

Atypical Work and Ireland's Labour Market Collapse and Recovery

Elish Kelly and Alan Barrett

Introduction

This paper looks at developments in the incidence of “atypical work” in Ireland. The OECD (2015) notes that “traditional” permanent, full-time work is being replaced with less traditional work, such as part-time temporary work and self-employment. Due to the growth in such working arrangements atypical work has come under greater scrutiny. Between the 1990s and the end of the Great Recession almost 60 per cent of jobs created in OECD countries were non-traditional.

Although atypical work is now an accepted feature of the labour market its desirability is more controversial. The OECD (2015) argues that atypical working arrangements can create job opportunities for some people who would otherwise be out of work. Additionally, the growth in nonstandard work reflects the shift away from the more traditional manufacturing-dominated economic growth to services and knowledge work. Addison and Surfield (2006) found that atypical work provides unemployed people with a route out of unemployment. Couprie and Joutard (2017) noted that people with atypical jobs were more likely to move into a standard employment contract than those who were unemployed. Eichhorst and Tobsch (2013) argued that the growth in non-standard forms of employment helped Germany to withstand the Great Recession as unemployment did not increase over the period and the number of jobs did not decline either.

The OECD (2014) has highlighted the downside to atypical work. They note how the working arrangements associated with atypical work may be contributing to inequality and poverty, especially among low-educated workers, females and young people. It is argued that policymakers should ensure that part-time and temporary work become a conduit to better employment. More generally, OECD (2014) argues that a country's

labour market performance should be assessed both in terms of the number of job opportunities and in the quality of such jobs. There is a strong association between temporary work and poor job quality, particularly in terms of higher levels of labour market insecurity, lower earnings and higher job stress.

The changes in Ireland's labour market from the Great Recession onwards provides a good setting in which to explore atypical work. Unemployment rose from 4.8 per cent in 2007 to 15 per cent in 2012, falling to 5.6% in February 2019. Against such a backdrop two questions are addressed in this paper. First, did atypical work for new job holders become more prevalent in the economic downturn? Second, did atypical work become less widespread in the upturn? These questions are important because they can tell us whether trends in atypical work might be becoming established in the Irish labour market.

Data and Methods

The analysis in this paper is based on individual-level data from Ireland's Quarterly National Household Survey (QNHS)¹. The QNHS is Ireland's official labour force survey and is compiled by the Central Statistics Office. Data are collected four times a year, with the analysis conducted in this paper based on the data collected in the second quarter (Q2) only of each year 1998 to 2015. The analysis was restricted to individuals aged 15-64 who started their current job within eighteen months of their interview; thus, the focus is on "new jobs". It should be noted that these "new jobs" could be labour market entrants, people moving from unemployment to employment, or people moving between jobs. The age and new job restrictions resulted in the analysis being based on a sample of just over 60,000 individuals.

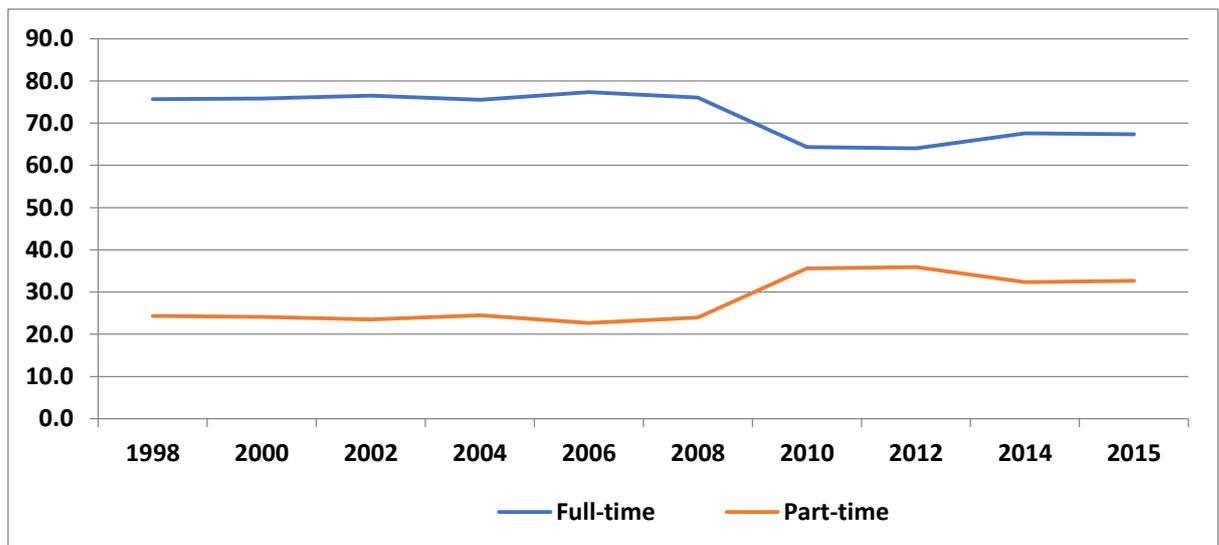
Results

The research found that part-time employment contracts among new job entrants became more prevalent in Ireland during the recession (2010-2012).

¹ It is now known as the Labour Force Survey.

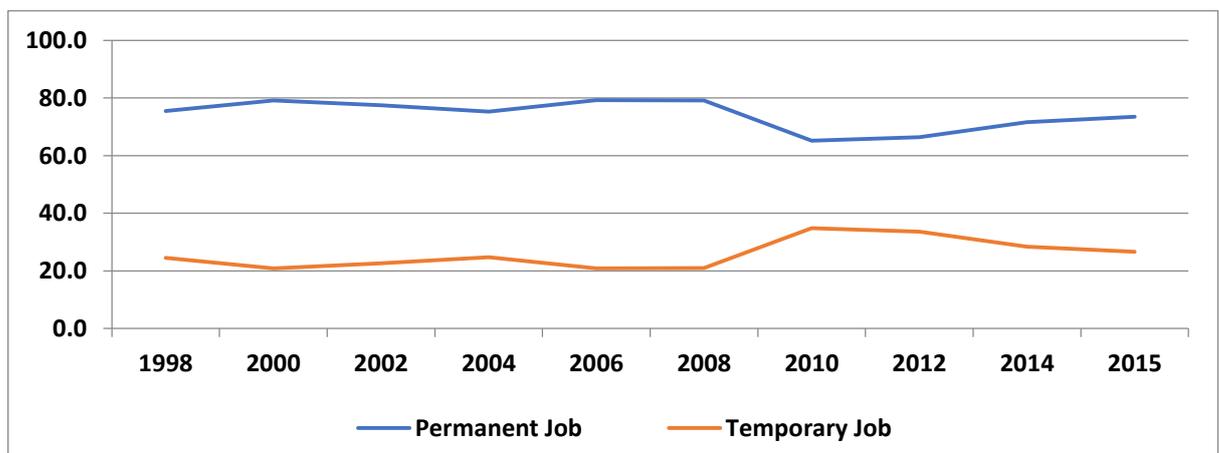
This situation persisted into the recovery (2014-2015), but was weaker. Nevertheless, as of 2014-2015, the labour market had not returned to pre-crisis levels along this job quality dimension. Descriptively, this result can be seen in Figure 1. The same results were found with respect to temporary employment contracts. Again, this finding is descriptively presented in Figure 2.

Figure 1: Full-time / Part-time Employment



Source: Derived using Quarterly National Household SurveyQ2 Microdata
Note: Analysis based on individuals aged 15-64 who obtained a job in the previous 18 months

Figure 2: Contract Type



Source: Derived using Quarterly National Household Survey Q2 Microdata
Note: Analysis based on individuals aged 15-64 who obtained a job in the previous 18 months.

Given these results, the paper went on to examine new jobs that had both of these atypical employment characteristics: part-time and temporary contract. Once again, the study found that the prevalence of this two-dimensional atypical work among new job entrants increased with the recession and continued into the recovery, although at a more modest level.

Furthermore, the research found that there was an increase in the likelihood of new jobs being involuntarily part-time with the recession (compared to full-time) and that this pattern persisted into the recovery. The same pattern was found for involuntary part-time people with temporary contracts.

The research also examined self-employment and found that while there was an increase in the probability of new jobs being self-employed during the recession, there was actually a lower likelihood of this being the case, compared to the pre-crisis period, in the recovery phase. Finally, the research found that the likelihood of new jobs being unionised fell further as the economy moved from recession to recovery.

Conclusions

In a comparative framework these results are noteworthy. Research on Germany by Eichhorst and Tobsch (2013) and by Gialis and Leontidou (2016) on the Mediterranean countries suggest that the trend towards atypical work is increasing. However, in the case of Ireland, this paper by Kelly and Barrett suggests that the situation is more complex; and that trends in atypical employment arrangements among new job entrants should be continued to be monitored, with policy makers ready to act if atypical work is viewed as a problem. The response might not necessarily be to restrict atypical employment arrangements, but to equip individuals so that they are not adversely affected by it and that they can transition to more standard contract types.

References

Addison, J. T. and C. J. Surfield, 2006. "The Use of Alternative Work Arrangement for the Jobless: Evidence from the CAEAS/CPS", *Journal of Labor Research*, Vol. 27, No. 2, pp. 149-162.

Addison, J. T. and C. J. Surfield, 2007. "Atypical Work and Pay", *Southern Economic Journal*, Vol. 73, No. 4, pp. 1038-1065.

Coupric, H. and X. Joutard, 2017. "Atypical Employment and Prospects of the Youth on the Labor Market in a Crisis Context", THEMA Working Paper No. 2017-08, University de Cergy-Pontoise, France.

Eichhorst, W. and V. Tobsch, 2013. "Has Atypical Work Become Typical in Germany?", IZA Discussion Paper No. 7609. <http://ftp.iza.org/dp7609.pdf>.

Gialis, S. and L. Leontidou, 2016. "Antinomies of Flexibilization and Atypical Employment in Mediterranean Europe: Greek, Italian and Spanish Regions During the Crisis", *European Urban and Regional Studies*, Vol. 23, No. 4, pp. 716-733.

OECD, 2014. *OECD Employment Outlook 2014*. Paris: OECD

OECD, 2015. *Adapting to the changing face of work: Policies to make the most of part-time and temporary work*, (August 2015, Policy Brief). Paris: OECD. www.oecd.org/employment/Adapting-to-the-changing-face-of-work.pdf.