

After the crisis: recovery and good jobs in Ireland

Research Proposal

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Introduction

The quality of jobs is back on the agenda. Many countries have seen a growth in jobs where workers are badly paid, subject to arbitrary discipline and have little job security. It is clear that especially in the USA and the UK these trends were in place long before the crisis. The rising number of the ‘working poor’ has undermined the belief that employment is always the best cure for poverty. Any recovery cannot be simply a return to growth as it used to be, because the growth we had before the crisis was already stunting the lives of many ordinary people.

In a country such as Germany the notion of a legal minimum wage was long unthinkable even for many trade unions. The fact that Germany is now introducing a minimum wage is a dramatic illustration of the recognition that just any job is no longer enough. If this is the case, then we need to know a lot more about how good jobs and bad jobs develop. This involves long-term structural changes and their determinants, but it also involves looking inside jobs, to understand in what ways working conditions have been changing. This leads to the influence of social actors – employers and trade unions – and the role of employment regulation.

Work in Ireland has its own specific determinants, not least the crucial role of Foreign Direct Investment (FDI); understanding changes in Ireland requires a continual comparison with rather different European societies, especially other crisis countries such as Greece and Spain. Irish employment conditions are also shaped by external conditions, ranging from the Human Resource (HR) policies of global companies to the employment regulation deriving from the European Union.

The project will investigate how jobs have been changing in Ireland from the boom through the crisis and into a possible recovery. Understanding past and present trends requires systematic comparison with selected EU countries, but also consideration of the EU level itself. This will help to identify the scope for change: what are the possible policy options at national and Union level, what are the strategies for progressive actors, above all for the trade union movement itself?

The project will use existing data sources to identify overall trends. The core of the project is a close up analysis of work in four sectors using systematic interviewing: IT/software, financial services, construction and hospitality.

1. What chance good jobs for all? Review of literature

Implicitly or explicitly, discussion of good jobs and bad jobs involves assumptions about occupational change: which occupations are growing and which are declining. Theories here range from over-arching theories of social change to rather short term accounts of the impact of technological change. A second set of arguments use a narrower time frame to focus more on what has been happening inside jobs: the changing strategies of employers, the redefinition of the employment contract, the reduced power of unions.

1.1. Structural change

Until recently it was believed that growth meant more and better jobs because of a universal upgrading of the occupational structure (Figure 1). The move towards the ‘post-industrial’ society involved a *double* shift. Firstly a shift *between* sectors: over time employment in agriculture and then manufacturing declined, while services grew (horizontal arrow in Figure 1). This movement itself changed the overall occupational structure, since each successive sector was assumed to contain a higher proportion of skilled jobs (services have more skilled jobs than manufacturing, and manufacturing more than agriculture). Secondly a shift *within* sectors: over time in each sector the number of skilled jobs grew (vertical arrow in Figure 1). In agriculture and manufacturing as well as in services, there were fewer unskilled manual jobs and more and more white-collar and professional jobs. For example whereas traditionally most jobs in manufacturing have been manual jobs, within Germany today most workers in manufacturing are in white collar or professional jobs. The two processes – sectoral shift and occupational upgrading – together produce a society with progressively fewer unskilled jobs and more and more skilled jobs (diagonal arrow in Figure 1).

Figure 1. Towards post-industrial society: Sectoral and occupational shifts

	Primary (Agriculture)	Secondary (Manufacturing)	Tertiary (Services)	
Professional & managerial				↑
Routine white-collar				↑
Skilled and unskilled manual				↑
	→			

This argument assumes that technological change directly demands more skilled jobs so that social change is the result of technological change (‘technological determinism’). Within labour economics the hypothesis that skill demands are rising has been formulated as the Skill-Biased Technical Change (SBTC) thesis (see Katz and Autor, 1999 for summary): technical change produces rising skill demands within occupations and in particular a rise in the absolute and relative number of skilled occupations. Such arguments of course justify a continual expansion of education in terms of what are claimed to be the needs of the economy¹.

¹ The assumption that there is a universal upgrading of the occupational structure allows a political consensus on educational expansion. The ‘needs of the economy’ justify educational expansion as essential for continued

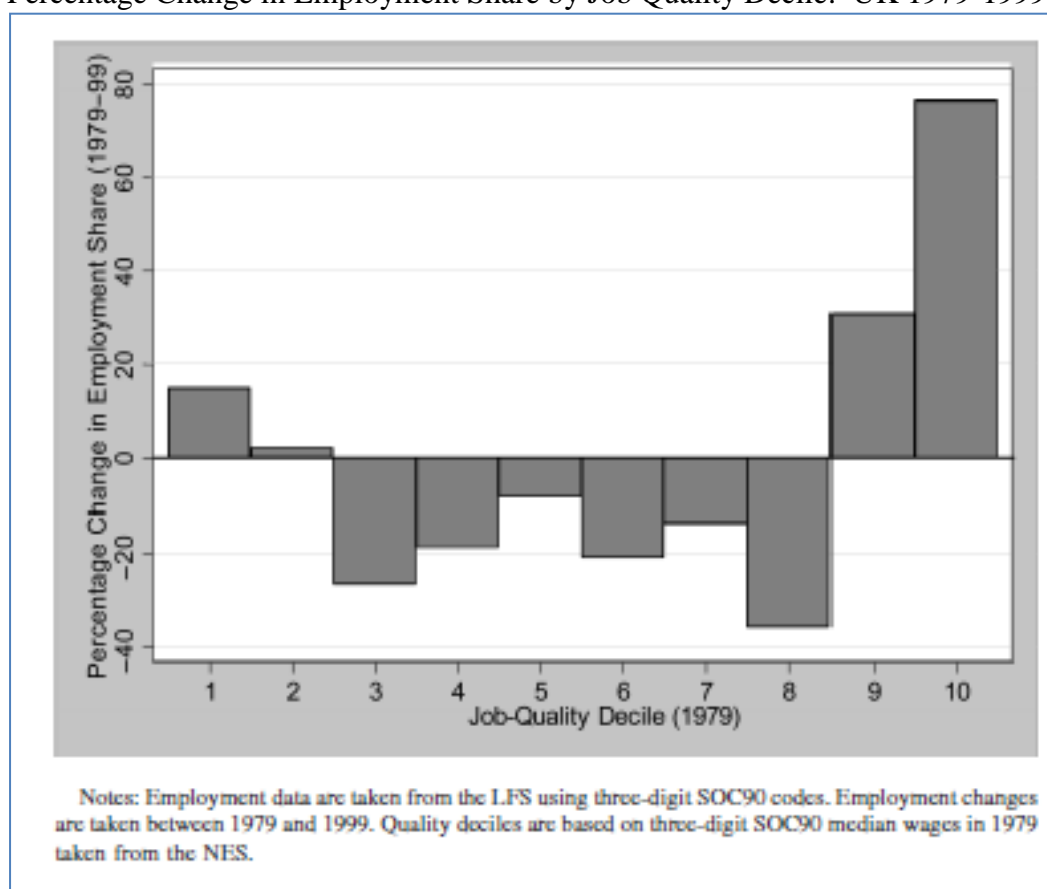
More recently the SBTC thesis `has been reformulated as the routinisation thesis (Autor et al 2003; Goos and Manning 2007). This still assumes that technological change directly drives occupational change, but claims the consequences of the change are rather different. Jobs are considered to involve two basic dimensions: firstly the nature of the work, whether it is 'cognitive', 'interactive' or 'manual', and secondly, whether it is 'routine' or 'non-routine'. Computerisation replaces routine work, whether cognitive or manual, but not non-routine work *even if it is unskilled*. Routine jobs in industry and administration, whether blue or white collar, non-routine jobs, especially low skilled jobs in the service sector, actually grow. Accordingly this theory predicts a growing polarisation of employment: the middle is hollowed out', while the number of jobs grows at the top *and the bottom* of the occupational structure.

On this basis Goos and Manning (2007) suggest that technical change currently increases the number of both good and bad jobs ('lovely' jobs and 'lousy' jobs), while reducing the number of intermediate jobs. Using UK Labour Force Survey data for 1979 to 1999, they first rank occupations by the median wage in the initial period; they then show that the occupations which have grown by the end of the period are those at the top and (to a lesser extent) at the bottom of this hierarchy (Figure 2). Growing occupations include software engineers and management consultants, but also care assistants and check-out operators. By contrast, jobs have been lost amongst intermediate occupations, nearly all of which are skilled or semi-skilled occupations in extractive or manufacturing industry (coal mine labourers, grinding machine setters, etc.). Goos et al (2009) find broadly similar results for 16 (West) European countries: almost everywhere there is a growth at either end of the occupational structure.

economic growth. At the same time educational expansion gives working class children a realistic chance of social mobility and so can be justified as socially progressive. If this universal upgrading is challenged, these reasons for educational expansion collapse!

Figure 2 Lovely and lousy jobs

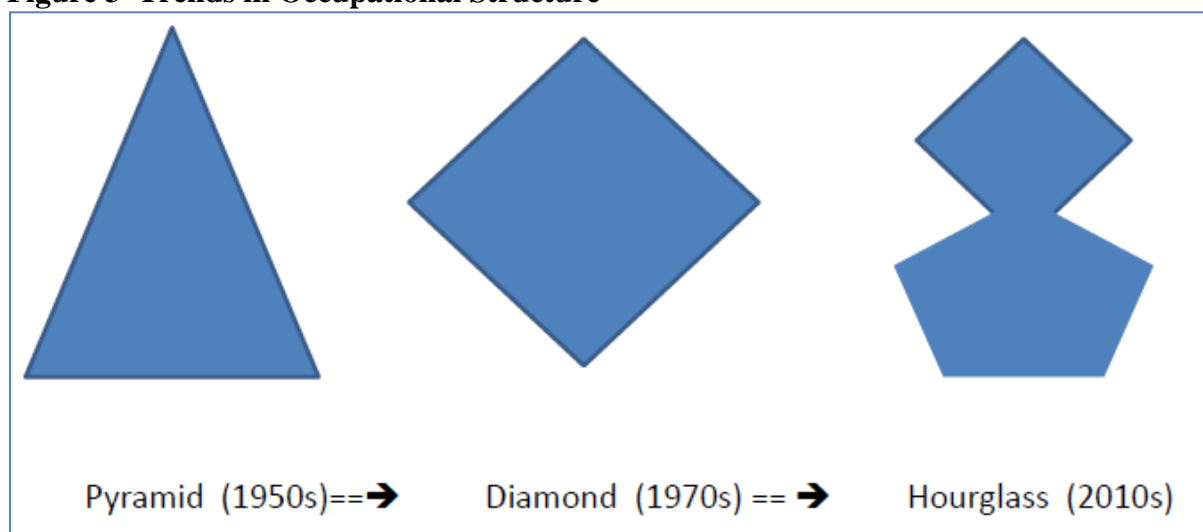
Percentage Change in Employment Share by Job Quality Decile: UK 1979-1999



Source: Goos and Manning (2007).

Such arguments present a very different picture of occupational change to the optimistic visions which underlie – however implicitly – the rhetoric of the information society, the knowledge economy and other fashionable slogans. It is clear that until the 1970s western societies were moving from a pyramid towards a diamond shaped occupational structure; it *seems* that they have now been moving more towards a ‘dumb-bell’ or ‘hourglass’ shape (Figure 3).

Figure 3 Trends in Occupational Structure



It is clear that in most western societies there was a trend towards greater income equality starting before or during World War II. In the 1970s this was halted in the USA, from 1979 onwards in the UK and in most European countries shortly afterwards. These trends in income distribution are compatible with – and partly explained by – these trends in occupational structure outlined above. Importantly these trends pre-date the crisis.

It is however unclear the extent to which Ireland participated in these trends. During the boom there appears to have been only limited occupational polarization (O’Connell and Russell 2007) and according to one study, between 1996 and 2006 Ireland was an extreme case of employment growth concentrated in high skilled jobs (Holmes 2014). There was massive immigration but, unlike the UK, this new immigration did not lead to any equally dramatic expansion of low skilled employment with exploitative conditions (Krings et al 2013). However, it is not usually recognised that while the boom meant full employment, Ireland did not become a high employment society on the Scandinavian or even the UK model – overall employment never actually reached the old Lisbon target of 70%. The key issue here was the weak level of services to support an inclusive labour market (NESF 2006), a glaring deficit which has not been remedied in the crisis.

The crisis in Europe further accentuated social inequality (Eurofound 2012). The initial impact was also to polarise employment: jobs in the middle of the occupational structure were especially likely to be lost (Eurofound 2013). To some extent this polarisation process has continued, but in many countries it has been overlaid by upgrading – new jobs are disproportionately highly skilled (Eurofound 2014) and this seems to also be the case in Ireland.

1.2 Beyond occupations

The discussion so far has utilised aggregate data on occupational change. The quality of work – whether the job is lovely or lousy – has been derived directly from the occupation. For example, the theory of the post-industrial society simply assumed that fewer manual jobs meant fewer bad jobs. However, treating occupations as involving good or bad work tells us little about what has been happening ‘inside’ jobs: the extent to which jobs have become more insecure and workers more subject to arbitrary management decision, etc. This means we take no account of short-term changes: since recessions and mass unemployment weaken employees’ bargaining power, it is highly plausible that the crisis has exacerbated long-term negative trends. Furthermore, such arguments make no allowance for the possible impact of institutions of employment regulation. Thus just as the Irish welfare state provided *some* protection against the sort of catastrophic decline in living conditions seen in Greece (Eurofound 2013; Wickham 2015), the still extant institutions of employment regulation in Ireland *may* have played a similar role in the workplace.

This need to ‘get behind’ occupational labels is clear in the discussion of skill. The SBTC thesis focuses on *occupations* and takes their skill content as fixed during the period in which change is examined. Since it assumes the skill content (or at least ‘level’) is constant, it studies change in terms of the shifting relative size of occupations. Thus evidence for the SBTC thesis is adduced from the growing number in managerial occupations. Perhaps more so than economists, sociologists however have concentrated on the skill content of occupations. In relation to the upper end of the occupational hierarchy, there is a lively debate over the skill content of ‘managerial’ jobs. This involves a discussion of ‘graduateness’ and the extent to which the growing number of graduates produced by the expansion of third level education do in fact carry out jobs which, whatever their formal title, do actually require a graduate education (Brown and Hesketh 2004).

Once it is accepted that the content of an occupation can change over time, or more fundamentally perhaps, that occupations are *socially constructed* bundles of jobs and tasks, then it follows that skill cannot be studied only in terms of educational qualifications that are

attached to occupations (Green, Felstead and Gallie 2003). Changes in skill can only be studied by examining what people actually do at work. Work involves both task complexity and discretion, and the two cannot be assumed to vary together. Skill itself is not simply a function of either or both these dimensions, but is defined in terms of (a) formal educational qualification; (b) the extent of training (after completion of full-time education); (c) length of on-the-job training. While they accept the relevance of detailed workplace ethnographies, Gallie et al (2003) argue that only large scale social surveys with some form of time dimension can assess movements in skill. In practice this means relying on cross-sectional studies which ask respondents to assess changes in their job. Thus using three such data sets spanning 1986 to 2003 in the UK Gallie and his co-workers claim to be able to identify a general and significant rise in skills in all occupations, even though this is also accompanied – especially in professional jobs – by closer supervision and less task discretion.

Employment quality means more than skill and this makes it especially important move beyond occupational labels. In the research literature there is no single definition of job quality (Mühlau, 2011; Kattenbach and O'Reilly, 2011; Wickham et al, 2011), but widespread agreement that job quality is multi-dimensional (Gallie, 2007). One job quality index proposed by researchers at the European Trade Union Institute comprises six dimensions: wages, non-standard employment, working time and work-life balance, working conditions and job security, skills and career development, collective interest representation (Leschke and Watt, 2008). Several of these dimensions, from 'decent' wages to collective interest representation, are not usually included in accounts of job quality, even though they are issues that are crucial to public concern about the quality of jobs in recent years (Knox et al, 2011). Equally, the growing public concern over 'zero hour contracts' highlights how the quality of work can be degraded in novel ways only partially captured in the established categories..

Trade union presence in the workplace can be taken as an aspect of job quality. Trade union presence is also potentially transformational. Trade unions can impact on job quality - they can restrain arbitrary authority, ensure working hours are regular, promote job security, etc. Trade union organisation is one possible method for 'making bad jobs good [jobs]' (Osterman, 2008). In rather similar vein Crouch et al (2001: 39) claim that in the past low paid public sector jobs combined low skill and low pay with job security and 'freedom from the brutalization often associated with low-skilled and low-paid work'. Such jobs were low on some dimensions (pay, skill) but higher on others (security, restrictions on arbitrary management). They suggest that privatisation and marketisation have turned these 'good bad' jobs into simply bad jobs, with little security, low and irregular pay and low trade union organisation (see also Flecker and Hermann, 2011).

2. Researching working conditions in Ireland

2.1 Framework

The project will use a version of the ETUI job quality index cited above (Leschke and Watt, 2008). The project will also liaise with other research initiatives, such as the Fairness at Work Centre at the University of Manchester to highlight other dimensions of fairness at work. During the data collection stage there will be liaison with researchers in Italy and Greece through the International Working Party on Labour Market Segmentation (the lead researcher will be participating in the annual conference in Athens in June 2015). The research team will monitor other ongoing relevant research activity, in particular the work of the Low Pay Commission

2.2 Methodology

The project will have two major components:

(A) Tracking overall working conditions in Ireland through boom and crisis using some or all of the existing data sets:

- QNHS- Quarterly National Household Survey, Irish component of European Labour Force Survey – quarterly, micro-data currently available to 2012 but CSO will carry out limited special analyses.
- EU-SILC – data currently available from 2012 wave.
- European Working Conditions Survey (Eurofound) data from wave 5 (2010) available; wave 6 will be fielded during 2015 and data will not be available during the life time of the project.
- European Quality of Life Survey (Eurofound) data from wave 3 (2011-12) available.

Data analysis will use the SPSS Statistics package.

(B) case studies of four sectors: potential ‘lousy’ jobs (construction, hospitality) and ‘lovely’ jobs (financial services, IT/software). Each case study will involve

(i) where possible, sector level analysis using (A) above – this will be limited because of both sample size and sector categories;

(ii) other published statistics especially Earnings and Labour Costs Quarterly

(iii) general desk research focusing on the formal and informal regulation of employment in the sector

(iv) extensive interviews with significant informants

(v) a quota sample of employees located through snowballing

The ETUI job index (see above) will be used as a framework to organise the material. The NVivo software package will be used for record management and for thematic analysis of the interview data.

2.3 Outputs and dissemination

The research team will liaise with international researchers, in particular from two comparison countries: Greece and Italy. An initial report will be workshopped with reviewers from Ireland and the comparison countries. Once validated in this way, a research report will be presented at a policy conference attended by stakeholders (in particular trade unions and progressive politicians) to develop concrete policy proposals. The project is planned to last approximately nine months.

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09 March 2015
Revised 06 May 2015