



Trinity Immigration Initiative  
Trinity College Dublin



Employment Research Centre  
Trinity College Dublin

## MCA Newsletter No. 1 *Migration and Recession*

The Migrant Careers and Aspirations (MCA) project explores the choices of employers and migrants in the context of the changing Irish workplace. The core activity of the project is a Qualitative Panel Study (QPS) on the experience of twenty-two Polish migrants in the Irish labour market. To trace the changing aspirations and career expectations of these migrants, we repeatedly interview them over a period of twenty-four months. This is flanked by a series of interviews with employers and HR managers in those four sectors in which the participants of the QPS are employed (software, financial services, construction and hospitality).

In this first MCA Newsletter we will explore the impact of the current economic downturn on migrants. After almost two decades of unprecedented growth during the Celtic Tiger years, Ireland has been hit by a recession. Economic growth has contracted in 2008 and is unlikely to substantially recover until after 2010. Using data from our ongoing Qualitative Panel Study, as well as some interviews with key informants from migrant organisations, NGOs, and trade unions, we argue that assumptions that migrants will return home ‘when times are getting tough’ are misplaced. While no doubt a substantial number of migrants will leave because of the worsening economic situation in Ireland and new employment opportunities elsewhere, many more are ‘here to stay’. In spite of the recession, a majority of migrants continues to be in employment in Ireland. Moreover, the decision to ‘stay or go’ is not reached on the basis of economic considerations alone. Other factors, including the role of social networks and the search for a better quality of life also

impact upon the migration-decision of people. The most important lesson for policy-makers and other stakeholders is that for the foreseeable future, immigrants will remain a significant part of Ireland’s population and labour force.

### **The effect of the downturn on immigrants**

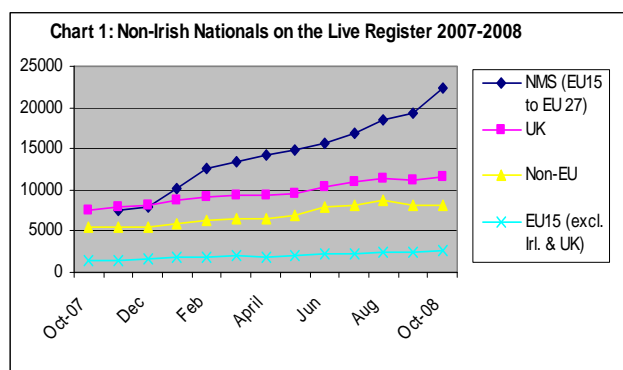
In recent years, Ireland has experienced one of the highest rates of inward migration of all OECD countries.<sup>1</sup> Particularly since EU enlargement in 2004, Ireland experienced large-scale immigration from the new member states (NMS). According to the most recent data from the Quarterly National Household Survey (QNHS), non-Irish workers now account for 16 percent of the Irish labour force. However, an analysis of Personal Public Service (PPS) numbers shows that the inflow of migrants from the accession countries peaked in 2006. Since then the number of migrants applying for PPS numbers has been in decline. For instance, whereas in 2006 almost 94,000 PPS numbers were issued to Polish nationals who make up the largest migrant group in the Irish workforce, this has declined to around 41,000 in 2008 (up to November). This appears to be linked to an improved labour market situation in Poland and to the fact that the pool of potential emigrants has diminished as many young Poles, the most mobile section of Polish society, have already left the country. However, it is also likely to reflect declining economic opportunities in Ireland.

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<sup>1</sup> OECD (2008) *International Migration Outlook*. Paris: OECD

One indicator for the current downturn is an increase in unemployment. According to the most recent data available, the overall unemployment rate stands at 7 percent in the period from June to August 2008 which compares to 4.8 per cent for the same period in the previous year. If broken down by nationality, 6.6 per cent of Irish nationals are unemployed (4.5 per cent in 2007) whereas 9 per cent of non-Irish nationals (6.1 per cent in 2007) are out of work (QNHS 2008).

The Live Register is another indicator of the economic downturn as it shows the number of people claiming unemployment benefits. Most recently there has been a significant increase in the number of non-Irish nationals applying for either jobseeker's benefit or jobseeker's allowance. Between October 2007 and 2008, the number of migrants signing on the Live Register has increased by over 100 percent from 21,035 to 44,600. During the same period the number of Irish nationals signing on has increased by 52 percent from 136,414 to 207,351. Among non-Irish nationals, NMS migrants, who previously had the highest employment rate of any migrant group, have seen the highest increase of people signing on, with numbers rising by over 200 percent from 6,542 to 22,285 (Chart 1). In addition to deteriorating economic circumstances, the fact that many NMS nationals now fulfill the Habitual Residence condition, which requires people to be resident in Ireland for at least two years to qualify for welfare payment, is likely to have contributed to the huge increase as well.



Although it is too premature to accurately assess the impact of the current downturn, some issues are beginning to emerge. Predictably, migrants, as the rest of the population, are becoming more concerned about their jobs. Particularly those who work in construction and related occupations report a worsening of the employment situation. This is of little surprise, given that almost 30,000 construction jobs were shed between September 2007 and 2008, by far the highest job loss of any sector. As one interviewee who works in the sector put it:

I've tried to get an overview of how the market is doing at the moment. Zero chances. In all of the companies...From what I've been hearing from my colleagues who work in this profession (construction)...generally, what firms are doing is they are firing their employees and they are keeping senior staff only (interview 5/11/2008).

In financial services too, in light of the credit crunch, the first reports begin to emerge about job losses, initially mainly affecting agency and temporary workers.<sup>2</sup> Particularly at times of an economic downturn, companies may be more inclined to utilise agency labour as a 'purveyor of flexibility'.<sup>3</sup> As reported by one research participant who works in a retail bank:

There are such procedures that after three months of being employed by an agency the bank should give us a contract, or alternatively, we apply again for the same position directly (at the bank)...We contacted the headquarters (about this) and it turned out that basically they want us to still

<sup>2</sup> Reddan, F. (2008) 'Spectre of lay-offs hangs heavily over financial sector', in *Irish Times*, 10 November 2008

<sup>3</sup> Peck, J. and Theodore, N. (2007) 'Flexible recession: the temporary staffing industry and mediated work in the USA', *Cambridge Journal of Economics* 31(2): 171-192

work for them, but they don't want to issue us with a contract. So I asked people and it turned out that it happens more often that they don't want to give out a contract...but use agency longer for a longer period (interview, 17/8/2008).

In sectors such as hospitality our preliminary research suggests that while not that many people have lost their job so far, hotels and restaurants are less inclined to recruit new staff which may lead to a situation where existing staff have to carry out more duties. As reported by one of our interviewees who works in a hotel:

they don't hire many people full time any more...if there are vacancies, for instance if somebody from housekeeping or restaurant left, then they don't hire new people' (interview, 18/9/2008).

Because of uncertain times, migrants appear to be more inclined to hold on to their jobs: 'It is kind of impossible right now you know, to change a job. I am happy that I still have a job. To find a new job in construction at the moment...it is a nightmare (interview, 21/10/2008). Others reported greater difficulties of finding a new job. Some Black immigrants, who already face more obstacles in accessing the Irish labour market,<sup>4</sup> are particularly concerned about the impact of the current crisis on employment opportunities. Such concerns are also reflected in more people enquiring about social welfare assistance and redundancies as reported by some NGOs.

If migrants, both EU and non-EU, are made redundant, they are entitled to the same redundancy payments as Irish workers. However, anecdotal evidence suggests that on

occasions migrants have been made redundant without proper notice and redundancy payment. Moreover, NGOs reported that sometimes migrants face difficulties applying for social welfare benefits. It has been suggested that some Community Welfare Officers are not always fully aware that, for instance, EU migrants are entitled to apply for Supplementary Welfare Allowance, irrespective of whether they have been 'habitually resident in the State' for at least two years.

Will migrant groups be affected differently by the current downturn? One migrant-support group expressed concerns that some migrants from outside of the European Economic Area (EEA) may be more vulnerable to exploitation as they cannot move freely in the labour market. If non-EEA work permit holders are made redundant, they do not necessarily have to leave Ireland. The Department of Enterprise, Trade and Employment recently stated that it would look 'favourably' at the situation of employment permit holders who have been made redundant within the last three months.

Moreover, FÁS, the national training and employment agency, has confirmed that non-EEA work permit holders who have been made redundant can access the FÁS Employment Services, availing of an interview with an Employment Services Officer as well as registering on FÁS' job database. Interestingly, whereas in the past the agency has recruited migrant workers from the EU accession countries, nowadays FÁS jobs fair in Ireland attract building companies from abroad, looking for suitable workers, Irish and non-Irish alike, willing to move in light of declining employment opportunities particularly in construction.<sup>5</sup>

<sup>4</sup> O'Connell, P. and McGinnity, F. (2008) *Immigrants at Work: Ethnicity and Nationality in the Irish Labour Market*. Dublin: The Equality Authority/ESRI

<sup>5</sup> Carroll, S. (2008) 'FÁS jobs fair for construction workers proves big attraction', *Irish Times*, 16 June 2008

### Will they stay or will they go?

Historically, there is only limited evidence to suggest that migrants leave at times of economic crisis. When the official labour recruitment programmes of the 'guestworker' era came to a halt in 1973 at the time of an ensuing recession, many immigrants did not return to their home country, but stayed on and transformed Europe into a continent of immigration. Although many immigrants lost their jobs, they became integrated into the various welfare states of Western Europe, in spite of political pressure towards 'closure' of the welfare system.<sup>6</sup>

Nevertheless, the parallels to the 'guestworker' era should not be overstressed. Contemporary migrants, particularly those from within the enlarged EU, tend to be more mobile in the light of new travel opportunities and a free movement regime. This opens up new opportunities for migrants to respond to worsening economic circumstances, including moving to another country or returning home.

Thus, there is little doubt that some migrants have already left Ireland with more likely to go as a result of the current downturn. At the same time, however, many more are 'here to stay'. While certainly a significant number of migrants have lost their jobs in recent months, a clear majority (68 per cent) of all non-Irish nationals over the age of 15 years remains in employment (QNHS 2008). Furthermore, even if migrants lose their job, this may not necessarily lead to their departure as they may feel confident enough to secure new employment in the Irish labour market. In addition, it remains to be seen whether entitlements to social welfare rights in Ireland will influence the decision of migrants to 'stay or go'.

It is unlikely that even in times of an economic downturn recent immigration will be substantially reversed. This is all the more so the case as the decision to migrate and, consequently, to stay or move on, is not reached on the basis of economic considerations alone. Certainly the question of whether migrants will continue to be able to secure employment in Ireland is of considerable importance. However, additional factors such as social networks take on a greater importance the longer migrants are present in the host country. As one interviewee put it:

for the moment I'll be here...at the beginning it was tougher, but now I'm somehow becoming more and more acclimatised when it comes to friends, some acquaintances and stuff like that' (interview, 18/9/2008).

Others have cited the search for a better 'quality of life' as another reason of why they intend to stay in Ireland: 'I care about people who I work with, I like living in this country, you know, I like the lifestyle' (interview, 22/7/2008).

Generally, it is quite difficult to make exact predictions about how migrants will respond to the current recession. This is not only because we may not have seen the full impact of the crisis yet, but also because many migrants, particularly the younger ones, appear to be quite uncertain about their future long-term plans. As one of our respondents put it:

I want to continue with travelling, try to move from one country to another, get to know the culture, the language... But as I am saying, life is unpredictable. You say one thing today and another tomorrow' (interview, 12/8/2008).

<sup>6</sup> Bommers, M. and Geddes, A. (eds) *Immigration and Welfare: Challenging the Boundaries of the Welfare State*. London: Routledge

Regardless of this 'intentional unpredictability',<sup>7</sup> it can be stated with some certainty that the economic downturn will not fundamentally change the situation of Ireland as a country of immigration. Although net emigration is likely to return to Ireland next year with FÁS predicting that emigration will exceed immigration by 27,000 people,<sup>8</sup> and even if a majority of the emigrants would be from the recent immigrant population, this would not fundamentally alter the composition of the Irish workforce, and indeed wider Irish society.

This poses some important questions to policy-makers, social partners and other stakeholders when dealing with the current crisis. Is there enough political goodwill to defend the employment and welfare rights of migrants at times of more intense competition for jobs and resources? Will migrants who have lost their job be afforded the same opportunities to retraining and upskilling as

Irish workers? Or is there the tacit assumption that migrants will return home 'when times are getting tough'? As it has been argued in this Newsletter, the latter is likely to prove a fallacy. For the foreseeable future, immigrants will remain a significant part of Ireland's population and labour force, irrespective of the current recession. It is therefore clear that the policy issues surrounding immigration are not going away. Consequently, we must ensure that the current downturn is not used as a reason for putting such issues on the back burner.

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## MCA Publications

'Working in the Gold Rush: Polish Migrants' Careers and the Irish Hospitality Sector', in Bolton, S. and Houlihan, M. (eds) 2009 *Work Matters: Critical Perspectives on Contemporary Work*, Palgrave (forthcoming)

## Sector reports

([www.tcd.ie/immigrationcareers/index.php](http://www.tcd.ie/immigrationcareers/index.php))

*Migration and the Irish Hospitality Sector*  
*Migrant Workers and the Construction Sector*  
*Migrant Workers and Financial Services*

## Announcements

**ERC Seminar, 12 January, 2009 (5-6pm)**

**Gerry Hughes (Trinity College Dublin)**

EU Enlargement and the Labour Market Effects of Migration to Ireland from Southern, Central and Eastern Europe

**Research Symposium 'Migration and the Irish Workplace'**

Trinity College Dublin, 5 June 2009

**International Migration Conference**

Trinity College Dublin, 30 June-2 July 2010

<sup>7</sup> Eade, J., Drinkwater, S. and Garapich, M.P. (2006) *Class and Ethnicity: Polish Migrants in London*, Surrey: University of Surrey

<sup>8</sup> FÁS (2008) *Quarterly Labour Market Commentary* (3rd Quarter)