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OPEN

Administration, vol. 65, no. 4 (2017), pp. 1–9
doi: 10.1515/admin-2017-0029

Introduction

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The Department of Employment Affairs and Social Protection's (DEASP) seventieth anniversary conference, 'The Digital Economy, New Forms of Work and Challenges for Social Security Systems: Financing and Coverage', took place on 9 November 2017 in Dublin's Wood Quay Conference Centre. It offered a strategic moment to reflect on core global and Irish challenges for future social security financing and coverage.

The following three papers that form this mini-symposium reflect on these challenges from a macro perspective. Irene Mandl, head of the Employment Unit at Eurofound, sets the European scene by examining emerging employment forms and discussing their potential positive and negative effects on working and employment conditions. Hans-Horst Konkolewsky, Secretary General of the International Social Security Association (ISSA), addresses the social security challenges posed by new technologies. He explores the disruptive potential of changes to labour markets for social security, the potential of the digital economy for societal welfare, and the changing environment in which social security institutions evolve and respond to these impacts and challenges. Professor Seán Ó Riain, Maynooth University, examines new forms of work in the Irish labour market. While he finds new forms of work pressures associated with technology, he also finds that people exit welfare into – and do not necessarily progress out of – a low-skill and embedded precarious labour market. Examining the relationship between welfare and work, he notes Ireland's strong cash welfare state but poor public services

and weak fiscal capacity, and points towards a direction for reform. The remainder of this brief introduction captures some of the conference panel inputs and offers the reader a flavour of the conference debate and discussion.

Chair Eamonn Rossi, DEASP, opened the conference by focusing on the seventy years of challenge and change that the department has already been through. DEASP Secretary General John McKeon's opening address emphasised the importance of reflection and the need to focus on DEASP's origins, before moving on to the challenges facing our social security systems today. Recalling Churchill's wisdom that those who do not learn from history are condemned to repeat it, he stressed the importance of 'reflection rather than reaction' and the dangers, from all perspectives, of cherry-picking evidence, of perceived wisdom and of the echo chambers we all live in.

McKeon traced the origins of the Irish social security system back to 1772 when the Irish Parliament introduced an Act which provided for the erection of 'workhouses or houses of industry'. This Act was never enacted and the Act of Union of 1800 subsequently abolished the Irish Parliament. Famines in 1817 and 1822 led to increasing disquiet over levels of poverty in the Irish countryside. In Sligo a committee formed to address the effects of the localised famine of 1822 had reported:

Notwithstanding our exertions, want and wretchedness continue to increase around us. Members of the committee, as they pass along the streets, are followed by crowds of hungry creatures, whose appearance attests to the urgency of their distress, but to whom we are unable to give assistance.

McKeon outlined three distinct but overlapping stages in the evolution of Irish social security. The first stage began with the introduction of the Poor Law in 1838, the first statutory attempt to address such terrible poverty in Ireland. This was a period of minimal welfare, with responses to severe destitution in the form of relief schemes. These were consistent with a liberal market economy, and often gave just enough 'so the poor were not offensive to the gentry'. Moving on to the second stage in the twentieth century, there is no doubt that the Beveridge report, published in December 1942, had a major influence on the development of social security policy not only in the UK but across Europe, particularly in Belgium, the Netherlands, Denmark, Sweden, Norway and Finland. Indeed the report sold 350,000 copies

worldwide. Beveridge himself described the report ‘as neither towards socialism nor towards capitalism’ and, as is well known, he described five great evils that the welfare state would address: want, disease, ignorance, squalor and idleness. Throughout 1942 and 1943 the Beveridge report generated intense interest in Ireland. Responding to Beveridge, Dr John Dignam, Bishop of Clonfert, published *Social Security: Outlines of a Scheme of National Health Insurance* in 1945. The Dignam plan, as it became known, essentially established a blueprint for the modern social services in Ireland. One of the key recommendations in Dignam’s plan was the establishment of a Department of Health and Social Services. Responding to the criticism that the existing system was inefficient and cumbersome, the government of the day decided in 1947 to establish separate Departments of Social Welfare and Health. Over the next fifty years the department went on to establish a range of new programmes, and the scale of modernisation and expansion of coverage was immense.

McKeon noted that, seventy years on from 1947, DEASP is now well established in its third stage of development. The early twenty-first century marks a shift in the development of the Irish social security system from Beveridge to a new focus on employment, on an active form of welfare and on greater appreciation of the interconnectedness between welfare and work. Building on analysis in the National Economic and Social Council’s 2005 *Developmental Welfare State*, the third stage focuses on enabling transitions from welfare to work and designing a welfare system that integrates its income transfer functions and its public employment services. Changes in this respect have been immense, with new payments, improved delivery and – with the most recent reform, Intreo – a complete merger of income supports and public employment services into a more active form of labour market policy. The new nomenclature for the department, announced in July 2017, firmly established employment policy as part of the department’s remit and consolidated this third stage of development.

Over the Great Recession the Irish social security system, and its system of cash transfers, has proved highly effective in mitigating high levels of market income inequality but this is not a cause for complacency. Will the fourth revolution and the digital economy open up a new stage for Irish social security? As well as the challenges for social security financing and coverage, the quantity and quality of work is discussed in the three papers in this mini-symposium. However, digitalisation opens up many other policy choices for social security,

such as micro service delivery, enabling new products and new ways to transact services, including use of artificial intelligence (AI) and digital transactions, and ‘digital by default’ approaches to delivering welfare. Living and working in a digital world raises issues of ontological security for workers and citizens. Digitalisation fundamentally changes how sentient humans interact with the state and society, as well as the market and employment. At a more macro level fiscal challenges are fundamentally increasing the already high risk to the stability of the public finances. Digitalisation offers opportunity and threat, with potential to overcome old forms of social cohesion while also threatening the possibility of new forms of social exclusion; for example, ‘digital by default’ can create what Schou & Hjelholt (2017) describe as a new class of ‘digital outcasts’.

The three papers which comprise the mini-symposium largely address what new forms of work might look like and how many new jobs might be created. The authors were clearly frustrated with the absence of useful data. While acknowledging conceptual, comparative and practical barriers to data collection, it was generally agreed that a more concerted, rigorous and regulatory response was needed to fill information gaps, and that it was also crucial to avoid speculative hype.

Ó Riain’s assessment of the type of labour market those exiting welfare are likely to enter raises the questions of how people will get jobs and who will get them. This opens up the investigation of how digitalisation might affect recruitment processes and public employment services. The world has seen a massive expansion of big data and growth in capacity to analyse such data. We see increased use of algorithms to match supply and demand, and to allocate scarce resources. This raises the possibility of both utopian & dystopian futures in the Irish digital economy and society. As Kerr et al. (2017) argue, rather than a debate about technology and its merits, the focus also needs to be on ethical questions, social impacts and shifts in power associated with the creation and use of such technology. Rather than seeing data as neutral, they argue we need to understand data as an outcome of ideology. Forms of discrimination and biases are built into data science work. There are also justified concerns about control, autonomy and forms of surveillance. This sets the context for examining the role of public employment services changes in the context of digitalisation as, according to Kerr et al. (2017), ‘highly individualised outcomes are determined by imperfect data’.

A conference panel discussed the impact of algorithms on recruitment and how this digital economy might be experienced by

those dealing with inequality and living in low-income communities. Colin Donnery, operating manager of FRS Recruitment and the new JobPath employment service for the long-term unemployed, Turas Nua, deliberated on the use of AI and machine learning in the context of changes in recruitment. He reflected that possible scenarios depended on both the pace at which AI developed and the level of adoption of AI by the recruitment industry. Increased use of automated recruitment had potential benefits for jobseekers, possibly eliminating some form of bias and offering opportunity for career pathway planning, but also potential negatives, particularly in the form of possible new programmed biases and new forms of exclusion for those with little digital access or literacy.

Dr Ray Griffin of Waterford Institute of Technology reflected on the use of algorithms, particularly with reference to their use in Irish public employment services where, since 2012, an algorithm, the Probability of Exit (PEX) profiling tool, has been used to ration access to services. This first-generation use of big data and algorithmic knowledge to 'govern' was developed using a 2006 data set. Griffin questioned whether its 60 per cent predictive accuracy is effective and noted that effectiveness declines if algorithms are not live, dynamic or smart learning algorithms. He sees the public administration algorithm as a potential public good, but also potentially as a 'weapon of math destruction', and raised ethical questions about use of statistical markers to discriminate sentient human beings' access to state services and public goods.

The Irish welfare state, and its tax and transfers, has proven very effective in lowering market inequality, but the effort involved in reducing some of the highest levels of market inequality in the OECD is significant, and leaves less public resources and revenue available for investment in public services. Ó Riain and Konkolewsky both discussed how digitalisation will affect the capacity to fund welfare; there is also the important question of how digitalisation will affect different people and communities. In reality, although digitalisation offers potential, it can also reinforce old inequalities while also creating new hierarchies.

The sentient human being is a core concern for Brid O'Brien, policy and media officer in the Irish National Organisation of the Unemployed. She spoke about the need for a 'careful' digital economy if already unequal work-life balances and unequal sharing of care work are not to be reinforced. Reflecting on how the 24/7 global digital economy is experienced by women, she observes both opportunity and

threat but also worries about a return of the cottage industry and pin money, in the form of digital piece-rate work. She questions gender inclusion in a male breadwinner social security system that still requires availability for full-time work. Real barriers limit access to the potential opportunity of the digital economy; for example, for people with disabilities, or for people living in rural areas without access to digital broadband, who may find themselves unable to capitalise on new digital possibilities.

Mick Creedon, manager of the Ballymun Job Centre, a local employment service, discussed access to the digital economy from the perspective of people living in low-income communities. He reflected on projections that the risk of job loss to automation is highest for those with lower levels of education. While he soberly assessed the disadvantaged socio-economic profile of the unemployed and welfare-dependent in Ballymun, and the reality of low levels of education and low wage trajectories for those exiting welfare, he also pointed to people's untapped abilities. He argued that such potential could be developed and supported, that people are willing to access education, training and other supports, and that more Ballymun youth now stay on in school and access third level. He is realistic that the impact of digital technology will not be uniform across communities and individuals. The education and skill levels of individuals in Ballymun leaves them open to the more negative impacts and yet they are not in a position to benefit from the more positive opportunities. Access to education and skills can be enabled, but only if implemented flexibly in area-based, interagency approaches that respond to local communities' and individuals' needs.

Issues about young people dominated discussion. Participants focused on perceived concerns about young people's ontological security and resilience, as well as practical concerns about precarious work, lifetime earnings, inequalities and accommodation. Participants questioned whether the education system was appropriately equipping Ireland's youth with sufficient hard and soft skills to navigate a more uncertain and digital world, with suggestions for more apprenticeships and training.

A three-person panel finished the conference by reflecting on questions posed by Chair Dr Mary Murphy, Maynooth University, who asked whether the fourth industrial revolution and the challenges of the digital economy required a new form of social contact and welfare state. Emeritus Professor James Wickham, Trinity College Dublin, argued that a starting point was to avoid the hype associated

with large claims of digital disruption. Stressing the need for serious social research, he argued for separating cyclical and structural trends in the context of economic cycles. He also argued that the reality of much precarious work was not digital work, but banal service work. Wickham finds that the impact of precarious work on quality of life is mediated by whether the welfare state enables precarious workers to access basic services, including housing and health.

Marie Sherlock, research officer with trade union SIPTU, was also wary of hype. While warning against complacency, she highlighted systems and institutions already in place that are meeting the challenges of regulating new forms of work, but also noted the challenges of enforcing those regulations. She demonstrated that trade unions were actively shaping the regulatory environment to address new forms of precarious work; for example, facilitating collective bargaining for casual workers in the media industry and highlighting gender equality issues. The issue of fiscal capacity to fund welfare and the need to address corporate tax reform were also raised as key issues for trade unions and welfare states.

Tony Donohoe, head of education and social affairs in Ibec and a member of the Labour Market Council, welcomed the recent implementation of the Pathways to Work Programme and noted that, while issues of culture, competence and capacity remain, its success can be measured by the low 3 per cent long-term unemployment rate. He offered 'flexicurity' as a basis for a social contract that focused on 'protecting workers rather than jobs'. Arguing that for welfare policy to underpin 'contractual flexibility', welfare needed to be relatively generous, particularly in early stages of unemployment and over the individual's lifetime in the form of pensions, he also stressed that Ireland needed to be much more proactive about facilitating people to access lifelong learning. A flexicurity model needed to enable unemployed workers to work their way back to employment through a flexible welfare system with active labour market measures.

Dr Murphy noted how the panel, reflecting the tenor of earlier inputs, was unambiguous about the need to avoid hype and to gather and rigorously examine data. The panel also appeared in agreement about the need for a holistic welfare strategy interconnecting welfare and work, and focusing on the importance of public services, education, skills and training. Noting how the academic literature raised various possibilities for social security reform, including basic income, guaranteed minimum incomes, tax-funded social assistance, enhanced social insurance and privatised insurances, she asked the

panel to suggest immediate priorities for Irish social security reform. The panel responded with various priorities, including access from welfare to training and apprenticeships, the need to facilitate transitions from welfare to work, addressing housing barriers and the urgency for action on pension reform, particularly for women.

New forms of work are not compatible with the traditional, centuries old approach to defining and regulating employment. Two regulatory pathways are necessary: regulating to limit potentially damaging new forms of work while also expanding regulation to stretch what we understand as employment (to include, for example, intermediate employment and less definitive forms of contracts). Each pathway includes the likelihood of unintended consequences and must be approached carefully, equality proofed and advanced, preferably with international cooperation and coordination. The consequences of new forms of hidden economies for the potential of national states to generate revenue (both tax and social insurance) from new forms of work, including platform work, pose clear global challenges to capacity to fund social protection and require some level of coordinated international response. However, this raises particular challenges for social security policy as, worker mobility aside, coverage is generally a national competence and outside the scope of international coordination.

Social welfare systems need to move further from their male breadwinner origins, focused around conceptions of permanent and full-time work. The possible national social security responses to digitalisation stretch from unconditional universal basic income or more conditional forms of participation-based guaranteed minimum incomes to new forms of tax-funded and means-tested social security (Greve, 2017). Other responses focus on new forms of inclusive social insurance that incorporate new forms of employees and dependent self-employment into the social insurance system, or new forms of privatised insurance to provide individualised cover for new social risks (Spasova et al., 2017). What is utopian or dystopian is a matter of personal ideology but all these social security permutations are presently the subject of policy experimentation across Europe, and there is much to learn.

McKeon closed the conference on a note of optimism, stating that history shows a strong human capacity to adapt, transform and survive, and that while the pathway was not obvious, the Irish social security system, already highly effective, will be able to meet these new challenges. The last word came from Minister Regina Doherty, TD,

who noted how the seventieth anniversary offered an opportunity to reflect on the past while also considering emerging issues. She particularly welcomed the participation of Konkolewsky and the department's long collaboration with international policy. She welcomed the fact that the disruptive effect of the digital economy on social security systems, in terms of funding and coverage, is a priority for the ISSA, and concurred that establishment and expansion of social security systems is one of the great achievements of the twentieth century. She stressed the importance of ongoing collaboration with academics, offering as an example DEASP's unique collaboration with academics to deliver the social welfare summer school, which was established with social welfare colleagues in Northern Ireland over two decades ago, and is an important intellectual base for thinking about social security challenges. The minister stressed the importance of working with DEASP partners to address the major issues of the day, as well as DEASP's commitment to collaboration and consultation with a broad spectrum of stakeholders. She offered as an example the well-received 2017 report *Make Work Pay for People with Disabilities*, which was developed through extensive consultation with stakeholders and included an extensive review of international learning. She welcomed the commitment of *Administration* to publish the proceedings of this conference, a key way for DEASP to ensure the conference learning is available to a wider audience, both in Ireland and internationally. Finally, she thanked the DEASP staff voluntary committee for all their work.

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