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The Role of the State in Shaping Zero Hours Work in Ireland

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Synopsis

This research examines how the actions of the state has shaped the emergence of zero hours work in Ireland. Zero hours work typifies work where there are no guaranteed hours offered by the employer. We place the state centre-stage of an analysis on zero hours work because the state is critical to economic life. The main conclusion is that the actions of the state, through employment law, social insurance and social welfare, have created a weak regulatory environment that has facilitated the emergence of zero hours work particularly in sectors where unionisation is weak. Zero hours work is operationalised through so-called 'If and When' or 'on demand' contracts.

Introduction and Background

State policies in market societies are continually confronted by the challenge to devise mechanisms to ensure the needs of workers and employers are to a degree mutually compatible. However, the state faces a range of dilemmas over how such a compromise between labour and capital can be crafted. These dilemmas arise from two central functions of a democratic state in a capitalist market society: primarily accumulation, with the goal of encouraging economic performance and competitiveness, and secondarily legitimation, which involves maintaining popular consent by pursuing social equity and fostering citizenship at work. Tensions can arise between the state imperative for accumulation and the need for legitimacy.

Pessimistic views of the potential for state regulation of precarious work are based on the premise that the power of global capital has exceeded the ability of nations to regulate it and that there has been a withdrawal of the state from economic and social policy. A more optimistic view is that the state still has significant capacity to intervene in the labour market and limit precarious work. Ireland is an interesting country to examine as it has experienced an expansion of relatively high-skilled jobs but there are also indicators of precarious jobs. In particular, Ireland has one of the highest rates of low pay in the OECD.

Issues and Questions considered

The state can influence labour markets and industrial relations through its roles as an employer, regulator of the industrial relations environment and through the welfare system. In the labour market, accumulation

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Our research finds a focus in the four academic departments of the School as well as in themes (Work, Knowledge & Employment; The Services Economy & Tourism; Entrepreneurship, Innovation & Marketing; and Public Policy, Enterprise, Governance & Sustainability) and clusters (Accountability (ARC); Efficiency & Productivity Analysis; Emerging Risk Assessment & Underwriting; Human Rights & Development Practice; Interpretive Consumer Research; Psychological Science in Business; Privatisation & PPP; and Quality of Work).

See http://www.ul.ie/business/research for more information.

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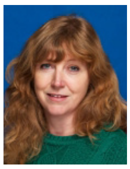

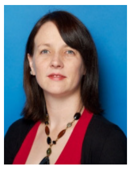

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is perceived from a liberal market perspective to be facilitated by the absence of regulations such as minimum ages, employment laws and trade unions that inhibit the flexible use of labour. Legitimation by contrast is enhanced by the presence in the labour market of regulations that protect workers such as minimum wages and support for trade unions. In EU countries, employment law has expanded considerably but some countries have also experienced the dilution of regulations since the economic crisis, including cuts to minimum wages and restrictions on collective bargaining. In recent years, it is argued there has been greater political support internationally for labour market flexibility even amongst left-oriented parties. Historically, the state was seen as a model employer but in the pursuit of enhanced efficiency and reduced costs, many countries have pursued state policies of deregulation, privatisation and outsourcing. Research indicates that collective bargaining provides a critical way of limiting precarious work and the state can support collective bargaining through union recognition laws and the extension of collective agreements to unorganised sectors of the economy. Generous welfare systems can be influential in reducing labour market insecurity but conversely, states may decide that welfare systems can enhance economic performance by pushing workers into participating in the labour market. Such welfare reforms can have the effect of pressuring workers into low wage jobs or can exclude workers in insecure employment from welfare benefits. Of course the implementation of state regulatory policies in the labour market is contingent on the government in power, conflicts within political parties and the influence of interest groups and societal actors. We explore the tensions between Irish state policies of accumulation and legitimation and their influence on zero hours work.

Methodology

A qualitative methodology with an interview design was used to gain an understanding of the impact of the state on the emergence of zero hours work. Interviews were undertaken with stakeholders with informed knowledge of labour market developments and state policies. The stakeholders included employer organisations, trade unions, government departments, state bodies, the national representative body for the legal profession and civil society organisations (CSOs) representing women, youth, migrants and the unemployed. Stakeholders were mainly from four sectors - retail, accommodation/food, education and health. In total 35 interviews were undertaken in 2015 with 82 representatives from 31 bodies. Thematic analysis was conducted reiteratively throughout the data collection process.

Outcomes and Findings

The main conclusion is that the actions of the state have created a weak regulatory environment that has facilitated the emergence of zero hours work. The main zero hours work arrangement is through 'If and When' contracts, which involve non-guaranteed hours and workers are not required to be available to employers. There is no employment law regulating these types of contracts so workers have no minimum income, unpredictable work and few employment rights. These types of contracts are particularly in use in the hospitality and community care sectors. In its role as employer, the state has increasingly outsourced community care services to private organisations which has resulted in more 'If and When' working arrangements. Stakeholders argued that changes to the welfare system are also pushing people into insecure jobs. The state provides supports to people on low wages but these have eligibility thresholds, for example based on hours worked, and workers on 'If and When' contracts can be excluded because of the variability of their hours. In relation to social insurance, the level of social insurance paid by employers on wages is one of the lowest in the OECD and was temporarily reduced further for low wage jobs during the recession. The explicit objective of this reduction was to create jobs with little consideration of the quality of the jobs created. While the state did introduce some labour market regulation as the economy improved such as increases in the national minimum wage, the state policies pursued allowed employers to create insecure jobs in sectors with weak labour power. These state actions indicate a relatively coherent policy prioritising accumulation and weak regulation in the labour market.

The underlying study was published in Sage Journals, and a copy may be obtained at:
http://journals.sagepub.com/doi/10.1177/0143831X17735181

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