Does union membership benefit immigrant workers in 'hard times'?
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Background

The economic and social opportunities and dilemmas arising from migration continue to be the subjects of debate amongst policy makers, employers, and trade unions. Understanding labour force dynamics is critical given that, despite the current global economic recession many countries will increasingly depend on immigrant labour to fill vacant positions (OECD, 2003; Hix and Noury, 2007; Finch et al., 2009). Within Europe, Ireland provides an interesting case study of the labour issues arising from rapid inward migration and its impact on wages, conditions of employment and trade unions. From the mid-1990s to 2007 Ireland experienced unprecedented economic growth with a corresponding expansion in employment. For policy makers and employers, immigration helped satisfy labour shortages as Ireland was essentially transformed from a country of emigration to one of net immigration. Most of the inward flows can be attributed to the Irish government’s decision not to restrict entry of the 10 EU accession States in 2004. Immigrants accounted for just 2 per cent of the employed labour force in 1994, but this figure reached 16 per cent by 2006 (CSO, 2006). When economic growth slumped and Ireland was the first euro-zone country to enter a recession in early 2008 (Kollewe, 2008) it might have been expected that many migrants would return home. Immigrants, however, still accounted for 12 per cent of the employed labour force in 2010 (CSO, 2011).

Two contrasting images of foreign workers in Ireland exist (Dundon et al., 2007). One image is that of highly skilled foreign workers who are central to Ireland’s economy and who work in the information technology and computer software industries. A second and more pervasive image is of non-Irish national workers who are viewed as ‘a source of cheap
labour, easily disposable and found in the tertiary labour market’ (Dundon et al. 2007:502).

These images reflect the different push and pull factors that have attracted immigrants into the Irish labour market. First, all citizens from the European Union are legally entitled to work in Ireland and do not require a work permit. For immigrants from the new accession states the push factors were predominantly the high unemployment rates and relatively low wages in those countries. Alternatively, for immigrants from the original EU countries the decision to work in Ireland likely reflects a lifestyle choice or enhanced career opportunities.

Immigrants from outside Europe require a work permit. Based on the present system work permits are granted on the basis of skills shortage in the Irish economy. Immigrants from China, India, the Philippines and Nigeria are dominant in this category. Lastly, there are asylum seekers who are granted permission to reside in Ireland but are not permitted to work until their case has been processed.

For trade unions, immigrant workers potentially present a valuable source of new members. By recruiting immigrants as members unions may help to address concerns that immigrants working for lower pay will lead to unemployment for existing union members and a ‘race to the bottom’ in terms of wages (Dundon et al., 2007; Krings, 2009). However, in order to attract immigrant workers trade unions need to demonstrate that membership delivers real material benefits. Using a large-scale national matched survey of firms and employees we examine whether trade union membership benefits immigrant workers in the private sector. Specifically, we compare the wages, pensions and health insurance benefits of (i) Irish nationals and immigrants, both union and non-union workers and (ii) unionised and non-unionised immigrants. Much of the extant research on immigrants in the labour market has focused on the effects of immigrants on native wages, the human capital of immigrants and the assimilation of immigrants into society. The limited number of studies on the impact of unions on immigrants’ wages has produced some variable results (Schmitt, 2010; Checchi
This paper expands the evidence on unionisation and migration, in the context of a country which experienced rapid immigration, the majority of whom have similar characteristics - being educated and white. In addition, we analyse the data using these immigrant groups from different geographical areas - the EU14, the EU accession states, which account for almost half of immigrants, and the rest of the world. The paper begins with a review of immigrant experiences in the labour market and is followed by a discussion of the potential beneficial impact of trade union membership for immigrant workers.

**Immigrant experiences in the labour market**

Evidence internationally indicates that immigrant workers tend to be more likely than national employees to work in precarious employments, characterised by lower pay, fewer benefits, job insecurity and a lack of control of work tasks (McKay et al., 2011; Cranford et al., 2003). Often, migrants are in insecure jobs in sectors vulnerable to economic cycles, resulting in them experiencing the negative effects of an economic crisis to a greater extent than native workers (Fix et al. 2009). Immigrants tend to be concentrated in particular industries such as construction, hotel and catering, health care and services to households (OECD, 2001). OECD studies suggest that the negative affect of immigration on native wage levels is small, with little or no obvious impact on native unemployment (see Smith and Edmonston, 1997:218; ILO, 2004; Coppel et al, 2001). Indeed, immigrants usually command lower wages than native born workers when they initially arrive in the host country and probably experience a wage disadvantage for most of their working lives (Friedberg, 2000; Schoeni et al, 1996).

Overall, immigrants to Ireland have higher mean levels of education compared to native workers (Cross and Turner, 2007). Over 26 per cent of natives report reaching only either primary or lower second level, compared to 12 per cent of immigrants, while 28 per cent of
immigrants have third level qualifications compared to 20 per cent of natives (Turner, 2010). Nevertheless, immigrants, particularly from the accession states tend to be predominantly employed in relatively low skill occupations in the private sector and compared to native Irish workers are under-represented in the high skill occupations such as managers, professionals and associate professionals and over-represented in craft, personal services, plant operatives and labouring jobs (Cross and Turner, 2012; Fitzgerald, 2006; Turner and O’Sullivan, 2013).

Given their position in secondary labour markets characterised by precarious work and low pay jobs many immigrant workers are likely to be covered by the low wage Joint Labour Committee regulatory system in the Irish state. Joint Labour Committees set legally binding minimum rates of pay for low paid workers in certain sectors such as hotels, catering, retail, contract cleaning and security. Until 2011 JLCs had the power to set a range of minimum rates of basic pay, as well as overtime rates and unsociable hours’ premiums. Additionally, a national minimum wage was implemented in 2000. The majority of basic minimum rates set by JLCs are usually in excess of the national minimum wage (O’Sullivan and Wallace, 2011). JLCs are tripartite bodies that include trade union, employer and the government representatives and set minimum rates of pay and working conditions for workers in sectors of the economy that are characterised by low pay and are poorly unionised. These regulatory mechanisms most likely act to create a ‘within group effect’ by standardising wages for low income groups including immigrants across firms and industries, reducing the wage premium between union and non-union low paid workers. Research confirms that minimum wage legislation and wage-setting institutions redistribute earnings to the lower paid and can create a ripple effect of wage rises above the minimum wage, generally in the bottom half of the wage distribution (Grimshaw et al, Forthcoming). Consequently, trade union effects are not only directly related or confined to union members, but cover all low pay workers.
Despite the state regulatory system many immigrant workers remain in a vulnerable position subject to employer exploitation (Dundon et al, 2007). Vulnerability according to Thompson et al (2013:131) is the ‘likelihood for immigrant workers to be subject to unequal power in the labour market and coercive controls in the labour process’. Certainly the aspects of vulnerability and dependence characteristic of much of immigrant labour are attractive as a source of cheap labour for employers pursuing a classic low wage policy in a competitive market. Yet, such an approach has its limitations over time since it requires frequently replacing one group with another as the incumbent group become more embedded in the host society and labour market in order to maintain the ‘serialized exploitation of vulnerable workers within the labour market’ (MacKenzie and Forde, 2009: 156). Employers in competitive low skill sectors of the economy also appear to value the advantages of workers with a positive work ethic. In secondary labour markets where immigrants find jobs, the right ‘attitudes’ rather than ‘skills’ are the important qualities that employers want. Immigrants provide willing subordinates and have a good work ethic (O’Sullivan and Turner, 2013; Waldinger and Lichter, 2003: 36-41). Immigrant groups, particularly in the early cycle of migration potentially provide both a reliable source of cheap labour and an accompanying strong work orientation. These labour market conditions provide substantial challenges for trade unions intent on improving the pay and working conditions of immigrant workers and attracting new members.

What unions can do for immigrant workers

Workers have used trade unions as an instrument with which to exert some influence on wage determination and check the exercise of absolute and arbitrary employer power. Unions for their part influence wages through collective bargaining, where employers and trade unions
negotiate on pay and terms and conditions of employment for specified groups of employees. Collective bargaining evens up the asymmetrical power imbalance inherent in the employment relationship by increasing the market power of workers to negotiate wage raises, while non-union individual workers rely on individual sources of power such as skill and expertise.

Research indicates that the majority of workers join unions to improve their pay and working conditions (see for example Farber and Sacks, 1980; Guest and Dewe, 1988). Union membership is attractive to the extent that it is instrumental in achieving these goals (Crouch, 1982; Waddington and Whitson, 1997). Conversely, dissatisfaction with wages and conditions of employment is likely to increase the propensity of workers to regard unions more favourably (Hartley, 1992: 169-170). This instrumental role of trade unions, or in Flander’s (1970) terms, the ‘vested interest’ feature of unions can be gauged with regard to the level of members’ wages and conditions relative to non-union workers. The extant evidence suggests that union members enjoy a pay premium. In the US for example, the union wage premium averaged around at least 17 per cent between 1973 and 2002 (Hirsch, 2004; Hirsch and Schumacher, 2004; Blanchflower and Bryson, 2003; 2010; Schmitt, 2010). Estimates for the wage gap in Canada for 1999 were 14.4 per cent, but this falls to 7.7 per cent when the gap is adjusted for employee and workplace characteristics (Fang and Verma, 2002: 20). Data for the UK indicates a lower union wage premium that is declining over time from the mid-1990s, reaching at best 10 per cent or lower by 2002 (Blanchflower and Bryson, 2004).

A study on a 1980s survey indicated a union membership mark-up of over 20 per cent for a sample of male non-agricultural workers in Ireland (Callan and Reilly, 1993). A comparative study of nine countries that included Ireland reported a similar wage gap
(Freeman, 1994). There is an explicit premise in much of the literature that immigrants can receive a union premium (Milkman, 2007; Tillie, 2004; Fitzgerald and Hardy, 2010). Evidence from the US indicates that union representation substantially improves the pay and benefits received by immigrants (Schmitt, 2010). More significantly perhaps unionisation has the biggest impact on the wages and benefits of immigrant workers in the 15 lowest-wage occupations, raising wages by almost 20 per cent and more than doubling health and retirement plan coverage rates (Schmitt, 2010). However, others suggest that the union wage premium for immigrants may be low or non-existent in some occupations, particularly low wage work (Checchi et al. 2010; Ebbinghaus and Visser 1999). For immigrants in precarious occupations, their bargaining power is limited and the union premium is squeezed by the competitive or decentralized operation of the labour market and by the pressure of the informal or illegal sector (Checchi et al., 2010).

A second core function of trade unions is to act as a ‘sword of justice’ to ensure fairness and due process in the workplace and often in the wider society (Flanders, 1961). In this role unions’ move beyond the notion that the employment relationship is a purely economic transaction where market based outcomes are viewed as fair, simply because they are produced by market exchange (Budd, 2005). Unions attempt to operate within a moral arena that calls for judgements of fairness and justice in market outcomes (Sayer, 2000). In this regard trade unions traditionally affect the shape of the pay structure by ensuring lower levels of income dispersion among union members compared to non-members (Metcalf et al, 2001; Metcalf, 1982). Unions act to reduce levels of income inequality by raising the wages of workers at the bottom of the income hierarchy and/or lowering the wages paid to the top

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1 The union wage premium has received less attention in Continental Europe partly because in these countries collective bargaining often has almost universal coverage to include non-union workers as well as the unionised (Bryson, 2007; Visser, 2006). In five countries France, Germany, Italy, the Netherlands and Sweden the union wage premium is zero (Bryson, 2007: 39). Studies of union wage premiums in European countries tend to be on the effect of different bargaining levels (such as multi-employer versus single-employer) on pay dispersion (Dell’Aringa and Pagani, 2007).
earnings (through social and political pressures). One of the most significant ways in which this is achieved is through the collective bargaining process (Freeman and Medoff, 1984; Hirsch, 2004; Turner, 2012). Overall, workers covered by collective bargaining arrangements tend to have higher wages, lower levels of wage inequality, better non-wage benefits, better seniority protection, better grievance systems and lower quit rates (Freeman and Medoff, 1984).

The attraction of union membership for immigrant workers is likely to be closely related to the extent to which trade unions are perceived to fulfil their core purposes, particularly the instrumental concerns of their members to protect and improve wages and conditions of employment. Recruitment of immigrants into trade unions could help stem the significant declines in membership and density. Union density in Ireland declined from 62 per cent in 1980 to 32 per cent by 2008, with little change by 2011 at 33% (Wallace et al, 2013). Much of this decline has occurred in the private sector: from over 40 per cent in 1990 to 22 per cent by 2008 (D’Art et al, 2013). In response to membership decline a number of trade unions, particularly in liberal market economies like Ireland, have placed a greater emphasis on organising activities that target the unorganised, including immigrants (Turner et al, 2011; Caspersz, 2013). However, the evidence indicates that immigrant workers are less likely to join a trade union than native workers. Irish workers are almost three times more likely to be union members than their immigrant counterparts (Turner et al, 2008). A survey of Polish immigrants (the largest single non-Irish national group in Ireland) indicated that only 8 per cent of respondents reported being a member of a trade union (Turner et al, 2009). Yet, despite the relatively low unionisation of immigrant workers there is some evidence to indicate a relatively positive perception of trade unions among immigrants. A survey of Polish workers in Ireland indicated that over half of the respondents (58%) believed that
unions can improve the wages and conditions of workers and a majority (67%) believed that unions protect workers from being exploited (Turner et al, 2008).

Focusing on immigrant workers in the private sector of the economy this paper examines whether union membership delivers a premium in relation to pay and benefits over non-unionised immigrants. Immigrants are categorised into three distinct groups: the traditional European Union 14 (Ireland is excluded); the 12 new accession states to the EU and immigrants from the rest of the world. The pay and benefits of unionised immigrant workers are also compared to both unionised and non-unionised Irish workers.

**Data and measures**

To examine whether unions benefit migrant workers in a recession we use a large-scale workplace and earnings survey - the 2008 National Employment Survey (NES) by the Central Statistics Office (CSO). The survey provides measures of individual characteristics such as union membership, collective bargaining coverage, sector, occupation, age, sex and educational attainment. It provides data on individual employee earnings including overtime and shift allowances, together with weekly hours worked. The particular benefit of the NES is that it is a large-scale matched employer-employee survey. The employer completes a questionnaire with basic organisational details and practices and certain payroll-type details for the sample of employees. Each employee in the sample chosen completed a questionnaire, providing information on age, gender, educational attainment, nationality, length of time in paid employment and other job-related characteristics (CSO, 2011).

The survey was conducted by the CSO in March 2009 and the reference month was October 2008. In total 9000 enterprises were sampled and almost 5000 enterprises responded - a response rate of over 50 per cent. Almost 100,000 employees from these enterprises were sampled and 65,535 completed the questionnaire – a response rate of over 60 per cent. In
total 22 per cent (14,619) of respondents worked in the public sector and 78 per cent (50,916) in the private sector. To ensure that the NES is representative of the national labour force, a comparison is made with the National Quarterly Household Survey (CSO, Standard Report on Methods and Quality for NES) and a survey weight is provided by CSO that allows the NES to be grossed up to the employed labour force of approximately 1.6 million employees.

The main measures used in this paper are those relating to union membership, hourly earnings and pension and healthcare benefits provided by the employer. Public sector employees are excluded from our analysis because the majority of employees in the public sector are union members and collective agreements tend to extend universally to all employees in the public sector.

As the CSO uses the term non-Irish national, we use this term interchangeably with the term immigrant in this study. As noted earlier, immigrants differ in their motives for emigrating and their eligibility to work in Ireland. Consequently, in the following analysis immigrants are categorised into three distinct groups: immigrants from the original EU 14 countries (Ireland is excluded), Immigrants from the new accession states EU 10+2, and all other countries in a residual Others category. The latter category cannot be disaggregated further given the number of respondents. The EU 14 countries are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom. The EU 10+2 countries are: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Part of the same wave of enlargement was the accession of Bulgaria and Romania in 2007 (who were unable to join in 2004). In the Others category, one third of respondents failed to answer the question and the nationality of a further one third of respondents are: Chinese, Indian, Nigerian, Philippino.
In 2008 according to CSO (2013) figures 575.6 thousand immigrants were residing in Ireland (both working and non-working). Immigrants from the EU14 accounted for 29 per cent of all non-Irish nationals (though 70 per cent of the EU14 come from the UK). Immigrants from the EU12 accounted for 43 per cent and immigrants from the rest of the world 28 per cent. The majority of immigrants who arrived into Ireland in recent years have originated from the twelve new accession states. Figures for the allocation of PPS numbers (personal public service numbers, which are required to work in Ireland) to immigrants between 2002 and 2007 indicate that over 390,000 were from Poland alone, making the Polish group the largest group of immigrants (apart from UK immigrants) (CSO, 2008).

Results

Labour Market Characteristics

Table 1 (column 1) outlines the labour market characteristics of non-Irish nationals in the private sector of the economy. Almost 70 per cent of immigrants are under the age of 35 and 86 per cent have a second level education or higher. Immigrant workers are more likely to be employed in industry, construction and transport areas of the economy and work in service and manual type occupations. Compared to Irish national workers immigrant workers are on average younger, have higher levels of education (32 per cent immigrant workers compared to 19 per cent of Irish nationals have been educated to degree or higher level) and are more likely to work in service/manual jobs, 56 per cent compared to 42 per cent of Irish nationals. A minority 25 per cent are employed in firms covered by a collective agreement. However, the proportion of immigrant workers who report being a member of a trade union is 14 per cent. Union density levels for immigrant workers are relatively higher among older workers, among the lower educated and those employed in industry and health and education (column
2). Service and manual type occupations have a similar density rate as white collar and skilled occupations, with both higher than professional type occupations.

A greater number of non-Irish nationals compared to Irish national workers are in the low pay category and a smaller number have above the median hourly earnings. Even so, unionisation makes a difference: 37 per cent of non-Irish nationals are low paid compared to 25 per cent of unionised workers. This is a consistent pattern across the original EU 14, the Accession states and the Others categories. In particular, unionised immigrants in the EU Accession states are significantly less likely to be low paid and more likely to have earnings above the median point than non-union workers in these states.

**Union Wage Premium: Personal and Firm Characteristics**

Overall, there is a wage premium of 5 per cent for unionised immigrant workers (table 1). However this premium varies considerably at the disaggregated level. Female workers have an earnings premium of 13 per cent while there is no difference between the rates of union and non-union male immigrant workers. Younger union workers enjoy a larger earnings premium than older workers (due to small number interpretation of the over 55 category may be unreliable). Immigrants with either low or high levels of education levels benefit least from being a union member and immigrants working in the accommodation and retail sectors benefit most from union membership. Unionised immigrants working in the middle type white collar and skill occupations enjoy the largest earnings premium while unionised workers in service/manual type occupations also have a significant earnings premium compared to professional workers. Collective agreement coverage conveys an earnings premium of 7 per cent, but union members not covered by a collective agreement actually fare worse than non-union immigrants not covered by an agreement. Finally, earnings tend to be more standardised and less unequal among unionised immigrants, with earnings dispersion
levels as measured by the standard deviation of hourly earnings consistently lower for union compared to non-union immigrant workers.

INSERT TABLE 1 ABOUT HERE

Wage Premium: Within and Between Groups

In table 2 the raw mean hourly earnings for union and non-union Irish nationals and for non-Irish nationals are compared. The mean hourly earnings of union members for both Irish national and non-Irish nationals appear to be larger, albeit moderately, than non-union workers. Compared to unionised workers wage dispersion levels as measured by the standard deviation and variance scores are higher among non-union workers for both Irish and non-Irish workers. Thus, wage inequality tends to be higher among non-union workers. Yet mean hourly earnings for immigrant workers are considerably lower than Irish nationals. Although immigrant workers appear to benefit from unionisation compared to non-union immigrants their mean hourly earnings fall well below that of even non-union Irish nationals. However, the disaggregation of immigrant workers into three discrete categories of the original EU14, the EU accession states and Others reveals a more nuanced picture. Non-union immigrants from the original EU countries enjoy similar hourly earnings as non-union Irish workers, but unionisation appears to convey some advantage to Irish workers. Immigrants from the EU accession states have the lowest level of mean hourly earnings but unionisation seems to carry a relatively substantial premium in hourly earnings for these workers. The hourly earnings of immigrants in the Others category occupy a middle position with little difference between union and non-union workers.

INSERT TABLE 2 ABOUT HERE

Wage Premium with Controls
Given the skewed asymmetrical nature of the earnings distribution in our sample the dependent variable earnings per hour is best transformed into a logarithm of the original variable to correct the distribution to a normal one. Regressing unionisation on the log of hourly wage earnings without any controls indicates that unionised immigrant workers receive an hourly wage premium of 8 per cent (table 3). However, such wage premiums possibly reflect differences in human capital attributes such as education and skills and employment factors such as firm size and sector. Controlling for these factors causes a moderate reduction in the hourly earnings premiums for unionised Irish and immigrant workers (table 3). The wage premium for unionised Irish workers decreases to 8 per cent and for unionised immigrants the hourly earnings premium falls to 6 per cent. Thus, union membership appears to deliver a modest wage premium of a relatively similar magnitude to both Irish and immigrant workers. There are, however, substantial differences between the EU accession states and the other two categories. The union premium for immigrants from the EU accession states is 13 per cent without controls and 11 per cent with controls compared to a modest 3 per cent for the two other categories. On this evidence unions deliver the largest earnings premium to the lowest earnings group, associated with immigrants from the EU accession states.

INSERT TABLE 3 ABOUT HERE

Workplace Benefits

Apart from a wage premium, much of the evidence on the advantages of union membership show that unionised workers tend to have higher levels of benefit coverage in areas such as pensions than non-union workers. Unionised immigrants are also more likely to be covered by a pension scheme, although at a lower level than unionised Irish nationals - 62 per cent compared to a 47 per cent of non-union immigrants (table 4). Although pension coverage
among immigrants from the accession states is lower than any other group of countries unionisation still conveys an advantage with 54 percent of union members reporting pension coverage compared to 38 per cent of non-union workers. Health insurance coverage is relatively similar for both union and non-union Irish national and immigrant workers.

**INSERT TABLE 4 ABOUT HERE**

*Unionisation, Earnings and Benefits: Regression Analysis*

To further test the relationship between union membership and instrumental benefits table 5 uses multivariate analysis to compare the outcomes for union membership for Irish nationals and immigrant workers. This allows us to control for the possible effects of individual human capital attributes such as education, occupation and experience and also structural characteristics such as firm size and sector. Unionised immigrants are almost twice as likely as non-unionised immigrants to earn above the median hourly pay, 1.6 times more likely to earn up to the median and have wider pension coverage, but are less likely to have paid health insurance.

Column 3 compares unionised Irish workers with unionised immigrant workers. Unionised Irish nationals are 1.7 times more likely to receive above the median hourly earnings and twice as likely to be covered by a pension scheme. Thus, unionised nationals appear to enjoy greater benefits from membership than unionised immigrant workers. Column 4 focuses solely on the benefits of union membership for immigrant workers from the accession states. Unionised immigrants are 2.3 times more likely to earn above the median earnings, 1.3 times more likely to earn up to median earnings and 1.8 times more likely to have pension coverage than non-union workers. Thus, unionisation has the greatest comparative impact for workers from the accession states by increasing the likelihood of union members earning above the median hourly earnings. This finding confirms our earlier
result regarding the larger size of the wage premium for unionised immigrant workers from the accession states.

**Insert Table 5 about here**

**Discussion and conclusion**

Using a unique national matched sample of employee/employer responses this paper examined whether trade union membership provides any instrumental benefits for immigrant workers in the private sector. Specifically, we compared the wages, pensions and health insurance benefits of unionised and non-unionised immigrants and Irish nationals.

The instrumental benefits of union membership for immigrant workers in terms of wage premium are confirmed here. Union membership appears to deliver a modest wage premium to immigrant workers. Unionised immigrants are twice as likely as non-unionised immigrants to earn above the median hourly earnings and have greater pension coverage. This is in line with previous research in the US (Schmitt, 2010). Wage inequality tends to be higher among non-union immigrant workers than unionised Irish nationals and immigrants. Consequently, it can plausibly be argued that union membership provides moderate instrumental benefits for immigrant workers.

While our results indicate an overall premium for unionized immigrant workers of a relatively modest 6 per cent, there are substantial differences between the EU accession states and the other two categories. The union premium for immigrants from the EU accession states is 11 per cent with controls, compared to 3 per cent for immigrants from the original EU 14, and immigrant workers from all other countries. Consequently, unions deliver the largest earnings premium to the lowest earnings group, associated with immigrants from the EU accession states. A premium of 11 per cent may appear modest, yet in the highly competitive low wage sectors, where many immigrants are employed on hourly earnings
close to the legal minimum wage, it represents a substantial achievement. Our results indicate that while immigrant workers benefit from unionisation compared to non-union immigrants, their mean hourly earnings fall well below that of even non-union Irish workers. Moreover, although unionised immigrants are more likely to be in a pension scheme, coverage is significantly lower than for unionised Irish nationals. Thus, immigrant workers enjoy lower benefits from union membership than unionised nationals.

A key area for future research is to explain why the union wage premium is higher for immigrants from the EU accession countries than other immigrants, particularly when we controlled for other potentially explanatory factors such as occupation and industry. Future research could also involve additional in-depth analysis of differences within each immigrant group. Additionally, qualitative research work may illuminate the reasons for differences. For example, we can speculate that the premium may be the result of significant investment by trade unions in organising Eastern European workers (Dobbins, 2005) but qualitative research involving trade unions would be required to confirm this.

**Implications for unions**

A number of implications can be derived from these findings. In line with research internationally (c.f. Schmitt, 2010; Milkmann, 2000), we find that unionisation rates are lower for immigrant workers than Irish workers. Nevertheless, similar individual and work characteristics are associated with higher unionisation rates for both immigrant and Irish workers e.g. for males, older workers, those with lower education levels, those in non-professional occupations, industry and health/education sectors. Given the relatively high propensity of immigrants to remain in Ireland in the face of the most severe economic recession in decades (CSO, 2011, Krings, 2009) they can be viewed as a potential long-term source of new membership, if specifically targeted by union organising campaigns. As
Wright (2011) notes, how unions respond to the challenges and opportunities as a method of targeting and attracting new groups of union members (such as immigrants) will be crucial in determining their level of influence at work and beyond in the future. Our study shows that unions can deliver instrumental benefits to immigrants, but this has not yet translated into widespread unionisation amongst immigrants.

For unions, there is some scope for optimism, as union membership levels among immigrant workers tends to increase with age, which can be viewed as a proxy for length of time in the country. Length of residence in the country is likely to improve the possibility that immigrants develop a closer affinity with local movements such as trade unions. It may well be that immigrant workers over time have a greater propensity to join a union because of increased contact with a peer network that includes (older) Irish workers. Indeed, studies generally indicate that immigrant integration into host country networks increases with time (OECD, 2003).

Of course the data does not provide a full picture of the potential benefits of unions for immigrants. Unions also provide a collective voice for workers – ‘a sword of justice’ providing information and representation in individual and collective matters at work and crucially, protection against arbitrary management treatment. While union membership is attractive to the extent that it is instrumental in achieving material goals it is also the case that a significant reason for joining a union is protection against unfair treatment and arbitrary management actions (Waddington and Whitson, 1997). In addition, trade unions benefit immigrant workers indirectly through their role in setting minimum wages and conditions of employment through the regulatory system established to protect low-wage workers - the Joint Labour Committee system noted earlier. From an organising perspective unions need to emphasise to immigrants the significance of their role in providing a collective voice and in wage setting.
Being a member of a trade union can also strengthen the role of the workplace as a mechanism for the social integration of immigrants into the host country. When immigrants secure employment and start to participate in the work life of the host society then social integration and community involvement are likely to follow (Borjas, 1995; Putnam, 2000). Immigrants can establish social relationships with indigenous locals at the workplace facilitating cultural and economic integration (Valenta, 2009). Union membership has been found to increase immigrant social networks and individual social capital and is associated with higher levels of political participation (Tillie, 2004). Labour market marginalisation can negatively impact migrants’ future social integration in the host country (Zegers de Beijl, 1999).

However, our finding on the gap between average hourly earnings of unionised Irish-nationals and immigrants is problematic for both employees and unions. For unions, it raises questions as to how one section of their membership (immigrants) appears not to benefit in the same extent as unionised Irish-nationals. Unions may find it difficult to attract immigrants into union membership if there is a manifest differential in pay and conditions with Irish-national workers. Reducing pay inequality will require stronger organisation of workers, an increased focus on migrant concerns in union agendas and collective bargaining, and effective enforcement by state bodies of minimum pay rates. A complex range of factors have been posited to explain this phenomenon which trade unions have been ill-equipped to address. Despite the structural labour market challenges, there is a continuing need for unions to invest in organising of migrant workers and place a stronger focus on migrant concerns in union agendas.
Table 1: Raw mean hourly earnings and characteristics of non-Irish nationals in the private sector, 2008

<table>
<thead>
<tr>
<th>Characteristics of immigrants</th>
<th>Union Density rate</th>
<th>Hourly earnings Non-union €</th>
<th>Std. Dev.</th>
<th>Hourly earnings union €</th>
<th>Std. Dev.</th>
<th>Union premium Difference %</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>/</td>
<td>14</td>
<td>16.1</td>
<td>10.2</td>
<td>16.9</td>
<td>8.7</td>
</tr>
<tr>
<td>Male</td>
<td>56</td>
<td>15</td>
<td>17.5</td>
<td>11.0</td>
<td>17.4</td>
<td>8.3</td>
</tr>
<tr>
<td>Female</td>
<td>44</td>
<td>13</td>
<td>14.4</td>
<td>8.8</td>
<td>16.3</td>
<td>9.2</td>
</tr>
<tr>
<td>Under 25</td>
<td>14</td>
<td>12</td>
<td>12.6</td>
<td>6.7</td>
<td>13.3</td>
<td>5.0</td>
</tr>
<tr>
<td>25-35</td>
<td>53</td>
<td>14</td>
<td>15.6</td>
<td>8.9</td>
<td>16.7</td>
<td>8.6</td>
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<tr>
<td>36-45</td>
<td>22</td>
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<td>8</td>
<td>19</td>
<td>18.5</td>
<td>13.5</td>
<td>18.4</td>
<td>10.5</td>
</tr>
<tr>
<td>55+</td>
<td>3</td>
<td>22</td>
<td>18.1</td>
<td>14.6</td>
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</tr>
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<td>Primary/none</td>
<td>14</td>
<td>19</td>
<td>13.7</td>
<td>5.6</td>
<td>13.9</td>
<td>4.1</td>
</tr>
<tr>
<td>Second level</td>
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<td>15</td>
<td>14.9</td>
<td>9.7</td>
<td>16.1</td>
<td>7.2</td>
</tr>
<tr>
<td>Tech/Diploma</td>
<td>30</td>
<td>13</td>
<td>15.2</td>
<td>7.6</td>
<td>17.4</td>
<td>9.3</td>
</tr>
<tr>
<td>Degree+</td>
<td>32</td>
<td>12</td>
<td>18.7</td>
<td>12.8</td>
<td>19.0</td>
<td>10.7</td>
</tr>
<tr>
<td>Industry</td>
<td>27</td>
<td>19</td>
<td>16.7</td>
<td>7.8</td>
<td>17.5</td>
<td>8.4</td>
</tr>
<tr>
<td>Construct/trans</td>
<td>34</td>
<td>10</td>
<td>14.2</td>
<td>9.5</td>
<td>13.7</td>
<td>5.9</td>
</tr>
<tr>
<td>Accomm/Retail</td>
<td>10</td>
<td>9</td>
<td>18.2</td>
<td>11.7</td>
<td>17.7</td>
<td>8.5</td>
</tr>
<tr>
<td>Health/educ</td>
<td>11</td>
<td>17</td>
<td>16.3</td>
<td>9.6</td>
<td>19.3</td>
<td>9.4</td>
</tr>
<tr>
<td>Rest</td>
<td>19</td>
<td>/</td>
<td>17.5</td>
<td>12.7</td>
<td>18.3</td>
<td>10.7</td>
</tr>
<tr>
<td>Full time</td>
<td>85</td>
<td>14</td>
<td>16.5</td>
<td>10.4</td>
<td>17.4</td>
<td>8.8</td>
</tr>
<tr>
<td>Part time</td>
<td>15</td>
<td>16</td>
<td>13.7</td>
<td>8.5</td>
<td>14.5</td>
<td>7.7</td>
</tr>
<tr>
<td>Professional</td>
<td>22</td>
<td>11</td>
<td>23.8</td>
<td>16.0</td>
<td>24.0</td>
<td>12.2</td>
</tr>
<tr>
<td>WC/Skilled</td>
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<td>15</td>
<td>15.7</td>
<td>5.9</td>
<td>18.1</td>
<td>9.8</td>
</tr>
<tr>
<td>Service/Manual</td>
<td>56</td>
<td>15</td>
<td>13.2</td>
<td>6.1</td>
<td>14.5</td>
<td>5.1</td>
</tr>
<tr>
<td>Covered</td>
<td>25</td>
<td>/</td>
<td>16.7</td>
<td>9.8</td>
<td>17.8</td>
<td>9.4</td>
</tr>
<tr>
<td>CA</td>
<td>Not covered CA</td>
<td>/</td>
<td>16.0</td>
<td>10.3</td>
<td>15.4</td>
<td>7.0</td>
</tr>
<tr>
<td>----</td>
<td>---------------</td>
<td>---</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>-----</td>
</tr>
<tr>
<td>N (grossed up figures)</td>
<td>100% (186547)</td>
<td>160544</td>
<td>26003</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N(unweighted)</td>
<td>7763</td>
<td>6549</td>
<td>1214</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Appropriate weights applied

Table 2: Mean hourly earnings by unionisation and nationality in the private sector

<table>
<thead>
<tr>
<th>Non-union workers</th>
<th>Unionised workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Earnings</td>
<td>St. Dev.</td>
</tr>
<tr>
<td>Irish nationals</td>
<td>€19.4</td>
</tr>
<tr>
<td>Non-Irish nationals</td>
<td>€16.1</td>
</tr>
<tr>
<td>Original EU 14</td>
<td>€19.4</td>
</tr>
<tr>
<td>EU accession 10+2</td>
<td>€13.6</td>
</tr>
<tr>
<td>Others</td>
<td>€17.0</td>
</tr>
</tbody>
</table>

Appropriate weights applied for means, standard deviation and variance. The N reported is the actual number of respondents in each category.
Source: National Employment Survey 2008
Table 3: Wage premiums by unionisation and nationality

<table>
<thead>
<tr>
<th></th>
<th>Non-union workers</th>
<th>Unionised workers</th>
<th>Earnings premium without controls&lt;sup&gt;d&lt;/sup&gt;</th>
<th>Earnings premium with controls&lt;sup&gt;c&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean log wage&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Mean log wage</td>
<td>Wage premium&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Wage premium</td>
</tr>
<tr>
<td>Irish nationals</td>
<td>2.88</td>
<td>2.94</td>
<td>+9%&lt;sup&gt;b&lt;/sup&gt;</td>
<td>+8%</td>
</tr>
<tr>
<td>Non-Irish nationals</td>
<td>2.7</td>
<td>2.8</td>
<td>+8%</td>
<td>+6%</td>
</tr>
<tr>
<td>Original EU 14</td>
<td>2.82</td>
<td>2.84</td>
<td>+3%</td>
<td>+3%</td>
</tr>
<tr>
<td>EU accession 10+2</td>
<td>2.54</td>
<td>2.66</td>
<td>+13%</td>
<td>+11%</td>
</tr>
<tr>
<td>Others</td>
<td>2.72</td>
<td>2.76</td>
<td>+4%</td>
<td>+3%</td>
</tr>
</tbody>
</table>

<sup>a</sup>The independent variables union membership and collective agreement coverage were regressed on the dependent variable hourly log earnings (Weighted data used).

<sup>b</sup>The percentage difference is calculated from the exponential of the unstandardized regression coefficient for the variables union membership and collective agreement coverage in each equation. The F score for each equation is also given.

<sup>c</sup>The following controls were introduced into the regression equations: Gender, age, education, full time or part-time status, occupation, firm size, industrial sector, years of service.

<sup>d</sup>The F score for all regressions with and without control were significant to less than at the 0.001 level.

Table 4: Earnings distribution, Pensions and Health Insurance by nationality and unionisation

<table>
<thead>
<tr>
<th>Member of a trade union</th>
<th>Low paid</th>
<th>Up to median</th>
<th>Above median</th>
<th>Pensions&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Health assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Irish nationals</td>
<td>16</td>
<td>27</td>
<td>33</td>
<td>33</td>
<td>51</td>
</tr>
<tr>
<td>Non-Irish nationals</td>
<td>25</td>
<td>37</td>
<td>44</td>
<td>38</td>
<td>31</td>
</tr>
<tr>
<td>Original EU 14</td>
<td>15</td>
<td>27</td>
<td>44</td>
<td>35</td>
<td>41</td>
</tr>
<tr>
<td>EU accession</td>
<td>36</td>
<td>47</td>
<td>41</td>
<td>39</td>
<td>24</td>
</tr>
<tr>
<td>Others</td>
<td>20</td>
<td>32</td>
<td>47</td>
<td>38</td>
<td>33</td>
</tr>
</tbody>
</table>

<sup>a</sup>Respondents were asked: ‘Does your employer offer you (a) Pension schemes and (b) Health Assurance. Responses are scored 1=Yes; 0=No. Appropriate weights applied. Source: National Employment Survey 2008.
Table 5: Union membership and comparative outcomes (Binary Logistic regression unweighted)\textsuperscript{a}

<table>
<thead>
<tr>
<th></th>
<th>1 Union=1 Unionised Irish</th>
<th>2 Union=1 Non-Irish workers</th>
<th>3 Union=0 Unionised Irish and non-Irish workers compared</th>
<th>4 Union=0 EU 10+2 immigrant workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above Median earnings</td>
<td>2.2***</td>
<td>1.8***</td>
<td>1.7***</td>
<td>2.3***</td>
</tr>
<tr>
<td>Up to median earnings</td>
<td>1.4***</td>
<td>1.6***</td>
<td>-1.0(ns)</td>
<td>1.3*</td>
</tr>
<tr>
<td>Ref category:</td>
<td>Low pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pensions</td>
<td>2.4***</td>
<td>1.7***</td>
<td>2.0***</td>
<td>1.8***</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>-1.4***</td>
<td>-1.3***</td>
<td>-1.5***</td>
<td>1.0(ns)</td>
</tr>
<tr>
<td>% correct</td>
<td>80%</td>
<td>86%</td>
<td>90%</td>
<td>85%</td>
</tr>
<tr>
<td>Nagelkerke R(^2)</td>
<td>0.27</td>
<td>0.12</td>
<td>0.21</td>
<td>0.11</td>
</tr>
<tr>
<td>Chi.sq significance</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>N</td>
<td>38841</td>
<td>7075</td>
<td>10569</td>
<td>2885</td>
</tr>
</tbody>
</table>

\textsuperscript{a} The following controls were introduced into the four regression equations: Gender, age, education, full time or part-time status, occupation, firm size, industrial sector, years of service.

References


