Introduction

The Xerox plant was attracted to Dundalk, (about 12 miles south of Newry, the nearest large town in NI), during the late 1990s. This high-tech campus had an employment target of 2,100 employees, spread across five production units and one software unit, and it began recruitment in late 1999. At its peak in 2001, it employed some 1,200 workers. Producing for a Europe-wide market the Dundalk site was a significant expansion on Xerox's existing activities in Dublin. There were several reasons for locating in the South rather than in the North. At the level of the state, tax incentives, participation in the Euro and the company history of involvement in Dublin combined to make the South the choice. But, at a regional level, other reasons were important. A location on the main ‘Dublin-Belfast’ corridor was attractive in terms of transport links and access to the population centres of the North and the South.

Labour supply was therefore also significant; tightening labour markets in the Dublin area made locations in the South with greater availability of labour, such as the border region, more attractive as sites for inward investment.

Increased employment in the border counties of the RoI, like that at Xerox Dundalk, might impact on NI in a number of ways, both positive and negative. Employment growth in the RoI, and increases in cross-border commuting, could mean that employers in NI could face labour shortages, especially in border areas. But equally, cross-border labour flows could be advantageous in some circumstances, particularly if they create pools of skilled labour on both sides of the border, or enable local reductions in unemployment to be achieved. Information on the likely impacts of cross-border employers on the NI labour market might thus be useful, for example, in advising on labour supply and recruitment issues for newly-established or expanding firms in NI.

The Research and Evaluation Branch (REB) of the Department for Employment & Learning therefore commissioned research into the cross-border impacts of the Xerox plant that was established in Dundalk as an additional element of the Large - Scale Recruitment Study. This site was chosen as a particularly interesting case study of cross - border labour recruitment because it was not only a high-status, world -class company that might have been assumed to have had a potentially major impact on the NI labour market, but also because of the widespread feeling that the proximity of factory site to the border, and the possibility of ‘tapping’ suitable NI labour was an important factor in attracting Xerox to Dundalk. This article, based on a series of interviews1 undertaken in 2001, reports the main findings of the research with a special focus on the cross-border recruitment impact of Xerox. It starts with a discussion of general recruitment experience of Xerox on both sides of the border. The article then moves on to consider the spatial extent of recruitment, its impact upon unemployed people and other groups, and the degree to which it had long-lasting effects. The article concludes by looking at the barriers to cross-border working and how they can sometimes be overcome.

THE XEROX RECRUITMENT EXPERIENCE IN GENERAL

Labour availability was one of the key factors that attracted Xerox to Dundalk.

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1 The interviews are not attributed to preserve anonymity. However, a selection of personnel managers, officials, and community workers were interviewed and fieldwork was undertaken both sides of the border.
How did XEROX (Dundalk) Recruitment Impact on the NI Labour Market?
Ian Shuttleworth, James Anderson, and Darren McKinstry, QUB

Locally, it was well-placed to ‘mop up’ recent redundancies in the local labour market, and it is likely that this helped to fill less-skilled vacancies. But beyond this, the company looked further afield for workers. To attract more skilled workers it sought employees on an all-Ireland basis. Recruitment fairs, for example, were organised in Athlone, Belfast, Cork and Galway, and adverts were placed in national newspapers. It was felt that Xerox was a high-reputation international company that could recruit highly-qualified workers from other similar employers in other parts of the Island. It was expected that about 25% of workers would come from NI and, by May 2001, it was estimated that some 20% were from the North. Some of these would be skilled workers who might be drawn from virtually anywhere in NI.

However, there was also a local dimension to recruitment. The relative weakness of the local labour market in Newry and the closeness of other border areas to Dundalk meant that there were prospects to recruit local cross-border labour. There was also an interest from local organisations North of the border in linking into the Xerox recruitment:

“We were keen to get them up here to ensure that they met their commitment to recruit in the North and that there was opportunity for our young people and our long-term unemployed in Dundalk.”

This interest was also reciprocated by Xerox itself which had also engaged with local bodies in the Newry area to attempt to make cross-border ties to attract workers:

“We engaged in discussions with some community groups and around the Newry area with the Chamber of Commerce there... in terms of the cross border nature of the working patterns.”

The experience of other Dundalk employers was important in estimating the availability of ‘local’ cross-border labour. Dundalk companies such as Heinz, Panasonic, Quantum and ICL were said already to draw large numbers of employees from the North and their experience could be used to inform Xerox about the development of recruitment.

Cross-border recruitment by Xerox therefore had two distinct elements. One, largely for better paid and more skilled workers, was all-Ireland and could be said to be ‘cross-border’ to the extent that it drew workers from all parts of NI. This could mean daily long-distance commuting, for example from Belfast, or home relocations to be nearer Dundalk. The other, mainly for poorer paid workers, was more local and meant daily cross-border moves from areas such as South Armagh and Newry.

THE GEOGRAPHICAL CATCHMENT OF XEROX: SPATIAL IMPACTS

It is useful at this point to comment on the geographical catchment of Xerox. As might be expected, given the experiences of the Large-Scale Recruitment Study and the recruitment strategy of Xerox, there was an occupational gradient in the distances over which workers would travel for work-related journeys. General operators - the least well paid employees - were usually drawn from the immediate locale of the factory in Dundalk or just over the border. In contrast, more skilled workers were drawn from a much wider geographical catchment in NI, from companies beyond the immediate Newry-Dundalk border area:

“We’ve been able to draw even more people from the North because of the clean room environment there. So we’ve taken people from Seagate, from BCO Technologies which is now Analogue Devices in Belfast and... Nortel Networks as well.”
How did XEROX (Dundalk) Recruitment Impact on the NI Labour Market?
Ian Shuttleworth, James Anderson, and Darren McKinstry, QUB

This suggests that the impact of Xerox was not localised - and that to some extent it leapfrogged the immediate cross-border area, particularly since workers who lived far beyond the border, from areas such as Belfast, commuted to the site.

In general, it appeared that Xerox had a very wide spatial catchment. In the Republic workers were drawn from as far South as Drogheda and North Co. Dublin, in the West from as far afield as Co. Monaghan and Co. Cavan, and in the North, for skilled workers, from the Greater Belfast area. The catchment was possibly modified, however, by chill factors in that it did not extend as far to the North, for most occupations than it did to the South:

“...because I mean... Banbridge for example... would only be marginally further away than Drogheda... you know... Banbridge is about twenty nine miles to here... it almost is immediately into a more Protestant community...”

Interviews with Xerox workers suggested that there was a strong social dimension to cross-border working - those ‘local’ workers from just across the border had experience of working cross-border for other companies or had socialised South of the border. Accordingly they already had awareness of the labour market in the area, of the possible obstacles for the cross-border employee, and some knowledge of the means to overcome them. From the worker perspective informal ‘word-of-mouth’ means were important in finding work at the site further emphasising the social dimension of cross-border working. Moreover, locality was significant. South Armagh was a source of workers at general operative level. In addition to experience of socialising South of the border, and a lack of ‘chill’, easy transport links made access to Dundalk more convenient than that to Newry. This suggests that cross-border ties can vary in strength, depending on local traditions, physical accessibility and attitudes.

XEROX AND UNEMPLOYED PEOPLE: IMPACT ON UNEMPLOYMENT IN THE NORTH

In contrast, interviews with unemployed jobseekers in Newry Job Centre suggest that only a few jobseekers were aware of the Dundalk labour market and the wider labour market in the South. These were individuals who were either in construction (a mobile occupation and had worked in the South before anyway) or who were young and were looking both in the Newry and Dundalk areas. Other individuals were restricted by transport (poor public transport meant they couldn’t cross to Dundalk in time for work), just wanted to work locally, or had been in the same job for many years and were unaware of wider labour market conditions. Local conditions were highly important on the border - people crossed to Dundalk from Crossmaglen because in many ways this was much more easy and natural than travelling to Newry. Few people came from the North of Newry. Differences in religion (e.g. chill factors) were cited as being important although the land to the North of the Mourne was said to naturally have a Northward orientation towards Portadown and Mid-Ulster, and there may have been intervening job opportunities that also meant that a commute from the north of Newry to Dundalk was unnecessary or unattractive. Some individuals were simply unaware of the opportunities and costs of working cross-border but for others the decision would not be straightforward - it would depend on the job, the exchange rate and other benefits. Moves to work in the South seemed to be categorised into two classes - construction and moves to places as far afield as Dublin.
How did XEROX (Dundalk) Recruitment Impact on the NI Labour Market?

Ian Shuttleworth, James Anderson, and Darren McKinstry, QUB

as highly-skilled workers moved in search of opportunities in an all-Ireland labour market.

**SHORT-TERM AND LONG-TERM IMPACTS OF XEROX**

Besides occupational and spatial differences, there were also temporal differences in recruitment behaviour that impinge on assessments of the impact of Xerox on local labour markets North and South of the border. Meetings with employers confirmed that initially it was felt both in Newry and Dundalk that Xerox would have a major impact with workers moving from established firms leading to increased wage rates.

“There was concern at one point they were going to come in, offer significantly higher wages and attract people away from the existing industry base in Dundalk particularly and possibly Newry and in fact we had a company here on the estate that did lose labour initially to Xerox in the first flush of... hype and optimism but I think that dissipated quite quickly when people got in...”

The ability of Xerox to employ workers who had been made redundant minimised their impact on already-existing employers. A factor that hindered their recruitment was a perception of financial weakness in the company - rumours of the Xerox Group’s financial problems were circulating in the region for several months before the June redundancies. Finally, the ‘grass is greener’ effect was also apparent when examining the impact of Xerox. This was a factor noted in earlier phases of the Large-Scale Recruitment Study when the initial impacts of new start-ups were higher than their long-term effects largely because the novelty of a new employer attracted a large pool of workers who moved opportunistically in the belief that the ‘grass was greener on the other side of the hill’. The employer was perceived by in the beginning, by some, as offering better wages, better prospects, and better working conditions than established employers, and this meant that there was a high short-term impact as workers moved in search of better prospects. But this perception did not last and the information which circulated about the possible uncertainty of employment at Xerox combined with unfavourable opinions of pay and working conditions meant that some people quickly moved on, sometimes back to their original employers. Turnover was therefore quite high in the initial phase of recruitment but slowed down as the local labour market adjusted to Xerox, with little long-term impact on recruitment to other companies as perceptions of Xerox adjusted.

**CONCLUSION**

The article shows that the benefits of a border location were important in attracting Xerox to Dundalk because of transport links and accessibility to labour.
supplies in the North and the South. The impacts of Xerox on the NI labour market were not restricted to the border area since, by attracting workers from major companies such as Nortel and Seagate, its impact was not localised. It is an all-Ireland employer whose effects leapfrog the immediate border area and because of this its effects are likely to be subtle, slight but also quite widely experienced as a whole in the high-tech sector.

The research also suggests that there are likely to be few reductions in registered unemployment in the North from job creation in the South - many unemployed people have localised ‘mental maps’ and wish to remain in areas North of the border that they know. Even in the event that Northern unemployed people wanted to obtain jobs in the Dundalk area, they would find major problems in getting to work because of poor public transport if they did not have access to a car, and it is likely that this was especially important for Xerox because of its edge-of-town location which created accessibility problems for all workers without vehicles. The relative immobility of the unemployed stresses the social dimension of cross-border working - those who already have cross-border experience and are mobile are likely to seek further work cross border - especially since word-of-mouth in job search appears to be important.

Despite the hope of attracting labour from the North, the research indicated that the impact of Xerox on the NI labour market was less than expected because of the significant obstacles associated with cross-border working. The existence of these obstacles was interesting because they not only occur between two European Union States but also across a border which is judged to be relatively open and permeable (Hamilton 2001). The main obstacles in order of importance to Northern workers working in Xerox were exchange rate fluctuations, lack of information about taxation, problems with cross-border banking, poor public cross-border transport and chill factors.

Currency fluctuations could sometimes be overcome or discounted. They complicated the recruitment process for Xerox and meant that the company probably attracted fewer Northern workers than it had planned but was accepted as part of the ‘noise’ of the environment - after all exchange rates might also move in a direction favourable for plans to attract cross-border workers. Workers could try to reduce uncertainty by other means - these included more skilled workers with a better bargaining position attempting to negotiate a salary margin to ensure that a fall in the value of the Punt would not disadvantage them as long as it was within expected ‘reasonable’ bounds. Other mainly less-skilled (and less well paid) workers minimised their exposure to the exchange rate - paid in Punts they spent in Punts North and South of the border. Some workers were prepared to make short-term sacrifices for a longer-term career at Xerox but even these workers, however, were prepared to re-consider their position if exchange rates moved beyond acceptable limits. In the same manner, the problems of banking and taxation could be a discouragement to cross-border working. These arose because systems did not mesh with their counterparts on the other side of the border but they could be overcome by means of access to advice, previous experience of cross-border working, and employer help. These barriers can be overcome but the ease with which this can be done should not be overstated. Most of the interviews were conducted with cross-border workers who by definition had found a way to work in the South, and there may be
How did XEROX (Dundalk) Recruitment Impact on the NI Labour Market?

Ian Shuttleworth, James Anderson, and Darren McKinstry, QUB

More broadly, the low cross-border impact of recruitment in this case study should not be confused with the wider importance of cross-border working in Ireland. In ‘mobile’ occupations, like construction, individuals frequently move cross border, and this might be the same for certain types of skilled workers in other jobs as well. This case study could therefore underestimate the broader impact of cross-border employment which is complex, multi-dimensional and difficult to assess. This research only looks at one type of cross-border labour market and there are many which involve, for example, different work - home relationships, such as weekly as well as daily journeys-to-work, movement in both directions, and different forms of recruitment. Cross-border movement is inherently difficult to measure because of the problems of collecting statistical information on individuals who live in one jurisdiction but work in another, and the ways that cross-border movement can be used to take advantage of taxation and benefit systems. Despite these difficulties, cross-border labour mobility could continue to increase in importance in NI's comparatively open labour market.

Finally Xerox was greatly affected by the sharp recession in the ICT sector and the research did not reach completion as Xerox announced a wave of redundancies and now employs just 650 workers.
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