

DECENT WORK? **THE IMPACT OF** **THE RECESSION ON** **LOW PAID WORKERS**

A REPORT FOR
MANDATE TRADE UNION

RESEARCH: CAMILLE LOFTUS

SURVEY: BEHAVIOUR & ATTITUDES



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EXECUTIVE SUMMARY

THE PROBLEM OF PRECARIOUS WORK

Precarious work is “uncertain, unpredictable, and risky from the point of view of the worker”. Labour market security for these workers – a permanent employment contract, decent rates of pay, guaranteed working hours, and social protection in the form of welfare entitlements – is increasingly eroded by demands for greater flexibility to hire and fire, growing use of temporary and part-time contracts, very flexible working hours, downward pressure on pay, limited investment in training and upskilling, and an erosion of social security rights such as access to unemployment payments and pensions. While it is not a new phenomenon, there has been growing concern about the growth and prominence of precarious work since the 1970s.

Certain groups of workers are more affected than others. Women, young people, and migrant workers are all over-represented in the ‘precariat’. More broadly, a distinction can be made between labour market ‘insiders’ and ‘outsiders’. ‘Insiders’ have reasonably secure jobs, decent rates of pay, predictable and stable hours and are covered by the full range of social security entitlements. Their working lives differ substantially from ‘outsiders’, who face a higher risk of unemployment, are low paid, work fewer hours, which vary from one week to the next and are often at unsocial times, and whose employment patterns often deny them access to social security rights. Often, it is the insiders who demand greater flexibility of the outsiders.

The growth of precarious work is a product of the tension and competition between, on one side, demands from employers for more flexibility, and on the other, calls for greater security and protection for workers. But government also plays an important role, in providing labour market regulation, income supports, and training and upskilling opportunities.

Precarious work is an important issue in the Irish labour market. The Irish labour market is one of the most flexible in the OECD, and our social protection regime is comparatively lean. Over a fifth of the workforce is low paid. The current economic crisis has exacerbated these problems. Basic protections for these vulnerable workers – statutory minimum wage, JLC pay agreements, the low income tax regime for low paid workers, and social protection rights and entitlements – were among the first areas to come under pressure as the recession took hold.

And yet the problem of precarious work in Ireland receives little study or debate. Official data sources provide very limited information on the working lives of the Irish ‘precariat’. Mandate Trade Union, representing over 45,000 workers in the bar and retail trade, commissioned Behaviour & Attitudes (B&A) to conduct a survey of its membership to help fill this information gap. The survey provides valuable new data on the working lives of its members, and how these have been impacted by the current recession. This report explores the survey findings, along with key data and recent research on the position of low paid workers in the retail sector. The picture that emerges is of a group of workers under significant financial and psychological distress.

THE IRISH 'PRECARIAT': KEY RESEARCH FINDINGS

Mandate's membership is a prime example of the 'precariat'. They are predominantly female, and only a third have full-time contracts. While it might be assumed that a precarious workforce is also a transient one, over 70% of Mandate's members have worked in the retail sector for at least five years, and is therefore a highly experienced group of workers.

The wholesale and retail sector is Ireland's largest employer, accounting for one in seven of all those in employment. It is also one of the lowest paid. Workers in this sector have suffered an above average rate of job loss since the onset of the recession, with female employment being worst hit.

The B&A survey of Mandate's members demonstrates the extraordinary level of working time flexibility demanded by retail employers.

- A majority of members are employed on part-time contracts, working an average of just 22 hours a week, yet over half of members work their hours over at least five days.
- Their working hours are subject to frequent change: for example, almost half of part-time workers have their working hours changed at least once a month, while only a third have stable working hours.
- Over a quarter of members wanted greater certainty from their employers about the days and hours of the week they were rostered for.

Many workers providing this level of flexibility are compensated in their pay. However, a study by Turner and O'Sullivan (2012) shows that this is not the case for low paid workers in the retail sector. They find that while retail employees covered by JLC rates are more likely to work shifts, 97% received neither shift allowances nor bonuses.

According to the B&A survey, four in ten of Mandate's members report a fall in take home pay over the last year, with an average fall of €109 per week. To put this in context, the CSO reports that average weekly pay for clerical, sales and service workers in this sector was just over €360 a week in the first quarter of 2010. For retail workers, falling wages are driven primarily by cuts in working hours. Average working hours in the retail sector fell by 6.8% between Q1 2008-10. Over the last year, the average working hours of Mandate's members fell by a further 4.3%, with greater losses for part-time workers.

The survey reveals a strong demand for additional hours, with six in ten Mandate members willing and able to work extra hours in order to make ends meet. Demand was particularly strong among part-time employees, who want to work an extra seven hours a week. Indeed while only a fifth of part-time contractors currently work more than 28 hours a week, six in ten want to. In other words, a majority of those employed part-time actually want to work full-time. Yet over half of those who wanted to work more hours had actually had their hours cut over the last year.

The survey revealed interesting findings about which workers were most likely to secure additional hours. While less than half of the part-time employees who asked for more hours got them, two-thirds of student workers who requested additional hours did. It appears that retail employers are shifting the balance of employment towards lower paid, and less experienced, staff.

The inability to secure enough hours has resulted in significant financial and psychological stress, the B&A survey shows:

- Around a third are finding it difficult to adequately feed and clothe their families, and to pay off household loans.
- Four in ten are experiencing difficulty paying their mortgage or rent, and over half are struggling to pay utility bills.
- More than seven in ten reported that they had cut back on their spending so much that they can afford little or no social activities, and that they are now far less likely to visit a doctor because they could not afford the cost.
- Three-quarters said they are finding it more difficult to cope in general, and suffer much more stress now than a couple of years ago.

Without the option of working enough hours with their current employer, two-thirds of Mandate's members surveyed by B&A have had to find other ways of supplementing their income over the last year. The flexible terms of their contracts means that their options are limited.

- Around one in ten had got a second job, and 17% had started to claim a social welfare payment.
- For a significant proportion, these options weren't available: 11% of members reported that changes in their working patterns had made it more difficult for them to qualify for social welfare, and 13% said these had made it harder for them to secure another job.
- Around three in ten borrowed money from a credit union and from close family or friends; some had borrowed from more than one source.

Using the data and methodology of the Collins et al. (2012) study on minimum income standards, this report finds that typical retail wages are insufficient to meet the minimum essential living costs of many households, a problem exacerbated by rising taxes and less access to income supports.

The inadequacy of low paid workers' incomes in Ireland's largest employer, the wholesale and retail sector, is also reflected in official data on poverty in Ireland. The CSO reports rising levels of in-work poverty: in 2010, 17% of those living below the poverty line were working, while the working poor accounted for one in ten of those in consistent poverty i.e. they were both income poor and unable to afford basic necessities.

CONCLUSION

Ireland is suffering a labour market crisis, with unemployment at 14.3%. In that context, the aim of getting as many people as possible back into employment must have a high priority. But this report shows that the problem of precarious employment is a very significant one in Ireland. The wholesale and retail sector accounts for 14.5% of employment in Ireland; accommodation and food service employs a further 6.4%. The scale of this problem is too big to be ignored, and a 'more jobs at any cost' strategy will create more problems than it solves.

This report raises some very important questions for Irish labour market policy, as this frames employment terms and conditions for precarious workers. Labour market regulation has been designed to ensure high levels of flexibility, and it is argued that this flexibility helps to create jobs. But what is the value of these jobs if they do not provide an adequate income, and further,

deny workers the opportunity to find additional work to make ends meet? Tax and welfare systems assume a standard pattern of full-time employment, leaving precarious workers to swell the growing number of working poor.

POLICY RECOMMENDATIONS

Two key policy recommendations emerge from the findings of this report.

Firstly, deeper consideration needs to be given to the socio-economic impact of Ireland's employment legislation with a specific focus on the issues faced by precarious workers. This report has shown that Mandate members are willing and able to work more hours, but the regulatory framework governing the terms of their employment often denies them that opportunity. Two particular areas stand out as requiring urgent attention:

- Reforms to JLC and REA wage setting mechanisms announced by Minister Bruton in July 2011 have the stated aim of making them “fairer, more competitive and more flexible” and increasing job creation. However, these reforms fail to address the vulnerability of those currently in precarious work; rather they are likely to increase its incidence, and compound the vulnerability of these employees, leaving a growing proportion of the workforce without access to decent work. The Minister is urged to review these proposals as a matter of priority, so as to address the issues raised in this report.
- The incorporation of the EU Directive in relation to part-time work is also an area that warrants re-examination. A more formal process, requiring employers to justify a decision to deny part-time workers access to longer hours, particularly where an increasing proportion of their workforce is employed on part-time flexible contracts, would help to provide a better balance between the needs of employees and employers. Without it, we are likely to see a growing incidence of precarious work in the Irish economy. Accordingly, it is recommended that the Minister give consideration as to how Irish employment legislation can be strengthened to support the aim of maximising the availability of decent work in the Irish labour market.

Secondly, the Advisory Group on Tax and Social Welfare established in the Department of Social Protection should give specific attention to the issue of precarious work. The Group is charged with, inter alia, examining supports for people of working age and families, with a view to achieving positive social and economic outcomes. The findings of this report make clear that the social welfare and tax systems are not providing effective support to precarious workers.

In relation to both of these recommendations, a key consideration is the appropriate balance between the respective responsibilities of employers and the state in ensuring access to decent work. Greater flexibility for employers increases the need for the state to supplement inadequate pay. Setting effective policy in relation to precarious work therefore requires a co-ordinated and coherent cross-Departmental approach, involving at a minimum, the Departments of Jobs, Enterprise & Innovation; Social Protection; Finance; and Public Expenditure & Reform.

Job creation is a key imperative if Ireland is to recover from the current recession. But it is equally important that jobs provide decent work, where workers have a reasonable level of economic security.

I INTRODUCTION

Mandate Trade Union represents over 45,000 workers in the bar and retail trade, workers who are amongst the lowest paid in the Irish economy. While many in the retail sector have suffered unemployment because of the economic crisis, Mandate was keen to investigate how the recession is affecting its current membership. To this end, Mandate commissioned an independent survey of a random sample of 500 of its members from Behaviour & Attitudes. The survey aimed to identify the views and opinions of Mandate members, in relation to their current income situation, how this has changed over the course of the recession, and how this has influenced their behaviour and general outlook on life.

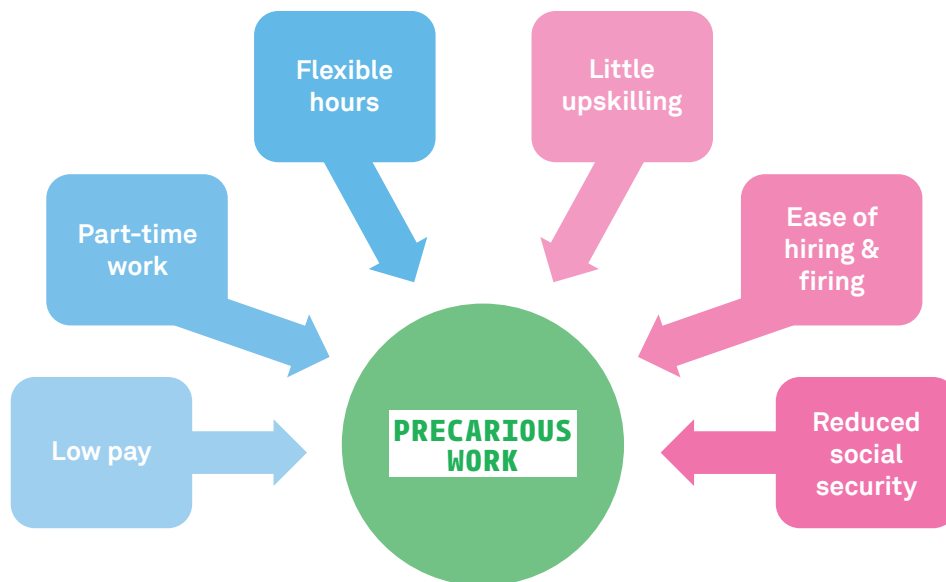
This report highlights these survey findings, along with key data and recent research on the position of low paid workers. The picture that emerges is of a group of workers under significant financial and psychological distress.

2 BACKGROUND AND CONTEXT

2.1 THE PROBLEM OF PRECARIOUS WORK

Precarious work can be defined as work that is “uncertain, unpredictable, and risky from the point of view of the worker”. It involves a higher risk of unemployment, limited prospects of alternative employment, and few opportunities to maintain and upgrade skills to enable career progression. Precarious work can also be associated with lack of access to collective representation via a trade union¹. Consequently, precarious workers often have very limited income security. While it is not a new phenomenon, there has been a growing concern about the growth and prominence of precarious work since the 1970s.

Figure 1: Precarious work



In broad terms, the processes involved in, and resulting from, globalisation have increased precarious work in western economies. The nature and extent of precarious work is a product of tension and competition between, on one side, demands from employers for more flexibility in employment terms and conditions, and on the other, calls for greater security and protection for workers. Government too has a role, in providing labour market regulation, income supports, and training and upskilling opportunities. The balance between these forces means that the size and composition of the precariat, and the type of risks faced, have changed over time.

¹ Kalleberg, 2009:2

In western labour markets, workers' security – a permanent employment contract, decent rates of pay, guaranteed working hours, and social protection in the form of welfare rights and entitlements – is increasingly eroded by demands for greater flexibility to hire and fire, growing use of temporary and part-time contracts, very flexible working hours, downward pressure on pay, limited investment in training and upskilling, and an erosion of social security rights such as access to unemployment payments and pensions.

The Irish labour market is one of the most flexible in the OECD, and our social protection regime is comparatively lean. There is a relatively high level of low paid employment, and trade union membership in the private sector is low. The current economic crisis has exacerbated these problems. The most basic protections for this vulnerable group of workers – the statutory minimum wage, collective pay agreements under Joint Labour Committees, the low income tax regime for low paid workers, and social protection rights and entitlements – were among the first areas to come under pressure as the recession took hold.

Who are the precariat?

Labour markets are increasingly polarised between secure 'insiders' and insecure 'outsiders'. Women, young people, migrants, and those with lower levels of education are all more likely to be outsiders. Workers in the Irish retail sector are prime examples of the precariat.

The B&A survey of Mandate's membership finds that almost seven in ten members are women. Membership is spread fairly evenly across age groups: just over a fifth are under 25, and a similar proportion over 50, more than a quarter are aged 25-34, while three in ten are aged between 35-49.

More than half of Mandate's members – 56% – are employed on a part-time contract; only a third have a full-time contract. Student workers comprise 11% of the membership. The survey also finds that members have been working in retail for some time: 41% have been working in retail for over ten years, and 31% for between five and nine years. Only 11% have worked in retail for less than two years, so this is a very experienced workforce.

Further evidence of the composition of the precariat can be found in Turner & O'Sullivan's (2012) paper on employees working for pay rates determined by Joint Labour Committees (JLCs). The paper finds that they are twice as likely to be women as men, and four times more likely to be under age 25 than older workers. They are twice as likely to be non-Irish nationals as Irish, and to be educated to primary level. JLC workers are six times more likely to be manual and service workers than managerial or professional workers, and four times more likely to work part-time than full-time. They are four times more likely to work in the hotel and restaurant sector and two and a half times more likely to work in wholesale and retail.

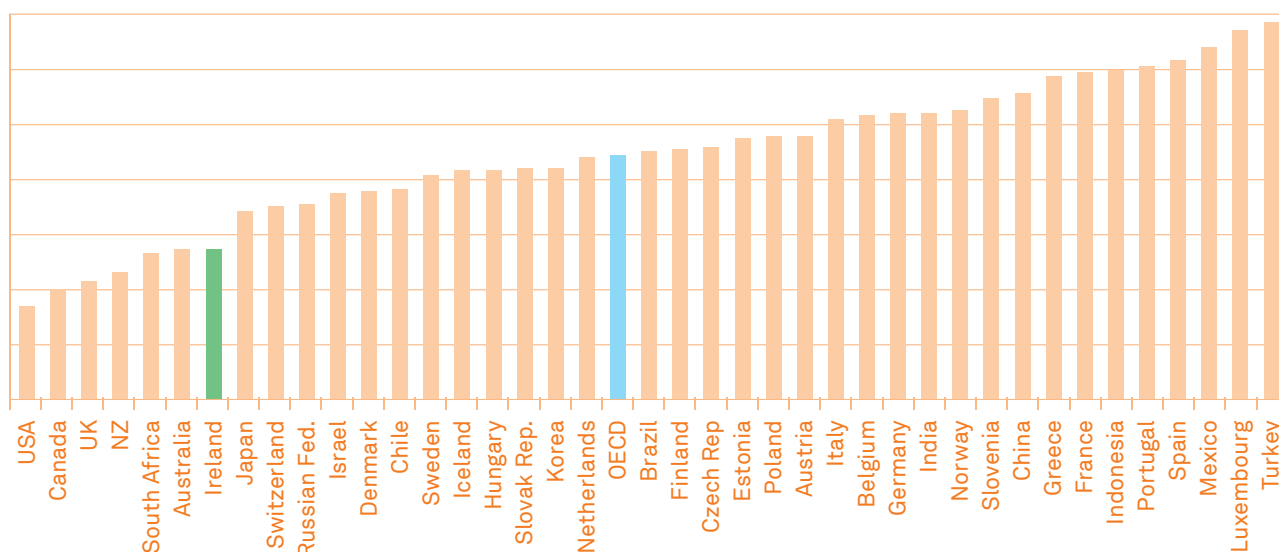
2.2 THE IRISH LABOUR MARKET IN A COMPARATIVE CONTEXT

A flexible employment regime

The Irish labour market is one of the most flexible in the developed world. On the OECD strictness of employment protection legislation index, only six countries are more flexible than Ireland; and among EU member states, only the UK is more flexible, with a relatively small margin of difference.

The OECD index is composed of three individual measures. On these, Ireland ranks as ninth most flexible country for regular contracts, fifth in relation to temporary workers and fourteenth on the index for collective dismissals.

Figure II: Strictness of employment protection legislation, OECD, 2008²

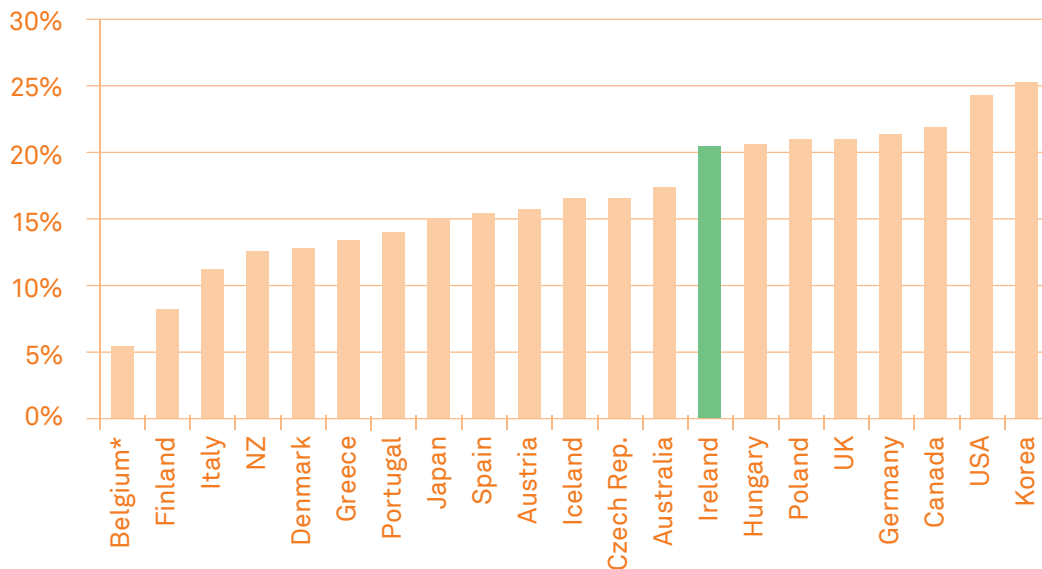


High levels of flexibility make it easier for employers to let staff go during economic downturns, so the sharp rise in Ireland's unemployment is unsurprising in that context. Flexibility also enables adjustment by reducing wages and working hours, an issue explored in more detail below.

The OECD index measures the flexibility legislation; the degree to which this legislation is enforced determines a country's real level of flexibility. This is emerging as an increasingly problematic area in the Irish recession. For example, Mandate has supported workers at the La Senza and GAME Ireland stores in their sit-in protests to secure the pay they were due, and decent redundancy terms. Protests by workers at Waterford Crystal, SR Technics, Thomas Cook, 4Homes, and the long running dispute of the Vita Cortex workers are further examples of the difficulties workers face in enforcing the terms of their contracts.

A low pay economy

Figure III: Incidence of low pay in OECD countries, 2008³



Data on the incidence of low pay available for a number of OECD states show that the Irish labour market is characterised by quite a high level of low paid employment, with over a fifth of workers earning less than two-thirds of the median wage.

The incidence of low pay is generally higher among women; in Ireland, 17% of male employment is low paid, while the figure for women is 26%.

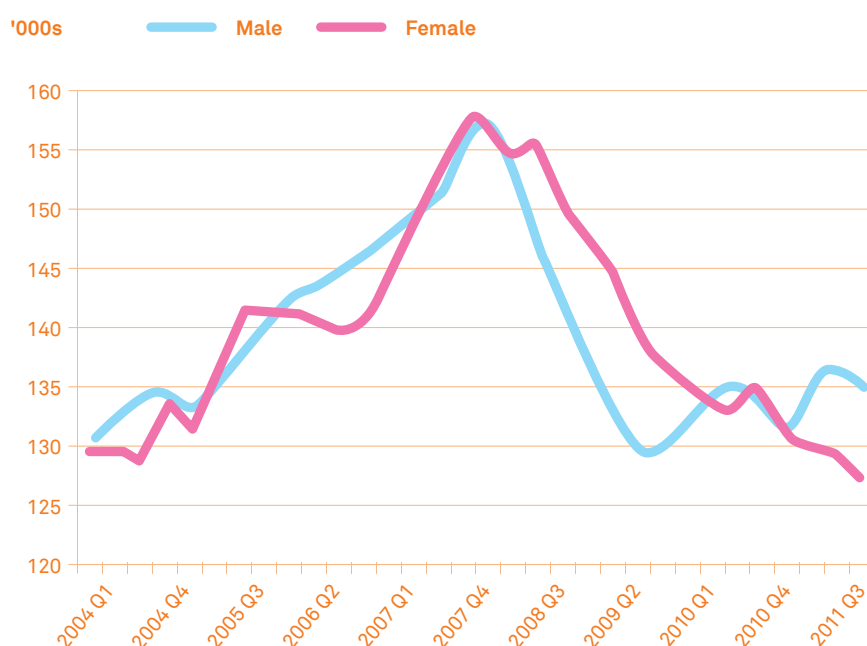
³ OECD dataset: LFS - Decile ratios of gross earnings. * Belgium = 2007

3 PRECARIOUS WORKERS IN THE IRISH LABOUR MARKET

3.1 EMPLOYMENT AND UNEMPLOYMENT

Ireland has experienced a catastrophic collapse in employment since the onset of the recession, an expected consequence of labour market flexibility. Since its peak in the third quarter of 2007, employment in Ireland has fallen by 15.5% – over 331,000 workers. The fall in male employment, at 20.4%, has been twice that for women, at 9.2%.

Figure IV: Employment in wholesale & retail



Employment in the wholesale and retail sector peaked in the first quarter of 2008, employing nearly one in every seven workers in Ireland. By the end of 2011, 51,400 jobs had been lost, a decline of 16.4%. Although employment in the sector had been gender balanced, job losses have not. Women's employment has fallen by 19.2%, a loss of 30,300 jobs, while male employment fell by 13.8% or 21,600 jobs. The rate of job loss overall has reduced considerably since the end of 2009, although this is driven by a minor recovery in male employment, while women continue to face a sharp rate of job loss⁴.

CSO data on *Earnings, Hours & Employment Costs*⁵ provide some sense of the distribution of job losses among employee groups. Just under a fifth of employees in the sector are production, transport and other manual workers. Over the Q1 2002-10 period, this group experienced the biggest fall in employment, at 36.8%, accounting for two-thirds of all job losses. The managerial and professional group account for 17% of employment, and have seen job losses

⁴ CSO Statbank Ireland: QNQ03

⁵ Introduced from Q1 2008; covers all sectors of the economy other than Agriculture, forestry and fishing. Occupational breakdown only available up to Q1 2010.

of 6.5%, or 8% of all losses. Two-thirds of employees are clerical, sales and service workers and employment among this group has fallen by 5.5%, accounting for a quarter of job losses over the period.

3.2 WORKING HOURS

Full-time employment has been steadily declining in Ireland. Ten years ago, seven in ten workers worked at least 35 hours a week, by the end of 2011, this had fallen to six in ten⁶. In the retail sector, average weekly working hours for clerical, sales and service workers fell by 1.8 between Q1 2008-10⁷ to 26.6 hours per week.

The B&A survey of Mandate membership provides much more detailed and recent data on working hours in the retail sector, and how these have been affected by the recession.

Contracted hours

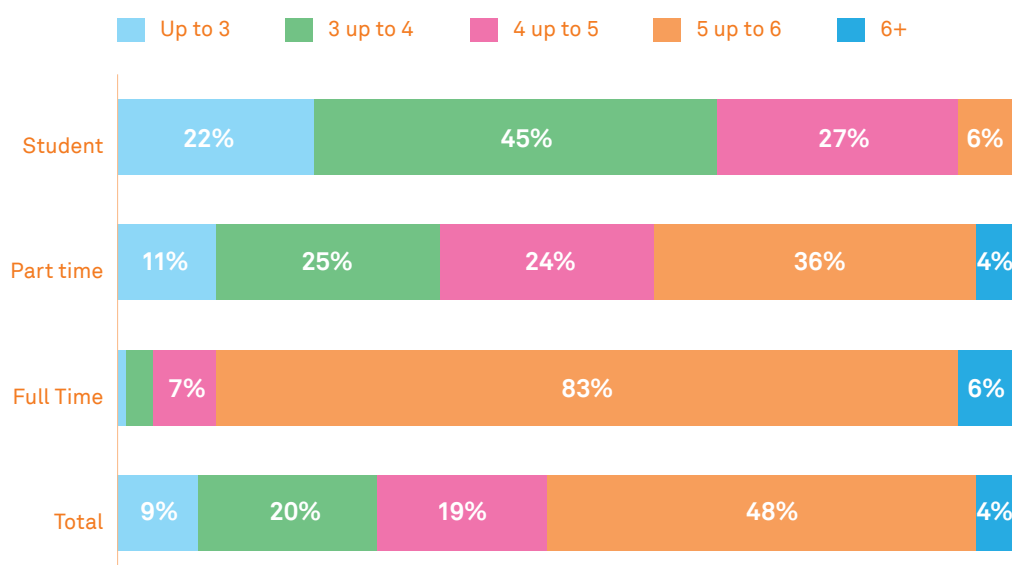
Over a quarter of Mandate members are contracted to work less than 19 hours a week, while just under a quarter have contracts for 37 or more hours. Members actually work slightly longer than their contracted hours, but the difference is marginal. However, contracted hours may be the most relevant indicator in terms of accessing social welfare supports such as Family Income Supplement (FIS), as employers have to sign off on applicants' working hours. Thus it is notable that the contracted hours of over a third of part-time workers would render them ineligible for FIS.

Hours and number of days worked

On average, members work just under 26 hours a week, with men working a longer 31.4 hour week, compared to 24.1 hours for women. As would be expected, working hours are highest for full-time employees, at 36.3, while part-time workers work 22.1 hours. With an average of 17.3 hours, students work the fewest hours.

The number of days a week worked varies considerably by the nature of the employment contract. An average full-time employee works on five days a week, a part-time worker on four days a week, and the average for students is three days.

Figure V: Number of days worked per week⁸



⁶ CSO Statbank Ireland: QNQ18

⁷ CSO Statbank Ireland: EHQ03

⁸ Unless otherwise stated, figures exclude don't knows, as the numbers giving this response were minimal.

Given the low number of hours worked by those not on full-time contracts, it is notable that four in ten part-timers, and a third of students, work on five or more days a week. Only 11% of part-time employees work less than three days a week. To qualify for a partial Jobseeker payment, applicants must not work more than three days a week, so that the vast majority of Mandate members could not supplement their income in this way.

3.3 WORKING TIME FLEXIBILITY IN THE RETAIL SECTOR

We can tell very little about the level of flexibility demanded of workers in Ireland from published data sources; the survey of Mandate members provides valuable information in this regard.

The B&A survey provides strong evidence of the high level of flexibility demanded of retail workers. Two-fifths of all Mandate members state that their employers change their weekly working hours at least once a month. The survey reveals sharp polarisation in this regard: workers appear to enjoy either stability in their working hours, or an extraordinary level of change.

Part-time workers fare worst on this indicator. Almost half – 45% – have their working hours changed by their employer at least once a month, while less than a third have stable working arrangements. Student workers were the next most stable group, with well over a third providing the highest level of working time flexibility; 11% said their hours were changed once or twice a year, which may reflect term times. Although half of full-time workers have stable working hours, three in ten have their hours changed at least once a month.

Over a quarter of all members said that they would like more certainty from their employer in relation to their working schedule. Given the high level of flexibility provided by part-time and student workers, their desire for more certainty was greater. Clarity about the days of the week employees are required to work appears more problematic for members, with a fifth of part-time workers saying they were dissatisfied with the level of certainty they had. In relation to the times of the day employees are required to work, 16% of part-time and student workers were dissatisfied with the level of certainty their employers provided.

Turner & O’Sullivan (2012) have analysed the degree to which employees earning wages within the JLC range receive shift allowances or bonuses. These have been the subject of some controversy recently amid employer claims that these elements of JLC pay terms are unsustainable in the current climate. Analysing National Employment Survey data for 2007, they find that 97% of workers at these pay levels in the wholesale and retail sector receive neither shift allowances nor bonuses. Just 2% received a shift allowance of up to €15 per week, while 2% earned a bonus of up to €20 per week, with only 1% earning a bonus worth €20-40 per week. The authors (2012:17) conclude:

“it is difficult to see how such payments to workers covered by the JLC range could be considered a significant cost to employers, at least at the aggregate level. ... for many workers covered by the JLC rates, overtime rates, Sunday premiums, shift allowances and bonuses appear to be a chimera.”

Thus despite popular perception, retail workers rarely receive compensation in their pay for the flexibility that they provide, and the recompense they do receive is relatively minor.

Implications of flexibility on ability to secure supplementary income

Changes to working patterns can have implications for a worker's ability to secure additional income, whether from the social welfare system or by getting a second job.

There are two key social welfare supports that workers are likely to rely upon to supplement their earnings. To qualify for Family Income Supplement (FIS) – a top-up for families in low paid employment – the household must be working at least 19 hours a week. Hence changes in working hours can have a devastating impact on household income if eligibility for FIS is lost. More than one in ten Mandate members reported that changes to their working hours in the last year had made it more difficult for them to claim social welfare.

Where a person has a 'substantial loss' of employment (defined as at least one day's work), they may qualify for a partial Jobseeker payment, but only if they are unemployed for at least three days out of six. Where a person is required to work on an additional day – even if their total working hours stay the same, or decline – they can lose eligibility for a Jobseeker payment. According to the B&A survey, one in ten of Mandate's members report that over the last year, changes in the number of days they are scheduled to work has made it more difficult for them to claim social welfare.

A very important consequence of the flexibility that retail workers provide is that it can make it very difficult to secure a second job. We have seen that employers change the working hours of two-fifths of Mandate members at least once a month. In addition, the nature of the modern retail sector is that shops are open very early in the morning and late into the evening, seven days a week. The combination of these factors can make it very difficult for retail workers to identify the days and times when they are available to work a second job, and this is likely to be at very unsocial times. About one in eight members report that changes in their working patterns over the last year have made it more difficult for them to find additional work; this is a bigger issue for part-time workers, 16% of whom said working pattern changes had made it harder to get another job.

The flexibility demanded by retail employers can thus create both poverty and employment traps.

Implications of flexibility on social protection entitlements

One area that has received relatively little attention over the last number of years is the erosion of workers' social protection entitlements. While the social insurance contributions that workers pay have not reduced, the protection they receive for these contributions has. The changes are summarised below.

Table I: Summary of changes in Jobseeker's Benefit

	Condition	Was	Now	Change
Qualifying: depends on no. of social insurance contributions	No. paid since first started working	52	104	Budget 2009
	No. contributions in relevant tax year ⁹	Can be paid or credited	Minimum 13 must be paid	
Duration: depends on total number of contributions paid	260 or more	15 months	12 months	Budget 2009
	Less than 260	12 months	9 months	
Entitlement to a full payment: determined by average earnings	<i>Rate of payment</i>	<i>Earnings band</i>		Budget 2009
	45%	Under €80	Under €150	
	65%	€80–€124	€150–€219	
	78%	€125–€149	€220–€299	
	100%	€150 or more	€300 or more	
Casual & part-time workers	Unemployment week	6 days	5 days	Budget 2012
	Sunday working	Not included	Assessed	

These changes mean:

- It is more difficult to qualify for social insurance payments, as the number of contributions required has increased;
- The duration of Jobseeker payments has reduced, particularly for those with less social insurance contributions, eroding income security for precarious workers if they lose their job;
- It is more difficult for low paid workers to secure entitlement to a full rate of payment; low pay when at work means less social welfare when out of work;
- Less income support is available to casual and part-time workers.

These are the 'stealth cuts' of the social welfare system, and precarious workers will suffer the greatest ill effects.

⁹ The relevant year is the second last complete tax year before the year in which a claim is made e.g. for claims in 2012, the relevant year is 2010

3.4 TRADE UNION MEMBERSHIP

While precarious work is not new, it has been growing in scale with globalisation, presenting challenges to trade union organisation. The nature of the challenge has been described as follows¹⁰:

“Work insecurity is a major obstacle to unionisation. When you don’t know if your fixed-term contract or work cover arrangement will be renewed, you don’t take the risk of joining a union. It’s the same thing when you move quickly from one company to another, from one sector to another, or from employment into unemployment. Why join a union when periods in work are so short and so uncertain?”

In 2009 (the most recent data available) only 34% of workers were members of a trade union, however the level of membership varies considerably. Membership is much lower among part-time workers, only a fifth of whom were members, compared to 37% of full-time workers. Younger people are also less likely to join a union – membership rises with age; while 14% of non-Irish nationals are trade union members. Only 16% of workers in the wholesale and retail sector were trade union members¹¹.

Low pay, highly flexible working hours, few opportunities for upskilling and promotion, a high risk of unemployment and less access to social protection means trade union organisation is critically important for precarious workers. Broadening and deepening union membership has a vital role to play in achieving the goal of improving terms of employment for retail workers.

¹⁰ Evelyne Perrin cited in UNI Global Union, 2007:11

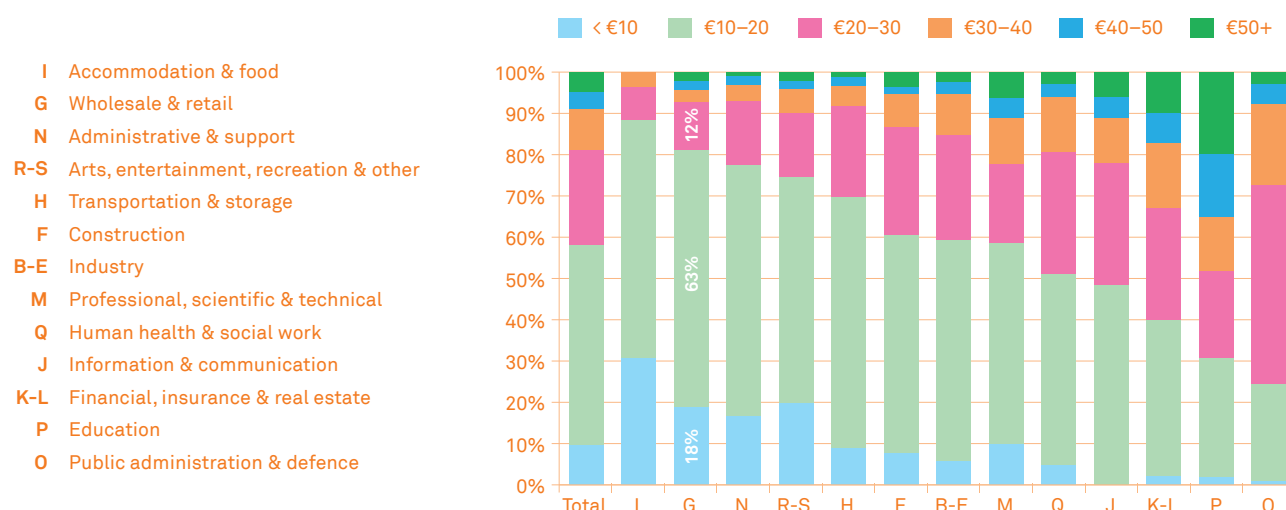
¹¹ CSO (2010b)

4 LOW PAY IN IRELAND

The CSO conducts a National Employment Survey (NES) with employers and employees, which allows detailed analysis of the structure of earnings; the most recent data available are for 2009.

The NES reveals that low paid employment is concentrated in particular economic sectors. In the labour force overall, one in ten workers earned less than €10 per hour, and just under half earned between €10-20. The highest concentration of low paid workers is accommodation and food services, followed by wholesale and retail. In 2009, almost a fifth of wholesale and retail workers earned less than €10 per hour, nearly two-thirds earned between €10-20.

Figure VI: Distribution of employees by hourly earnings and economic sector, October 2009¹²



The NES also provides information on the gender pay gap, which varies considerably across sectors. In the private sector overall, the pay gap was 20.1%. No gender pay gap was found among part-time workers, but the gap for full-time workers was 17.3%. In the wholesale and retail sector, the pay gap was lower, at 18.6%. Women working part-time earned 4.6% less than men, while for full-time workers, the pay gap was 15.6%.

More recent data is available from the CSO's Earnings, Hours and Employment release, which provides a breakdown of pay within sectors and across occupational groups (but not by sex), available up to Q1 2010. This shows that average hourly pay for clerical, sales and service workers in the wholesale and retail sector had fallen by 1.5% over the Q1 2008-10 period. However, the fall in weekly take home pay was much higher, at 8.5%, showing that it is the reduction in weekly hours, which had fallen by 6.8% over the period, which are a much more important driver of trends in pay for this group of workers.

¹² CSO (2011) Table 3a

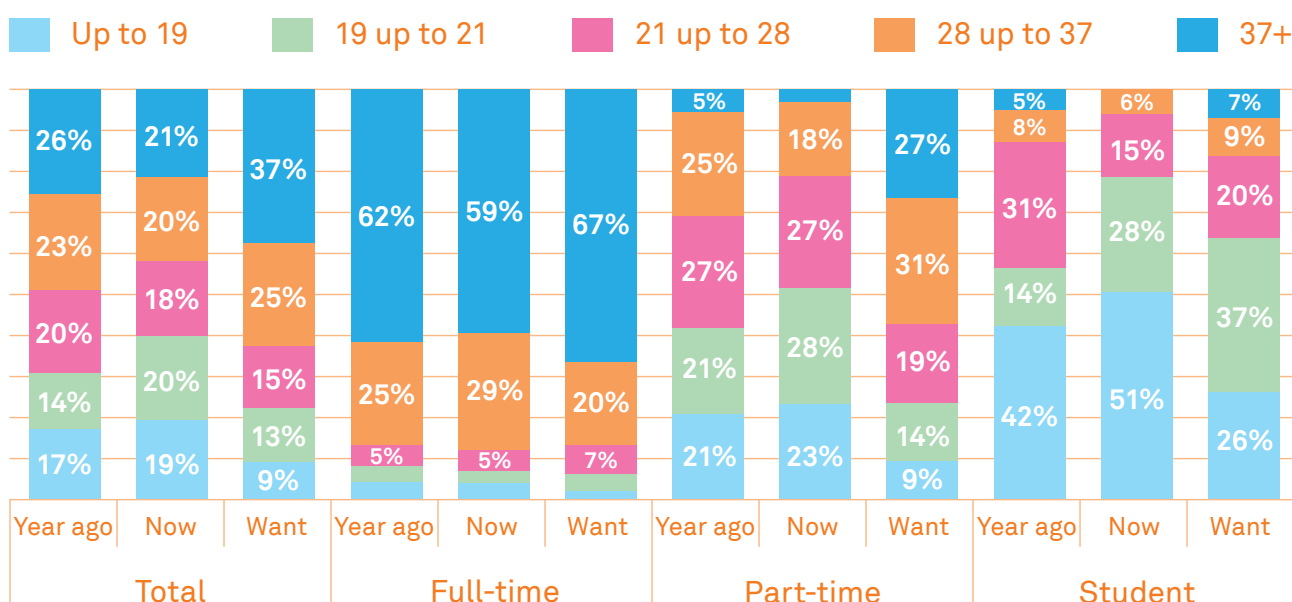
4.1 CUTS IN WORKING HOURS

Mandate members were asked by B&A to compare their working hours now to a year ago, a valuable supplement to the data available from the CSO.

The survey shows that over the last year, retail workers have seen further decreases in their working hours. On average, working hours have fallen by 1.2 hours over the last year, a decrease of 4.3%. The precarious nature of retail work is indicated by the fact that part-time and student workers (two-thirds of Mandate members) have suffered the biggest decrease.

Full-time employees had a marginal increase in their hours, but part-time workers have lost 1.3 hours, a decrease of 5.6%, while students have lost over 2.5 hours per week, a fall of 12.9%. When asked about cuts in hours over the last one to three years, part-time workers were more likely than other groups to have seen reductions in their working hours.

Figure VII: Hours worked a year ago, currently & hours would like to work to make ends meet



Willing to work more hours to make ends meet, but unable to get them

The low level of working hours available to retail workers have long been an issue, and the recession has exacerbated the problem. Reductions in working hours have made it harder for many Mandate members to make ends meet, and the survey reveals a strong desire to work more hours than are currently available, and indeed than they were working a year ago.

The B&A survey found that almost six in ten Mandate members – 57% – said they were willing and able to work additional hours in order to make ends meet. Overall, half of those who wanted to work longer hours had actually had their hours cut over the last one to three years.

On average, members want to work just over four more hours a week, but again, this varied substantially depending on the nature of the contract. While full-time employees were generally satisfied with their working hours, the average student wants to work an extra four hours, and part-time employees want to work an extra seven hours. Indeed the desire to work more hours is very pronounced among part-time workers. While only a fifth currently work more than 28 hours a week, almost three-fifths want to. In effect, a clear majority of those on part-time contracts actually want to work full-time.

However, few members had managed to increase their hours. Four in ten had requested additional hours from their employer, but less than half were actually granted them. Significantly, student workers had the highest success rate, with two-thirds of those who requested them securing additional hours. In comparison, while half of part-time workers asked their employers for more hours, 53% were refused. About a fifth of full-time workers requested more hours, but only four in ten had that request granted. Full-time and part-time workers are more likely to have been working in retail for longer periods, and are therefore likely to be earning higher hourly rates of pay. This data therefore indicates that retail employers may be shifting the balance of employment to those on lower pay rates and working the fewest hours.

The rights of part-time workers

Some workers chose to work part-time in order to balance work with other aspects of their lives, however, the B&A survey findings clearly show that only a small minority of those employed on part-time contracts are satisfied with their working hours; in fact, a majority want to work full-time. The patterns revealed by the survey indicate that there has been a very significant flexibilisation of retail employment over the course of this recession – in a sector where working hours were already significantly below average.

An EU Directive on the protection of part-time workers¹³ requires that employers, as far as possible, give consideration to:

- requests by workers to transfer from full-time to part-time work that becomes available in the establishment;
- requests by workers to transfer from part-time to full-time work or to increase their working time should the opportunity arise;
- the provision of timely information on the availability of part-time and full-time positions in the establishment in order to facilitate transfers from full-time to part-time or vice versa.

Mandate, along with the Irish Congress of Trade Unions, believe that this Directive has not been fully incorporated into the relevant Irish legislation¹⁴. The Code of Practice¹⁵ designed to give effect to this Directive in Ireland merely provides for changes in working hours of employees to be agreed between employer and employee. In effect, employers have a veto in this regard. Unions are concerned that in the current climate, employers can too easily reduce the size of their full-time workforce, and increase the proportion of part-time workers. Further, even when conditions improve, many part-time workers may be denied the opportunity to transfer to full-time contracts. A longer term outcome of the current recession could therefore be a marked increase in the share of part-time work, despite employee's desire to work longer hours.

The dangers in such a development are highlighted in the following sections below, which demonstrate that retail workers are facing an increasing struggle to make ends meet.

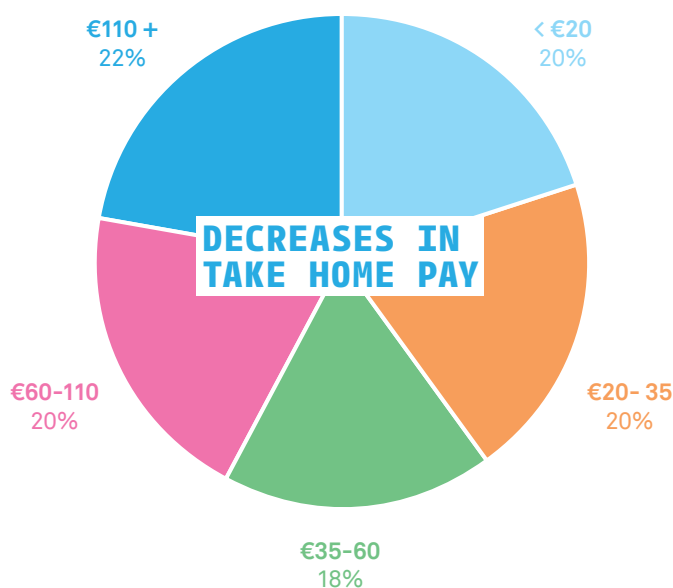
Impact on take home pay

The survey captures the experience of Mandate members who are currently in employment; clearly, those who were made unemployed suffered a very considerable income loss. However, because of the lower number of working hours available to them, current employees have also suffered significant losses in income over the course of the recession.

¹³ EU Directive 97/81/EC, Clause 5.3

¹⁴ Protection of Employees (Part-Time Work) Act, 2001, Section 13

¹⁵ S.I. No. 8 of 2006 Industrial Relations Act 1990 (Code of Practice on Access to Part-Time Working)

Figure VIII: Decreases in take home pay¹⁶

Two-fifths of Mandate members reported that their take home pay was lower now than a year ago, with workers over the age of 35, full-time and part-time workers most likely to have been affected.

On average, weekly take home pay across the Mandate membership had fallen by €109 per week. More than a fifth had experienced a fall of over €110 per week. Given the low level of earnings in the retail sector, this represents a very substantial loss in weekly take home pay.

However, falls in weekly wages are not the only contributor to declines in net take home pay. Table II examines the impact

that increases in taxes and levies since 2008 have had on low paid workers, using a single adult on a wage of €375 per week as an example.

Table II: Impact of tax & levy changes for a single adult on a weekly wage of €375, 2008–2012

	2008	2009	April 2009	2010	2011	2012
PRSI	€9.92	€9.92	€9.92	€9.92	€9.92	€9.92
Income levy		€3.75	€7.50	€7.50		
USC					€13.15	€13.15
Income tax	€3.27	€3.27	€3.27	€3.27	€11.54	€11.54
Total taxes	€13.19	€16.94	€20.69	€20.69	€34.61	€34.61
Net wage	€361.81	€358.06	€354.31	€354.31	€340.39	€340.39
Effective tax rate	3.5%	4.5%	5.5%	5.5%	9.2%	9.2%

Reductions in tax credits i.e. a €180 cut in both personal and PAYE tax credits, as well as complete withdrawal of the trade union membership tax credit, have made the biggest impact. When first introduced in 2009, the Income Levy was a relatively small tax on a low paid worker, however the rates soon doubled, and the introduction of the Universal Social Charge resulted in a much greater deduction. Overall, this worker's net take home pay would have fallen by 6% without any reduction in wages, and the effective tax rate on this level of earnings increased from 3.5% to over 9%.

Supplementing retail earnings

With such significant falls in income, it is not surprising that the B&A survey shows that two-thirds of Mandate members have had to supplement their income from other sources over the last two years. Seven in ten part-time workers, and eight in ten students, needed to supplement their income, a reflection of the lower earnings these groups have.

¹⁶ Data exclude the 4% of respondents who said they didn't know or refused to answer how big the fall in their take home pay had been

Almost one in six (17%) members have started to claim a social welfare payment in the last two years, but a quarter of all part-time workers have had to apply for social welfare. Reliance on social welfare to supplement wages was highest among the 25-34 age group, at 28%. These figures are undoubtedly lower than they could be, as 11% of workers have experienced changes in their working patterns that made it more difficult for them to qualify for a social welfare payment.

One in ten members have had to take a second job to supplement their income. As is the case with claiming social welfare support, this is likely to be a lower number than it could be. Four in ten members reported changes to their work schedule at least once a month, which makes finding alternative employment very difficult, as workers are not in a position to clearly signal their availability to other employers. In addition, one in eight members report changes to their working patterns that have made finding additional work more difficult. The groups most likely to supplement their income by working another job are people aged under 35, and part-time and student workers.

For those unable to secure extra hours in their current job, to get another job, or to claim social welfare, borrowing money may seem the only alternative. A worrying proportion of members have borrowed money to make up the gap in their income; some have borrowed from more than one source. A third have borrowed from a credit union; older workers (50+) were most likely to use this option. Three in ten have borrowed from close friends or family, a route most frequently taken by those under 25 and student workers. 15% of workers have borrowed from a bank or building society.

Impact of inability to secure additional hours: financial and psychological strain

While nearly six in ten Mandate members told B&A that they wanted to work additional hours to make ends meet, half had actually had their hours cut over the last one to three years. More than half of those who asked their employers for more hours had been refused. The survey reveals that for those who were unable to secure additional hours, there has been a significant impact on their ability to cope, both financially and psychologically.

One in three were finding it difficult to adequately feed and clothe their families, a third were finding it difficult to keep up with repayments on household loans, and two-fifths were struggling to keep up with their mortgage or rent payments. Paying utility bills was difficult for 55% of members. Of particular concern is the finding that more than seven in ten of those surveyed said they were far less likely to visit the doctor or dentist because of the costs involved.

The impact on psychological well being was also clear. 73% said they had to cut back on their spending so much that their social life had dwindled to little or nothing, while three-quarters reported that they were finding it more difficult to cope in general, and were a lot more stressed now than a couple of years ago. Social engagement is critical in enabling us to cope well with stress and anxiety, as is the support of a doctor. The finding that members are severely constrained in their ability to do both of these things is very worrying.

5 IS LOW PAY ADEQUATE?

5.1 THE RECESSION AND POVERTY

With high unemployment, falling pay, and inadequate social welfare payments, an increase in poverty is an expected consequence of the current recession. The recently published *Survey on Income and Living Conditions*¹⁷ allows an assessment of the poverty impact up to 2010.

Falling incomes

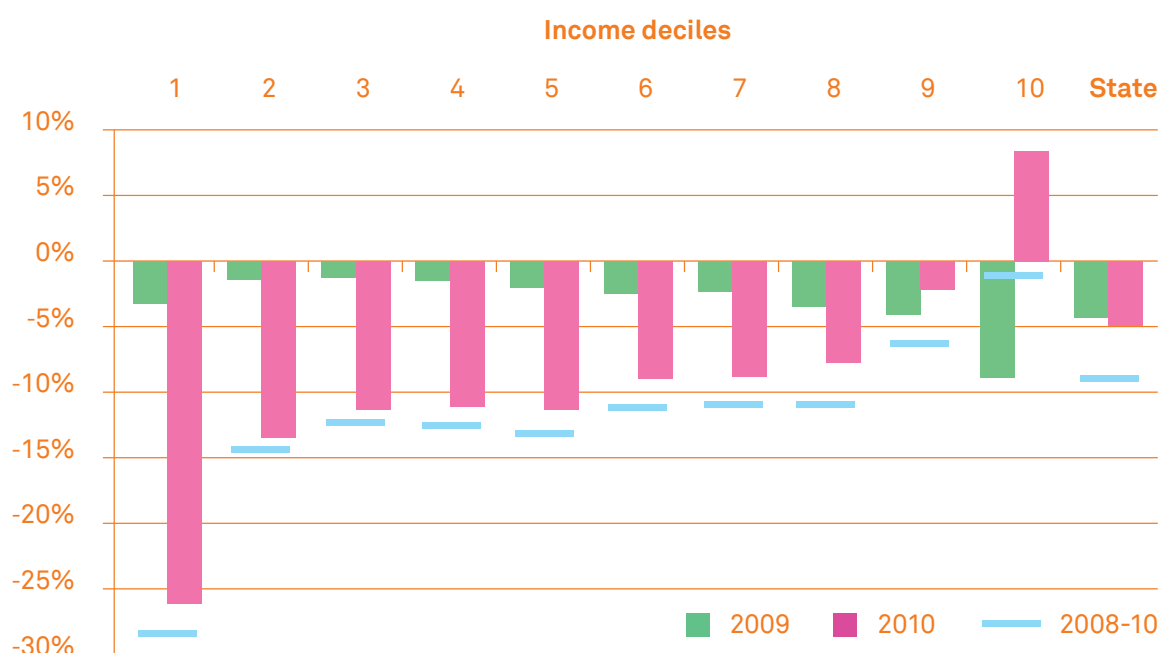
The deepening recession has resulted in substantial falls in disposable income. Dividing the population into tenths (income deciles) shows the extent to which these losses have been fairly shared by richer and poorer members of Irish society.

In 2009 incomes fell by an average of 4.3%, with decreases experienced across the population. In general, those with higher incomes had bigger falls in disposable income. The highest income decile (the richest) saw a fall of 8.9%, compared to around 1.2% to 2.5% across the middle income deciles; incomes among the poorest, in decile one, declined by 3.2%.

However, 2010 tells a different story. At 5%, average income loss was higher, but the distribution of losses was highly regressive. Incomes of the poorest decile – of which 17% were at work – fell by 26.2%, and losses then reduced as incomes increased. The richest tenth of the population increased their income by 8.4%, almost entirely cancelling out their losses in the previous year.

These losses reflect the impact of the last budget by the previous FF/Green government, along with the impact of rising unemployment and falling wages.

Figure IX: Percentage change in disposable income (equivalised)¹⁸



¹⁷ CSO (2012c)

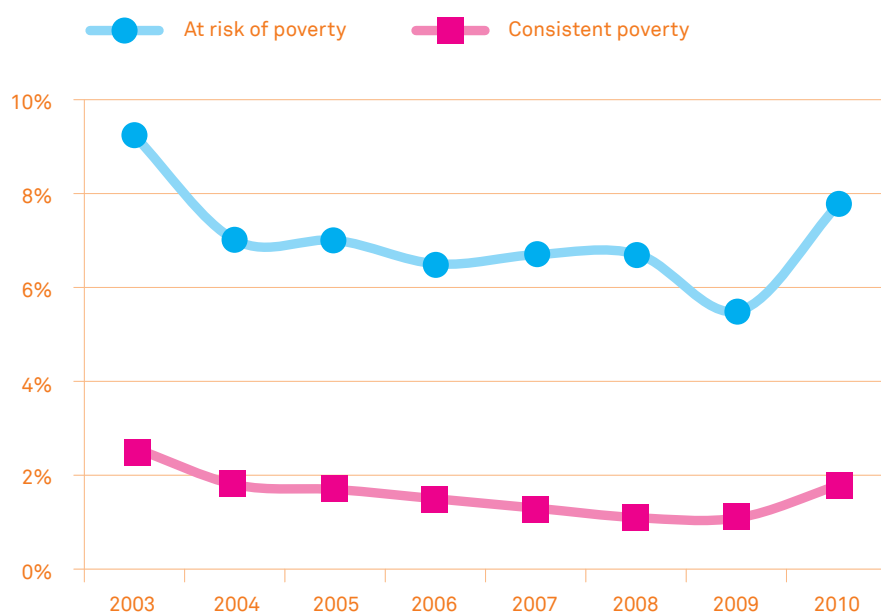
¹⁸ Calculated from CSO (2012c) Table 1.5

The cumulative impact of falling incomes over 2008-10 has therefore been highly regressive. The first income decile saw incomes fall by 28.6%, the second to eighth deciles experienced income losses between 14.7% and 11%, with losses declining as income increased. The richest tenth of the population saw a net fall in income of only 1.2% over the two years.

Rising poverty among workers

Having declined in previous years, in-work poverty is once again on the increase. Two different measures of poverty are used in Ireland. The at-risk-of-poverty indicator measures the number of people below the poverty line. A relative measure¹⁹, the poverty line itself fell from €12,064 for a single adult in 2009 to €10,831 in 2010. Consistent poverty measures everyone who is at-risk-of-poverty and unable to afford basic necessities i.e. those who are on low incomes and deprivation.

Figure X: Poverty rates for people at work



In 2009 5.5% of working people were at-risk-of-poverty, down from 6.7% in 2008 before the onset of the financial crisis. But by 2010, 7.8% of people at work were income poor.

Consistent poverty among people at work increased from 1.1% in 2009 to 1.8% in 2010.

Workers account for a growing share of the poor population. In 2009, 14.3% of all those at-risk-

of-poverty were at work; by 2010 this had risen to 17.3%. One in ten of all those in consistent poverty were at work in 2010, an increase from 7.6% in 2009.

Rising poverty is resulting in an increased level of over indebtedness. Amongst those at-risk-of-poverty, 12.8% had mortgage or rent arrears, and more than four in ten reported that their housing costs were a heavy burden. Over 19% were in arrears on utility or other household bills. 17.7% had to go into debt in the previous year to meet ordinary living expenses.

¹⁹ The at-risk-of-poverty line is set at 60% of median equivalised income

5.2 HOW MUCH INCOME IS ENOUGH?

Official definitions of poverty, as measured through the SILC, don't tell us the level of income needed to be able to afford a reasonable minimum standard of living. The consensual budget standards method attempts to address this gap. In Ireland, the Vincentian Partnership for Social Justice (VPSJ) has been using this methodology since 2001. By working with focus groups of people from diverse socio-economic backgrounds, in both urban and rural areas, the aim is to determine the level of income needed to meet a standard of living which society agrees is unacceptable to expect people to live below.

The most recent of this research – Collins *et al.* (2011) A Minimum Income Standard for Ireland: A consensual budget standards study examining household types across the lifecycle – develops important insights in relation to how income needs vary across the lifecycle, when in and out of work, and whether living in an urban or rural area. This type of research helps to answer the question: what is a decent income for low paid workers?

Three key insights can be drawn from this research. Firstly, there were clear differences in the costs faced by urban and rural households. For example, transport costs are generally higher in rural areas due to the lack of public transport and the need to run a car. Food costs can also be higher, as there is less access to large retailers offering more competitive prices.

Secondly, the income required to achieve a 'minimum essential standard of living' (MESL) varies across the lifecycle. There are different costs associated with children, for example, at different ages. When childcare costs are excluded, younger children have the lowest costs, rising as children grow older. But when childcare is included, costs are lowest for primary school children, followed by secondary school, young adulthood, with pre-school and infancy being most expensive.

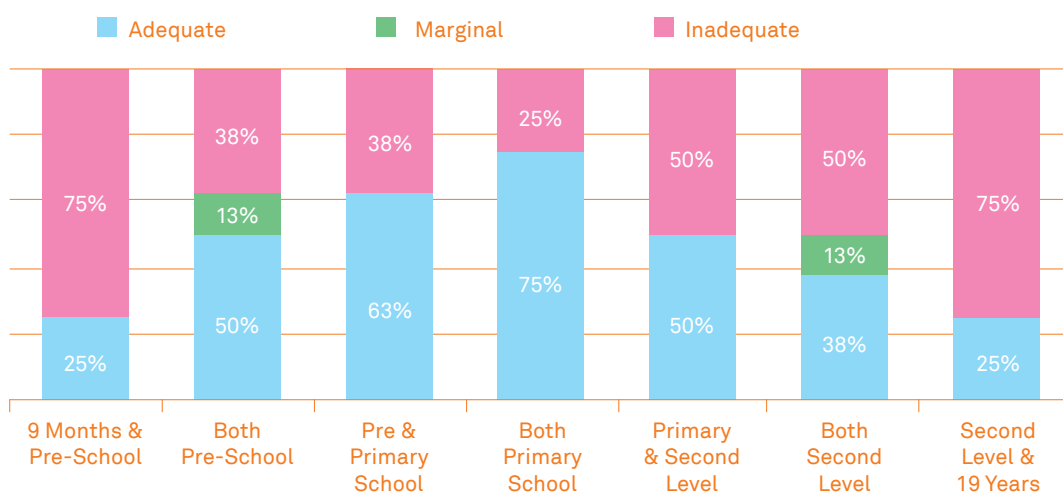
Thirdly, and most importantly for this report, the income required to achieve an MESL rises when a person is working, compared to when they are not. This is driven primarily by two factors. Firstly, there are participation costs associated with working, such as childcare, transport and trade union membership, which means a higher income is required when working. Secondly, as income increases, social protection supports are withdrawn and taxes rise. For example, people living in social housing pay an income related rent, so rent is higher for wage earners. Earnings can disqualify employees for a medical card, so health costs have to be met from earnings. Family Income Supplement (FIS) is withdrawn as income increases, a further income loss that has to be made up by increased earnings. Thus the cost of achieving a Minimum Essential Standard of Living (MESL) can rise as the household's salary income increases.

Adequacy of minimum wage employment

The Minimum Income Standard research examined whether employment at the minimum wage (NMW)²⁰ provided enough income, assuming full take up of social welfare benefits, to provide an MESL for three different types of household.

In the 58 different cases considered, NMW employment provided enough income for a minimum standard of living in 42% of cases. In two instances, income was so close to the minimum expenditure required that it was deemed marginally adequate. However, in 52% of cases, minimum wage employment wasn't enough to provide an MESL. Higher costs in rural areas meant that while income was adequate in 66% of urban cases, this was the case for only 34% of rural households.

Figure XI: Adequacy of NMW employment for families by age of children



A clear pattern emerges in relation to adequacy across the age spectrum of children examined. Households whose children are at either age of the spectrum show the highest levels of income inadequacy when they are in minimum wage employment.

Day-to-day living expenses of older children are higher, while childcare costs for very young children are the most expensive. With the exception of the Back to School Clothing and Footwear Allowance (which forms a very small part of a household's overall income package), child income supports in Ireland are not age differentiated.

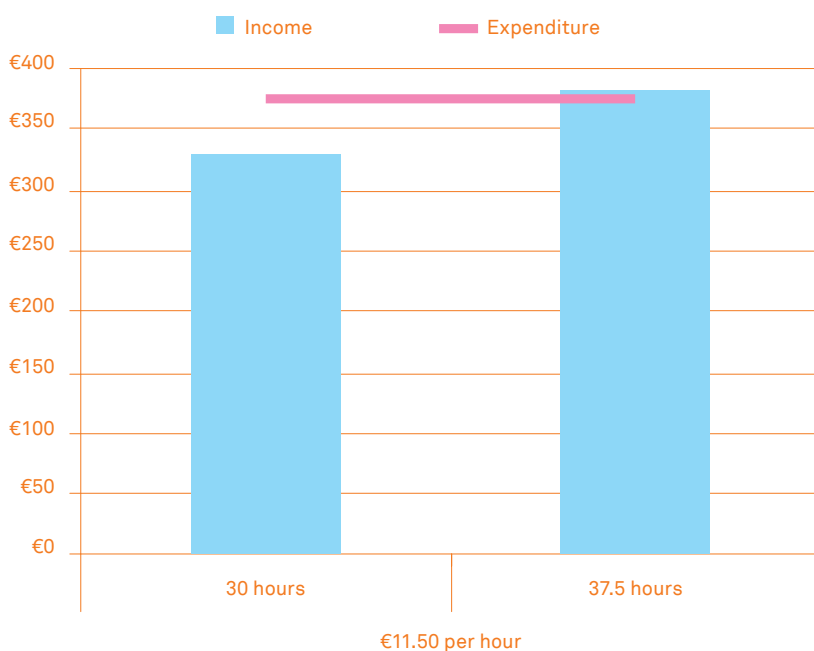
As noted, the examples considered by Collins *et al.* assume full take up of benefits, and as we have seen, a significant proportion of Mandate members are not in a position to access many of these. In the family examples above, incomes would have been grossly inadequate were they not entitled to FIS. Similarly, because of the number of days a week on which Mandate members work, few would be eligible for a partial Jobseeker payment to supplement their wages. In addition, the examples assume (with the exception of a single adult worker) that households rent their homes from a local authority, so that housing costs are relatively low. Workers paying mortgages or renting in the private sector face much higher costs, raising the level of income to provide an MESL.

²⁰ The research examines adequacy when working part-time, i.e. 19 hours a week, and full-time i.e. 37 hours a week, at the adult NMW rate i.e. €8.65

Are retail earnings adequate?

Below, the data and methodology of the Minimum Income Standards report are adapted to assess the adequacy of retail wages, via a number of cases studies. The same household types used by Collins *et al.* (2012) are considered, based on a typical hourly retail wage, and the data from the survey on working hours. In all cases, costs are for an urban household, where costs are generally lower. In addition, as prices have increased since Collins *et al.* conducted their fieldwork, the expenditure needs shown below represent a bare minimum.

Figure XII: Single adult in retail

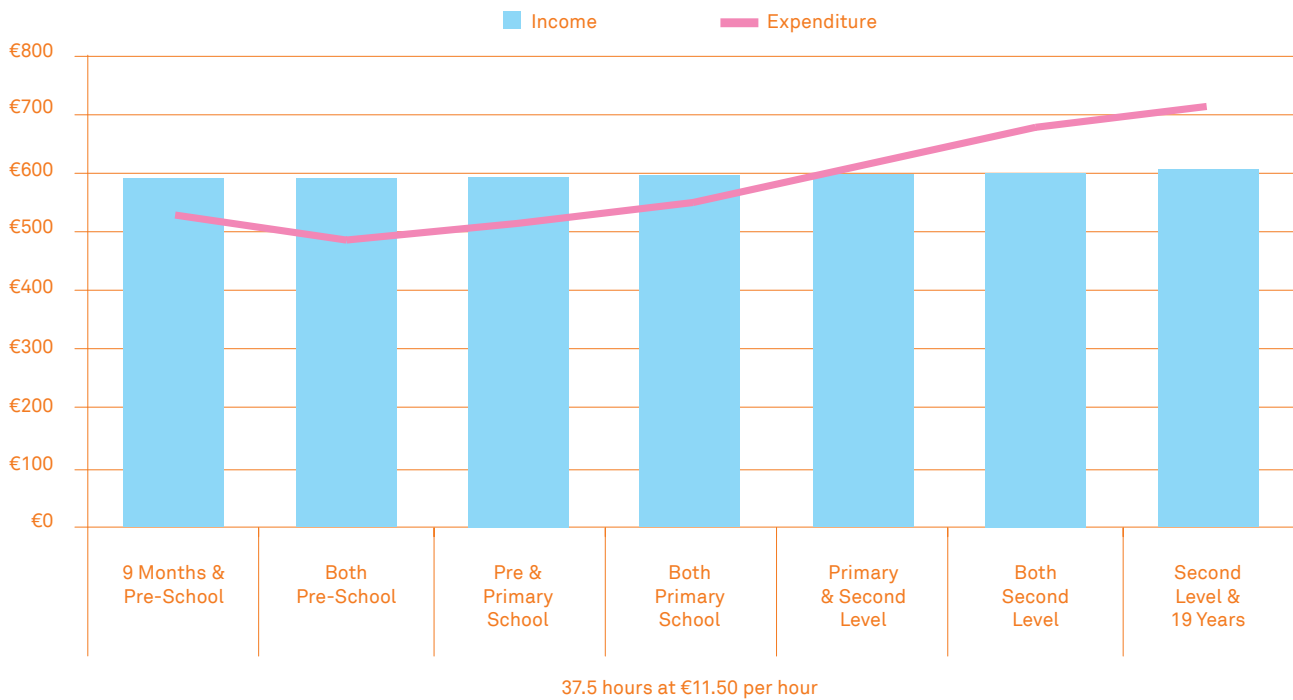


A single retail worker, living in private rented accommodation, and working a 37.5 hour week has an income that is only marginally adequate, leaving just €6 discretionary income.

However, almost a third of full-time Mandate members work between 28 and 37 hours a week. If this employee was working 30 hours a week, their take home pay would fall €47 short of that required for a minimum standard of living.

The next two examples look at a married couple with two children. The first example has just one full-time employee, the second also includes a part-time worker.

Figure XIII: Married couple, two children, one retail wage



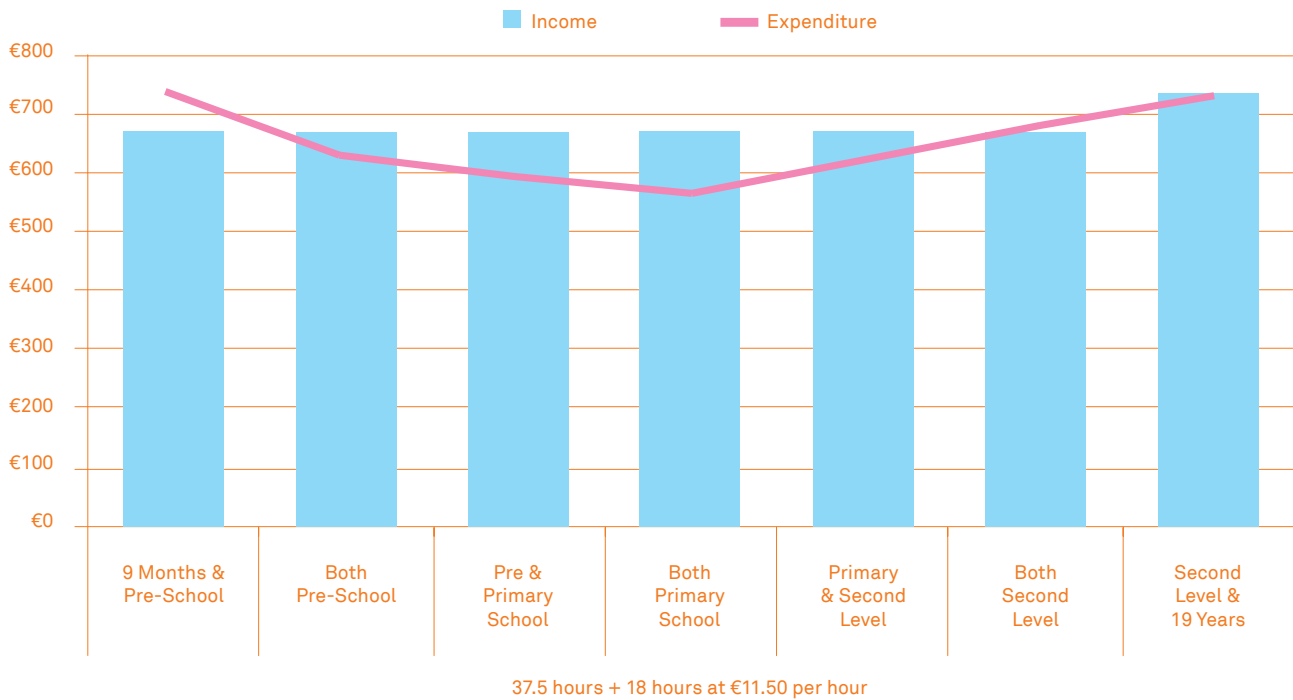
The total income provided from one retail worker on a 37.5 hour week is not enough for a minimum standard of living once there is a child in secondary school.

Income is €17 below required expenditure when one child is at primary, and one at secondary school. When both children are at second level, the shortfall widens to €81. The highest level of inadequacy is for the household with 19 year old, where total income is €111 less than required to achieve a minimum standard of living.

If one income is found to be inadequate to meet basic needs in this family, it is reasonable to assume that a second part-time wage would improve the situation. However, Collins *et al.* found that this was not the case. The childcare costs that arise when both parents are working offset the extra earnings considerably. In addition, higher earned incomes mean lower social welfare supports.

The example below examines whether this is also the case for retail workers.

Figure XIV: Married couple, two children, two retail wages



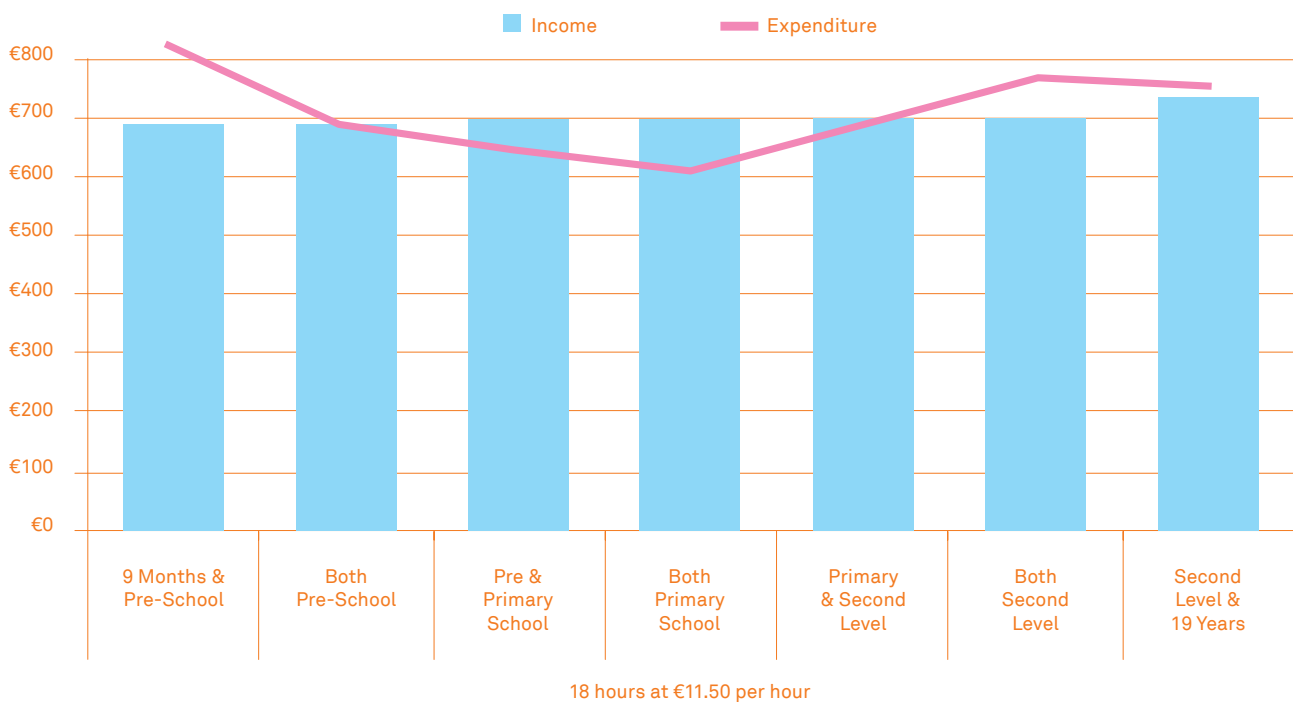
With one full-time worker, and a second working 18 hours a week, income falls short of required expenditure in two instances. When the household includes a 19 year old, income is only marginally adequate, leaving just €5 discretionary income.

For a family with two children in secondary school, household income is €18 per week short, and with a baby in the family, childcare costs leave them with €72 less than they need for a minimum standard of living.

Finally the two examples below consider income adequacy for a one parent family with two children. As for the married couple above, the family is assumed to be renting their home from a local authority, so housing costs are relatively low. The lone parent examples highlight how social welfare entitlements can be the critical determinant of an adequate income.

In the first example, looking at part-time work, the lone parent represents one of the third of part-time Mandate members who are contracted to work less than 19 hours a week. This means the worker cannot claim FIS to supplement their income. A further proviso should be added. Collins *et al.* include lower childcare costs when the lone parent is working part-time, on the assumption that working hours can be coordinated with the school day. However, we know that working schedules of Mandate members are subject to frequent change. Without certainty about working hours, this lone parent would in fact face much higher childcare costs.

Figure XV: Lone parent, part-time retail wage

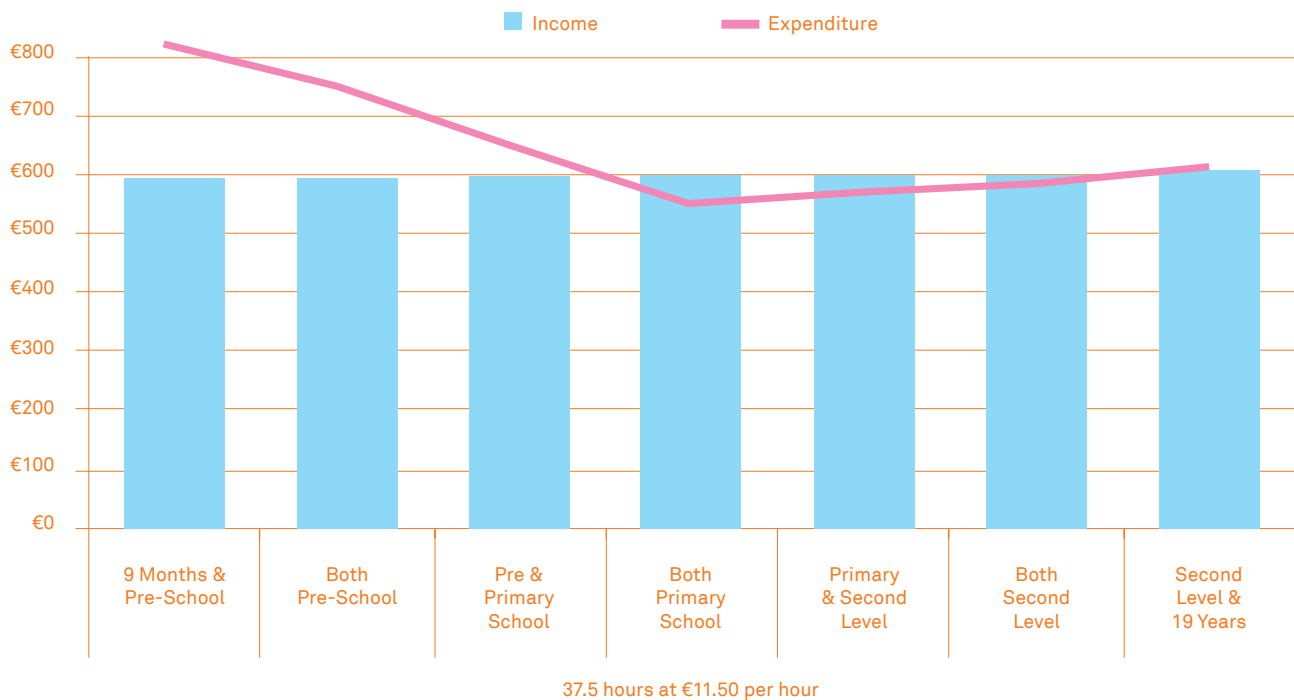


Working hours under the FIS threshold, part-time work provides an adequate income only when both children are in primary school, on the assumption that hours can be worked while the children are at school. Income is marginally adequate when one child is in pre-school and one in primary school, leaving just €6 discretionary income. The shortfall between income and expenditure is highest for the youngest family, where the cost of childcare leaves a shortfall of €107 per week.

Collins *et al* found that for lone parents, full-time NMW employment was less likely to provide an adequate income than part-time work. Does the same hold for retail workers?

In the second example, the lone parent is working full-time, and weekly earnings are just above the maximum threshold for entitlement to a One Parent Family Payment (OFP).

Figure XVI: Lone parent, full-time retail wage



For a lone parent working 37.5 hours, loss of entitlement to the OFP, even with a higher FIS payment, is not enough to provide an adequate income in most instances. Only when both children are at school is income adequate.

For the three youngest family types, childcare costs mean this level of earnings is not enough to meet costs. The free year of pre-school reduces the shortfall for that family, but where children are younger, the size of the gap is very substantial. Income is also inadequate to the needs of a household that includes a 19 year old.

Achieving a decent income for precarious workers

The minimum income standards approach is a useful one to assess the adequacy of low wages. The case studies of different retail workers indicate that in many cases, the combination of earnings, full take up of social welfare benefits, and assuming low costs, total household income is just not enough to provide a minimum standard of living.

Further, the nature of retail employment means that in some instances, the very social welfare support intended to support low paid workers is not available to them.

Policy makers need to consider how this issue should be addressed. On the one hand, it is argued that greater flexibility in the labour market helps to maintain and create jobs. On the other hand, the value of those jobs is questionable if they don't provide an adequate income. The balance between the contribution of earnings and social welfare supports to household income is a matter for debate, but it is a debate that is very badly needed.

6 CONCLUSION

6.1 SUMMARY OF RESEARCH FINDINGS

Precarious work, combining very high levels of flexibility with low levels of security, is a growing phenomenon in western economies. The Irish labour market is a highly flexible one by international standards, providing employers with a wide range of mechanisms to adjust to changing labour market conditions. It is also an economy with a relatively high level of low paid workers, with workers in the retail sector being among the lowest paid in the economy. Retail workers are prime examples of a growing precariat in Ireland.

The B&A survey of Mandate members provides new and detailed information on the reality of working life in the retail sector, and of the impact the recession is having on members ability to cope, both financially and psychologically. Bringing together the survey findings with published data and research, the picture that emerges is of a workforce under considerable stress.

Mandate's membership reflects the characteristics associated with precarious employment. They are predominantly female, and a majority work part-time. While this kind of work is often concentrated amongst those with a lower level of educational attainment, over 70% of Mandate's members have worked in the sector for at least five years and is therefore an experienced workforce.

The retail sector has suffered an above average rate of employment losses, and is one of the lowest paid sectors in the economy. Mandate's members provide an extremely high level of working time flexibility for their employers: almost half of part-time workers have their working hours changed at least once a month. Retail employees are more likely to work shifts, yet they are considerably less likely to receive shift allowances or bonuses than higher paid workers.

The take home pay of Mandate's members has fallen by an average of €109 over the last year. Falling incomes are driven primarily by reductions in working hours. Average working hours in the retail sector had fallen by 6.8% between Q1 2008-10. On average over the last year, the working hours of Mandate's members have fallen a further 4.3%, with greater losses for part-time workers.

In work poverty is increasing, with workers making up a growing share of the poor population. Using a minimum budget standards approach, typical retail wages were found to be inadequate to meet the basic needs of many households.

To try and make ends meet, members expressed a strong desire to work extra hours, but less than half of those who requested additional hours from their employers received them. Student workers were considerably more likely to be granted extra hours, indicating that employers in the sector may be giving preference to workers with the lowest pay rates.

Unable to secure the hours they need to make ends meet in their current job, two-thirds of Mandate's members have had to find other ways of supplementing their income over the last year. Frequent changes to working hours limited their ability to secure additional income from either social welfare or a second job. Around three in ten borrowed money from a credit union and from close family or friends. The inability to secure enough working hours has left many struggling to pay their household bills, to feed their families, and unable to afford to go to the doctor. Three-quarters stated that they were finding it difficult to cope and were under a lot more stress than a year ago.

RECOMMENDATIONS

The issue of precarious work has received little attention in Irish policy making. Labour market regulation has been designed to ensure high levels of flexibility, yet the tax and welfare systems assume a standard pattern of full-time employment. The ongoing recession has exposed how vulnerable they are to in-work poverty. With one in seven workers in Ireland employed in the retail sector, the scale of the problem is too big to be ignored.

Three overarching recommendations emerge from this research.

Firstly, deeper consideration needs to be given to the socio-economic impact of Ireland's employment legislation with particular focus on the issues faced by precarious workers. This report has shown that Mandate members are willing and able to work more hours, but the regulatory framework governing the terms of their employment often denies them that opportunity. As a result, a growing proportion of the workforce in Ireland is simply unable to avoid poverty, much less realise a sufficient level of income to provide a decent standard of living. Two particular areas stand out as requiring urgent attention:

- Reforms to JLC and REA wage setting mechanisms announced by Minister Bruton in July 2011 have the stated aim of making them “fairer, more competitive and more flexible” and increasing job creation. However, the measures proposed do not address the challenges faced by workers in precarious employment, rather they are oriented to reduce pay and further increase flexibility. The value of increasing the creation of jobs that are incapable of guaranteeing freedom from poverty must be questioned. This report has demonstrated that retail jobs are less and less likely to provide an adequate standard of living and quality of life. The Minister is urged to review these proposals as a matter of priority, so as to address the issues raised in this report.
- The incorporation of the EU Directive in relation to part-time work is also an area that warrants re-examination. A more formal process, requiring employers to justify a decision to deny part-time workers access to longer hours, particularly where an increasing proportion of their workforce is employed on part-time flexible contracts, would help to provide a better balance between the needs of employees and employers. Without it, we are likely to see a growing incidence of precarious work in the Irish economy. Accordingly, it is recommended that the Minister give consideration as to how Irish employment legislation can be strengthened to support the aim of maximising the availability of decent work in the Irish labour market.

Secondly, the Advisory Group on Tax and Social Welfare established in the Department of Social Protection should give specific attention to the issue of precarious work. The Group is charged with, inter alia, examining supports for people of working age and families, with a view to achieving positive social and economic outcomes. The findings of this report make clear that the social welfare and tax systems are not providing effective support to precarious workers.

In relation to both of these recommendations, a key consideration is the appropriate balance between the respective responsibilities of employers and the state in ensuring access to decent work. Greater flexibility for employers increases the need for the state to supplement inadequate pay. Setting effective policy in relation to precarious work therefore requires a co-ordinated and coherent cross-Departmental approach, involving at a minimum, the Departments of Jobs, Enterprise & Innovation; Social Protection; Finance; and Public Expenditure & Reform.

Job creation is a key imperative if Ireland is to recover from the current recession. But it is equally important that jobs provide decent work, where workers have a reasonable level of economic security.

The final recommendation relates to trade union membership. The organisation of precarious workers is particularly challenging, but with membership in the retail sector at a relatively low level – just 16% in 2009 – increasing membership rates and deepening trade union organisation must play a vital role in the fight for decent work and a better future for retail workers.

7 APPENDIX: SURVEY METHODOLOGY

Behaviour & Attitudes surveyed a random sample of a total of 500 members from Mandate's member listings (167 on a full-time contract, and the remainder amongst part-time/student workers).

The database of Mandate members (all of those with a mobile telephone number) was initially contacted by Mandate, informed of the impending research survey, and given the opportunity to opt out of the exercise if so desired.

The survey was conducted by way of Computer Aided Telephone Interviewing (CATI) using a structured questionnaire, with interviewing carried out via the Behaviour & Attitudes call centre at Milltown House, Dublin. Fieldwork was conducted over the period 26th March – 4th April 2012.

All aspects of the study were carried out in strict accordance with the technical and ethical guidelines set down by the Association of Irish Market Research Organisations (AIMRO) and the European Society for Opinion and Market Research (ESOMAR).

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Mandate Head Office

O'Lehane House
9 Cavendish Row
Dublin 1

Tel: (01) 874 6321/2/3

Fax: (01) 872 9581

www.mandate.ie