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Does full employment mean good employment?

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"Work is not an absolute barrier to things like poverty and deprivation"

Analysis: high employment numbers might suggest a healthy economy, but the stats only tell part of the story

What a difference a decade can make in a labour market. For example, unemployment figures released by the Central Statistics Office (CSO) for July 2019 show that monthly unemployment stood at 4.6%. If we stick with July and look back at the same month in 2009, the figure then was very different at 12.5%. When you consider that the 2009 figure represents an approximate doubling in the rate of unemployment from that of July of 2008, this is clearly indicative of what was happening in Ireland's economy and labour market at that time.

History shows us that unemployment figures would rise, hitting a high of 14.7% for 2012 before seeing a gradual decrease. In July 2015, monthly unemployment stood at 9.7%, still relatively high. In July 2017 it stood at 6.4%, much lower. From there, we return to the present year and an unemployment level that is undoubtedly the lowest it has been in years.

03:10

From RTÉ Radio 1's News At One, the CSO's latest Labour Force Survey has led to an upward revision in the unemployment rate for July from 4.6% to 5.3%

So, all positive, right?

The labour market, a strong indicator of the overall health of an economy, appears to be buoyant, lots of people are at work. Being in work is generally seen as being a buffer against things like poverty and poor mental health, so again, this has to be good, right? As it so often the case, the stats, compelling though they may be, tell only part of the story, and they really tell us nothing about people's experiences of work or the types of jobs they are doing.

Precarious employment in Ireland

Luckily, a working paper published by the Nevin Economic Research Institute (NERI), about precarious employment goes some way towards filling in the blanks. Precarious employment lacks a standard or catch-all definition and people are not always sure whether or not their employment type counts as precarious. This makes measuring it difficult and this is something that the authors of the report acknowledge.

However, drawing on prior studies, the authors glean their classification criteria, in-part, based on the employer/employee contractual relationship. So, for example, an employee on an open-ended contract, either full or part-time is at a low risk of precariousness, a temporary employee on a fixed-term contract is at medium risk and an employee on a zero hours contract is at a high risk of precariousness.

When defining precariousness in the context of employment, it is best to stick with the common-sense meaning of the word. Precariousness therefore should invoke a sense of uncertainty or instability. In employment terms, it encapsulates a move away from "traditional" forms of full-time, permanent employment and towards things like bogus self-employment, fixed-term contracts and zero hours contracts.

05:45

From RTÉ Radio 1 Morning Ireland, John Douglas, General Secretary of Mandate Trade Union, on new legislation giving workers on zero-hour and low-hour contracts increased rights and protection

While acknowledging the substantial growth in employment levels in recent years, the report also suggests that a significant proportion of these employment gains come from sectors with above average shares of high-risk precarious employment, sectors such as construction, the hospitality sector and retail. Worryingly, the report suggests that growth in these areas and in precarious types of employment may be indicative of structural changes to the post-recession labour market here.

Comparisons with our European counterparts are also telling, with some sources suggesting that we are very much at the bottom of the pile when it comes to stable employment types. Data drawn from the European Social Survey (ESS) and cited in the report suggests that only 54.6% of those in work in Ireland are employed on the basis of a permanent contract, far behind countries such as Austria (92.4%), Sweden (89.3%) or Britain (81.1%).

While the contractual nature of employment can denote the basis upon which precarity often devolves, with permanency indicating stability and a lack of permanency suggesting the opposite, this should not be taken to mean that all those on permanent contracts of employment are immune to precarity.

06:18

From RTÉ Radio 1's Drivetime, Social Justice Ireland's Research and Policy Analyst Michelle Murphy on their report that shows nearly a quarter of a million children are living below the poverty line in Ireland

In fact, the report uses CSO data to suggest that workers on permanent contracts are also at risk of precariousness by illustrating that the deprivation rate for full-time employees on permanent contracts has seen a long-term increase; from 6.7% in 2004 to 10.4% in 2016, something which was also the case for permanent part-time workers (9.1%-17.2%). Precarity and poverty then appear to be natural bedfellows.

The changing nature of employment in Ireland

Returning to the notion of structural changes in the Irish labour market, there is strong evidence in the report which suggests a marked and steady decline in the share of employees in Ireland in full-time and permanent work. This is then coupled with a higher share in various at-risk categories of precarious work over the past ten to fifteen years. Taken together, this suggests that the spectre of precariousness is fast becoming a permanent feature of the Irish employment landscape. Bearing this out further, the report also suggests that many of the most precarious employment types are now at elevated levels relative to where they stood in the pre-crisis period.

These include:

- Part-time work;
- Underemployment (part-timers who would rather work full-time but cannot find a full-time job),
- Marginal part-time work (those working less than 20 hours a week),
- Part-timers on temporary contracts,
- Involuntary temporary work (those who would rather have a permanent job but can’t find one)
- temporary agency work.

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All in all, this is highly suggestive of structural change to the Irish labour market over the past decade or so.

What does the Irish employment landscape look like?

Latest CSO figures for Q2 2019

Economic Status	People
In employment	2,300,000
Unemployed	130,800
In labour force	2,430,800
Not in labour force	1,481,800
In employment full-time	1,838,100
In employment part-time	462,000
In employment part-time - not underemployed	349,000
In employment part-time - underemployed	113,000
Unemployed seeking full-time work/future job-starter	102,700
Unemployed seeking part-time work	26,000

Persons aged 15 years and over in Employment by ILO Economic Status and Quarter

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Table: RTÉ Brainstorm • Source: Central Statistics Office

Looking to the future, it is notable that workers under 30 are more likely to be in precarious forms of employment. Summarising this, it should be noted then that full employment does not necessarily mean good employment. Neither is work an absolute barrier to things like poverty and deprivation. High employment may suggest a healthy economy, but this does not automatically denote a healthy and happy populace.

READ: The positive effects of a basic income

READ: Where do our ideas about what people deserve to get come from?

Government officials and politicians may often be keen to gleefully quote figures that suggest low unemployment, however, when they do so, the lives of those whose stories make up the experiences behind those figures are frequently lost.