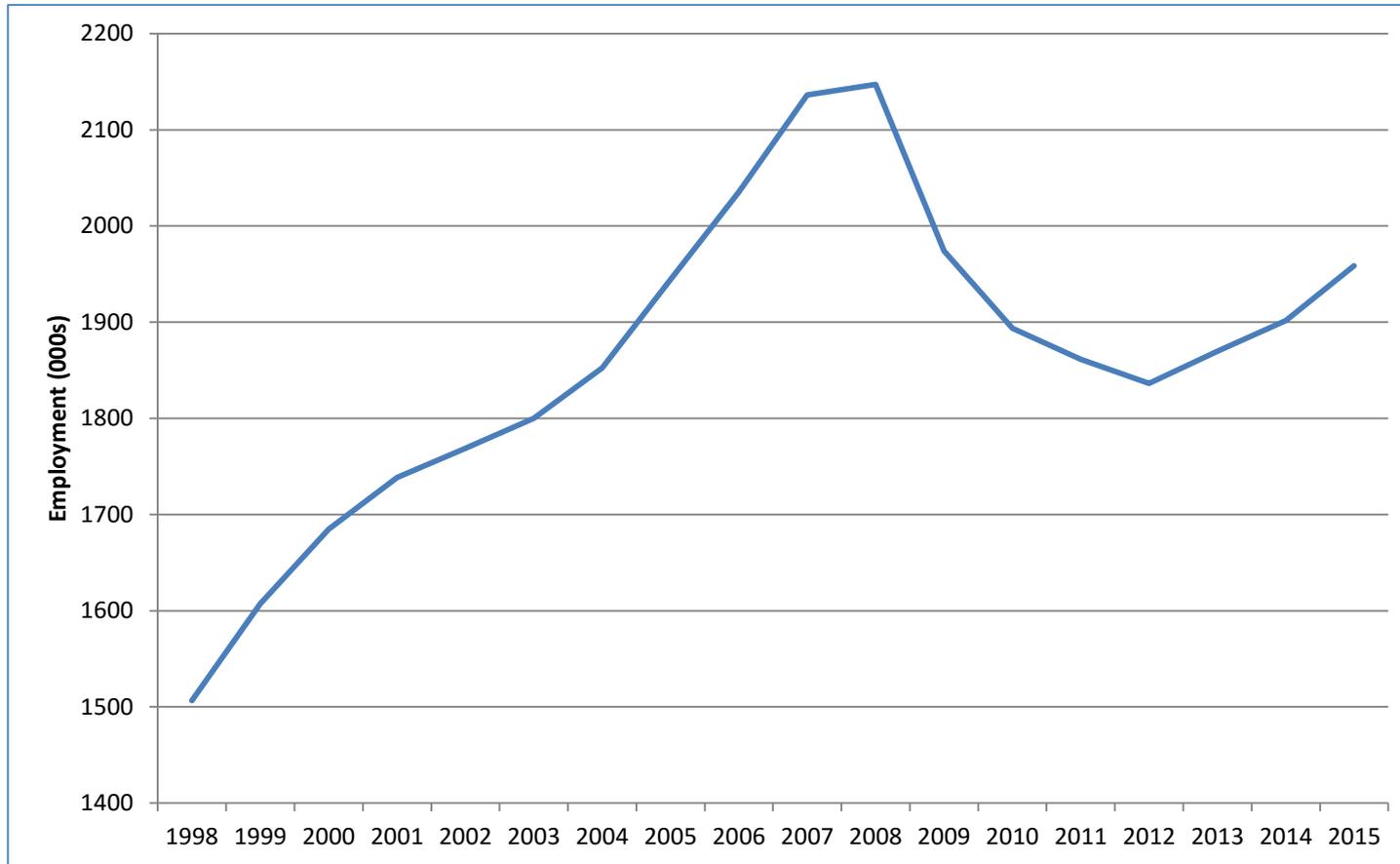
## 'Quality' defined by?

- Income at T1 (Goos & Manning)
- Job Quality Measures (Green etc)

Unpacking the occupation

- Employment Quality Indices

## Ireland: Total employment 1998-2015

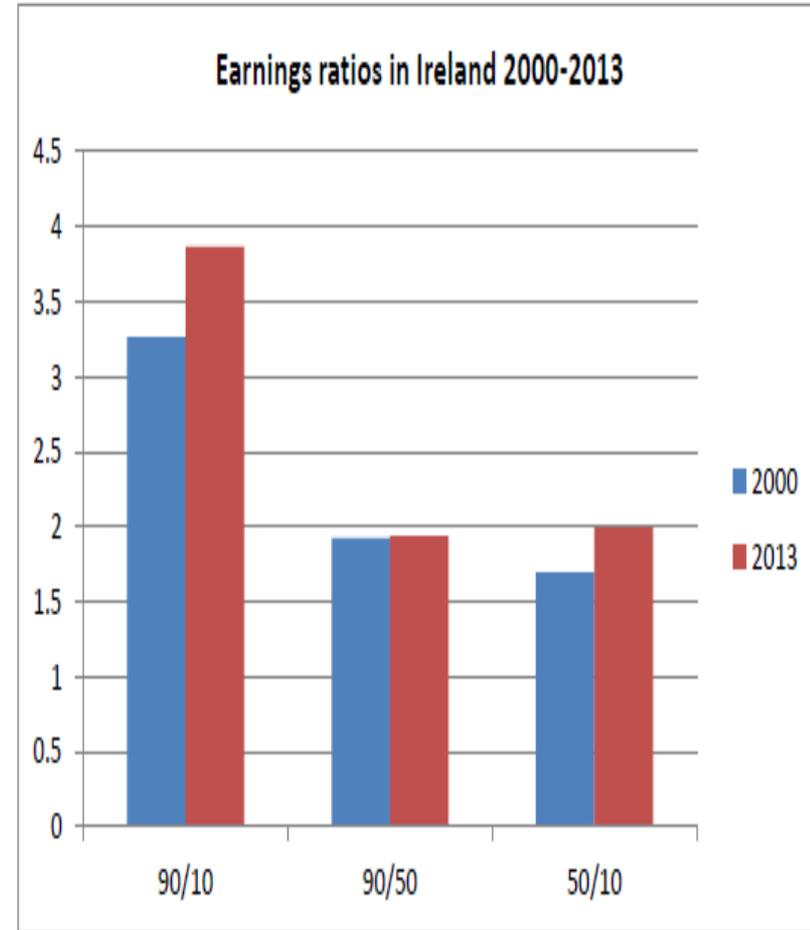
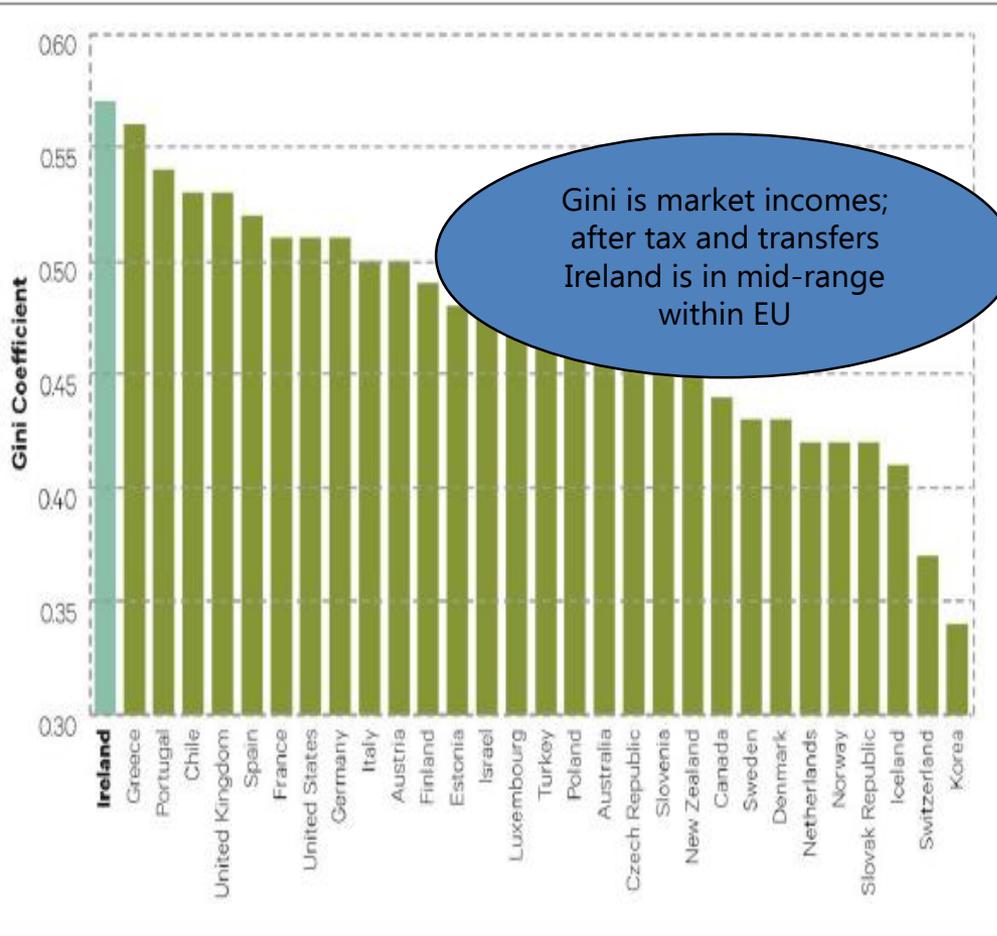


Source: Quarterly National Household Survey (QNHS)

# Ireland: Occupational shift?

- Polarisation thesis: about **occupations** and/or **sectors**?
- Peculiarities of Irish growth
  - Long-term policy bet on mobile FDI; high tech manufacturing (Intel), pharma, software and internet companies (Google....), financial services and IFSC ('fintech')
  - Construction Bubble 2004-2008 a deviation from this.
- Before the crisis:
  - Clear growth in high skilled jobs, evidence on low skill more debated (O'Connell & Russell (2007): 'limited polarisation'; Holmes (2014): extreme case of high skill growth
- Through the crisis:
  - Jobs maintained and growing in high tech manufacturing and internet services – the real cause of recovery NOT 'austerity'
  - **BUT continued growth low pay jobs...**
  - Eurofound (2015) employment polarization 2011-2014

# Ireland: creeping inequality



Data: OECD. From Tasc, submission to Low Pay Commission 2015

# Ireland: Low pay

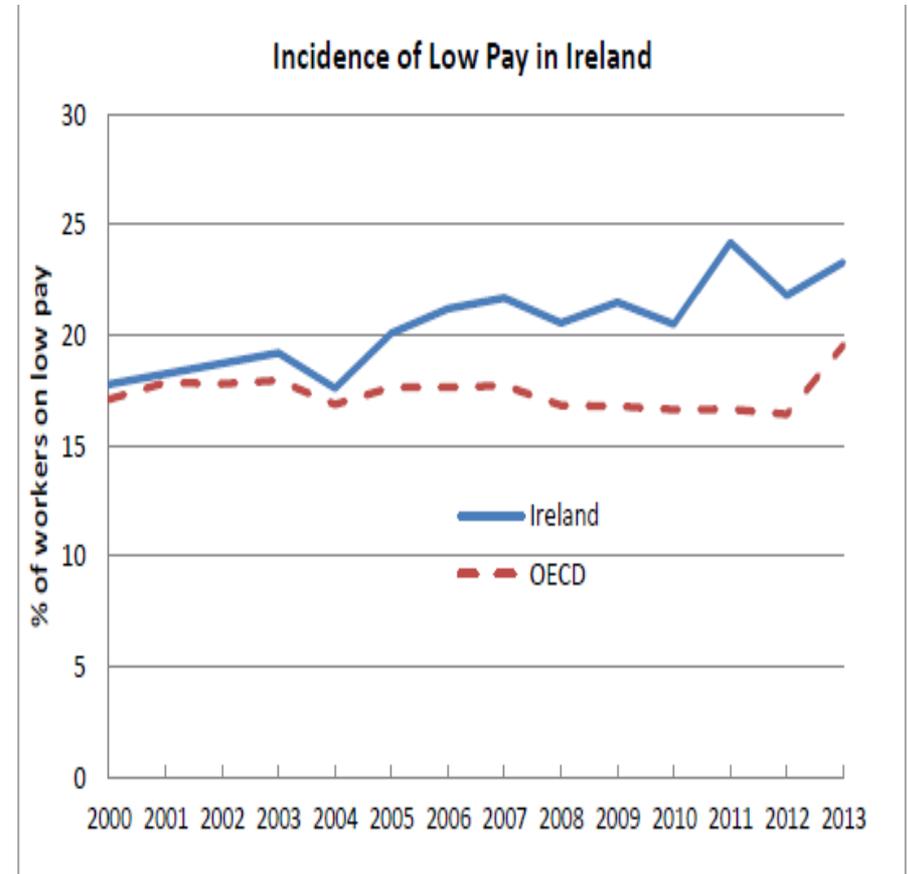
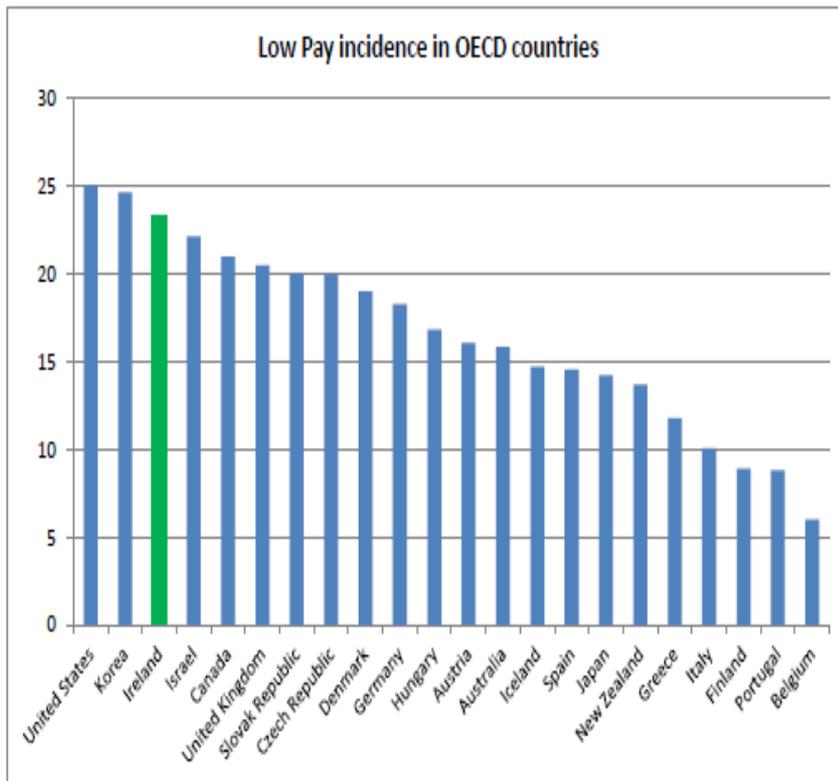
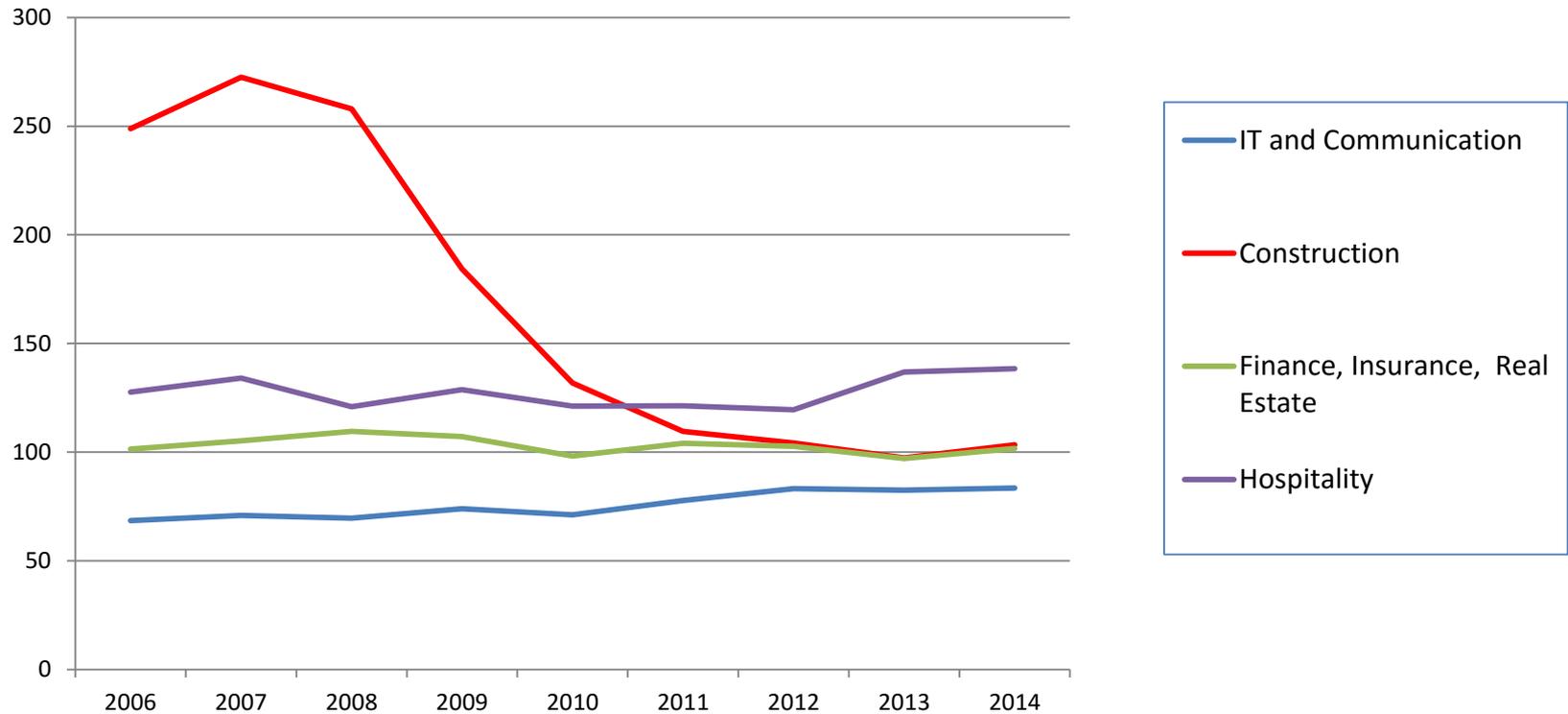


Chart 10: Low Pay incidence in OECD countries (source OECD)

Data: OECD. From Tasc, submission to Low Pay Commission 2015

# WCIP Case study sectors

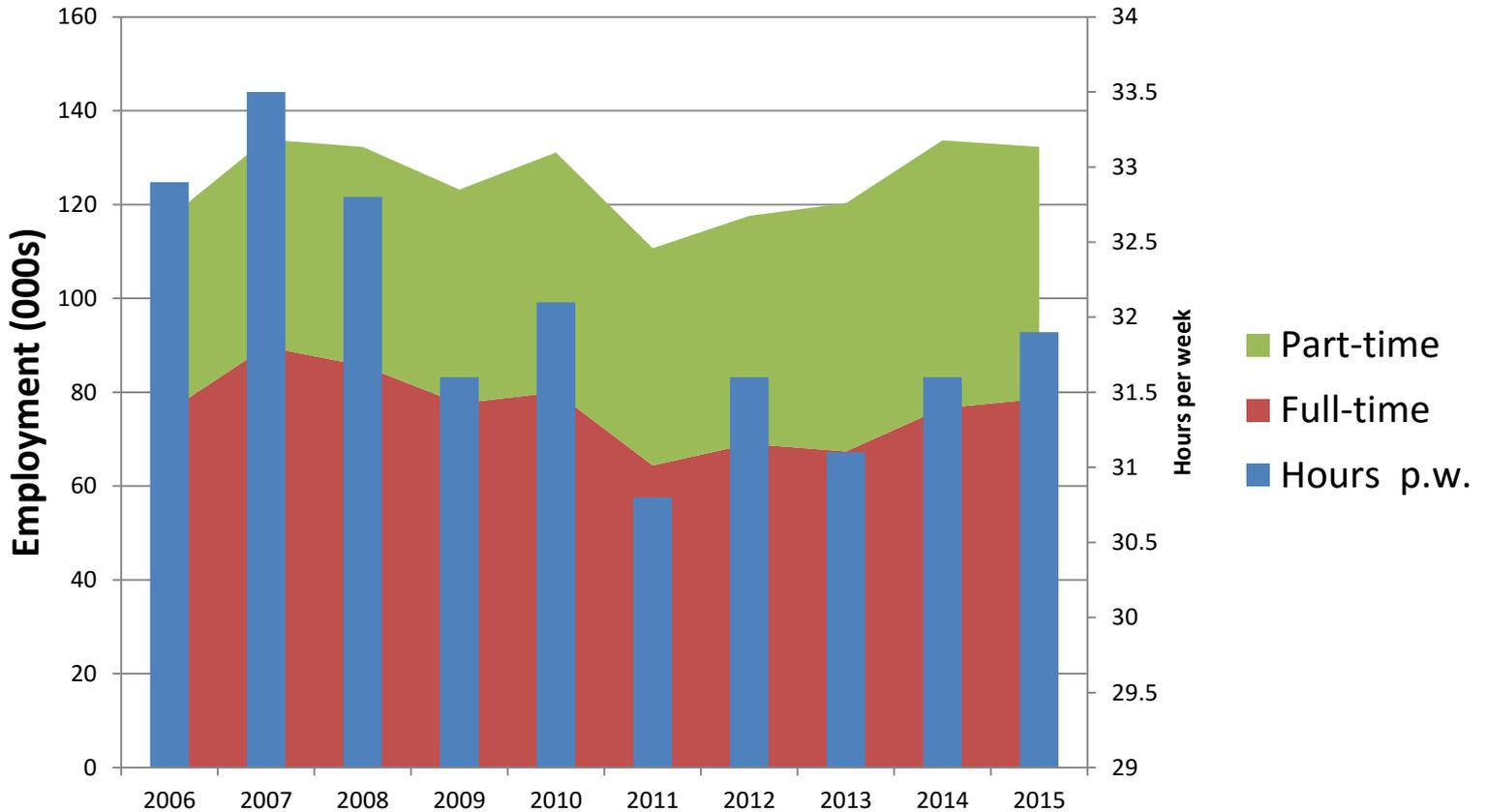
## Employment 2006-2014



- 1. Hospitality Sector:** imposed flexibility and low earnings
- 2. Construction:** bogus self-employment and outsourced labour
- 3. Financial sector and the ICT:** possible polarization and growing disparities between 'old' and 'new' employees

**Short-term** changes or **long-term** trends?

## Irish Hospitality: Employment and hours



Source: CSO Statbank

# Hospitality sector: flexible contracts and low earnings

**Hospitality sector:** low paid and casual jobs before recession

- Growing number of **part-time jobs**
- **'Almost-full-time'** jobs

**'If and when'** (casual) contracts:

- Hours not guaranteed
- Notion of flexibility
- BUT: refusing to take on hours often problematic

**ALSO:** Changing **definition of 'an hour'**

# Hospitality sector: unpredictability of shifts and income

*P: 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)*

# Flexible contracts: implications

**Earnings** in the Irish hospitality sector **lower** than the full-time **minimum wage salary**

**Flexibility** as a requirement; shifts assigned at last minute

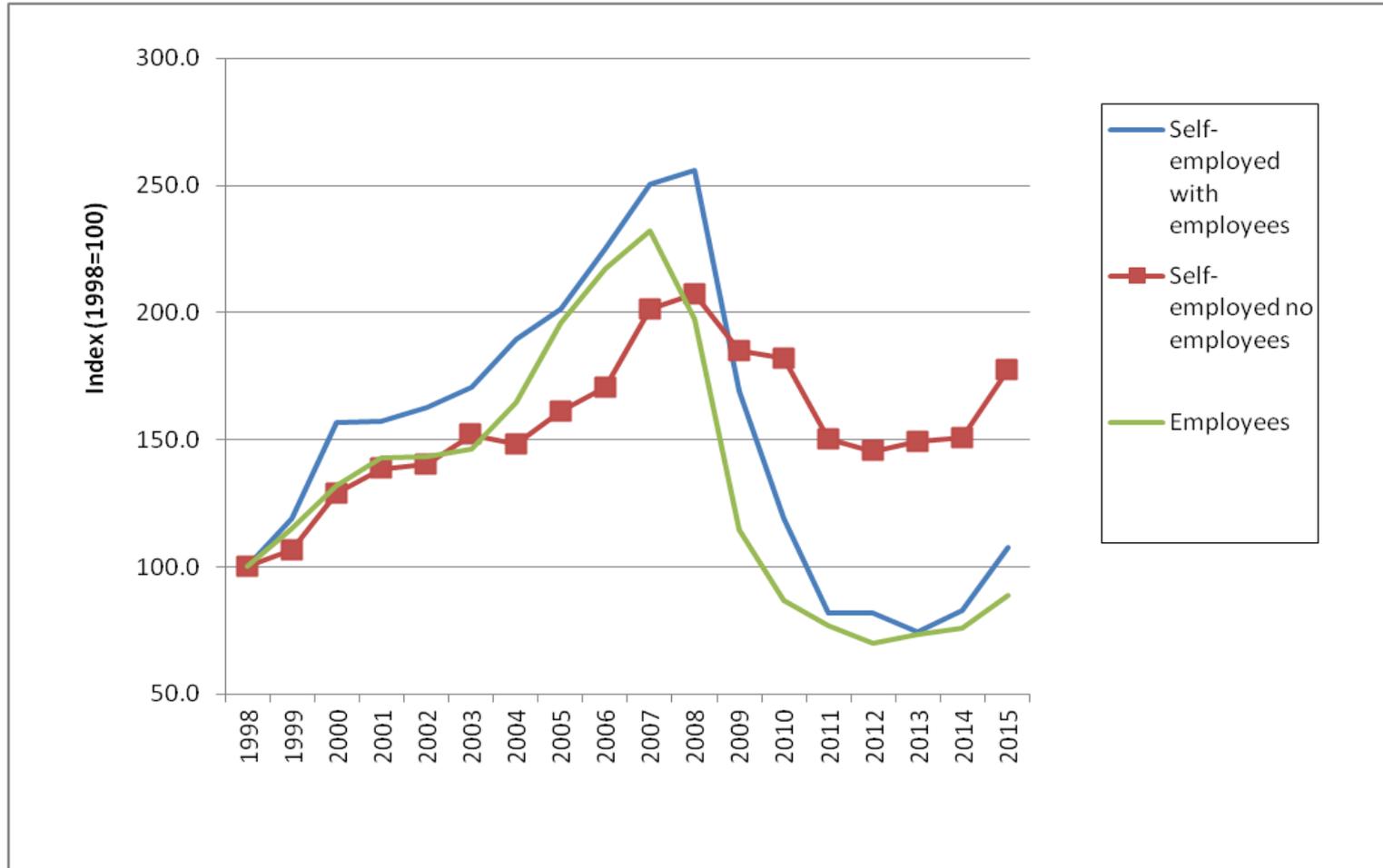
- **Minimum hourly rate** but **unpredictable income**
- Finding additional employment not possible
- Possible difficulties with **social welfare entitlements**

**Working time** as form of **control**:

- Flexibility that suits the employer!

**ALSO: Health and safety** implications

# Construction sector: employment and self-employment (1998-2015)



Source: QHNS

# Construction sector: growth of bogus self-employment

## Self-employment and skilled trades

- Always important; dramatic rise since 2008
- Relevant Contract Tax (RCT) System as an important facilitator
- Most not employing workers => **Bogus self-employment**

## Outsourced work of general operatives

- Very few **direct employees** after the crisis
- Dramatic growth of **agency work**

# Self-employment in construction: deteriorating working conditions

***[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)

# Bogus self-employment and agency work: implications

## **Self-employment forced** on workers

- No direct employment on offer => **no other option**

## No control over wages even though **part of formal economy**

- **No minimum wage** for self-employed
- **Payment** related to **tasks**, not time

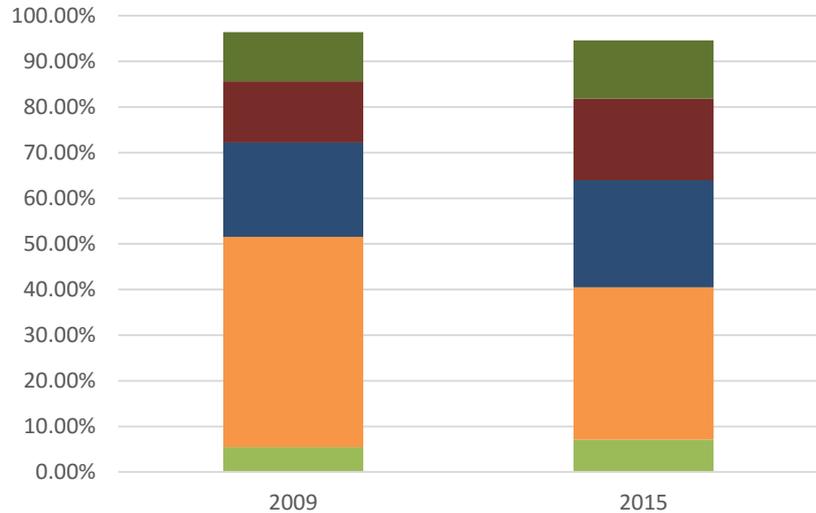
## Possible **health and safety** implications

- Not always clear who is responsible

## Further **fragmentation of workplace**

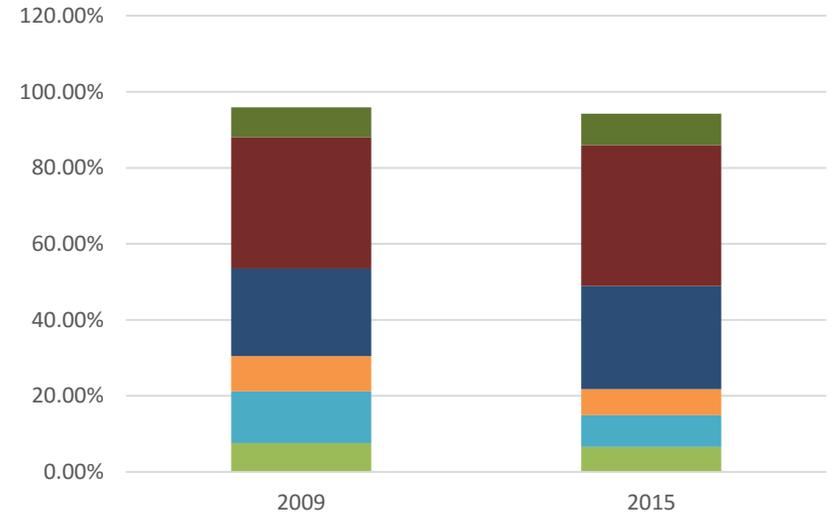
# Financial sector and the ICT: changing occupational structure

Occupational Structure: Financial Sector



- 1. Managers, directors and senior officials
- 2. Professional
- 3. Associate professional and technical
- 4. Administrative and secretarial
- 5. Skilled trades
- 6. Caring, leisure and other services
- 7. Sales and customer service
- 8. Process, plant and machine operatives
- 9. Elementary

Occupational Structure: ICT



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Source: CSO Statbank

# Growing polarization?

**ICT and Finance: highly skilled** and highly paid...

**BUT:** growth in the **customer service** sub-sector

**Mobility ‘habitus’ and ‘projectification’ of work**

- **Expectation** of moving between jobs
- Mobility and the **career building**: importance of **strategic** thinking

**Short-term and flexible** contracts

- **Experienced workers**: more options and a belief in choice
- **New entrants**: career development or survival strategies?

# Mobility, polarisation and short-term work

*There is a lot of **technology** that is probably very much outdated, but it has to be supported and people have to work in that. And that can make it **difficult for people who want to move on**, want to get a different job. Because they are **stuck in a technology**, or they are **stuck in a skill set** that really doesn't transfer very well.  
(Consultant, Software Company)*

*I did some work for Insurance Company. And I did it for Internet Company as well. And now, my current job is kind of.. **It's called 'technical support'**, but it's much **more customer service than technical**. That's with Multinational Tech Company (...) **It was only a few months in each case**. I've been on the dole for like a lot of my life. For Insurance Company it was maybe 4 or 5 months, for Internet Company it was only like 3 months.  
(Technical Support Worker, Multinational Company)*

# Financial services and the ICT: bad jobs for new entrants?

## Entry-level positions

- Internships, training schemes, back to work programmes
- Paid work: **fixed-term** and **lower salaries**

## Short-term no longer a **choice**?

**Customer service work:** flattening occupational structure; **horizontal character** of mobility

**Limited** opportunities for **developing new skills** and for **career progression**?

# A story to end with...

## The reality of the famous Irish pub

### **THEN**

*It was it was seen as a job that you could buy a house, pay a mortgage...which I did I got a house, I was 23, well I took a loan at that stage and I had no hesitation to do it because I was earning quite enough money to do so.*

### **NOW**

*You have people coming in for 4 hours or so, you have people with split shifts...when the food is over what happens is those people are sent home at nine , nine thirty in the evening...The whole sphere has changed to actually having 2 or 3 people of a qualified nature, and then the rest is totally casual.*

(Bartender, started apprenticeship late 1970s)

- Growth of low wage jobs often involving occupational transformation, no longer a basis for work-life strategy –
  - *One* possible cause of growing income inequality – moving occupations ‘down’ so ‘squeezing the middle’
- Transformation of **voluntary** flexibility into **imposed** flexibility

# Re-anchoring work

- **Destroying the European Social Model**
  - De-institutionalisation of work – erosion of unions, of legal protection and of customary regulation
  - Economic and social citizenship undermined, including actively by Troika interventions
- **Re-institutionalisation**
  - Key issue is the impact of regulation on actual work in actual workplaces.
  - National states and the EU – supporting citizens instead of making markets

**Thankyou for your attention!**

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