

HOLLOWING OUT THE FIRM: WORK IN THE IRISH CONSTRUCTION SECTOR

WORKING CONDITIONS IN IRELAND: RESEARCH HIGHLIGHTS NO.3

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The Irish construction sector was severely hit by the economic downturn, however employment in this sector is now growing. Nevertheless, our study found that the recession severely affected not only the actual number of people working in this sector, but also led to changes in the employment relationship. Firms have now moved away from direct employment and instead outsource labour, either through subcontracting to self-employed workers or by engaging agency workers. This has further implications for health and safety issues as well as the future of skills and training.

These 'Research Highlights' is based on TASC's ongoing Working Conditions in Ireland research project. This investigates how jobs have been changing in Ireland from the boom through the crisis and into the recovery. Central to the project is a study of employment in four sectors: construction, financial services, hospitality and the ICT. This includes the analysis of existing statistical data, as well as interviews with experts and individuals employed in these sectors.

This third issue of the 'Research Highlights' focuses on working conditions in the Irish construction sector. It particularly explores issues related to those employed as craftsmen and general operatives.

There is a lot of people my age who simply won't work out there... So you are messing up with your old age pension. You are messing up your social welfare entitlements. If it rains – you don't get paid. The subby could ring you on a Sunday night and say 'oh, don't come in in the morning. I will ring you during the week'. In other words, you are sitting at home and you are not getting paid.

(Craft Worker)

Moving away from direct employment: the end of good jobs in the Irish construction sector?



- Construction firms are moving away from direct employment
- Nonetheless, Irish construction sites remain relatively safe
- Changing employment relations have negative implications on career prospects and training



There is only 18 GOs [General Operatives] now. So that's coming right down from maybe 150, 170, 180, 200... Now their thinking is – get the subcontractor to maintain the crane, get the subcontractor to clean up after...And there is no need for direct labour as much anymore, because we are going to get the subcontractor.
(General Operative)

HIGHLIGHT 1: GROWTH OF THE INDIRECT EMPLOYMENT

The construction sector in Ireland has always been characterised by sub-contracting chains. During the crisis, however, building sites became even more fragmented. According to our fieldwork, large firms have now become essentially project management companies. The principal contractor has only a few direct employees on site, usually the site manager, one or two formen and a small number of general operatives. Most of the work is distributed to smaller subcontractors, who then divide the tasks further down to another layer of subcontractors. The longer the subcontracting chain, the fewer direct employees are involved. Smaller and more specialised subcontractors often engage other self-employed trade workers. Labour-only work, on the other hand, is to a large extent provided by employment agencies.

Since the economic downturn, self-employment amongst craft workers in construction has risen. The majority of these workers, however, work by themselves with no other employees. There is strong evidence that some of them could be characterised as in bogus self-employment as many of them also do not own the equipment and do not provide the materials. According to our respondents, it is no longer their choice to become 'independent' contractors who will eventually employ other workers. It is rather the opposite: when they are offered a job on a site, the contractor forces them to become self-employed. This results in irregular earnings, no holiday or sick pay and limited social welfare entitlements.

Our fieldwork also revealed an expansion of agency work, especially amongst general operatives. This form of work is often casualised as agencies provide workers 'on call' for main contractors or large sub-contractors who are now outsourcing labour. This too has serious consequences for workers. According to our interviewees, an hourly rate for an agency worker can be 10 Euros, which is significantly lower than the earnings of those in direct employment. In addition to that, some agencies practice various forms of cutting their costs and introduce different deductions from wages. Some charge for safety equipment; others deduct a 'payslip' charge from individuals' wages. While these practices are almost definitely illegal, there has been very little resistance amongst the workers. As the market is still over-supplied by the labour, there is not enough work available. In such case, those who work for agency accept their poor pay and inferior working conditions because they are afraid to lose their jobs.

[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. (...) if you are working for a subbie [now], 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'.

(Craft Worker)

Self-employment in construction

Approximately

55% of Painters

50% of Carpenters

Work as self-employed in Ireland

(Source: Solas Database)



I met a painter there yesterday on the way home. And he is lying down in the canteen - on the bench... He was afraid to report that he'd banged his head in case the employer said 'Well, you were doing something wrong, it's your fault'. He was afraid of the subcontractor who he was working for. These things should be documented and reported. But inside his head he has a feeling 'I've done wrong'. (Craft Worker)

HIGHLIGHT 2: HEALTH AND SAFETY CONCERNS

In international terms Irish construction sector is relatively safe. There are however some issues that requires further scrutiny. With the growing fragmentation of the workforce, there are questions about responsibility. As the sub-contracting chains lengthen, it becomes less clear who would be liable in the case of accidents.

There is also evidence of reluctance to report misconduct or minor incidents. Participants stated that some workers were afraid to report their injuries to the main contractor. This was particularly problematic for the self-employed and for the agency workers as missing days of work would result in financial loss.

Furthermore, there were also concerns around the communication barriers due to the large presence of migrants on Irish construction. Some of the participants claimed that not all of them had a sufficient levels of the English language, which posed a possible danger to them and to the other workers.

Health and safety were especially an issue on smaller sites. According to our fieldwork, larger contractors have ensured that the regulations are followed and that all workers have the mandatory Safe Pass certification.

HIGHLIGHT 3: CAREER PROSPECTS AND TRAINING

Trade workers in the Irish construction sector are trained for their jobs through the apprenticeship schemes, while general operative can progress by acquiring certificates for certain tasks or specific equipment. Theoretically speaking both paths still exist. According to our participants, however, there is very little training available in the sector at the moment .

Among the skilled trades the downturn resulted in the disappearance of apprenticeships. As the programme was practically shut down during the recession, those who started their training before the downturn never got a chance to finish as companies were no longer there. The remaining firms were no longer offering apprenticeships to the new entrants.

For general operatives there is still formal training available. In many cases, however, workers need to finance such courses themselves. This is especially problematic for the low-paid agency workers.

The lack of training is not only a concern for individuals, but also for the industry as a whole. With the construction sector now recovering, the lack of skilled workers will soon become problematic. This is particularly the case for craft workers: many of whom lost their jobs and emigrated. With so few entering training at the moment, it could be soon be difficult to replace them.



Say – if someone started in 2006, first year apprentice. They never got through their apprenticeship...The companies packed up. (...) I mean – whole companies went to the wall, who had apprentices. So effectively we haven't trained apprentices since probably pre-2006...I think this year there is about eight apprentices in the country. (...) And that's the most of the last certainly eight years (Craft Worker)

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For more information about the Working Conditions in Ireland project please visit:

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

For more details on Employment in the Irish Construction Sector please see:

Background Report at:

<http://www.tasc.ie/download/pdf/20150929160711.pdf>

Bogus Self-Employment Report at:

http://www.tasc.ie/download/pdf/bogus_selfemploymentfinal.pdf?issuusl=ignore

Enforced Flexibility? Working in Ireland Today Report at

<http://www.tasc.ie/download/pdf/enforcedflexibilityfinal.pdf?issuusl=ignore>

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