

Precarious Work in Ireland: Evidence of a structural change

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Summary: Nugent, Pembroke & Taft (2019) provide evidence of growth in various indicators of precarious employment in Ireland over recent years. This inBrief presents evidence that the share of full-time permanent jobs has fallen for younger workers, that part-time work (both permanent and temporary) is more common in new employment and that part-time work and temporary employment have become 'more precarious'. Transitioning from part-time or temporary work to full-time or permanent work is much less likely in Ireland than in comparable EU member states.

Introduction

Nugent, Pembroke & Taft (2019) provide evidence of higher shares of various forms of precarious employment in the Irish labour market relative to the years leading up to the financial crisis. Growth in some of these indicators predate the crisis. Increases in others accelerated during the financial crisis. Similarly, rates of precariousness along most indicators began to decline after 2011/12. Evidence suggests however, that improvements in some forms of precarious work have either slowed considerably or flat lined entirely in recent years, notwithstanding successive years of strong economic and employment growth. This has meant higher shares of some forms of atypical employment in new employment and for younger workers. The evidence also points to a deepening precarity associated with headline indicators such as part-time and temporary employment.

New Contracts

The share of permanent full-time jobs (for those who identify as 'at work') in new employment contracts (1 year or less) had just about finally recovered in 2017 from the financial crisis (54.8% compared to 55.1% in 2008). However, the share of part-time work (both permanent and temporary) had not, though they were both trending downward. 16.5% of employees

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

	2006	2008	2010	2012	2013	2014	2015	2016	2017
Permanent Full-time	54.5	55.1	32.1	34.5	34.1	42.1	41.4	43.6	54.8
Permanent Part-time	13.5	17.6	23.2	19.2	21.8	17.6	17.5	18.9	16.5
Temporary Full-time	15.3	12.2	13.6	13.8	14.4	14.4	13.1	11.8	10.9
Temporary Part-time	8.9	*	18.5	19.3	16.1	18.5	18.3	13.5	11.8
Occasional no contract/other	7.8	*	12.7	13.3	13.6	7.4	9.8	12.2	6.0

Source: CSO (2019), Survey on Income and Living Conditions 2004-2017 & Author's calculations

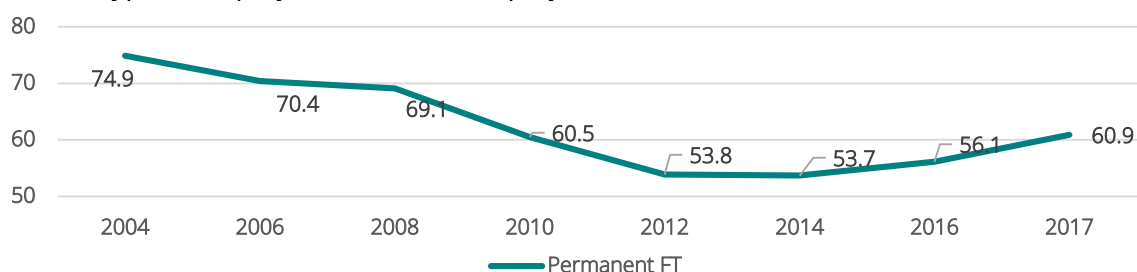
Note: Analysis only includes those who identify as 'at work' as their principal economic status.

* indicates issues related to sample size and valid statistical inference.

('at-work') were in part-time, permanent employment in 2017 compared to 13.5% in 2006 and 11.8% were in temporary part-time work compared to 8.9% in 2006.

Young Employees

The decline in the share of employees (not including students) under 30 in 'typical' employment (full-time and permanent) predated the recession, falling from 74.9% in 2004 to 69.1% in 2008. The share accelerated downwards after the financial crisis, dropping more than 15 points from 69.1% in to 53.8% in 2012. Less than half of this ground had been recovered in five years of strong growth up to 2017. Almost 2 in 5 (39.1%) employees up to the age of thirty and 'at work' were in some kind of atypical working arrangement in 2017.

Chart 1: Typical Employment (15-30, Employees, %)


Source: CSO (2019), Survey on Income and Living Conditions 2004-2017 & Author's calculations

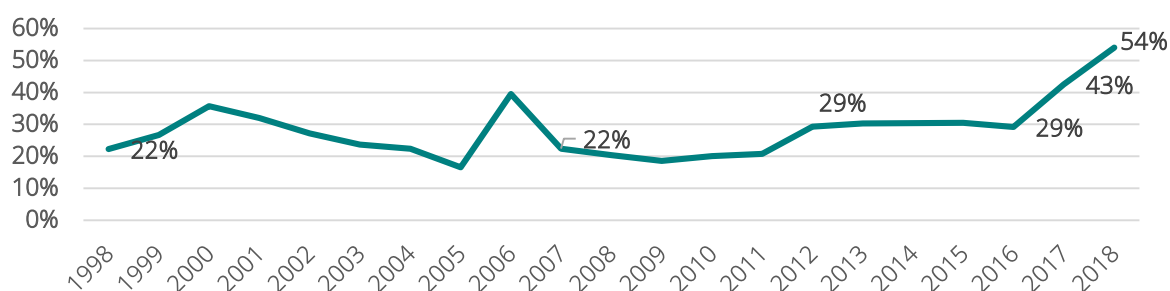
Note: Analysis only includes those who identify as 'at work' as their principal economic status.

Part-time and Temporary Workers becoming more precarious?

The headline figures for part-time and temporary employment rates mask changes to the nature of those employment types in the Irish labour market. Nugent, Pembroke & Taft (2019) present evidence that higher shares of workers in the same categories experience material deprivation and financial insecurity (as measured by the ability to afford an unexpected expense) than before the crisis.

Chart 2 shows that the share of employee temporary contracts lasting a year or less has increased significantly, with most of this growth occurring in the most recent years. Though this particular dataset (Labour Force Survey) changed its methodology in 2017, the estimate of the share of short contracts for temporary employees increased from 43% in 2017 to 54%

Chart 2 Contracts of a year or less (% of total temporary contracts)



Source: Eurostat (2019), Temporary employees by sex, age and duration of the work contract (1,000) [[lfsa_etgadc](#)]

Note: Age 15-64. Break in series in 2017.

in 2018, having already identified a sharp trend upwards between 2016 and 2017. This signals rising insecurity for temporary workers, making planning for the future more difficult. An estimated 22% of temporary contracts were for a duration of a year or less in 1998. The latest data also show that the share of involuntary temporary work is still much higher relative to the Celtic Tiger years (Eurostat 2020).

Table 2 Underemployment (excl. students)

2007Q2	2009Q2	2011Q2	2013Q2	2015Q2	2017Q2*	2018Q2	2019Q2
0.14	0.24	0.38	0.44	0.40	0.32	0.21	0.21

Source: CSO (2019a), Labour Force Survey 2007-2019

Note: Analysis excludes those studying or trainning. *=break in series

The latest Eurostat figures (2019 Q3) show the rate of part-time employment to be 19.6%. This compares to 16.4% in Q3 2004 and up slightly from Q3 2018 (19.4%). The estimated share of part-time workers who would rather have a full-time job but can't find one is about 50% higher in 2019 than 2007. Underemployment is associated with one of the highest deprivation rates (the deprivation rate for this group is still higher than pre-crisis) and financial insecurity of any category of precarious worker (Nugent, Pembroke & Taft 2019). This rate increased sharply between 2008 and 2013 from 14% to 44%, recovering again with the turnaround. The issue of the 2017 break in time series also applies to the estimate of this indicator. However, since that break in series, the most recent estimates show that the share of these precarious workers remained unchanged at 21% of all part-time staff between Q2 2018 and Q2 2019, a year of strong employment and GDP growth. In addition, Nugent, Pembroke & Taft (2019) present evidence of a rise in marginal part-time work (< 20 hours a week). The share of workers in material deprivation is among the highest for this category of precarious worker. Rates of underemployment and involuntary temporary work are also much more prevalent for younger workers (Nugent, Pembroke & Taft 2019).

The issue of transition from a fixed term contract to a permanent one is particularly relevant to young workers who experience, not only higher rates of temporary work but also higher rates of involuntary temporary work. This affects the ability of young workers in applying for a mortgage and is a particularly precarious form of employment, characterised by insecurity. For some, temporary employment is less of an issue and provides a valuable opportunity as a stepping-stone to a permanent position. Part-time work is also often characterised this way. The available data, however, suggests that this is not the case in an Irish context. Table 3 and 4 present transition rates from temporary to permanent employment and from part-time positions to full-time ones estimated by Eurostat. Ireland scores low relative to most EU member states. In 2017, Eurostat estimated that the likelihood of a temporary worker transitioning to permanent employment was just 1 in 10 and for a part-time worker to transition to full-time employment, just 4%. These rates are indicative of a lack of opportunity for Irish precarious employees to work their way towards decent and secure work.

Table 3 Transition rates, temporary to permanent contracts, 25-39 years

	2011	2012	2013	2014	2015	2016	2017
Denmark	29	29	37	38	40	21	28
Portugal	17	16	16	15	16	16	16
United Kingdom	11	13	13	13	15	12	14
Ireland	7	10	8	10	9	10	10
Spain	7	7	6	6	7	7	7

Source: Eurostat (2019), Transition from fixed term contracts to permanent contracts by sex and age - annual averages of quarterly transitions, estimated probabilities [[lfsi_long_e09](#)]

Table 4 Transition rates, part-time to full-time hours, 25-39 years

	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
Ireland	4	4	5	4	4	5	4
United Kingdom	4	4	4	4	5	4	4

Source: Eurostat (2019), Transition from part-time work to full-time work by sex and age - annual averages of quarterly transitions, estimated probabilities [[lfsi_long_e08](#)]

Conclusion

Though headline figures of part-time and temporary employment suggest a recent 'return to normal' after years of strong economic growth post-financial crisis, several indicators point to increased levels of precarity in these jobs.

References

This NERI Research inBrief accompanies and updates NERI Working paper No 64 Nugent, C., Pembroke, S. & Taft, M. (2019). [Precarious Work in the Republic of Ireland](#).

Working paper No 64 contains a list of the references used in this InBrief.