

# AUSTERITY and its **ALTERNATIVES**



## Casualising the Middle

Employment Change and the Irish Crisis



James Wickham & Alicja Bobek  
Think Tank for Action on Social Change (TASC), Ireland

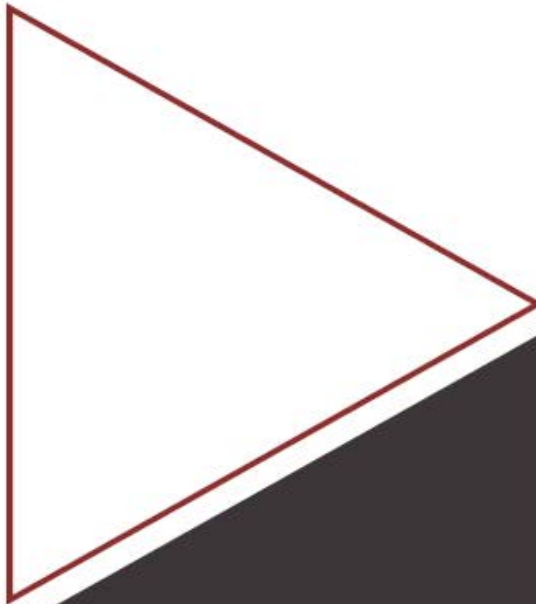
The First AltAusterity Workshop – December 14-15, 2016  
McMaster University, Hamilton, Ontario, Canada



# Outline

- **Background:** The Working Conditions in Ireland project
- **Occupations:** Changing jobs, changing society
- **Ireland:** Work and inequality
- **Changing jobs and inequality**
  - Hospitality - more bad jobs
  - Construction – undermining job quality
- **Conclusion**
  - looking for anchors – re-institutionalisation

# ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY



PROVISION FOR EMPLOYERS  
PROVISION FOR STUDENTS  
PROVISION FOR LEARNERS  
PROVISION FOR EMPLOYERS



JAMES WICKHAM  
ALICJA BOBEK

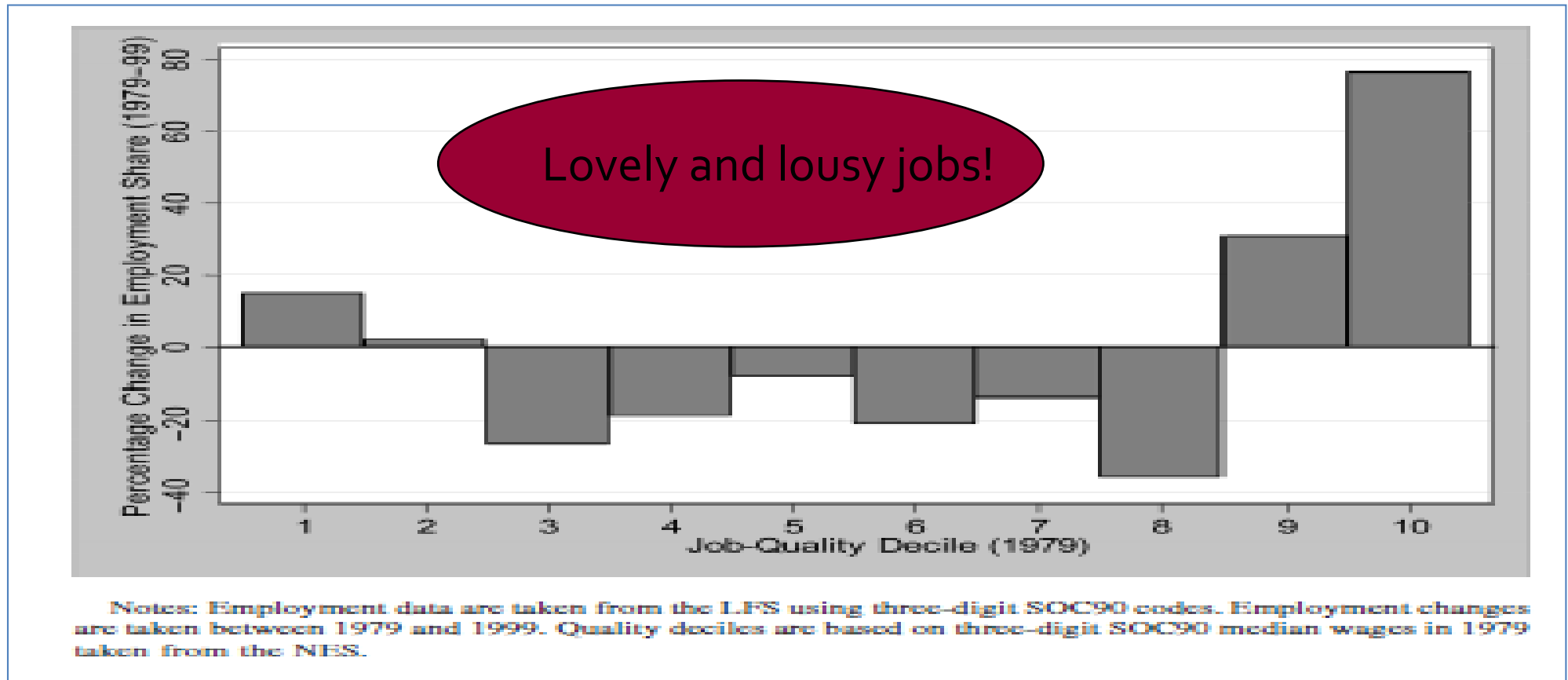


# Occupations, Job Quality and Working Conditions

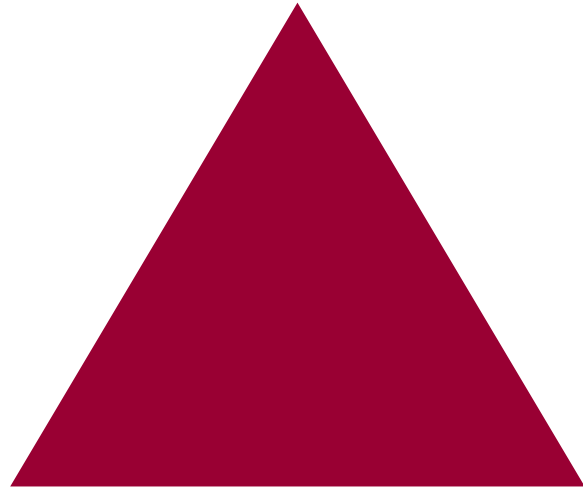
# Labour Market Evidence

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

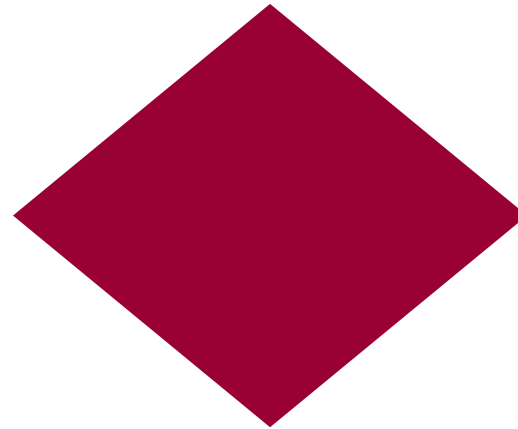
Source: Goos and Manning (2007)



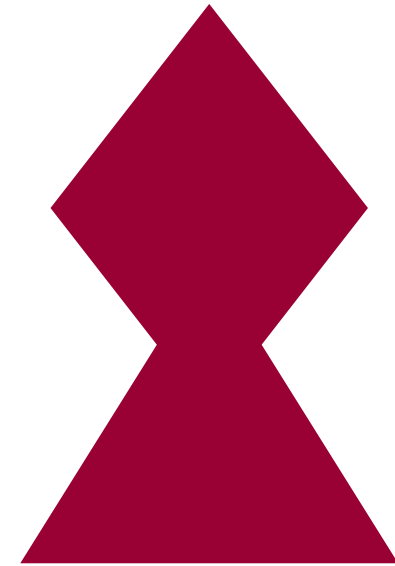
# Changing Occupational Structure



Pyramid (1950s)

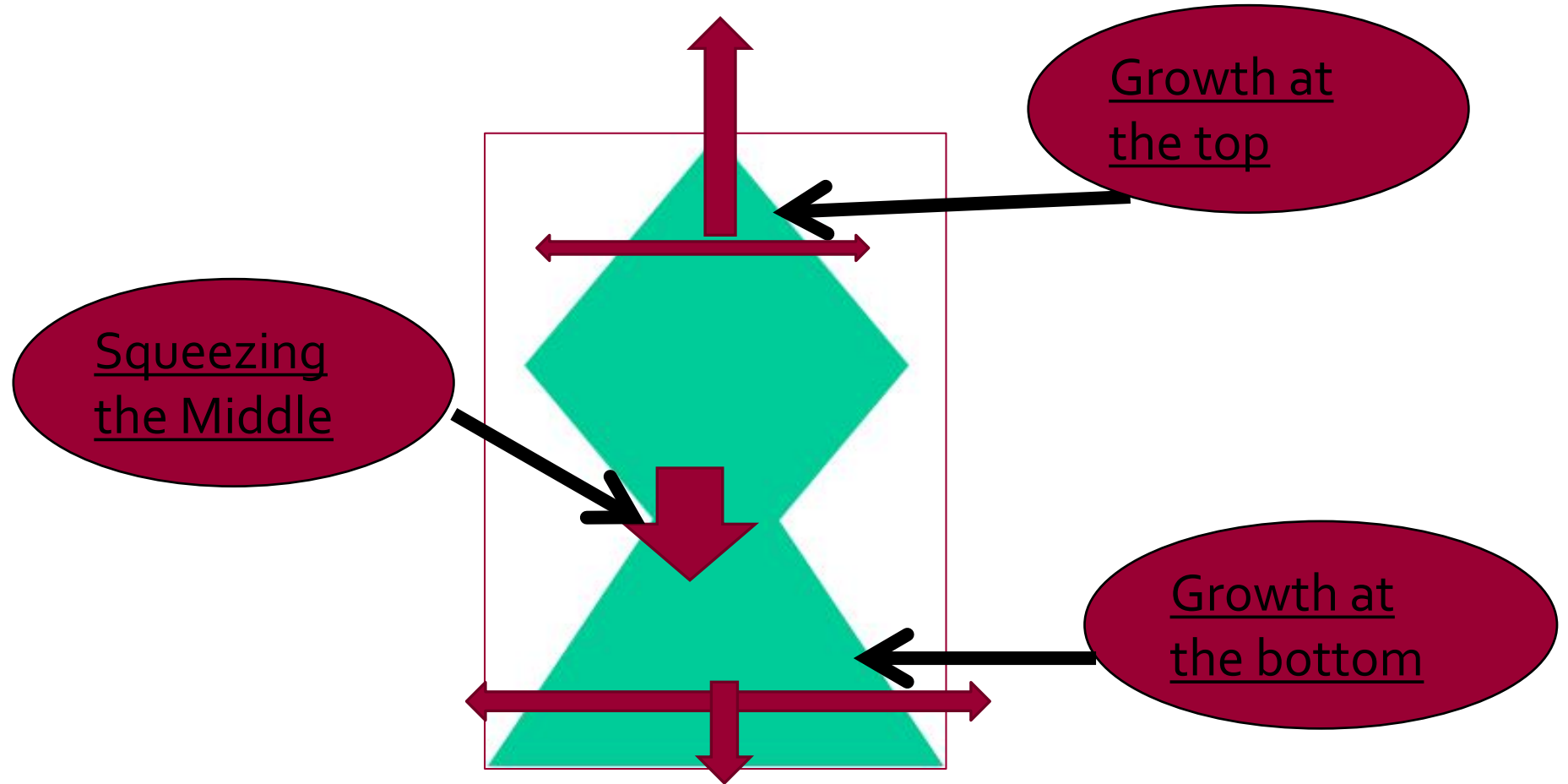


Diamond (1970s)



Hour Glass (2010s)

# What's Happening to Occupations?





# Working Conditions in Ireland



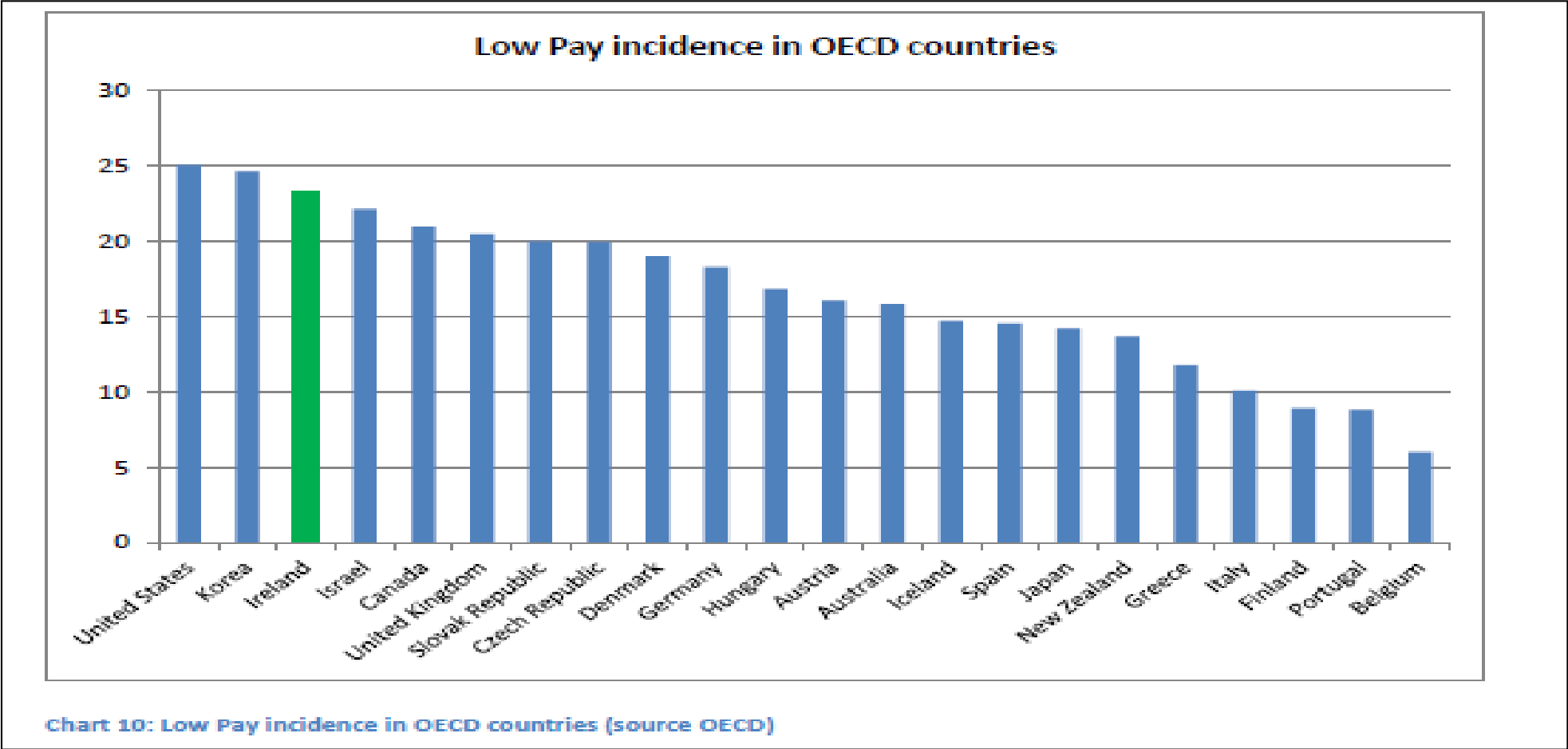
# Ireland: Occupational Shift?

- 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



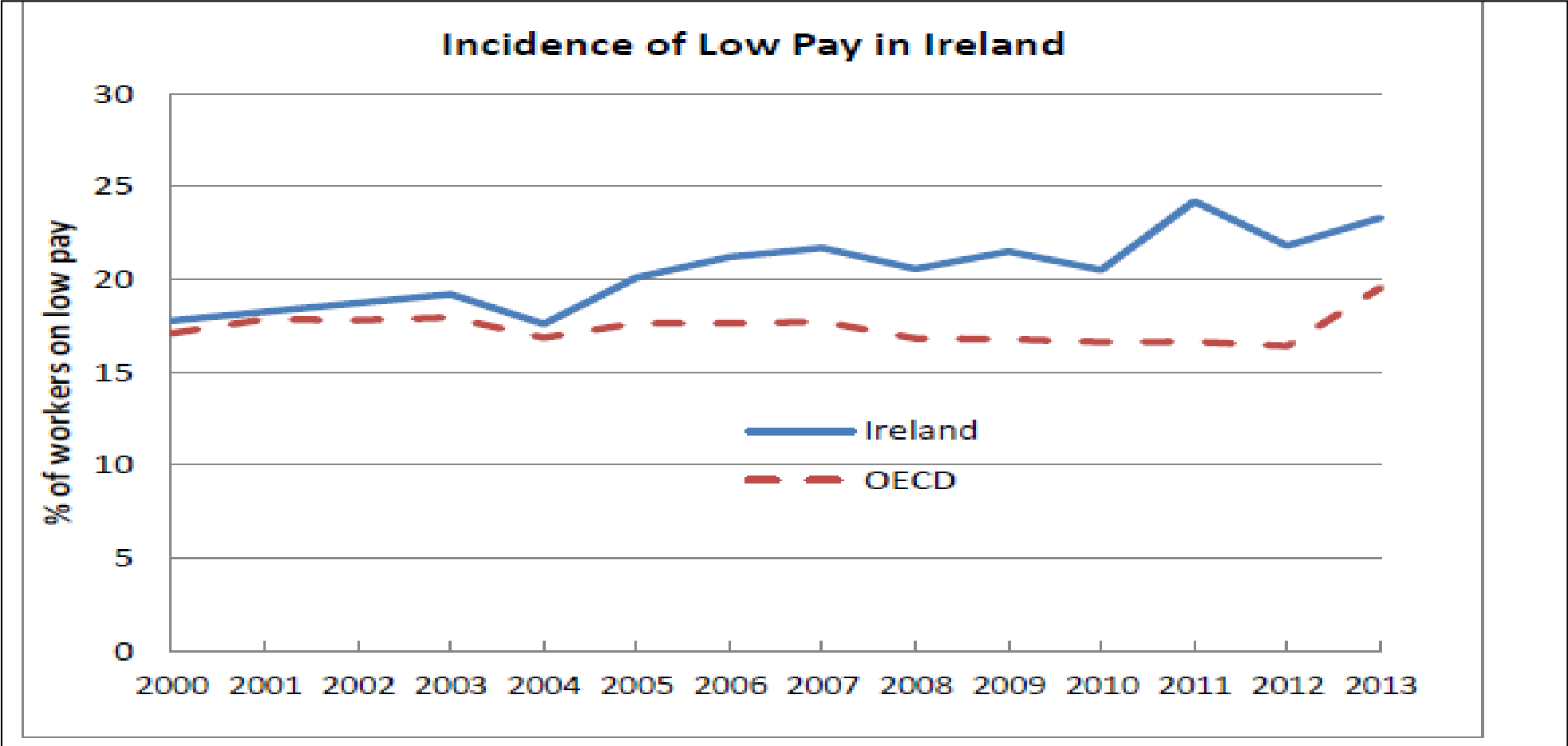
# Ireland: Low Pay

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



# Ireland: Low Pay

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



FOUNDATION FOR EUROPEAN  
PROGRESSIVE STUDIES  
FONDATION EUROPÉENNE  
D'ÉTUDES PROGRESSISTES

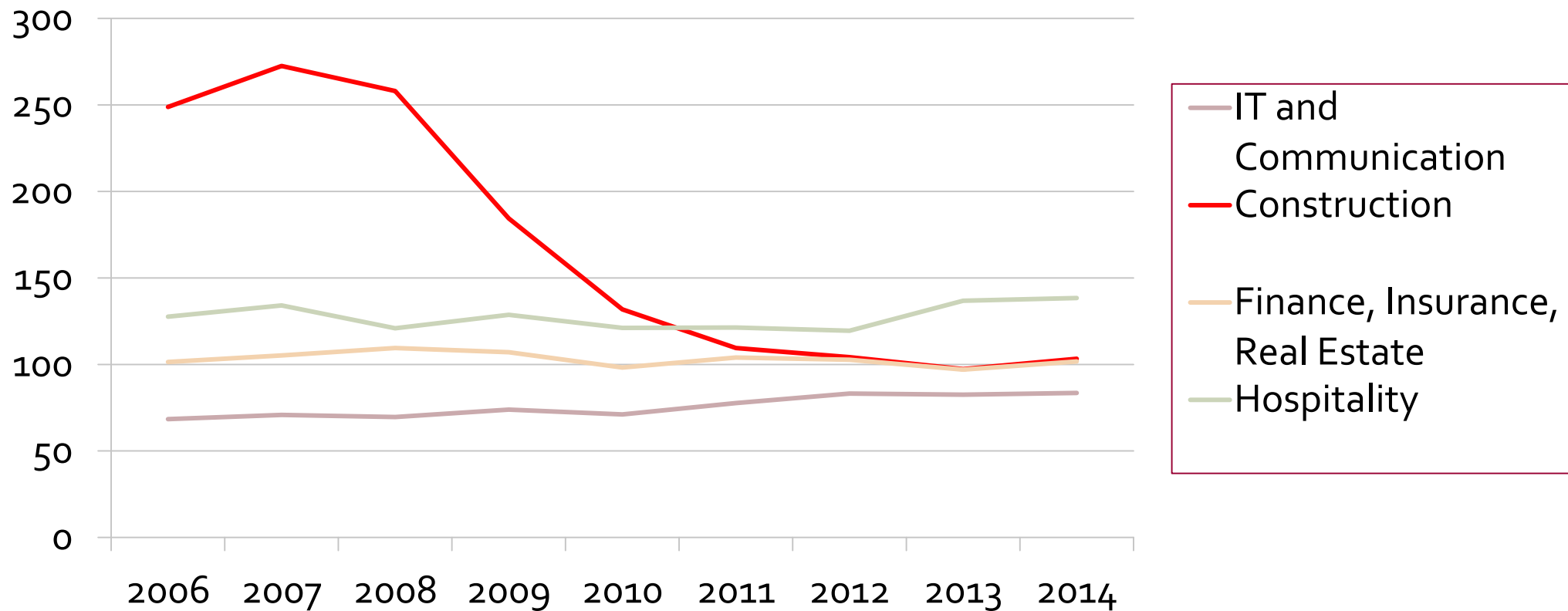


ALTAUSTERITY



# WCIP Case Study Sectors

Employment 2006-2014



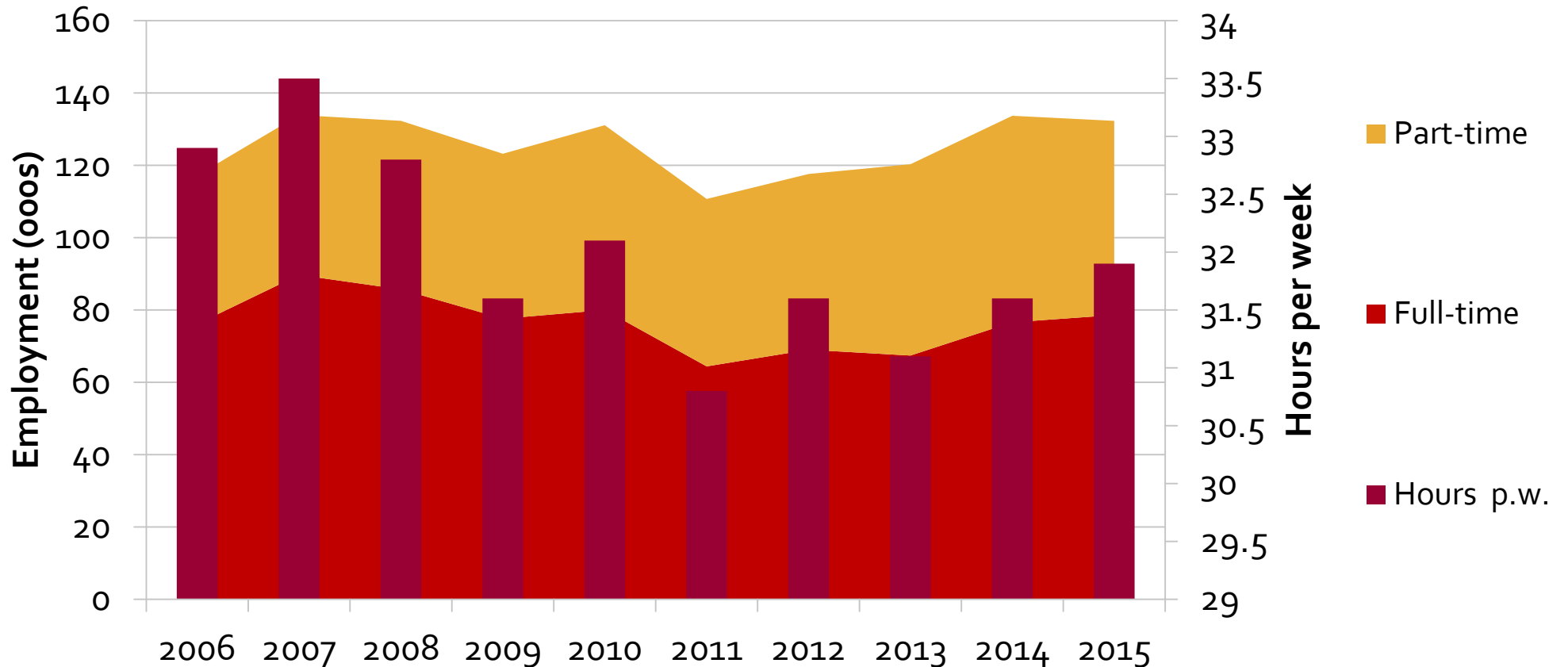
# WORKING IN HOSPITALITY



# Hospitality Sector: Hours and Earnings

## Irish Hospitality: Employment and hours

Source: CSO Statbank



# Hospitality Sector: Flexible Contracts, 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: Unpredictable 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

**Weekly earnings** in the Irish hospitality sector **lower** than a full-time salary based on the hourly minimum wage

**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!

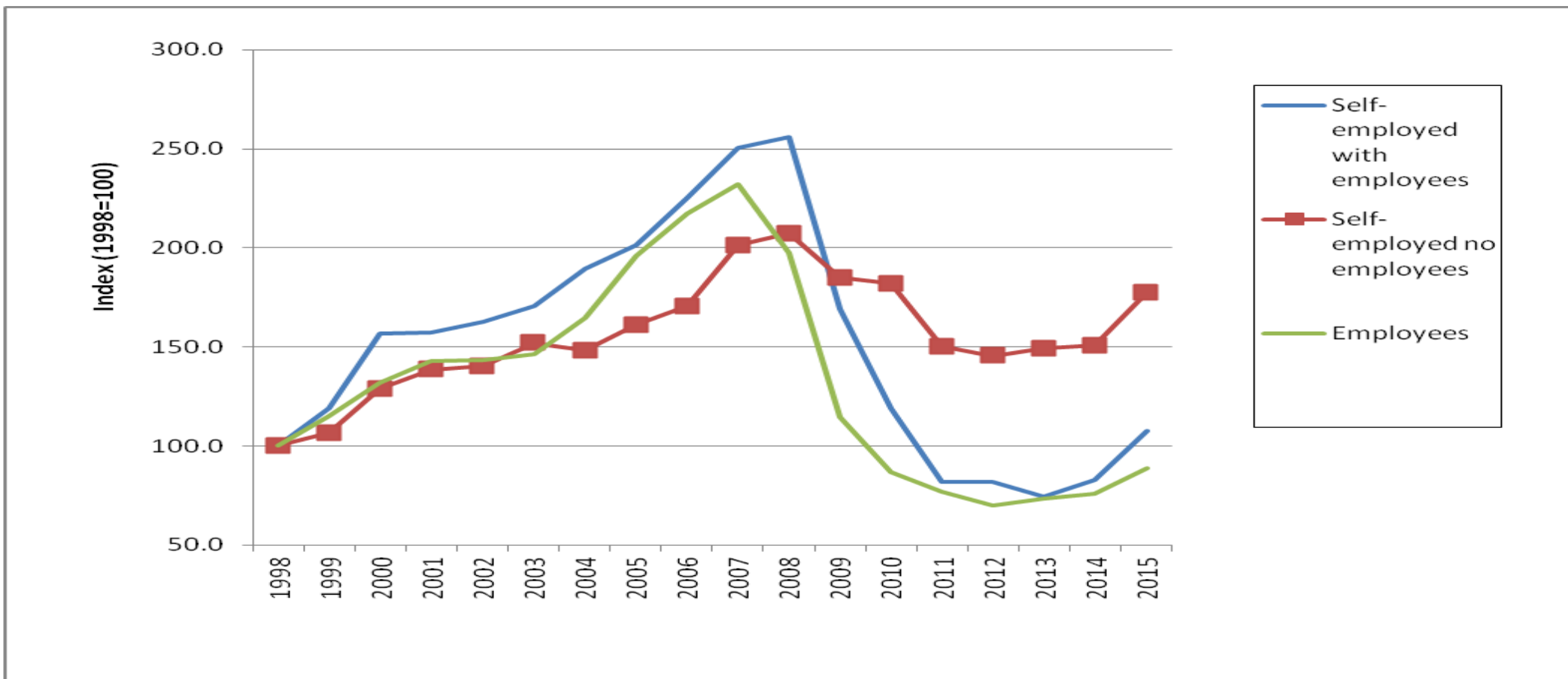
**ALSO: Health and safety** implications

# WORKING IN CONSTRUCTION



# Construction Sector: Employment and Self-Employment (1998-2015)

Source: QHNS



# Construction Sector: Hollowing out the Firm

## 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**



# Bogus Self-Employment

*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)*



# Bogus Self-Employment: 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

## Loss of PRSI **revenue** and **welfare rights**

- Total revenue from Self-employed PRSI (Class S) less than Employee (Class A)
- Self-employed not entitled to Jobseeker's Benefit

## Possible **health and safety** implications

- Not always clear who is responsible

## Further **fragmentation of workplace**

# Sub-Contracting Chains and 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)



Conclusion



# 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)



FOUNDATION FOR EUROPEAN  
PROGRESSIVE STUDIES  
FONDATION EUROPÉENNE  
D'ÉTUDES PROGRESSISTES



ALTAUSTERITY



# Case Study Sectors: Conclusions

- Occupational numbers
  - *Prime* cause of growing income inequality – more jobs in low waged occupations, so ‘broadening the base’
- Occupational transformation
  - *Another* possible cause of growing income inequality – moving occupations ‘down’ so ‘squeezing the middle’



# 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
  - National minimum wage is important base line.
  - Enforcing existing regulation rather than more regulation
  - Restoring sector wide agreements



FOUNDATION FOR EUROPEAN  
PROGRESSIVE STUDIES  
FONDATION EUROPÉENNE  
D'ÉTUDES PROGRESSISTES



**ALTAUSTERITY**



# Join the Conversation

Learn about our project and see more of our research and media:

<http://www.tasc.ie/researchpolicy/wcip.html>

<http://altausterity.mcmaster.ca/>

<https://twitter.com/altausterity>

*#altausterity*



FOUNDATION FOR EUROPEAN  
PROGRESSIVE STUDIES  
FONDATION EUROPÉENNE  
D'ÉTUDES PROGRESSISTES



**ALTAUSTERITY**

