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Precarious Work in the Republic of Ireland

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ABSTRACT

The evidence on the prevalence and growth in at-risk categories of precariousness in the Republic of Ireland is mixed. This paper presents evidence from multiple survey sources on an array of indicators of at-risk forms of precarious employment as set out recently by the European Parliament (Broughton et al 2016). The paper discusses divergence in estimates of some indicators from different data sources. We propose that issues around reliance on survey respondents understanding of their employment contract in data collection likely explains, at least in part, this divergence. The report presents evidence of a decline in the share of 'typical' employment for employees in Ireland i.e. full-time and permanent work. The analysis uncovers strong evidence of growth in the share of several at-risk categories of precarious work, including in part-time work, underemployment, marginal part-time work, part-time temporary contracts and involuntary temporary contracts. We present evidence that a structural change in the Irish labour market has occurred over the past decade or so. The paper provides time-series analysis of indicators related to new employment, the employment of younger workers and transition rates from at-risk categories of precarious employment to full-time, permanent jobs to support this theory. The analysis also shows that deprivation rates and the share of workers that would be unable to meet an unexpected expense were still significantly higher in 2016 than in the years leading up to the financial crisis for all but one category of worker (including for full-time and permanent employees).

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1. Introduction

Precarious work is not a new concept, and although it is widely accepted as a growing problem internationally, there is less consensus in an Irish context (Broughton et al 2016, Nugent 2017, Pembroke 2018, McGuinness et al 2018). Only recently the European Parliament adopted a resolution calling on the European Commission and EU countries to tackle the issue of precarious employment practices and the abusive use of fixed-term work contracts in the EU public and private sector' (European Parliament 2018).

There is no official definition of precarious work and as such, no standardised measurement. Precarious work is a wide concept encompassing both in-work poverty and contractual arrangements. This is at the root of the ambiguity around the trends and prevalence of precarious work in an Irish context. To implement an appropriate policy response it is important to identify and measure the various indicators of precarious work.

Recent research produced on the topic has found strong evidence of changes in the structure of employment in the Irish labour market as well as growth in at-risk categories of precarious employment. These include an increase in atypical employment (Kelly & Barrett 2017), in involuntary temporary and part-time employment (Nugent 2017), in precarious work in particular sectors and for certain demographics (ICTU 2017) and growth in the share of employees on variable hours (O'Sullivan et al 2015). Others found little change in some other at-risk categories such as contingent employment (McGuinness et al 2018). Bobek, Pembroke & Wickham (2018) examine the social implications of precariousness on workers in modern day Ireland and Pembroke (2018) suggests some specific policy measures to tackle insecurity in the Irish labour market.

In this paper, we will explore two research questions:

1. How many employees are at risk of precariousness in the Republic of Ireland?
2. What are the trends in Ireland? – Are at-risk categories of precarious work on the rise?

We estimate the extent of precarious work in Ireland, using four datasets on working conditions in Ireland (and Europe). Although the Labour Force Survey is likely the preferred survey for various indicators, with a break in series in 2017, time-series analysis is difficult. The LFS also does not supply data on income, deprivation and poverty. The bulk of the analysis therefore will rely on microdata from the European Union Statistics on Income and Living Conditions (EU-SILC) which allows researchers to analyse the links between various forms of employment and quality of living indicators. McGuinness et al (2018) also employed this data to estimate temporary employment. We demonstrate, as expected, that estimates of many indicators in LFS and SILC mirror each other quite closely. The paper will also compare, where possible, the European Social Survey (ESS) and the European Working Conditions Survey (EWCS). The authors accessed these datasets in October 2018. ESS publish their data every two years and SILC microdata is usually released a year after collection. Therefore, the most up to date data for ESS and EU-SILC is 2016. The most up-to- date EWCS is 2015 and LFS data is up to 2017 or 2018 depending on the variable.

The paper will compare the results of the surveys (where possible). Although the estimates of indicators of precariousness often differ in magnitude, throwing up questions around self-assessment and the understanding of respondents of their own work contracts in survey collection, where they do measure the same variables they tend to match in terms of trends over time. This is what one would expect from a group of nationally representative survey samples using their own estimation models year after year. Thus, we take this as strong evidence of real trends.

We will focus on employees though we do survey some aspects of self-employment. For clarity, as datasets use differing terminology, we will use the term 'permanent contracts' which includes unlimited, standard or open-ended contracts. These can be full-time or part-time. We will use the term 'non-standard contracts' which includes all contracts other than full-time, permanent employment, such as limited or fixed-term –either full-time or part-time. In addition to examining employment contracts in Ireland, the paper also looks at indicators related to sufficient income based on consumption. These include deprivation rates, the inability to meet unexpected expenses and subjective feelings regarding current income. Although the analysis will on occasion focus on these indicators as a share of wider employment (including the self-employed), unless otherwise stated, the analysis will concentrate on employees.

The paper will begin by offering a brief discussion on defining precarious work. Next, using the four datasets, this paper will go through each indicator of precarious work (as identified by Broughton et al (2016) in their report for the European Parliament) and estimate the share of employees who experience them. We will then estimate the extent and trends in at- risk categories of precarious work in the Irish labour market.

2. Background

2.1 Definition of precarious work

'There are no agreed official definitions of what constitutes precarious employment' (ILO 2012; p29). Consequently, this has led to debate as to how its prevalence is best measured (Jorgensen 2016). There is more consensus on the characteristics of precarious work, which Vosko (2010) identifies as 'uncertainty, low income, and limited social benefits and statutory elements'. Some authors associate precarious work with non-standard employment, such as part-time work, temporary work or self-employment (De Grip et al. 1997). Others often measure proxies for precariousness or different categories of precarious work, such as contingent employment (McGuinness et al 2018).

The European Parliament recently produced a report on the prevalence of precarious work in Europe. Broughton et al.'s study (2016), measured categories of employment relationship and associated risk of precariousness (Table 2.1). The report concluded that 'all employment relationships are at some risk of precariousness' (Broughton et al. 2016; p 11). The "at risk of precariousness indicators" go beyond contractual insecurity and underemployment. Precariousness is also an issue for some in permanent, full-time employment whose pay is insufficient to pay for a minimum essential standard of living.

Table 2.1 Risk of Precariousness, Broughton et al 2016

Employment Contract	Risk Assessment
Open-Ended (Full and Part-time)	Low-Risk
Marginal Part-Time work	Medium
Involuntary Part-Time work	Medium
Temporary/ fixed term contracts	Medium
Temporary Agency Work	Medium-High
Self-Employment	Medium
Bogus Self-Employment	Medium
Zero hours contracts	High
Posted work	Medium-High
Informal/undeclared work	High

This paper uses Broughton et al.'s (2016) classification of at-risk of precariousness as a guide, examining each contract/employment status and their prevalence in Ireland over time (contingent on data availability).

2.2 How the Questions is Asked

Wide discrepancies between datasets seemingly measuring the same thing have thrown up questions about survey collection and their reliance on respondent's own understanding of their employment contracts. Bobek, Pembroke & Wickham (2018) present strong evidence that respondents often do not realise they are on a temporary contract, believing themselves to be permanent employees from a series of qualitative interviews. Nugent (2018) suggests that the way the question is structured may influence answers and explain the disparities measuring this particular indicator between datasets. If the survey relies on the respondents own interpretation of their employment status, it can lead to the question being misinterpreted.

Researching TASC's first report on precarious work in Ireland, Pembroke found:

> *'. . . it became apparent that many participants and those in groups we reached out to were unaware that they were contractually precarious. The reasons for this varied. Some had no contracts. Others didn't understand what precarious work is. Others equated a temporary one-year contract with a permanent position. The last of these can be explained by differing experiences of precariousness. A temporary contract might be considered more secure compared to other precarious work, such as zero-hour contracts. Many said their employment was permanent, though later they revealed that they were on temporary contracts.'* (Pembroke 2018a)

Nugent (2018) provides one telling example. Substantial differences between the LFS, the Quarterly National Household Survey and the EU-SILC emerged when asking young people if they were temporarily employed (15.6 percent, 20.8 percent and 12.8 percent respectively) he continued:

> *'To add to the confusion, a recent survey by RedC of a representative sample of over 400 18-30 year olds conducted in February 2017 found that 38% of this same age group were on temporary contracts . . . When surveys measuring the same thing with a representative sample of the population come up with figures so different, we have to ask then, are they really measuring the same thing? This leads us to consider the*

Table 2.2 Issues around self-assessment of work contract

EU-SILC	LFS	RedC
'Temporary job/ work contact of limited duration'	'Person has temporary job/work contract of limited duration'	'On a temporary contract (of limited duration **and may not be renewed**)'

detail of how the question is asked or the alternative lists of possible answers given to interviewees.'

Three surveys put youth temporary employment at anywhere between 13 and 38 percent. What can account for this discrepancy?

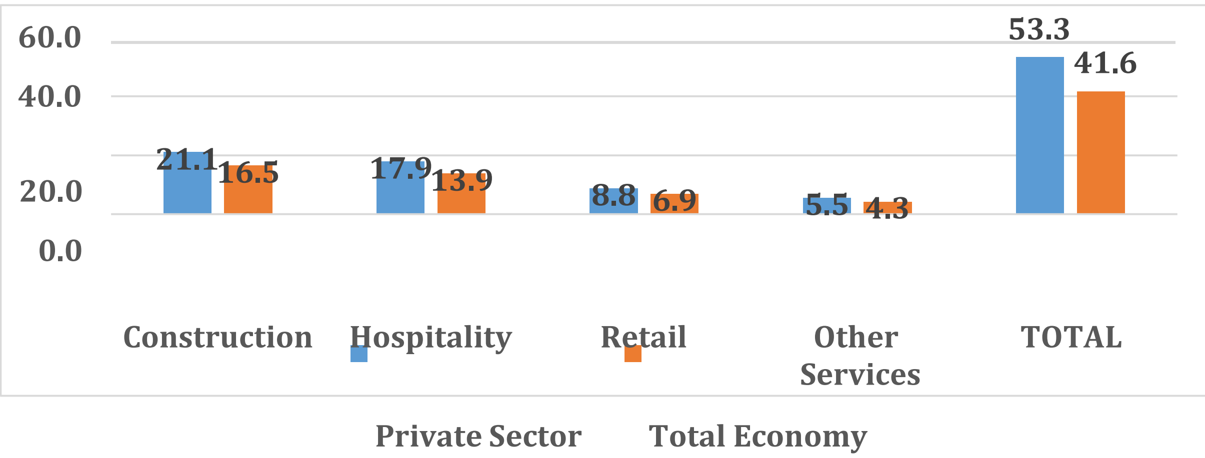
'These five simple words in the RedC approach 'and may not be renewed' may in fact make the difference to the understanding of the respondent and may partially explain, the huge disparities between the datasets.'

The differences in how surveys frame questions and the respondents' understanding of their own working conditions can produce significantly different responses.

2.3 Employment Growth and precarious work

In the last five years, total employment growth has been substantial. Overall employment has increased by 386,000 or 20 percent since 2012. In the market economy (a proxy for the private sector), employment increased by 301,000 or 25 percent. However, a substantial proportion of this growth has come from sectors with above average at-risk of precariousness - 42 percent. In the market, mainly private sector economy, these sectors made up 53 percent.

Chart 2.1 Share of Employment Growth in High-Risk Precarious Sectors: 2012-2018



Source: Eurostat (2018), Labour Force Survey, Employment by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) - 1 000 [lfsq_egan2], Employment by sex, age and detailed economic activity (from 2008 onwards, NACE Rev. 2 two digit level) - 1 000 [lfsq_egan22d] & author's calculations

Construction sector growth – a sector where there is strong evidence to suggest widespread bogus self-employment (Advisory Group on Tax and Social Welfare 2013: p10) – had the highest proportion, followed by hospitality and retail. Other services include employment agencies, private security services and services to buildings (primarily cleaners and gardeners).[1]

This is not to suggest that all employees in these sectors experience precarious working conditions, only that sectors with high potential of precariousness constitute a significant proportion of overall employment growth. This, of course, does not include precarious working conditions in the remaining sectors.

Summary

→ There is no official definition of precariousness. This results in considerable differences in the measurement of precariousness.

→ Estimates of various labour market indicators vary from survey to survey. It is likely that differences in how surveys frame questions and the respondents' understanding of their own working conditions can produce significantly different estimates.

→ A significant proportion of employment gains in the last few years come from sectors with above average shares of high-risk precarious employment.

[1] These are all located in the NACE Administrative and Support Services. Combined, these at-risk sub-sectors made up two—thirds of total sectoral employment growth.

3. Permanent employment and precarious work

When measuring precarious work, often only non-standard employment is measured. This has to do with the lack of an official definition of precarious work, but also on-going debates around what constitutes precarious work. However, as Broughton et al (2016) concluded: 'all employment relationships are at some risk of precariousness' and that 'while standard (permanent) forms of employment are at a lower risk of precariousness than other forms of contracts, there are nevertheless some risks, associated with low pay, in-work poverty, and poor working conditions.'

Table 3.1 Estimates of Permanent Contracts for Employees

EU-SILC (2016) (employees 'in work')	EWCS (2015) (employees)	ESS (2016) (employees 'in paid work')
86.8	71.6	54.6

Source: CSO (2018), Survey on Income and Living Conditions, 2004-2016, European Social Survey (2018), 2004-2016, European Working Conditions Survey (2018), 2010-2015

According to the ESS in 2016, 54.6% of employees in paid work had an unlimited or permanent contract. EU-SILC data, on the other hand, suggests that 86.8% of those in work have a permanent job. To confuse things further, the EWCS stated that 71.6% had an indefinite or permanent contract in 2015. With statistically representative samples in each of the three datasets, these figures should not vary so widely. This likely illustrates again, issues around relying on survey respondents own understanding of their employment contract. These three surveys ask fundamentally the same question, present it slightly differently and come up with estimates that diverge widely. Hence, the confusion.

Table 3.2 Employees on Unlimited Contracts ('at work')

2016	%
Austria	92.4
Sweden	89.3
Switzerland	89.1
Norway	88.2
Belgium	86.9
Germany	85.5
Finland	84.1
Great Britain	81.1
France	81.0
Italy	80.0
The Netherlands	77.5
Spain	74.5
Portugal	69.5
Ireland	54.6

Source: European Social Survey (2018)

ESS data also allows us to make comparisons with other EU countries, in relation to unlimited/permanent contracts.[2] The table reveals that Ireland is at the bottom when it comes to the percentage of unlimited/ permanent contracts in Europe. According to

[2] While we have not included a European comparative element throughout the paper, it is a significant to

point out where Ireland stands in terms of unlimited contracts in comparison to the rest of Europe.

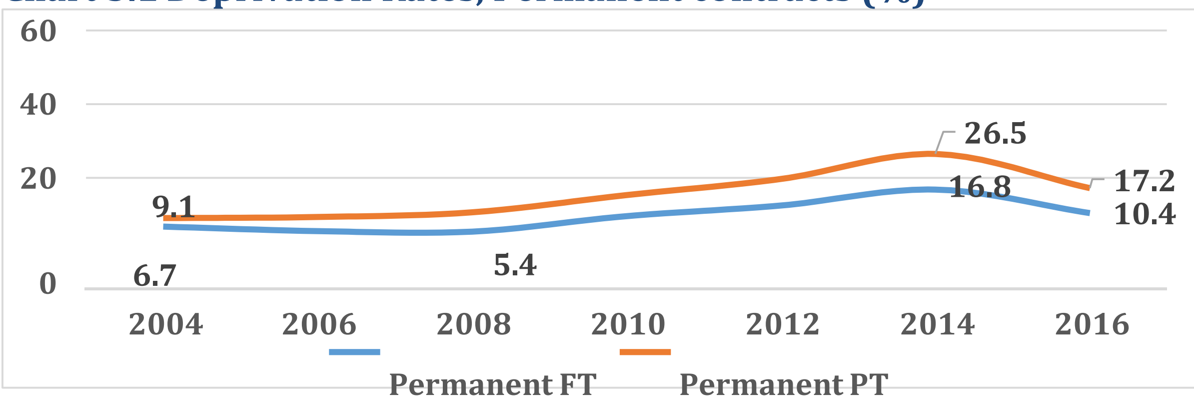
ESS data, while 54.6% of employees at work have unlimited/ permanent contracts in Ireland, the countries that measured the highest were Austria (92.4), Sweden (89.3) and Switzerland (89.1).

A worker with a permanent full-time contract is at the lowest risk of precariousness. Next, we estimate the share of permanent workers, both full-time and part-time, who nevertheless experience precariousness. SILC data allows us to calculate indicators related to in-work poverty. For the purposes of this analysis, we have chosen two consumption-based indicators: deprivation rates and the ability to afford an unexpected expense. For various reasons these indicators have advantages over income-based indicators in capturing the material poverty experienced in society over-time (Watson & Maître 2012).

3.1 Precarious Living & in-work poverty: Deprivation and Unexpected Expenses

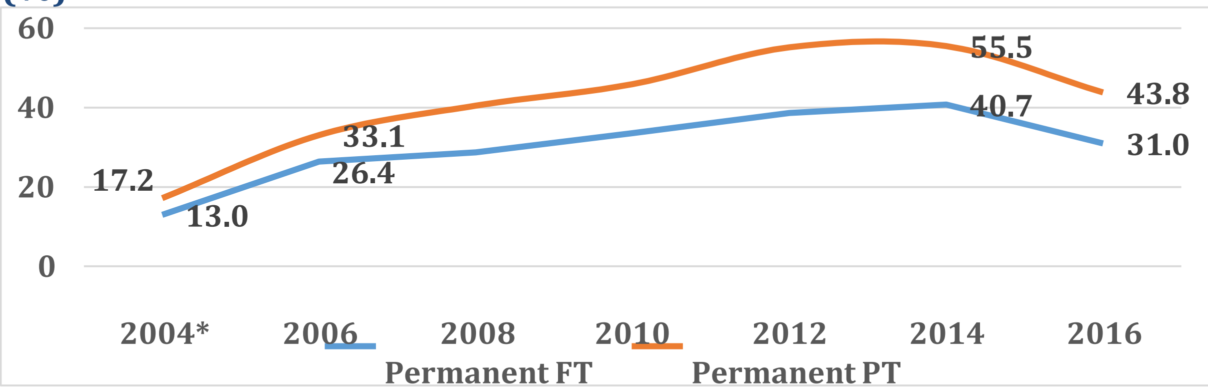
SILC data allows us to categorise workers and to estimate the deprivation rates for particular groups. An individual is in material deprivation if they cannot afford two or more of eleven everyday expenses. Examples include being able to afford a night out every two weeks or a winter coat. Permanent, full-time employees (the category at least risk of precariousness) saw a long-term increase in the deprivation rate over a ten-year period (from 2004 to 2014), followed by a decrease to 2016 (Chart 3.1). Deprivation rates in 2016 were still considerably higher than they were pre-crash. 10.4% of permanent, full-time employees experienced material deprivation in 2016 compared to 6.7% in 2004. After five years of strong economic growth, the deprivation rate for permanent part-time employees was still 17.2% in 2016, almost twice the rate in 2004 when it stood at 9.1%.

Chart 3.1 Deprivation Rates, Permanent contracts (%)



Source: CSO (2018), Survey on Income and Living Conditions & author's calculations

Chart 3.2 Unable to afford an unexpected expense, permanent contracts (%)



Source: CSO (2018), Survey on Income and Living Conditions & author's calculations
Note: In 2004* the expense is undefined. From 2006-2016 the expense cited was between €875 and €1,000. The CSO calculate the figure of the unexpected expense as the annual at-risk of poverty threshold in year n-2 divided by 12. Refers only to those who identify as 'at work'

SILC data also provides another indicator of insecurity. The survey asks respondents 'would you be able to afford an unexpected expense of €X'. Between 2006 and 2016, this amount ranged from €875-€1000.[3] This is at the heart of the concept of precariousness. A similar trajectory is evident with this indicator compared to the deprivation rates. For permanent full-time workers, the percentage of those who could not afford an unexpected expense rose sharply between 2006 and 2014. Although this share has come down, in 2016 the rate was still notably higher than in 2006. In 2006, 26.4 percent of permanent full-time employees could not afford an unexpected expense compared to 31.0 in 2016. A similar trend is evident for permanent part-time employees, 33.1 percent of whom were unable to afford an unexpected expense in 2006, increasing to a peak of 55.5 in 2012. This figure trended downwards to 43.8 percent in 2016, ten percentage points higher than in 2006.

The ESS also provides an indicator of precarious living, although the survey does not provide data on full-time/part-time status. Between 2004 and 2016, the share of permanent employees who were 'living comfortably' on their present income, fell from 56.0% to 46.5%.

[3] The CSO calculate the figure of the unexpected expense as the annual at-risk of poverty threshold in year n-2 divided by 12.

Summary

- → The EU-SILC and ESS datasets record significant differences in the percentage of employees on permanent contracts in 2016 (82.2 and 54.6 percent). EWCS data for 2015 estimates a share of 71.6 percent.

- → Workers on permanent contracts are also at risk of precariousness. The deprivation rate for full-time employees on permanent contracts has seen a long- term increase; from 6.7 in 2004 to 10.4 percent in 2016. This is also the case for permanent part-time workers (9.1-17.2 percent)

- → Permanent workers also experienced a long-term increase in their inability to meet unexpected expenses. For full-time permanent employees, the share grew from 26.4 percent in 2006 to 31.0 percent in 2016.

4. Temporary employment

A job is temporary if employer and employee agree that its end is determined by objective conditions such as a specific date, the completion of a task or the return of another employee who has been temporarily replaced (Broughton et al 2016). Temporary contracts are also known as 'fixed-term' or 'limited' contracts.

4.1 Long Term Trend

Labour Force Survey data compiled and published by Eurostat record temporary employment over the long-tem.

In the years leading up to the financial crisis, Ireland saw a decline in temporary employment, both as a share of total employment and for employees. In line with broader economic performance, temporary employment trended downward during the employment boom until the financial crisis when it increased slightly until 2012, coming down again once the economy began to recover. A break in the series in the Q3 2017 means that inferring anything in terms of long-term trends is tricky. However, since the break in series the data shows a higher estimate of the share of temporary contracts than the old Quarterly National Household Survey and the data show a rise in temporary contracts for employees over the following 12 months to Q3 2018.

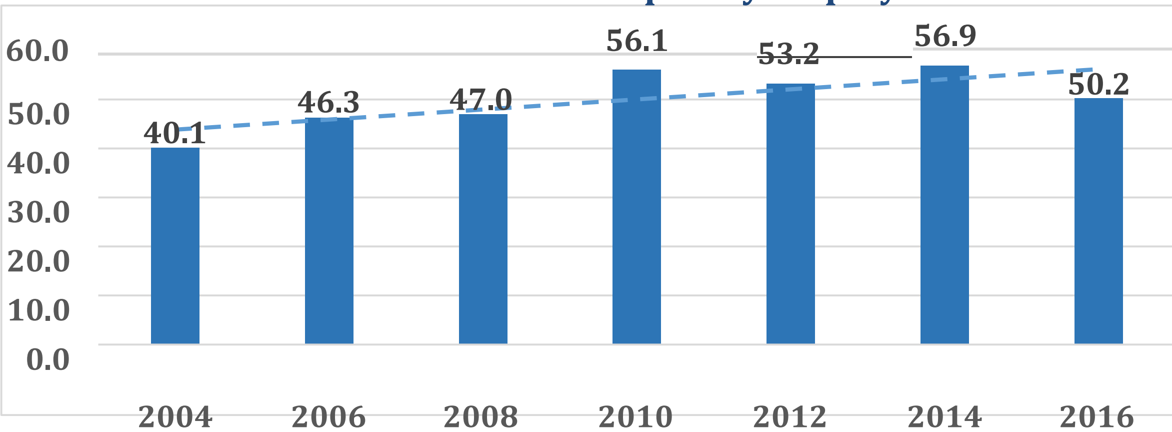
Chart 4.1 Temporary contracts (%)

Source: Eurostat (2018), Labour Force Survey, Part-time employment and temporary contracts 15-64- quarterly [lfsi_pt_q]
Note: Break in series, 2017 Q3

4.2 Temporary Work by Full-Time and Part-Time

While there has been a medium-term rise in part-time temporary employment, full-time temporary employment has remained relatively stable. However, evidence from the Survey on Income and Living Conditions suggests the composition of temporary employment has changed. Excluding students, half of temporary employment was part-time in 2016. This compares to 40 percent in 2004.

Chart 4.2 Part-Time as a share of Temporary Employment: 2004-2016

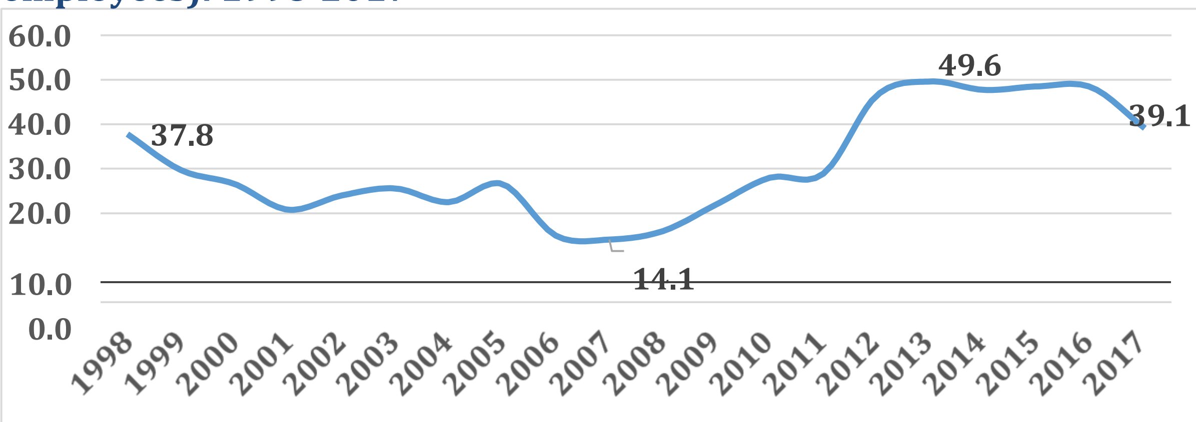


Source: CSO (2017), Survey on Income and Living Conditions 2004-2016 & author's
Note: Estimates refer only to those identifying primarily as 'at work'

4.3 Reason for Temporary Contracts

Employees give several reasons for working on temporary contracts: they couldn't find or didn't want a permanent job, were in education etc. Below we focus on those temporary employees who could not find a permanent job: involuntary temporary workers.

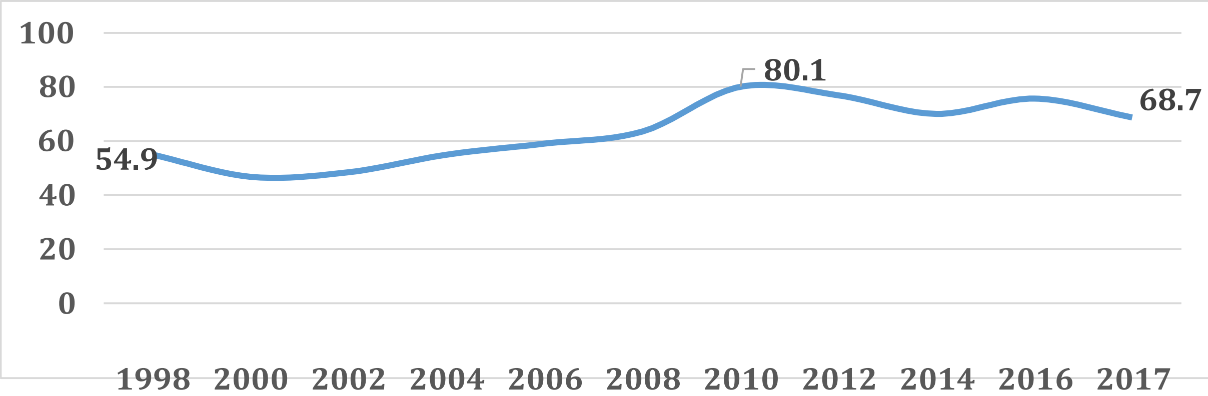
Chart 4.3 Involuntary Temporary Contracts (% of temporary employees): 1998-2017



Source: Eurostat (2018), Labour Force Survey, Temporary employees by sex, age and main reason [lfsa_etgar]
Note: Temporary contract employees who 'cannot find a permanent job'. **15-64**

Eurostat data shows 39.1 percent of temporary employees were unable to find a permanent job in 2017. While the proportion in both datasets shows a decline from the recession high, it remains highly elevated – nearly three times the pre-crash share.

Chart 4.4 Involuntary Temporary Contract (% of temporary workers), 'at work', ROI, 1998-2017



Source: CSO (2018) Labour Force Survey & authors calculations

Access to LFS microdata allows researchers to look further 'under the hood' and control for variables not always available through the CSO or Eurostat websites. Taking only those who report their main status as 'at work' (i.e. excluding students, those on home duties etc.) the share of those in involuntary temporary employment is far higher; more than 2 in 3 in 2017 (68.7%) compared to just over half in 1998 (54.9%). As we will see below, it is not clear that all the others are content with temporary employment; there may also be social barriers to taking up permanent work.

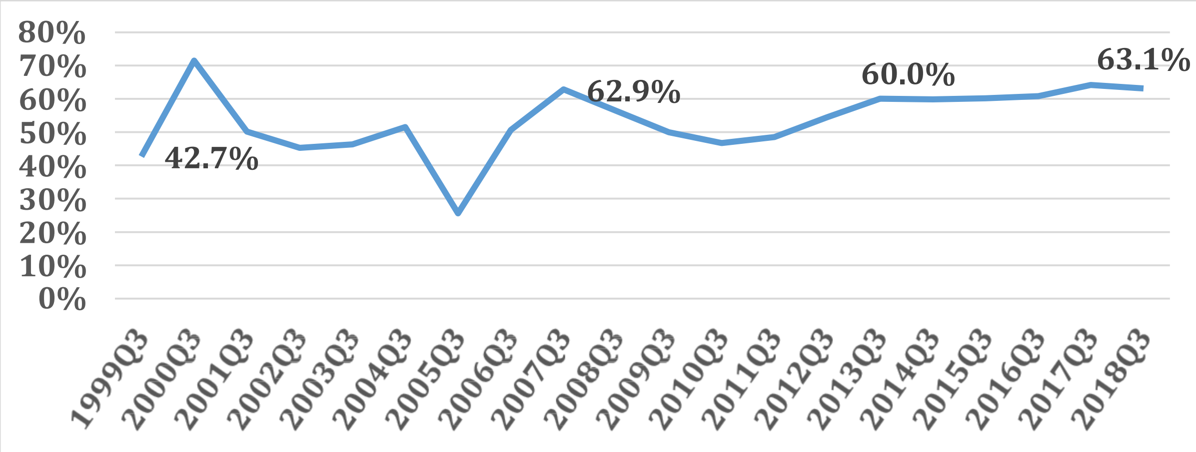
4.4 Additional risk factors

Below we look at two additional risks within the category.

4.4 (a) Short-Term Contracts

The share of temporary contracts with a duration of less than a year have been on the rise since 1999 – from 42.7 to 63.1 percent. This rate continued to rise through five years of strong economic growth, suggesting that employees on temporary contracts are experiencing greater employment risk.

Chart 4.5 Contracts of less than 1 year (% of temporary contracts): 1999-2018



Source: Eurostat (2018) Temporary employees by duration of the work contract (1 000) [lfsq_etgadc] & author's calculations
Note: Age 15-64. Estimate excludes no responses.

4.4 (b) Transitions to Permanent Employment

A common narrative on this topic is that temporary contracts provide opportunities for employees to transition to permanent contracts. However, the data does not support this. Evidence from the Labour Force Survey compiled by Eurostat suggests very few manage to transition from temporary to permanent contracts and that Irish transition rates are one of the lowest in the EU – ranking 17 out of 25 countries.[4]

Table 4.1 Transition rate: fixed-term to permanent contract

2011	2012	2013	2014	2016	2017
7	9	7	9	8	9

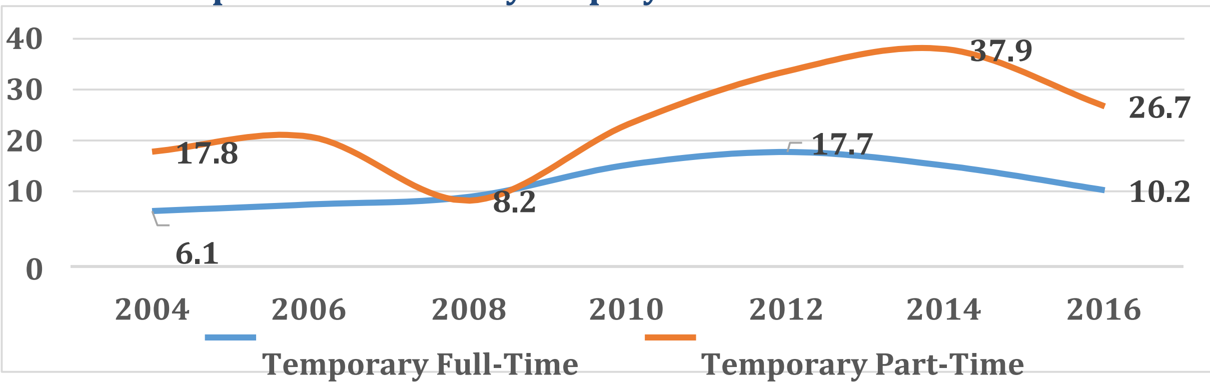
Source: Eurostat (2018), Transition from fixed term contracts to permanent contracts by sex and age - annual averages of quarterly transitions, estimated probabilities [lfsi_long_e09]

4.5 Precarious Living & in-work poverty: Deprivation and Unexpected Expenses

Precariousness is not only a function of an employment contract; it also relates to poor and uncertain living standards.

[4] This Eurostat data is experimental and based on estimated probabilities.

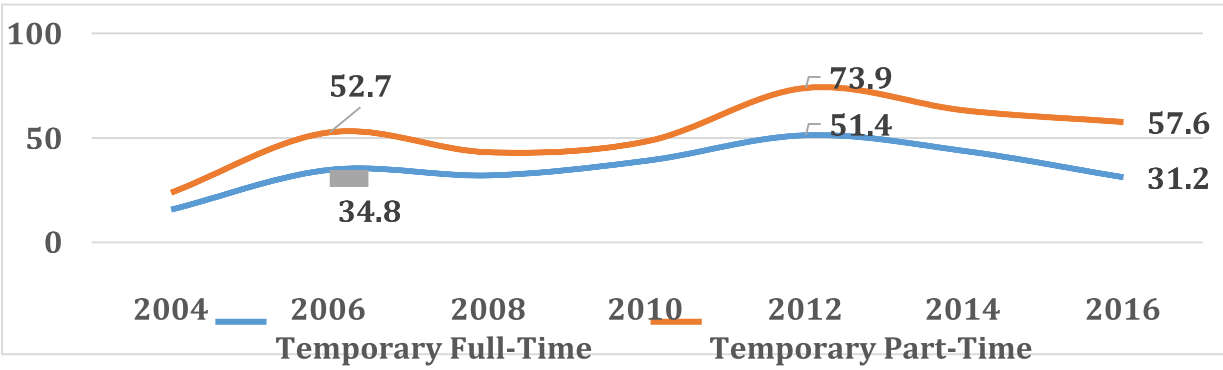
Chart 4.6 Deprivation Rates by Employment Contract: 2004-2016



Source: Survey on Income and Living Conditions 2004-2016 (2018) & author's calculations
Note: Rates refer only to those whose reported principal economic status is 'at work'

In chart 4.6, we record levels of deprivation as per the EU-SILC. While deprivation rates among temporary employees are in decline, they are still above pre-crash levels – for part-time temporary employees, up to three times the 2008 level. The second precarious living indicator is the inability to meet unexpected expenses. Unexpected expenses can include for instance surgery, a funeral, a major repair in the house, or replacement of durables like washing machine, car and others.

Chart 4.7 Inability to meet Unexpected Expenses by Employment Contract: 2004-2016



Source: Survey on Income and Living Conditions 2004-2016 (2017) & author's calculations
Note: In 2004* the expense is undefined. From 2006-2016 the expense cited was between €875 and €1,000. The CSO calculate the figure of the unexpected expense as the annual at-risk of poverty threshold in year n-2 divided by 12.
Refers only to those who identify as 'at work'

We see a similar pattern as seen in deprivation rates. 57.6 percent of temporary part-time workers are unable to meet unexpected expenses – nearly five points more than the share in 2006. Nearly a third of temporary full-time employees are unable to meet unexpected expenses.

Summary

→ LFS shows temporary employment remaining relatively steady over the last 20 years. However, the data show a substantial increase in the last year.

→ The share of temporary employees on part-time hours has increased since 2004.

→ The proportion of those stating they were unable to find a permanent job has risen substantially and remains three times the pre-crash level.

→ The proportion of temporary employees on contracts of less than a year has increased by more than 50 percent over the last decade and this trend has continued during the recovery.

→ The probability of a temporary employee transitioning to permanent employment in 2017 is an estimated 10 percent– this has remained stable since the recession.

→ The proportion of temporary employees living in deprivation or unable to meet unexpected expenses remains elevated over pre-crash levels – temporary part-time employees are particularly affected.

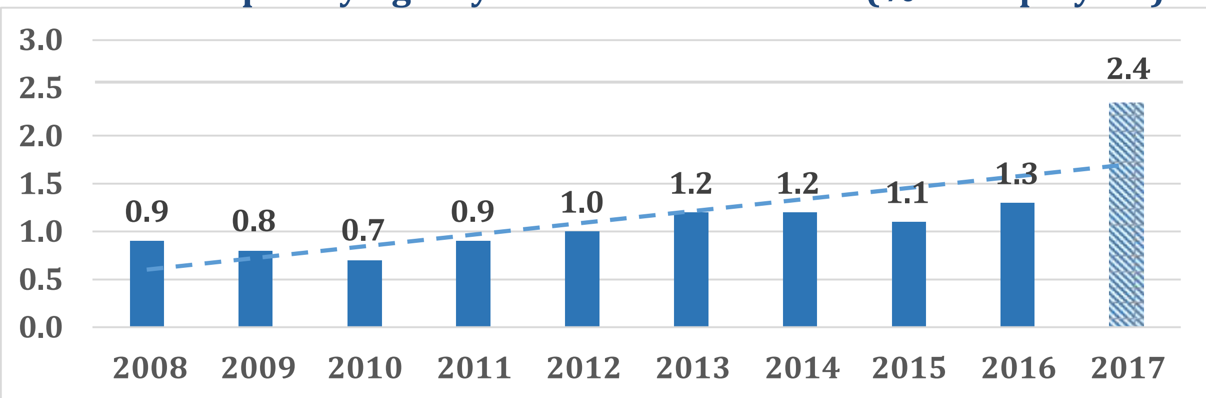
5. Temporary Agency Workers

Temporary agency workers are employed and paid by a third-party agency and placed at the disposal of other companies on a temporary basis and work under their supervision. The EU Commission categorises temporary agency workers (employment through a third party) as medium-high risk of precariousness. According to new Eurostat data, estimates in previous years of the share of temporary agency employees in the Irish labour market were relatively low. Caution should be taken in analysing the trend however, as there was a break in the series in 2017 when the estimate nearly doubled. The new estimate suggests that as many as 2.4 percent of employees in Ireland are temporary agency workers.

In 2017 there were over 40,000 employed as temporary agency workers. Ireland ranks high in the EU in terms of the number employed as temporary agency workers (sixth out of 24 countries reporting).

A study on zero-hour contracts found that in 2014 over half (55 percent) of temporary agency workers were employed in the health sector, followed by education (17.4 percent), wholesale/retail (17 percent) and accommodation/food (10.4 percent).[5]

Chart 5.1 Temporary Agency Workers: 2008-2017 (% of employees)



Source: Eurostat (2018), Temporary employment agency workers by sex, age and NACE Rev. 2 activity [lfsa_qoe_4a6r2]
Note: Break in series in 2017.

Summary

→ Temporary agency work has increased since the recession. The most recent estimate (2017) using a new methodology is almost double the estimate for 2016.

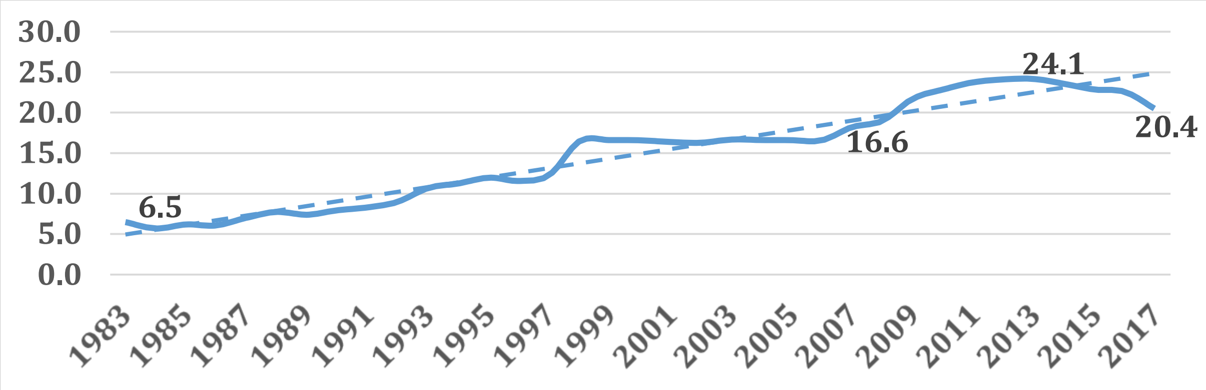
[5] 'A Study on the Prevalence of Zero Hours Contracts among Irish Employers and their Impact on Employees', University of Limerick, 2015

6. Part-time employment

Definitions of what constitutes a part-time job vary, even between different datasets collected and compiled by the CSO. Some datasets rely on self-assessment. The Earnings, Hours and Employment Costs Survey (EHECS) for instance, relies on information supplied by enterprises on the amount of part-time workers they employ. According to the CSO, the definition of part-time can vary from enterprise to enterprise but in general part-time employees work 80 percent or less of the regular hours of the enterprise (CSO 2018b). At the same time, in the *Labour Force Survey* respondents reply based on their self-perceived status i.e. there is no fixed threshold of weekly hours at which an employee is full-time. This also makes international comparisons difficult, as many countries tend to differ in their conceptions of part-time vs full-time work. In the *Survey on Income and Living Conditions*, an employee is considered 'part-time' if s/he works less than 30 hours. These disparities therefore result in different estimates of the share of part-time work in Irish employment.

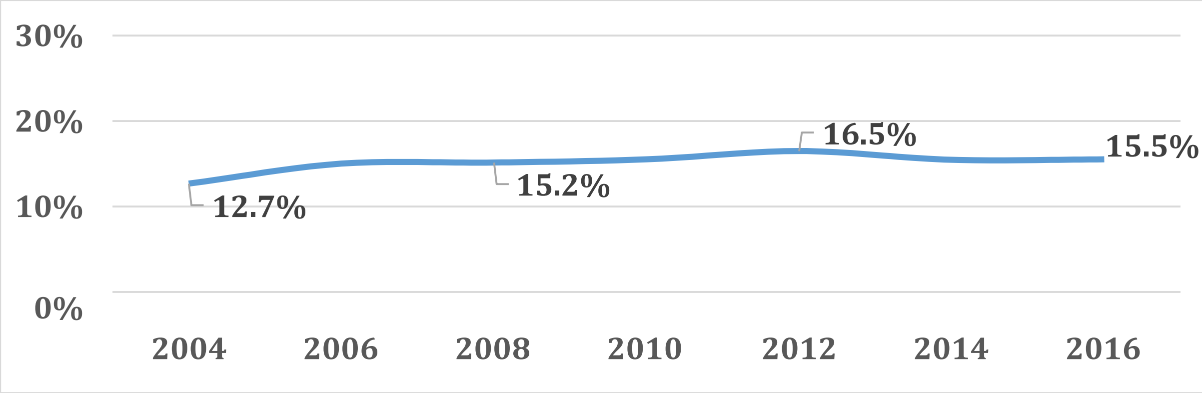
Part-time employees may be permanent or temporary; and may work part-time voluntarily or not. Issues related to insufficient working hours, job security, pay, career progression, access to social benefits and collective labour rights all feature in part-time work, especially temporary or involuntarily underemployment. Involuntary underemployment is tantamount to unemployment in many respects, due to the associated risks of poverty and deprivation due to insufficient work. There are a number of ways to measure at-risk of precariousness for part-time employees.

Chart 6.1 Part-time as a % of Total Employment, LFS, 1983-2017



Source: Eurostat (2018), Labour Force Survey, Full-time and part-time employment by sex and economic activity (1983-2008, NACE Rev. 1.1) (1 000) [lfsa_epgana]

Chart 6.2 Part-Time as a % of Total Employment, SILC, 2004-2016



Source: CSO (2017), Survey on Income and Living Conditions 2004-2016 & author's calculations
Note: Results show the share of all those who reported working under 30 hours of all those who worked at least one hour

LFS data show a substantial long-term increase in part-time work as a proportion of total employment for 15-64 year olds. While rising in the late 1990s, part-time work flat-lined for the best part of a decade at around 16 or 17 percent until the crash, after which it rose substantially, peaking at 24.1 percent in 2013. The share of part-time work declined from then on, standing at 20.4 percent in 2017.

SILC data shows a less volatile pattern for the share of those who work less than 30 hours out of all those who have worked at least one hour. SILC estimates are considerably lower; as a share of employment, part-time work rose from 12.7 percent in 2004 to 16.5 percent at the height of the crisis and came down slightly to 15.5 percent in 2014 through 2016. The corresponding figures for employees (rather than total employment) were 16.5 percent in 2004, reaching a peak in 2012 at 19.4 percent. Since 2012, the share of part-time employment for employees decreased slightly to 18.5 percent in 2016.

6.2 Reasons for Part-Time Employment: Involuntary Part-Time

Involuntary part-time work (those who would work more hours or work full-time if they had the opportunity) is a high-risk category of precariousness and, as we will demonstrate, is associated with high levels of deprivation and insecurity. The LFS provides data on the main reason part-time workers work part-time. Workers responding '*I can't find a full-time job'* are underemployed or experience *market barriers* to their full participation in the labour market.

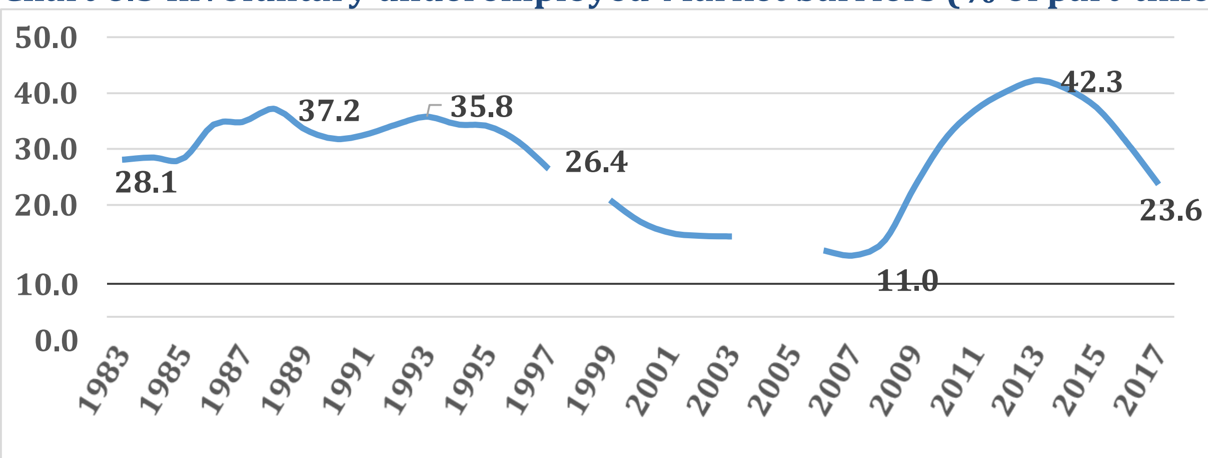
We also include an indicator for *social barriers* to full-time employment– namely, those who state they are working part-time due to family responsibilities. Within this group, there are people who may like to work more but know they cannot because of their obligations at home. A lack of social supports (affordable and accessible childcare, community care supports, etc.) constitute a barrier to taking up full-time employment. A further justification for treating family and caring responsibilities as a barrier is that the survey question provides respondents with an alternative answer – 'did not want a full-time job'. For the respondents that did not avail of this response it suggests that, were it not for these social barriers, they would take up full-time employment or seek more hours.

Those working part-time because of social barriers– over the medium term – experience deprivation and are unable to meet unexpected expenses at twice the rate of permanent part-time employees. This suggests that employees working part-time because of social barriers experience an elevated risk of precariousness.

6.2(a) Market Barriers

Eurostat's LFS shows a long-term trend that, following the depressed years of the 1980s and early 90s, involuntary part-time employment due to market barriers fell dramatically. In 1988, 37.2 percent of all part-time workers were underemployed compared to just 11 percent in the year leading up to the financial crisis. During the recession, not only did the share of part-time employment rise so did the share that was involuntary due to market forces, peaking at 42.3 percent of part-time employment in 2013. Since the recovery, the share has been declining though the latest figures show the level still remains twice what it was pre-crash (23.6 percent). For those reporting to be primarily 'at work' the corresponding figure is 28.4 percent, also double the share in 2008.

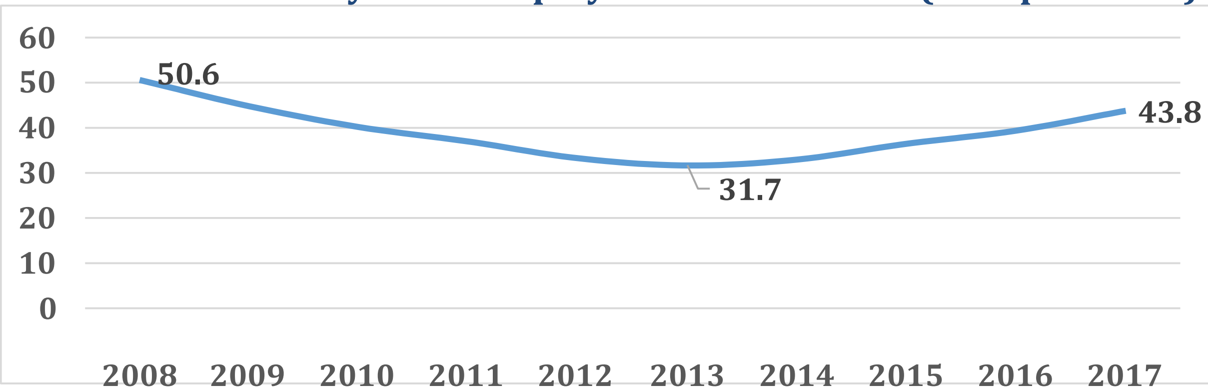
Chart 6.3 Involuntary underemployed-Market barriers (% of part-time)



Source: Eurostat (2018), Labour Force Survey, Main reason for part-time employment - by sex and age (%) [lfsa_epgar]
Note: Figures refer to those working part-time because they cannot find a full-time job. Gaps refer to unreliable or insufficient samples.

6.2 (b) Social Barriers

Chart 6.4 Involuntary underemployed-social barriers (% of part-time)

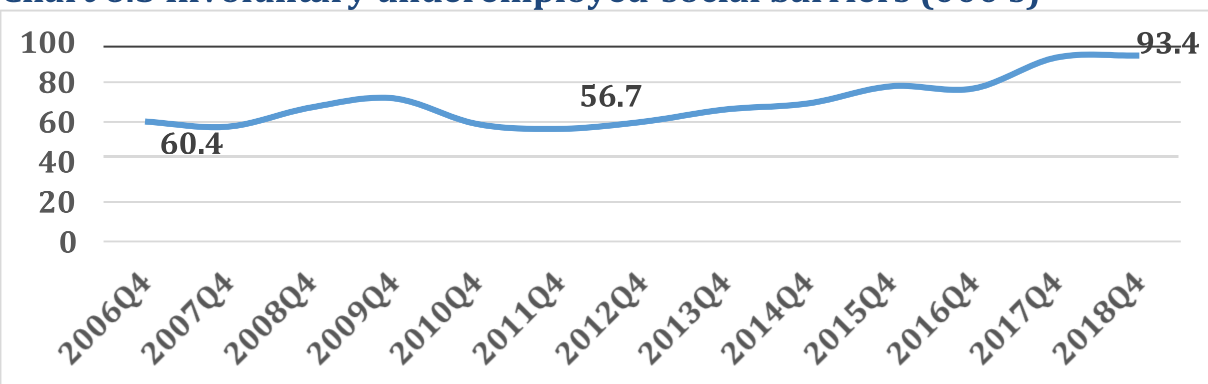


Source: Eurostat (2018), Labour Force Survey, Main reason for part-time employment - by sex and age (%) [lfsa_epgar]
Note: Figures refer to those working part-time because are caring for children or relatives and other family responsibilities

On this measurement of barriers to full-time employment (caring, family and personal responsibilities as the main reason for working part-time), we only have reliable data from 2006. The percentage dipped during the recession but is starting to rise again. This contrasts with the trend in market barriers. One explanation for this is that women, who predominate in the social barriers category, experienced greater hardship during the recession and austerity period. With the recovery, more women in this situation are entering the workforce. The latest Eurostat LFS figures show that 43.8 percent of all part- time staff in 2017 worked part-time to juggle caring responsibilities at home, up from 31.7 percent in 2013.

More up-to-date numbers compiled by the CSO show that as many as 93,400 part-time employees work part-time due to responsibilities at home (Chart 6.5). These are predominantly women.

Chart 6.5 Involuntary underemployed-social barriers (000's)

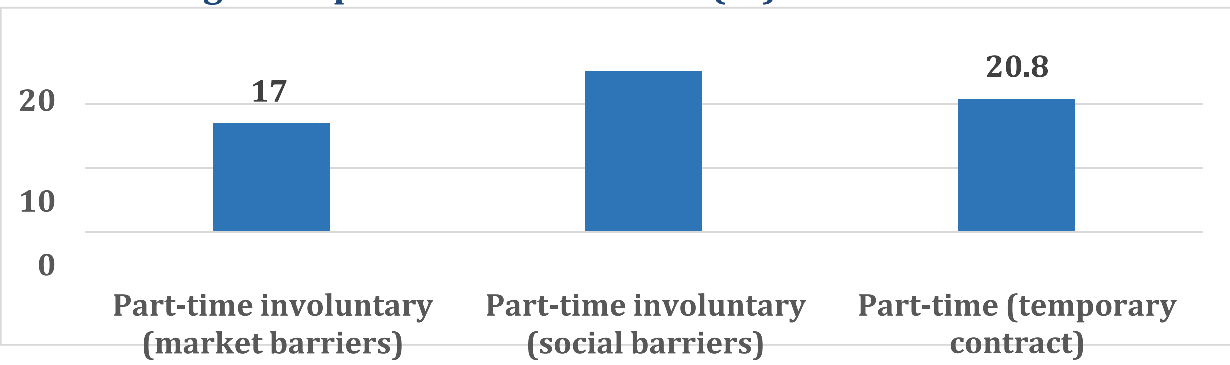


Source: CSO (2018), Labour Force Survey Detailed Employment Series / QES14 / Select from table QES14
Note: Figures refer to those working part-time because are caring for children or relatives and other family responsibilities

The proportion of people working part-time due to market and social barriers is high. In 2018, the LFS estimates the two together as high as 63.4 percent in 2018. Estimates from EU-SILC data from 2016 also show this high proportion.

As already mentioned, permanent part-time work when it is a lifestyle choice is among the lower at-risk categories of precariousness. SILC data shows however, that in 2016, 62 percent of all part-time work falls into categories of elevated risks of precariousness. Twenty one percent are on temporary contracts and 42 percent are working part-time due to either market or social barriers. The remaining 37 percent are either studying, have a disability, do not want to work full-time or have other reasons to work part-time.

Chart 6.6 High-risk part-time work: 2016 (%)



Source: CSO (2017), Survey on Income and Living Conditions 2004-2016 & author's calculations
Note: Figures refer only to those whose primary economic status is 'at work'

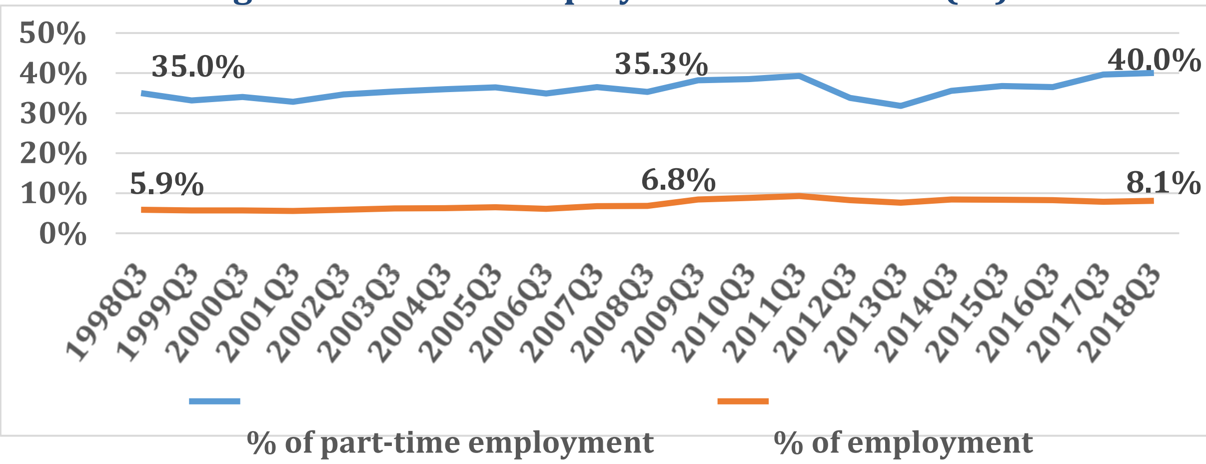
6.3 Additional risk factors

6.3 (a) Marginal Part-time Employment

Marginal part-time employment refers to those working 20 hours or less per week. The European Parliament (EP) report categorises these workers at medium-risk of precariousness. Less job security, fewer career opportunities, less training investment by employers, and a higher share of low pay characterise marginal part-time employment. Marginal part-time employment has seen a long-term increase.

Marginal part-time employment makes up 40 percent of all part-time employment and 8.1 percent of total employment. The long-term trend is slightly upwards. EU-SILC data shows the

Chart 6.8 Marginal Part-Time Employment: 1998-2018 (%)



Source: CSO (2018), Labour Force Survey,: Persons aged 15 years and over in Employment by Sex, ILO Economic Status and Quarter [QLF01], Persons aged 15 years and over in Employment by Sex, Usual Hours Worked and Quarter [QLF20] & author's calculations

share of employees in marginal part-time employment, has also increased; in 2004 it stood at 6.9 percent and increased to 8.1 percent in 2016.

6.3 (b) Transitions to Full-Time Employment

For some commentators, part-time work is a secondary concern in policy terms and underemployment merely a temporary stepping-stone providing invaluable experience to facilitate the path to full-time work. However, the available data does not support this.

This data suggests that very few manage the transition from part-time to full-time contracts. According to Eurostat projections, the probability of an Irish part-timer transitioning to full-time employment in 2017 was as low as 3 percent. The Irish rates are the lowest in the EU (see section 11).

Table 6.1 Transition rate (%): part-time to full-time employment

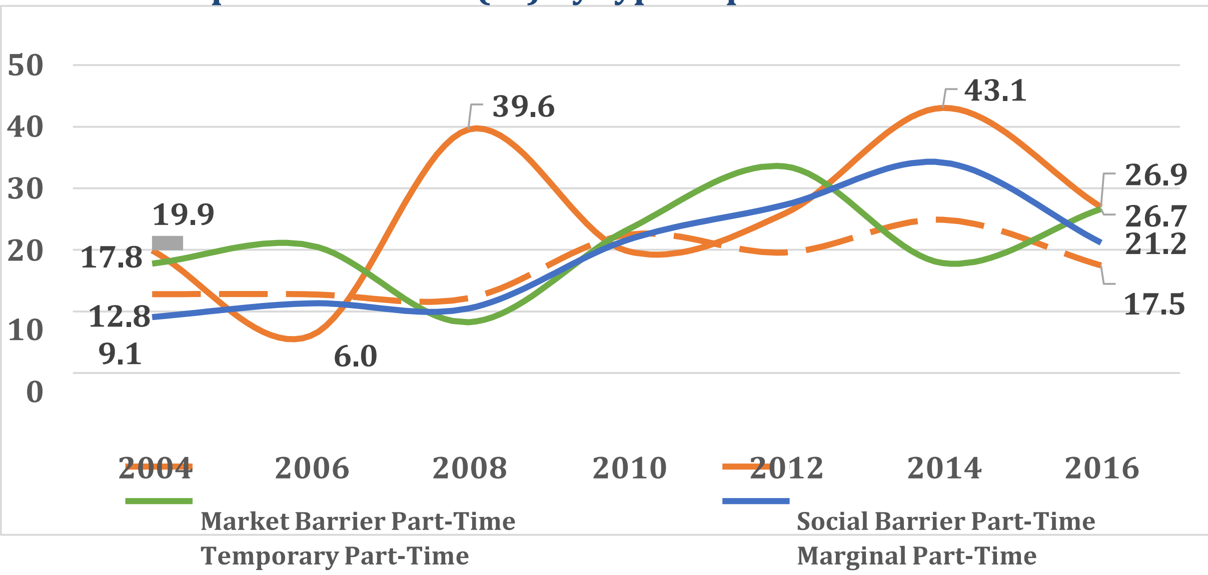
2011	2012	2013	2014	2015	2016	2017
3	3	3	3	3	3	3

Source: EU-LFS (2018) Transition from fixed term contracts to permanent contracts by sex and age - annual averages of quarterly transitions, estimated probabilities [lfsi_long_e09]

6.4 Precarious Living and in-work poverty: Deprivation and Unexpected Expenses

Marginal part-time employees, part-time employees on temporary contracts or those working part-time due to market and social barriers all face elevated levels of deprivation and inability to meet unexpected expenses.

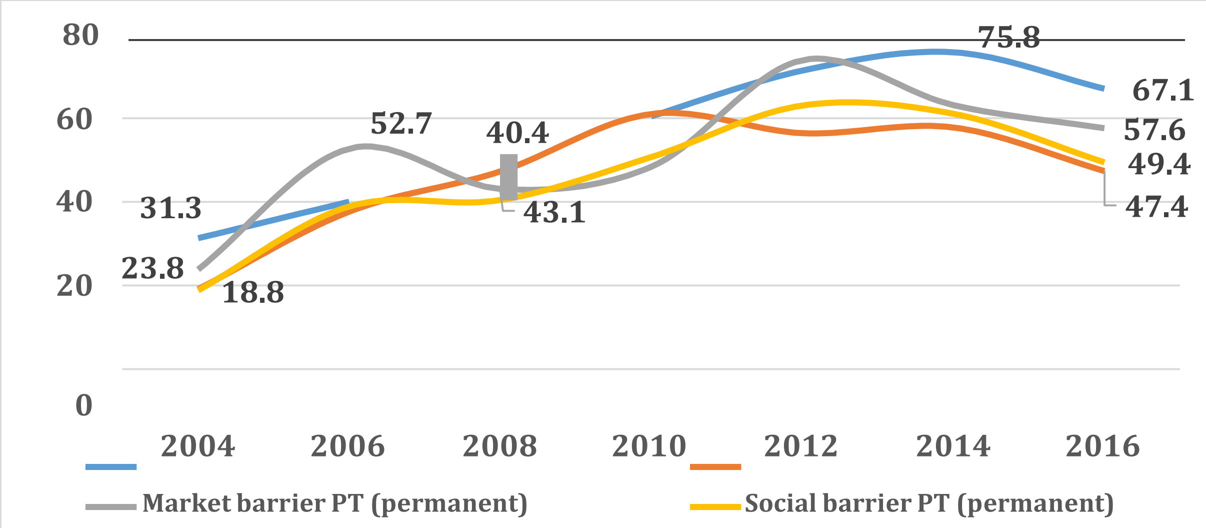
Chart 6.8 Deprivation rates (%) by type of part-time: 2004-2016



Source: CSO (2018), Survey on Income and Living Conditions 2004-2016 & author's calculations
Note: Rates refer only to those whose reported principal economic status is 'at work'

While the four categories differ in deprivation rates, the medium-term trend is increasing for each and each category has a higher share of workers in experiencing material deprivation than in 2004. Involuntary part-time workers frozen out of full-time work due to market barriers experienced the highest deprivation rate in 2016 (26.9 percent). This compares to a pre-crash low of 6 percent. Part-time employees on fixed-term contracts also have a high deprivation rate at 26.7 percent in 2016, compared to a pre-crash low of 8 percent. Temporary part-time employees were the only category that experienced a rise in the share in deprivation between 2014 and 2016. Twenty one percent of employees working less than 20 hours experienced deprivation, compared to a pre-crash low of 10 percent. Part- time employees juggling duties at home with work experienced a deprivation rate of 17.5 percent in 2016, compared to a pre-crash low of 12 percent. Deprivation rates are

Chart 6.9 Inability to Meet Unexpected Expenses: 2004-2016 (%)



Source: CSO (2018), Survey on Income and Living Conditions 2004-2016 & author's calculations
Note: In 2004* the expense is undefined. From 2006-2016 the expense cited was between €875 and €1,000. The CSO calculate the figure of the unexpected expense as the annual at-risk of poverty threshold in year n-2 divided by 12.
Refers only to those who identify as 'at work'

substantially higher than for permanent temporary employees – those employees who are working voluntarily on open-ended or unlimited contracts.

Inability to meet unexpected expenses not only remains well above pre-crash levels, the decline in the share of workers living in this type of uncertainty since the economic turnaround has been weak. The share of part-time employees who would prefer but cannot find permanent work due to market barriers who would be unable to afford an unexpected expense of €1,000 in 2016 is the highest of any category at 67.1 percent. 57.6 percent of part-time workers on temporary or fixed-term contracts experienced the same in 2016, compared to 52.7 percent in 2006. Just under half of all part-time employees facing social barriers to full-time employment (looking after children, elderly or disabled at home) were living in a state of insecurity in 2016 (47.4 percent compared to 37.7 in 2006). Similarly, the share of marginal part-time workers who would be unable to meet an unexpected expense of €1,000 was just under half in 2016 (49.4 percent), substantially above the 38.9 estimate before the financial crisis in 2006.

Summary

- → Part-time employment has experienced a long-term and substantial increase as a share of total employment and as a share of employees.
- → Over one-in-five part-time employees are temporary employees.
- → The share of part-time employees who can't find a permanent job has fallen in recent years; however, it remains significantly above levels in the latter part of the 'boom' years.
- → Nearly half of part-time workers work part-time due to family and caring duties.
- → Only a little over a third of part-time workers are permanent and are not working part-time due to market or social barriers (i.e. fully voluntary).
- → Annual transition rates from part-time to full-time work are extremely low in the Republic of Ireland.
- → Four-in-ten part-time employees (8.1% of all employees) work less than 20 hours per week (marginal part-time employment); this trend is rising.
- → Temporary and marginal part-time employees, along with employees working part-time due to market and social barriers, experience high levels of deprivation.
- → The share of temporary and marginal part-time employees, along with employees working part-time due to market or social barriers that would be unable to meet an unexpected expense of €1,000 is higher still.

7. Zero-Hour and if-and-when contracts

There is some confusion over the terms 'zero-hour' and 'if-and-when' contracts. The definition of a zero hour contract is that the employee is available for work but their hours have not been specified.

> *'[In a]* ***zero-hours contract*** *there is a formal arrangement in which the worker must be available for a certain number of hours per week, or when required by the employer, or a combination of the two . . .'* (Pembroke 2018, p43)

> ***'If-and-when contracts*** *are similar to zero-hour contracts in that workers do not have guaranteed hours. However, they differ because there is no mutuality of obligation. This lack of obligation is based on the premise: "if" the employee is available and "when" the employer has hours, then they call them for work, which means that the employer is under no obligation to offer work to the employee and, if they do, there is no obligation on the employee to accept.'* (Pembroke 2018, p43)

The *Study on the Prevalence of Zero-Hour Contracts*, commissioned by the Government found little evidence of zero-hours contracts in the sectors under review (O'Sullivan et al 2015). However, they found evidence of if-and-when contracts. These contracts contain a high level of at-risk of precariousness: unpredictable working hours and income, lack of employee input into scheduling of work hours, insufficient notice when called to work, difficulties in managing work and family life, being sent home during a shift, difficulties in accessing social benefits, etc. They also found evidence of hybrid if-and-when contracts, where the employee must be available for a minimum number of hours but not for any additional hours.

The study found that the CSO does not ask questions regarding if-and-when contracts in their national household surveys. Therefore, we cannot estimate the number of employees on these contracts.

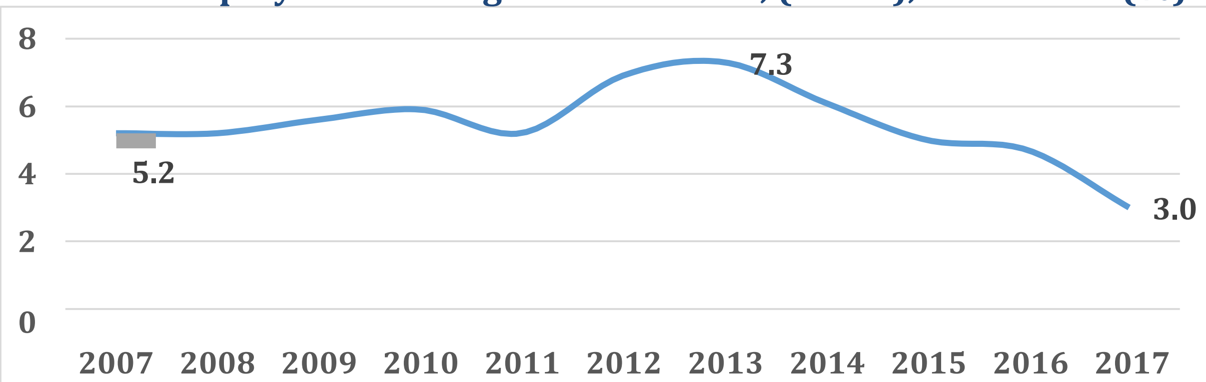
7.1 Variable Hours

The number of employees on variable hours can provide some insight into the numbers on if-and-when contracts. We cannot equate the numbers on variable hours with these contracts. However, it is within this group that we should expect to find these contracts.

There is a downward trend in the numbers working variable hours. However, we should treat this with care. There was a switch from the Quarterly National Household Survey to the Labour Force Survey in 2017 with the CSO cautioning comparisons between the two surveys. The significant decline in 2017 may be due to this break in series.

It is worth noting that since the transfer to the Labour Force Survey in the 3rd quarter of 2017, we find the numbers working variable hours rising from 99,800 to 116,000, an increase of over 16,000 in a year. In percentage terms, this represents an increase from 4.5 to 5.1 percent of employees.[6]

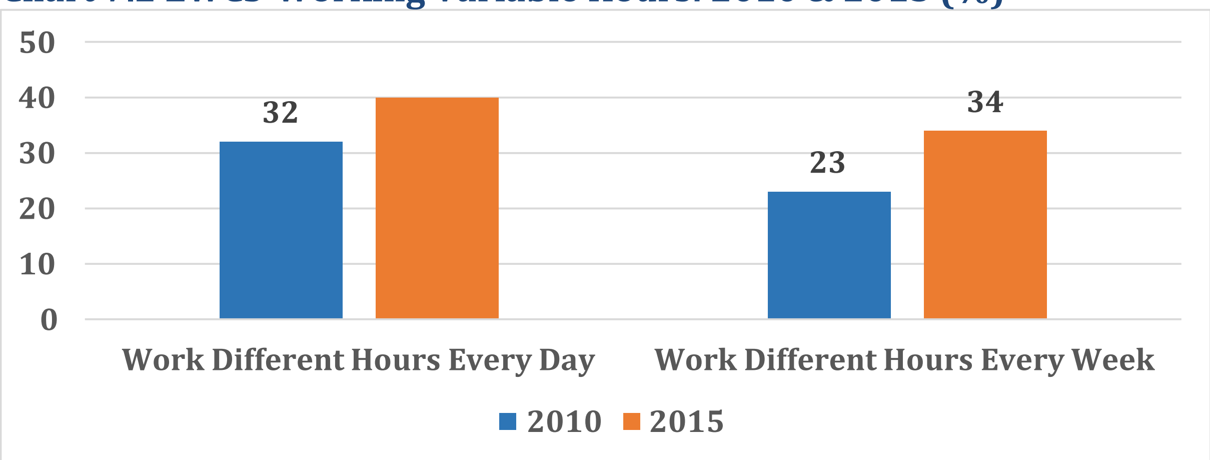
Chart 7.1 Employees working variable hours, (15-64), 2007-2017 (%)



Source: Eurostat (2018), Labour Force Survey, Weekly working hours by sex, age, professional status and occupation [lfsa_qoe_3a4]

The European Working Conditions Survey provides another insight into variable working hours. They ask different questions regarding people's working hours; namely, 'Do you work the same hours every day' and 'Do you work the same hours every week'.

Chart 7.2 EWCS-Working Variable Hours: 2010 & 2015 (%)



Source: Eurofound (2018), European Working Conditions Survey 2010, 2015

[6] https://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?Maintable=QLF20&Planguage=0

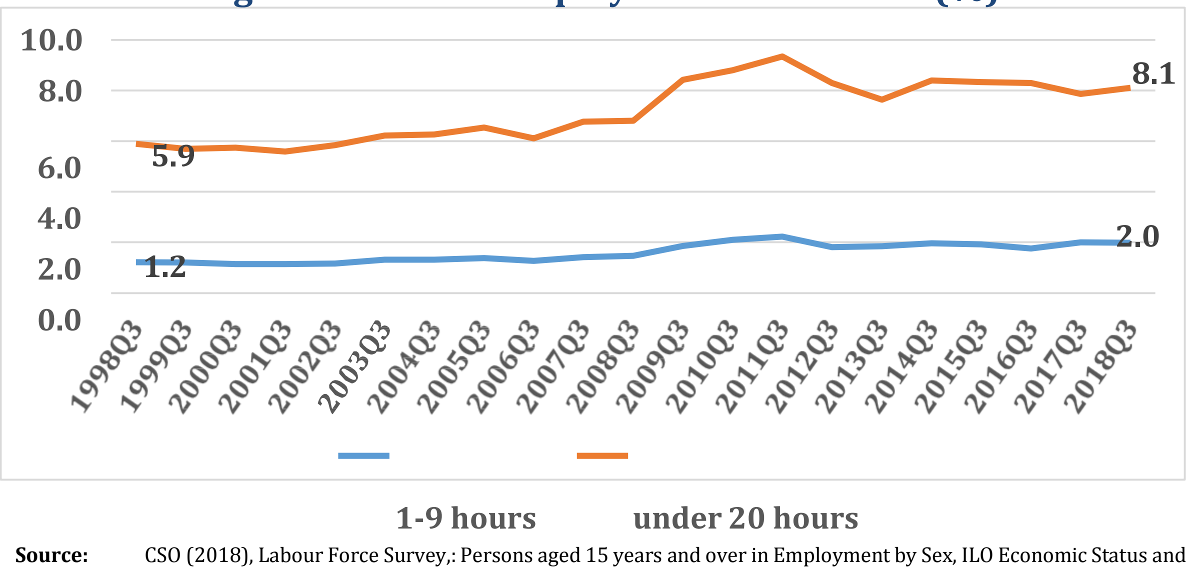
In 2015, 40 percent of employees in the Republic of Ireland reported that they worked different hours every day while 34 percent reported they worked different hours every week. In both categories, this represented a significant increase on 2010.

7.2 Marginal Part-Time & If and When Contracts

We are also likely to find zero-hour and if-and-when contracts among employees working low hours, or marginal part-time employees. There is no official definition of 'low hours'. Below we examine the trend using two measurements: working less than 10 hours and working less than 20 hours.

For both under-10 hours and under-20 hours there has been a small but persistent increase over the long term. In 2018 (3rd quarter) there were 45,000 employees working less than 10 hours per week and 184,000 working less than 20 hours (8.1 percent of employment). (See section 6.4 for analysis on precarious living for marginal part-time workers).

Chart 7.3 Marginal Part-time Employment: 1998-2018 (%)



Source: CSO (2018), Labour Force Survey,: Persons aged 15 years and over in Employment by Sex, ILO Economic Status and Quarter [QLF01], Persons aged 15 years and over in Employment by Sex, Usual Hours Worked and Quarter [QLF20] & author's calculations

Summary

- → We do not have data on the prevalence of zero–hour and, more importantly, low-hour contracts.

- → The LFS shows the number of employees on variable hours have declined over the last 10 years.

- → In contrast, the EWCS shows in 2015 a substantial number of employees working different hours every day (40%) and working different hours every week (34%). These figures increased between 2010 and 2015.

- → 8.1% of all employees work less than 20 hours, while 2 percent work less than 10 hours. Both proportions are increasing over the long-term.

- → A significant proportion of marginal part-time employees experience precarious living. Nearly half are unable to meet unexpected expenses while more than one- in-five live in deprivation.

8. Other employment contracts

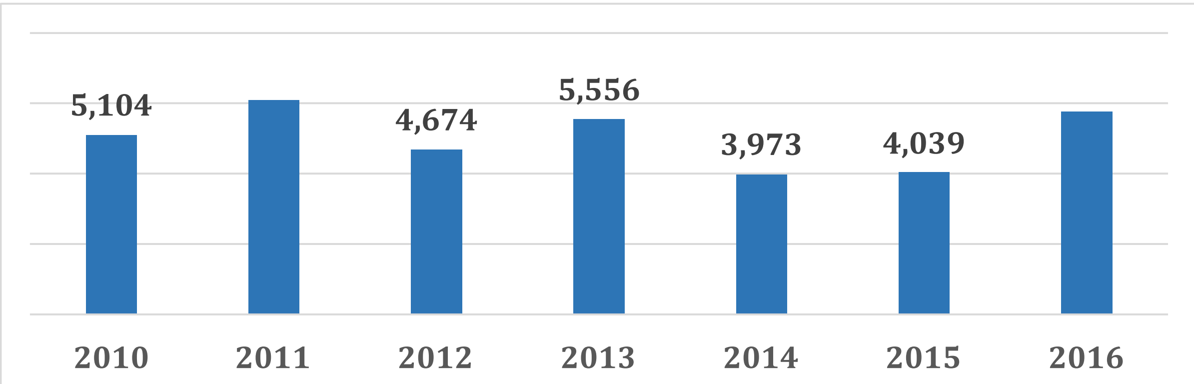
8.1 Posted Employees

The European Parliament states:

> *'The position of posted workers in the labour market is particular, as they find themselves between the regulatory framework of the host country and that of the country in which they normally work. European regulation provides a floor for some minimum employment standards for these workers. However, there are legal loopholes that can be exploited in implementation, which can lead to risk of precariousness. We assess the overall risk of precariousness to be medium/high for these workers. Precarious employment practices are concentrated in certain occupations and sectors, such as construction, rather than spread throughout the economy, and as a result, even relatively small numbers of incoming precarious workers may disrupt employment conditions locally.'* (Broughton et al. 2016)

In the data, the number of posted workers in Ireland is small. The number of posted workers varied between about 4,000 and 6,000 workers annually between 2010 and 2016.

Chart 8.1 PDs A1 for Posted Workers received by receiving member state: 2010-2016



Source: European Commission (2017), Posting of workers, Report on A1 Portable Documents issued in 2016

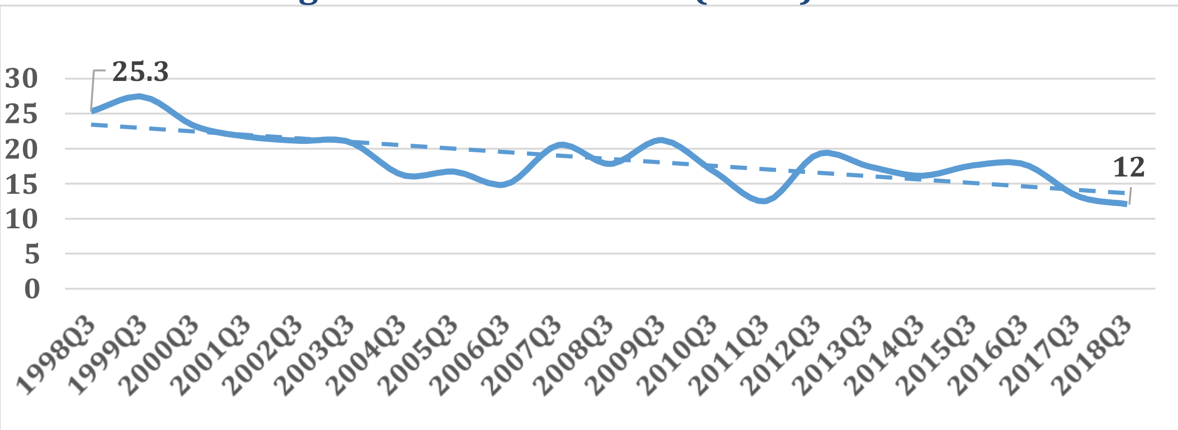
8.2 Assisting Relatives

Assisting relatives is another small category with declining numbers. It has traditionally been associated with farm families. According to the Women's Committee of the European Parliament they can often be '*worse off than atypical workers*'. [7] They are fully dependent on

[7] European Parliament, Women's Committee, Resolution on the situation of the assisting spouses of the self-employed, December 1994

their spouse's income and excluded from participating in the social insurance system. In 2018, there were 12,000 assisting relatives, down from 25,300 in 1998 (Chart 8.2).

Chart 8.2 Assisting relatives: 1998-2018 (000's)



Source: CSO (2018), Labour Force Survey: Persons aged 15 years and over in Employment by Employment Status, Sex and Quarter [QLF17]

Summary
→ There are just under 6,000 employees operating under posted-work contracts. → There are approximately 12,000 assisting relatives and declining significantly over the long-term.

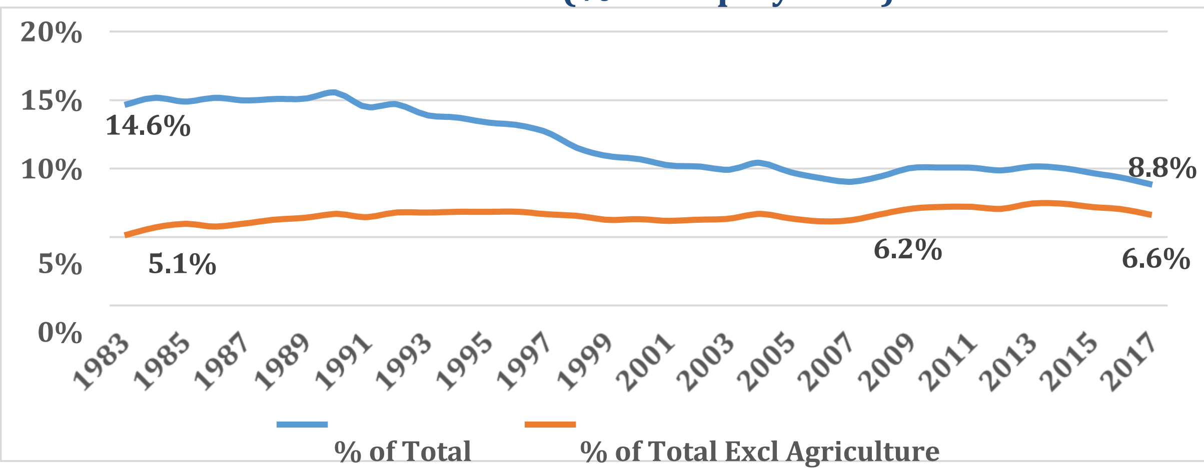
9. Self-employment

While we are focussing on employees, this section takes a brief look at the issues of precariousness and the self-employed. The EU categorises freelancers, self-employment and bogus self-employment as medium-risk of precariousness. The EU defines free-lancers as self-employed without employees (or own-account workers). The following tracks the long-term trend in the share of own-account workers in total employment. Estimates exclude the agricultural sector; i.e. farmers without employees.

Self-employment has an elevated at-risk of precariousness. They can face low-incomes, limited access to social benefits, uncertain working hours and income, lack of career progression and training and lack of labour rights. However, the self-employed are a varied group and can include the low-skilled, high-income professionals and individuals with significant wealth. This group would include 'gig' or platform workers though data does not reveal the number within this category. The majority of self-employed (71.4 percent) are 'own-account workers' or 'free-lancers'; that is, they do not employ others.

The proportion of the self-employed in the economy has remained stable over the long-term if we exclude farmers.

Chart 9.1 Own-Account Workers (% of Employment): 1983-2017



Source: Eurostat (2018), Self-employment by sex, age and economic activity (1983-2008, NACE Rev. 1.1) - 1 000 [lfsa_esgana] & author's calculations

9.1 Bogus Self-Employment

Among the self-employed one of the highest at-risk of precariousness groups are the 'bogus' self-employed (also known as 'false' and 'disguised' self-employed). Bogus self-employment occurs where an employer wilfully and wrongly treats an employee as a self-employed contractor in order to avoid tax and social insurance contributions and other employment rights which attach to employment. Bogus self-employment is an abuse of the employment relationship in that individuals are carrying out the same tasks, for one employer, as that employer's employees. Workers are coerced into bogus self-employment by employers seeking to avoid their social responsibilities. According to the European Parliament *'Bogus self-employed workers have the lowest incomes and the greatest household financial difficulty of any category of worker.'*

By its very definition, it is difficult to assess the number of bogus self-employment since it operates to avoid a proper legal contract. A report by the Department of Employment Affairs and Social Protection stated: *'There are no quantitative data on the incidence of disguised employment in Ireland'* (DEASP 2018). Patricia Murphy, Assistant Secretary at the Department stated to an Oireachtas Joint Committee: *'We do not keep an absolute record of bogus self-employment and we have not kept such statistics up to now.'*[8] Some estimates have bogus self-employment as high as 27,400 in the construction sector alone (ICTU 2015).

We do not propose to estimate the number of bogus self-employed. However, we would point out that in our EU peer-group self-employment in the construction section made up 14.5 percent of total employed in 2016; in Ireland, it was 29.4 percent (Eurostat 2016).[9] There would appear to be a higher potential of bogus self-employment in Ireland in the construction sector than in our peer-group.

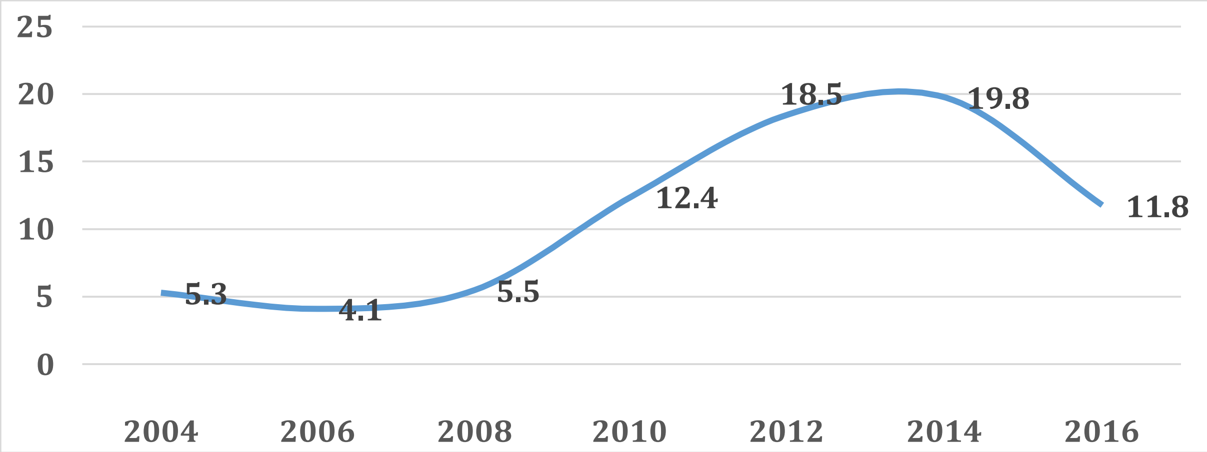
However, bogus self-employment is not confined to the construction sector. In the national broadcaster, RTE, an independent review found that there were 106 contractors working for them with 'attributes akin to employment'.[10] (Irish Times 2018) We should reasonably expect bogus self-employment to exist in substantial numbers in the gig or platform economy.

9.2 Precarious Living and in-work poverty

In 2016, an estimated 11.8 percent of own account workers were living in deprivation. While this was a substantial decline from 2014, it is still well above pre-crash levels. Similarly, there was a substantial decline in the number of self-employed who were unable to meet an unexpected expense (€1,000 in 2016). However, this also remains significantly above pre-crash levels.

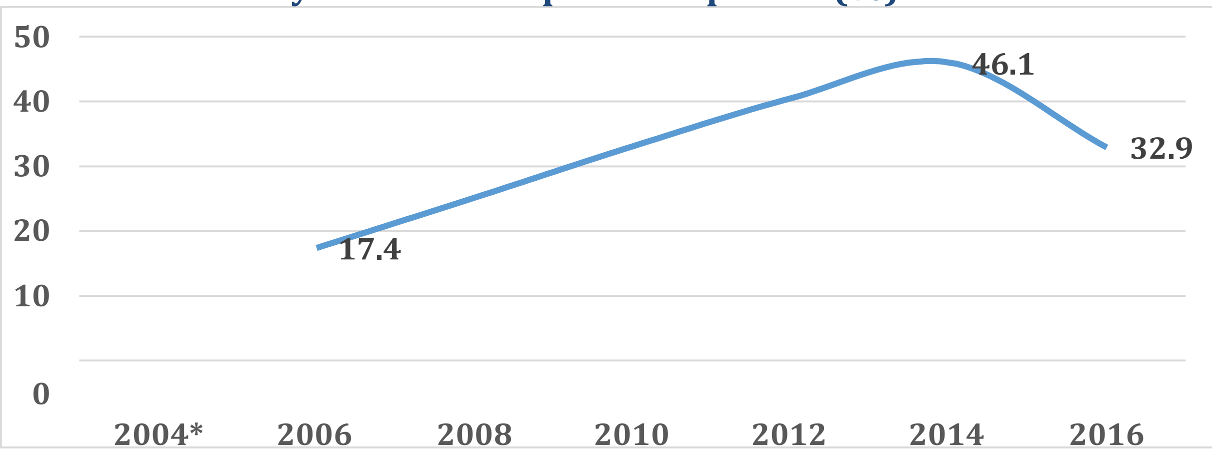
[8] Joint Committee on Employment Affairs and Social Protection debate - Thursday, 8 Nov 2018
[9] Other high-income EU countries – the EU-15 excluding the poorer Mediterranean countries: Greece, Portugal, Spain and Italy.
[10] https://www.irishtimes.com/business/media-and-marketing/bogus-self-employment-goes-well-beyond-rt%C3%A9-1.3540454

Chart 9.2 Deprivation Rates for Own-Account Workers (%): 2004-2016



Source: CSO (2018), Survey on Income and Living Conditions 2004-2016 & author's calculations

Chart 9.3 Inability to Meet Unexpected Expenses (%): 2004-2016



Source: CSO (2018), Survey on Income and Living Conditions 2004-2016 & author's calculations
Note: In 2004* the expense is undefined. From 2006-2016 the expense cited was between €875 and €1,000. The CSO calculate the figure of the unexpected expense as the annual at-risk of poverty threshold in year n-2 divided by 12.
Refers only to those who identify as 'at work'

Summary

→ Self-employment (own-account workers) has remained steady since 1983, excluding the agriculture sector.

→ It is difficult to estimate the level of bogus self-employment, which has a high risk of precariousness.

→ Almost one-in-eight self-employed own-account workers suffer deprivation while nearly a third are unable to meet unexpected expenses.

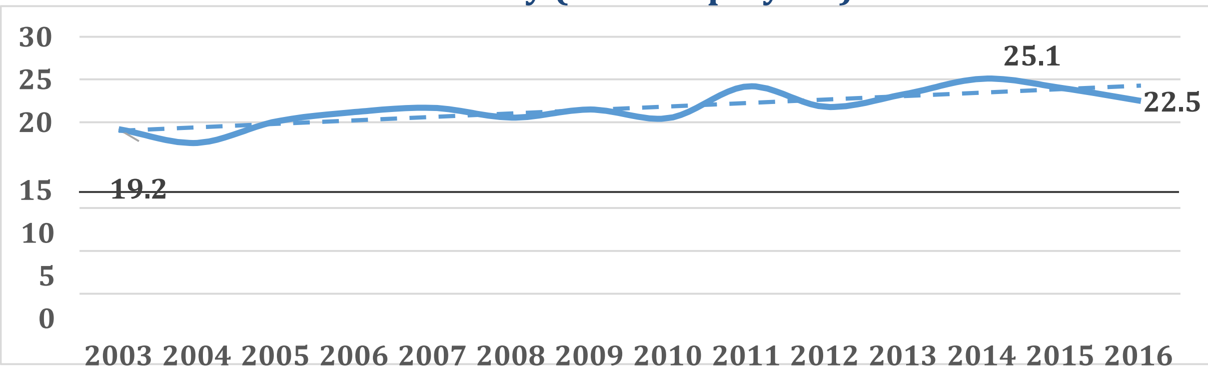
10. Low pay and collective bargaining rights

In this section, we look at two further indicators of precariousness: low-pay and collective bargaining rights in the workplace.

10.1 Low Pay

The European Parliament (2018) consider low pay to be the most relevant indicator of precariousness closely relates to in-work poverty (examined above for several categories of worker). A worker is low paid if they receive less than two thirds of the median wage.

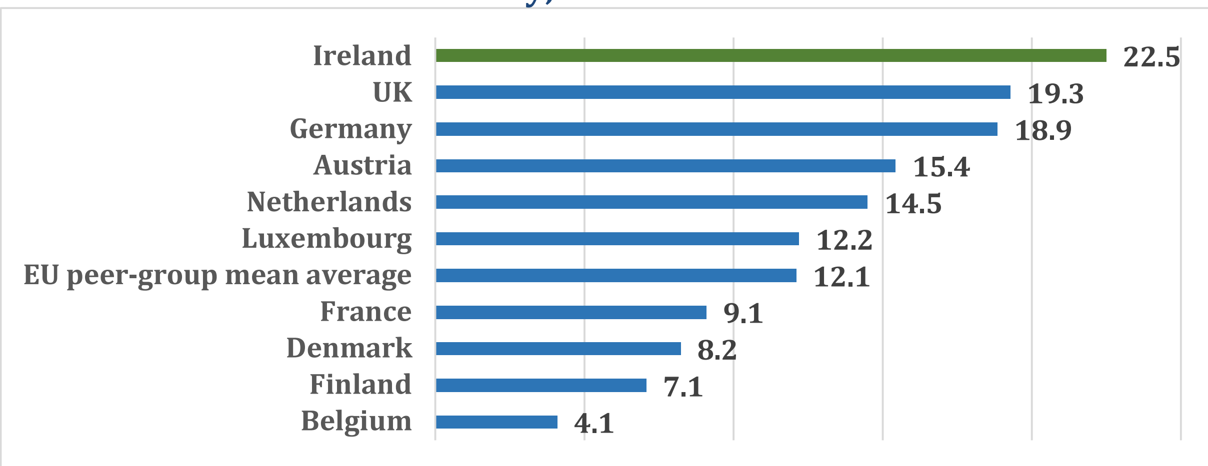
Chart 10.1 Incidence of Low Pay (% of employees): 2003-2016



Source: OECD (2018), Decile ratios of gross earnings, Incidence of low pay
Note: The incidence of low-paid workers is defined as the share of full-time workers earning less than two-thirds of gross median earnings of all full-time workers

This estimate includes only full-time workers. We see a high and long-term increase in the incidence of low pay. Over one-in-five full-time workers experience low pay in Ireland (2016). Ireland has consistently had the highest level of low pay in its peer group in Europe.

Chart 10.2 Incidence of Low Pay, International Context: 2016

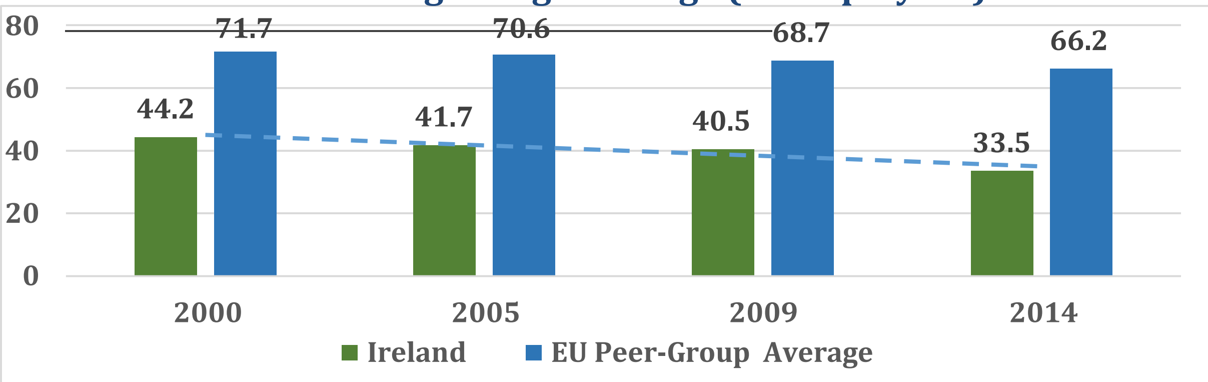


Source: OECD (2018), Decile ratios of gross earnings, Incidence of low pay

10.2 Workplace Collective Rights

Collective rights in the workplace – collective bargaining – are another indicator of precariousness. The European Parliament sees collective rights, or collective representation, as a proxy for more general labour rights. Employees with collective representation are less likely to experience precariousness. Collective representation helps ensure that labour market legislation is enforced in the workplace, providing employees a voice in shaping their employment contracts.

Chart 10.3 Collective Bargaining Coverage (% Employees): 2000-2014



Source: OECD.stat (2018), Collective Bargaining Coverage, Percentage of employees with the right to bargain

There has been a significant decline in Irish collective bargaining coverage relative to other EU member states since the turn of the century (a fall of over 10 percentage points). EU bargaining coverage rates (2014) are almost twice the level of Ireland. In addition to studies showing a trade union premium regarding pay, the ESS shows that in 2016, 67 percent of employees who were members of trade unions (which we can use as a proxy for collective bargaining) had a permanent contract compared to 49 percent of employees who were not a member of a union.

Summary

- → Over 22% of Irish employees experience low-pay which is, according to the European Parliament, one of the most relevant indicators of precariousness.
- → The share of low-pay in Ireland is the highest among high-income EU countries.
- → The proportion of employees covered by collective bargaining agreements is low. Only a third of employees bargain collectively – well below the average of other high-income EU economies.

11. The future of precarious work. A structural shift?

In this section, we look at particular trends that might give insight into the future of precarious work. Improvements in many labour market indicators in the years following the economic turnaround have stalled in the past few years and may not recover fully relative to the years leading up to 2008. Here we consider new employment, contracts for young workers and transition rates out of precarious employment.

11.1 New Contracts

Newly created permanent contracts are decreasing as a share of new employment. SILC data provides data on employment contracts where employees have been one year or less on the current job. Since 2006, permanent full-time contracts have decreased from 54.5 percent to 43.6 percent in 2016. This figure, while increasing from 2010, has flat-lined since 2014. Permanent part-time contracts, having risen and fallen in tandem with the recession and following turnaround, grew again in 2015/16 to 18.9 percent. Casual/ no contract work has increased from 7.8 percent in 2006 to 12.2 percent in 2016. Temporary part-time has also increased from 8.9 percent in 2006 to 13.5 percent in 2016. In 2016, 56.4 percent of new contracts were non-standard.

Table 11.1 New Contracts (1 year or less in current job, 'at work')

	2006	2008	2010	2012	2013	2014	2015	2016
Permanent Full-time	54.5	55.1	32.1	34.5	34.1	42.1	41.4	43.6
Permanent Part-time	13.5	17.6	23.2	19.2	21.8	17.6	17.5	18.9
Temporary Full-time	15.3	12.2	13.6	13.8	14.4	14.4	13.1	11.8
Temporary Part-time	8.9	*	18.5	19.3	16.1	18.5	18.3	13.5
Occasional no contract/other	7.8	*	12.7	13.3	13.6	7.4	9.8	12.2

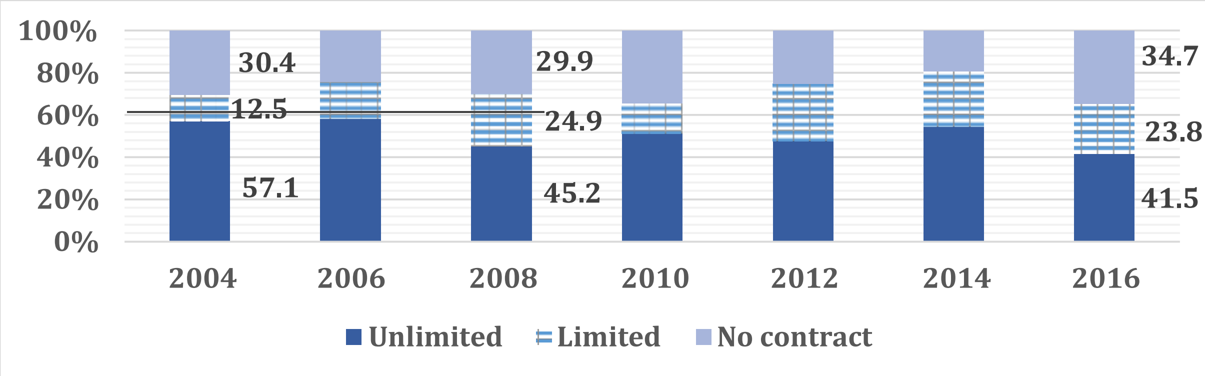
Source: CSO (2017), Survey on Income and Living Conditions 2004-2016 & Author's calculations
Note: * indicates issues related to sample size and valid statistical inference.

11.2 Young workers

The following tracks young workers (under 31 years) and their rates of precarious work. The experience of this cohort gives us an indication of how work is changing and how it might develop into the future.

There are two long-term trends evident from ESS data for this group. First, since 2004 temporary (limited term) contracts have been increasing (from 12.5 percent in 2004 to 23.8 in 2016), while permanent contracts have decreased steadily (from 57.1 percent to 41.5 in that same period). Secondly, while there has been some fluctuation in the share of those under 31 who have no contract, it is evident that there has been an increase since 2004 (from

Chart 11.1 Employment Contracts (ESS, 15-30 years, employees, %)

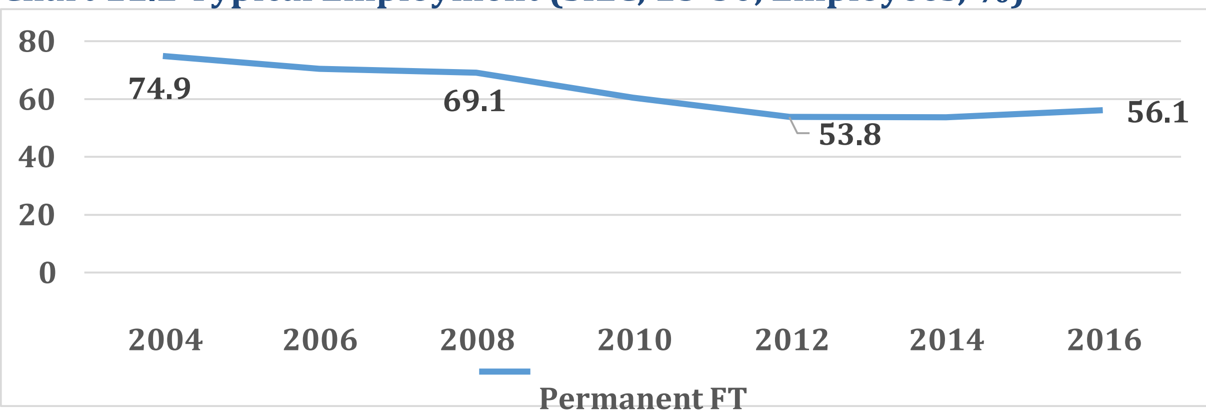


Source: European Social Survey (2018), 2004-2016
Note: Analysis only includes those who identify as 'at work' as their principal economic status.

30.4 percent to 34.7 percent), and furthermore a sharp increase was evident from 2014 to 2016 (from 19.2 percent to 34.7 percent). Consequently, according to the ESS, the majority of young people are working on a non-standard or no contract basis - 58.5 percent. Unfortunately, the ESS does not survey a respondent's full-time/part-time status. As such, this estimate does not include those on permanent contracts who work part-time.

SILC data allows us the opportunity to estimate the share of workers on the 'typical' (permanent and full-time) contract. It is evident there is a similar trend to the ESS data that shows that since 2004, the share of workers under the age of 31 on permanent full-time contracts is decreasing, (from 74.9 percent in 2004 to 56.1 percent in 2016). Permanent part-time work has increased over the long-term from 3.6 percent in 2004 to 9.9 percent in 2016. The share of young workers on temporary contracts, both full and part-time has also increased from 9.0 percent in 2004 to 11 percent in 2016 and from 4.2 percent in 2004 to 7.9 percent in 2016. Both ESS and EU-SILC datasets show an increasing trend in precarious contracts for workers 31 years and younger.

Chart 11.2 Typical Employment (SILC, 15-30, Employees, %)



Source: CSO (2017), Survey on Income and Living Conditions 2004-2016 & author's calculations
Note: Analysis only includes those who identify as 'at work' as their principal economic status.

11.3 Transitions

Efforts to downplay the implications for workers of growth in precarious forms of employment often involve the ‘stepping-stone’ argument; that part-time or temporary contracts are merely ways for young workers to gain experience on their way to full-time, secure and permanent employment. However, the available data shows that the transition from precariousness into full-time and secure permanent employment only happens in a tiny minority of cases. The transition rate out of temporary employment into a permanent contract in Ireland is one of the lowest in Europe. In 2017, only 10 percent of employees (aged 25-39) on a temporary contract were likely to have secured a permanent contract. After six years of sustained economic growth, the estimated transition rate in 2017 was the same as it was in 2012. These figures counter the narrative that temporary contracts are stepping-stones to permanent contracts in Ireland and are suggestive of a segregated labour market, lacking in dynamism. This is also further evidence of a possible structural shift in the Irish labour market since the financial crisis.

In European terms, Ireland also has one of the lowest transition rates from part-time to full-time employment. According to Eurostat, in 2017 4 percent of 25-39 year old part-time workers were likely to have transitioned to full-time hours. Again, this figure has hardly changed in six years of strong economic growth.

Table 11.2 Transition rates, temporary to permanent contracts, 25-39 years (estimated probabilities)

	2011	2012	2013	2014	2015	2016	2017
Denmark	29	29	37	38	40	21	28
Norway	25	24	21	27	23	22	22
Switzerland	25	22	22	20	20	16	19
Netherlands	8	7	7	7	18	17	18
Portugal	17	16	16	15	16	16	16
Sweden	15	14	12	13	14	16	15
United Kingdom	11	13	13	13	15	12	14
Finland	11	11	12	10	9	11	12
Austria	14	13	11	10	13	13	11
Ireland	7	10	8	10	9	10	10
Spain	7	7	6	6	7	7	7
France	8	8	9	7	6	7	7
Italy	10	7	8	9	9	8	7

Source: Eurostat (2018) , Transition from fixed term contracts to permanent contracts by sex and age - annual averages of quarterly transitions, estimated probabilities [lfsi_long_e09]

Table 11.3 Transition rates, part-time to full-time hours, 25-39 years (estimated probabilities)

	2011	2012	2013	2014	2015	2016	2017
Portugal	22	18	21	22	18	21	24
Denmark	19	20	19	18	18	16	20
Spain	15	14	14	15	16	17	17
Finland	19	20	19	16	16	16	16
Sweden	12	11	12	12	12	13	14
Norway	11	12	12	12	10	12	11
Austria	9	8	9	9	8	9	9
Switzerland	7	7	7	6	7	6	8
France	6	5	6	6	6	6	7
Italy	8	6	9	9	8	7	7
Ireland	4	4	5	4	4	5	4
Netherlands	3	4	4	4	4	4	4
United Kingdom	4	4	4	4	5	4	4

Source: Eurostat (2018), Transition from part-time work to full-time work by sex and age - annual averages of quarterly transitions, estimated probabilities [lfsi_long_e08]

Summary

→ SILC data show that 56.4% of new contracts are atypical (not full-time and permanent) compared to 45.5% in 2004. The rate improved very little between 2014 and 2016.

→ According to the ESS, the majority of young workers are either on limited (temporary) contracts or have no contract at all.

→ According to the SILC, over 43.9% of young people are on non-standard or atypical contracts.

→ Both the ESS and SILC show a significant increase in non-standard contracts for young people since 2004, a trend that continued during the recovery.

→ Transition rates out of temporary employment into permanent contracts, and from part-time to full-time employment are among the lowest in the EU – 10% and 4% respectively.

12. Estimates of Precariousness Risk: Numbers and Trends

Due to the informal nature of bogus self-employment, survey collection is likely not to be able to capture its prevalence, though much anecdotal evidence suggests it is a real problem in certain sectors. As such, any estimates of the prevalence of precarious work here do not include the bogus self-employed are likely to downplay the prevalence in Ireland.

It is clear from the previous analysis that estimating the overall share of Irish employees at-risk of precariousness and the trend over time is far from clear-cut. Different datasets, methodologies, survey questions and respondents' uncertainty over their contractual situation complicate the task. However, there are common patterns.

Table 12.1 SILC Non Standard Contracts, 2004-16, employees, 'at work'.

	2004	2006	2008	2010	2012	2014	2016
Permanent (low risk)	79.4	78.5	78.0	73.9	72.6	74.5	77.3
Full-Time	72.6	70.0	68.8	64.4	64.2	67.1	68.9
Part-Time	6.8	8.5	9.2	9.5	8.3	7.5	8.4
Permanent (elevated risk)							
Involuntary Part-Time	9.5	9.4	10.3	13.5	13.7	11.6	9.5
Market Barriers	1.3	1.3	2.1	6.0	8.0	6.4	3.8
Social Barriers	8.2	8.1	8.2	7.5	5.7	5.2	5.7
Temporary	7.5	8.1	8.6	9.0	9.4	10.3	9.4
Full-Time	4.5	4.4	4.6	3.9	4.4	4.4	4.7
Part-Time	3.0	3.8	4.0	5.0	5.0	5.9	4.7
Occasional / No Contract	3.7	4.0	3.2	3.6	4.3	3.6	3.8
Elevated Risk of Precariousness (Total)	20.6	21.5	22.0	26.1	27.4	25.5	22.7

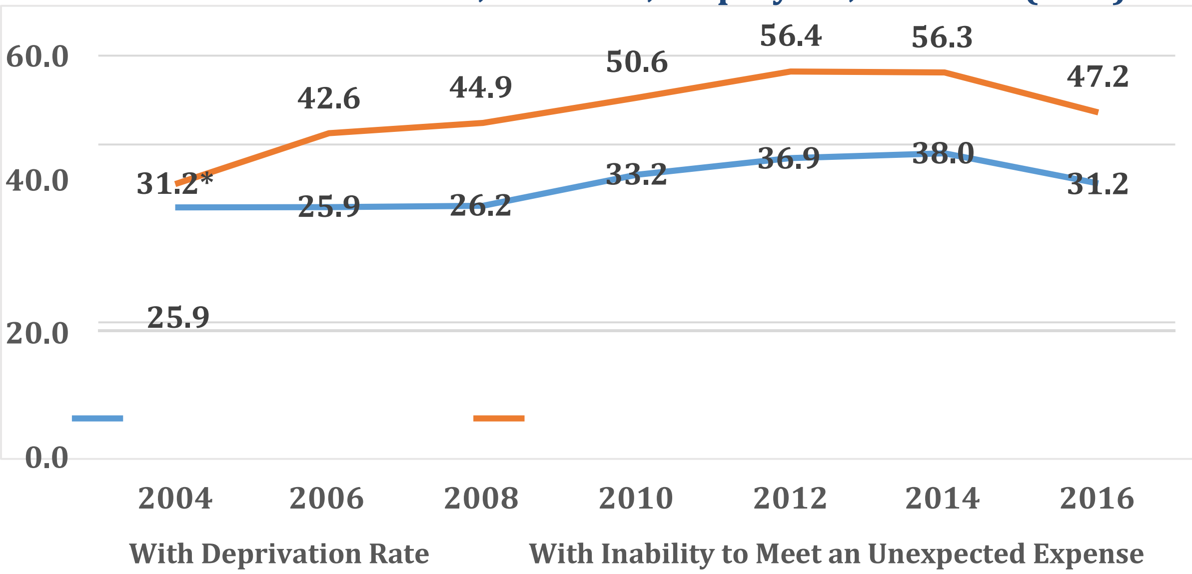
Source: CSO (2018), Survey on Income and Living Conditions 2004-2016 & author's calculations
Note: Rates refer only to those whose reported principal economic status is 'at work'

12.1 Estimates from the Survey on Income and Living Conditions

With access to SILC microdata, it is possible to categorise workers by their broad work contracts and by full-time/part-time. The data shows that 31.1 percent of Irish employees (excluding students, home duties etc.) have atypical contracts (approximately 575-600,000 workers) and 22.7 percent of employees are in contracts with an elevated risk of precariousness, or 450-475,000 employees (Table 12.1).

Including medium and high-risk categories and classifying any permanent full-time worker and part-time permanent worker (excluding the involuntary part-time) who experience in-work poverty (as measured by material deprivation) as a precarious worker, the numbers are stark. In 2016, 10.7 percent of full-time, permanent workers were in material deprivation with 13.3 percent of permanent, part-time workers (not including involuntary

Chart 12.1 Precarious Work, 2004- 16, employees, 'at work' (SILC).



Source: CSO (2018), Survey on Income and Living Conditions 2004-2016 & author's calculations
Note: In 2004* the expense is undefined. From 2006-2016 the expense cited was between €875 and €1,000. The CSO calculate the figure of the unexpected expense as the annual at-risk of poverty threshold in year n-2 divided by 12.
Refers only to those who identify as 'at work'

part-time employees). Added to 22.7 percent in high to medium-risk contractual arrangements, this translates to 31.2 percent of Irish employees experiencing some form of precariousness in 2016, compared to 25.8 percent in 2004.

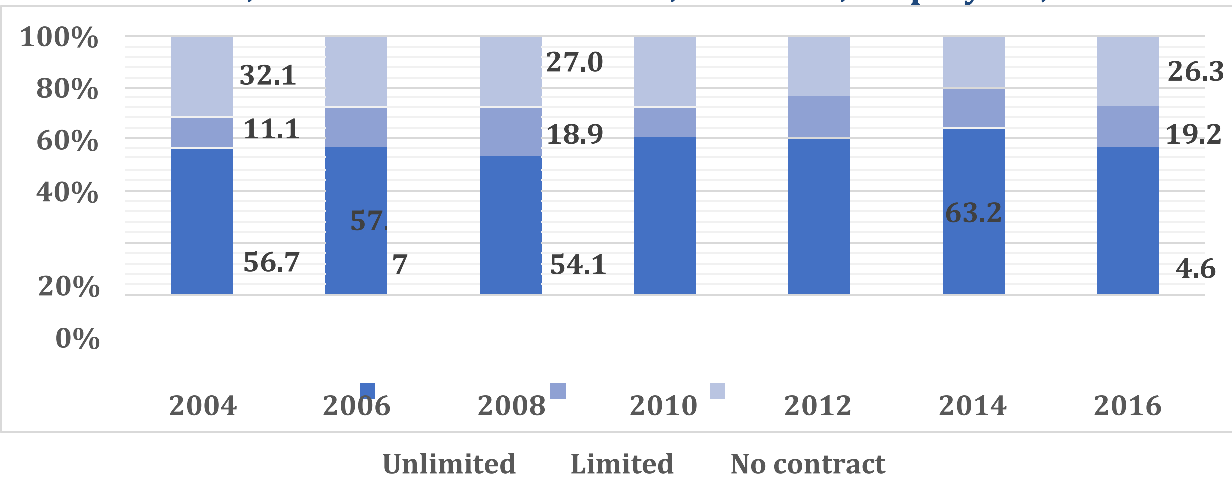
If we were to replace material deprivation with those who answered that they would not be able to meet an unexpected expense of €1,000 as our indicator of in-work poverty, the estimate is even higher. 31.2 percent of full-time, permanent employees and 35.9 percent of part-time, permanent workers (excluding involuntary part-time) could not meet an unexpected expense of €1,000 in 2016. This translates to 47.2 percent of Irish workers living at a medium to high-risk of precariousness in 2016, compared to 42.5 percent in 2006. [11]

12.2 Estimates from the European Social Survey

Estimating based on the European Social Survey yields similar (though not directly comparable results). In 2016, the estimate of employees, 'at work' on unlimited contracts is just 54.6 percent (there are no data on full-time/part-time status). 10.1 percent of those permanent workers stated that they were 'finding it difficult' or 'very difficult' on their present income. By this measure, 50.9 percent of Irish employees were living at medium to high-risk of precariousness in 2016, compared to 46.2 percent in 2004.

[11] 2006 was used in this instance as the base year as the amount of the unexpected expense in SILC 2004 was undefined throwing up issues regarding inference over time.

Chart 12.2 ESS, Non Standard Contracts, 2004- 16, employees, ‘at work’.



Source: European Social Survey (2018), 2004-2016 & author’s calculations

All three approaches show evidence of an increase in the share of Irish employees at-risk of precariousness between 2006 and 2016 of approximately 5 percentage points. We estimate that anywhere between 31.2 and 50.9 percent of Irish employees are at medium to high-risk of precariousness (2016).

Conclusion

Clear evidence from a number of data sources shows growth in various forms of precarious contracts in tandem with the decline of the traditional full-time permanent position as a share of employment. These include part-time work (both in permanent and temporary contracts), underemployment, marginal part-time work and involuntary temporary work. In addition, the evidence suggests that for all of these categories, work in 2016 was more precarious than in the years leading up to the financial crisis, with higher associated deprivation rates and shares of workers experiencing in-work poverty.

The evidence also suggests a realignment in the Irish labour market. Young workers and new employees are more likely to be on precarious contracts than in the past and far less likely to transition from part-time to full-time or temporary to permanent employment than in most other EU member states. The duration of temporary contracts has also fallen, on average. These trends have hardly improved since Ireland returned to growth in 2012, evidence of a structural change to the labour market.

Due to the classification of precariousness in at-risk categories, putting a number on precariousness is difficult. However, we estimate a range of between 31.2 and 50.9 percent of Irish employees are in employment, which is at medium to high-risk of precariousness (based on 2016 figures).

Issues remain around self-reporting and perceptions of individuals of their own employment contract details. The paper examined examples of diverging estimates by the LFS and SILC on the share of part-time work, for example. The LFS relies on self-assessment while SILC respondents give data of their usual hours worked. We also looked at several diverging estimates from various primary sources of temporary work in Ireland, including from the ESS, which throw up further questions of self-assessment. Further research in this areas is warranted.

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