

## The Quality of Atypical Employment and the Poverty Risks of Atypical Workers: A Comparative Analysis of the Irish and Danish Context

Vanessa Gash

## Research Remit

- Quality of atypical employment
- Low Pay risk, Wages, Access to Training
- Poverty risks of atypical workers (60% -median household income)
- In Ireland and Denmark.
- (1) temporary contract workers
- (2) part-time workers.

## Why Denmark?

- Similar Size. IRL and DK are both small countries and small economies operating within the EU.
- Similar EPL – Flexible by EU standards
- Similar (in principle) mode of market management: centrally co-ordinated market economy
- Dissimilar welfare provision.

## Research Questions

- 1- Are atypical workers at greater risk of low pay?  
- 60% of median gross hourly earnings. Equal to €4.44 for Ireland and €8.86 for Denmark for 1994
- 2- Do wage differences between atypical workers and standard contract persist when we control for a series of individual and labour market covariates?
- 3 –Do atypical workers have reduced access to employer provided training?
- 4- Are atypical worker households at greater risk of relative income poverty? (-60% of national median)  
The 1994 cut-off for Ire: €284.51 net per month  
The 1994 cut-off for DK: €677.58 net per month

### Low Pay Risk, by Contract, Gender and Country

		MEN	WOMEN
Ireland	Permanent	7%	14%
	Temporary	28%	37%
	All	10%	20%
Denmark	Permanent	1%	2%
	Temporary	12%	15%
	All	3%	4%

### Low Pay Risk, by Working-time, Gender and Country

		MEN	WOMEN
Ireland	Full-time	13%	19%
	Part-time	21%	28%
	Marginal part-time	40%	42%
Denmark	Full-time	6%	7%
	Part-time	3%	8%
	Marginal Part-time	38%	39%

Pooled Logistic Regression of the Probability of being Low Paid, years 1-6 of the ECHP, unweighted data with robust standard errors

	Ireland		Denmark	
	Coef.	P>z	Coef.	P>z
Temporary Workers	0.699	***	1.131	***
Part-time Workers	0.587	***	0.536	**
<i>Demographic Characteristics</i>				
Women	0.488	***	0.027	
18-24yrs (ref 40-54 years)	0.412	~	1.213	**
Constant	-4.225	***	-4.942	***
<i>Model Summary</i>				
Observations	14923		13401	
Adjusted R2	0.2493		0.236	

### Pooled OLS Temporary Worker Regression Sequence, Logged Gross Hourly Wages

Independent Variables:	EQ1:		EQ2:	
	Temp		Temp	
			(with controls*)	
	Coef.	P> t	Coef.	P> t
<b>Ireland</b>				
Women	-0.303	***	-0.155	***
Men	-0.396	***	-0.085	***
<b>Denmark</b>				
Women	-0.250	***	-0.093	***
Men	-0.184	***	-0.045	**

### Pooled OLS Part-time Worker Regression Sequence, Logged Gross Hourly Wages

Independent Variables:	EQ1:		EQ2:	
	Part-time		Part-time	
			(with controls*)	
	Coef.	P> t	Coef.	P> t
<b>Ireland</b>				
Women	-0.158	***	-0.018	ns
Men	NA			
<b>Denmark</b>				
Women	-0.049	**	0.026	~
Men	-0.30	***	-0.107	~

### Employer Provided Training by Contract Type and Gender

		MEN		WOMEN	
Ireland	Permanent	36%	ns	39%	*
	Temporary	29%		29%	
	All	38%		36%	
Denmark	Permanent	79%	***	83%	***
	Temporary	49%		63%	
	All	74%		78%	

### Employer Provided Training by Working-time and Gender

		MEN		WOMEN	
Ireland	Permanent	35%	***	40%	***
	Temporary	23%		24%	
	All	35%		36%	
Denmark	Permanent	75%	***	81%	***
	Temporary	40%		65%	
	All	74%		78%	

### Working Household Typology by contract type

	Ireland	Denmark
<b>Dual Adult Working Households</b>		
<i>Dual Earner Households</i>		
Permanent/ Permanent	<b>36.01</b>	<b>50.77</b>
Permanent/Temporary	16.27	14.27
Temporary/Temporary	0.75	0.94
<i>Single Earner Households</i>		
Permanent/Economically Inactive	<b>35.71</b>	<b>15.44</b>
Temporary/Economically Inactive	5.1	2.52
<b>Single Adult Working Households</b>		
Permanent	5.47	13.67
Temporary	0.69	2.39

### Working Household Typology by Working-time

Dual Occupant Households	Ireland	Denmark
<i>Dual Earner Households</i>		
Full-time / Full-time	<b>27.71</b>	<b>51.51</b>
Full-time / Part-time	19.51	11.68
Part-time / Part-time	2.43	0.56
<i>Single Earner Households</i>		
Full-time/ Economically Inactive	<b>37.74</b>	<b>16.82</b>
Part-time / Economically Inactive	6.41	2.35
<b>Single Occupant Households</b>		
Full-time	5.09	14.83
Part-time	1.11	2.25

### Working Household Typology by Working-time, Couples with Dependent Children Only

	Ireland	Denmark
<b>Dual Earner Households</b>		
Full-time/Full-time	23.74	68.22
Full-time / Part-time	24.63	12.53
Part-time/Part-time	2.71	0.3
<b>Single Earner Households</b>		
Full-time/ Economically Inactive	42.21	17.54
Part-time/ Economically Inactive	6.71	1.41

### Poverty Risks of Individuals by Working Household Typology, Couples with Dependent Children Only

	IRELAND	DENMARK
<i>Dual Earner Household</i>		
Full-time / Full-time	1.41	2.09
Full-time / Part-time	5.62	10.34
Part-time / Part-time	11.34	26.32
<i>Single Earner Household</i>		
Full-time / Economically Inactive	15.0	18.07
Part-time / Economically Inactive	44.38	43.18
<b>Total</b>	<b>21.25</b>	<b>8.17</b>

### Lone Mother Households by Income Poverty

	Lone Parents who are Income Poor		Lone Parents by Labour Force Status	
	Ireland %	Denmark %	Ireland %	Denmark %
Full-time Workers	2.3	23.2	19.8	68.0
Part-time Workers	15.8	69.0	23.0	7.4
Non-earning	76.1	75.7	57.2	24.6
<b>All Lone Parents</b>	<b>47.6</b>	<b>39.5</b>	<b>100</b>	<b>100</b>

### Poverty Rates of AW households Net of AW wages

		Permanent Worker/ Temporary Worker Households	Temporary Worker/ Non-employed Households
Ireland	% in Poor Households	<b>5.52</b>	<b>19.9</b>
	% in Poor Households without AW wages	<b>14.16</b>	<b>39.39</b>
Denmark	% in Poor Households	<b>4.59</b>	<b>17.56</b>
	% in Poor Households without AW wages	<b>10.82</b>	<b>43.13</b>

### Poverty Rates of AW households Net of AW wages

		Full-time / Part-time Households	Part-time/ Non-employed Households
Ireland	% in Poor Households	<b>4.95</b>	<b>34.4</b>
	% in Poor Households without AW wages	<b>12.94</b>	<b>49.47</b>
Denmark	% in Poor Households	<b>6.92</b>	<b>18.75</b>
	% in Poor Households without AW wages	<b>20.58</b>	<b>40.3</b>

## Conclusions 1

- Aim was to provide an assessment of the *quality* of atypical employment and the *poverty risks* of atypical worker households in Ireland and Denmark.
- Denmark was chosen for comparative reference given its similarities with the Irish economy with the exception of childcare provision, and in the generosity of welfare payments.

## Conclusions 2

- FINDINGS:
- LOW PAY
- Multivariate models established atypical workers (both temporary and part-time) to have higher low pay risk in both Ireland and Denmark even after we controlled for a series of covariates.
- Irish women had higher risks of low pay than Irish men, whereas Danish women were not disproportionately exposed to low pay risk relative to Danish men. We attributed this finding to the greater investment of the Danish state in gender equalisation strategies such as childcare.

## Conclusions 3

- Wages
- Temporary workers have lower hourly pay than permanent contract workers, in each country for both men and women. However, we find the wage discrepancy to be the largest for Irish men, with Irish male temps earning on average, €4.57 euro equivalents less per hour than permanent contract workers.
- Part-time workers were found to earn lower gross hourly pay than full-time workers at an aggregate level. We also found Danish female part-time workers earnings to be proportional to those of full-time workers: €12.29 per hour, versus €12.32 per hour. Women part-timers were found to earn similar wages to full-timers once we controlled for their demographic and labour market characteristics

## Conclusion 4

- Training
- We established that Irish employers were considerably less likely to offer training or education to their employees when compared to Danish employers with 79% of all Danish men and 83% of Danish women in receipt of training, relative to 38% and 36% of Irish men and women.
- We also found that temporary workers and part-time workers were considerably less likely to be in receipt of training relative to standard contract workers, this finding was true of both the bivariate analysis and the multivariate analysis.

## Conclusion 5

- Working Household Formation
- Households in Denmark were found to have a more egalitarian full-time/full-time employment strategy between working couples than was found to be the case in Ireland. We also found the presence of children within the home to influence the type of employment strategies households took. In Ireland we found couples with dependent children in the household more likely to engage in a full-time/part-time employment strategy, or a full-time/economically inactive strategy.
- In Denmark, however, couples with dependent children were considerably more likely to engage in a dual full-time worker strategy.

## Conclusion 6

- Poverty risks
- The poverty risks of workers and atypical worker households were found to be higher in Ireland than in Denmark. The households who are the most protected from income poverty are dual-earner households where both partners work full-time, and this is true of both countries
- Lone parents who are not earning were found to have the highest risks of poverty with 75% of non-earning lone parents poor in Ireland. While we find Danish non-earning lone parents to be similarly exposed to poverty, the majority of lone parents in Denmark were working, 76%, whereas in Ireland this was only true of the minority, 44%.

## Conclusion 7

- Poverty risks
- Employment is the best means of ensuring that lone-parent households do not experience poverty with full-time employment the best means of achieving this. Nonetheless, even though we found full-time employment to lift more lone parent households above the poverty threshold, we still found it to be the least common form of market engagement of lone parent women in Ireland.
- Finally, while atypical workers were found to suffer wage penalties and to have less access to job related training their wages were found to be protective of a household's relative income poverty. For instance we found Irish part-time workers wages to lift 9% of dual earner households above the poverty threshold.
- Danish part-timers earnings were found to lift a larger proportion of households above this threshold: 14%.