



# MAKING GOOD JOBS PERMANENTLY BAD? EMPLOYMENT CHANGE AND THE IRISH CRISIS

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## ABSTRACT

Discussion of social inequality and the crisis in Ireland has focused on the unequal distribution of income. While pre-distribution income is one of the most unequal in Europe, the effects have been somewhat moderated by the relatively generous cash benefits of the welfare state (Wickham 2015). By focusing on two different employment areas – hospitality and construction – the paper links changes within occupations to changes in income distribution. Both sectors traditionally contained good-bad jobs: jobs that were not especially well paid, but which provided relatively long-term employment, an occupational identity and – for some workers – a predictable ‘career’ trajectory. Construction and, to a lesser extent, hospitality, were unionised; both sectors had sectoral wage regulation.

The paper uses existing statistical sources (in particular micro-data from the Quarterly National Household Survey) and especially extensive qualitative interviews with employees in both sectors. We show how casualisation has taken different forms and occurred in a different rhythm in each sector. In both cases however casualization has occurred within the existing legal framework. Casualisation was first described as a short-term conjectural response to the crisis. However we argue that without a radical re-institutionalisation of the employment relationship these changes presage a permanent transformation of good jobs into bad jobs.

In hospitality a key driver was the introduction of new workforces with different expectations: first students and young people seeking only temporary employment, and then young relatively well educated migrants seeking to fund a transient lifestyle. The consequence was that especially during the boom the part-time workforce grew. Union density fell as did hourly wages and job security. In the crisis hours became increasingly dictated by employers. Low weekly wages are the result of a low hourly wage (usually around the national minimum wage) linked to low and irregular hours. Reduced union strength coupled with weak enforcement of employment law has allowed forms of semi-legal wage cuts (e.g. continuing deductions for uniforms, redefinition of required working time by task rather than time).

In construction union membership held up during the boom but has now been decimated. Earnings have plummeted. The central driver here has been the reformulation of the employment contract. Whereas changes in hospitality have been partly the result of the loosening of employment law, in construction changes have occurred partly because of changes in taxation policy. By use of the 'Relevant Contracts Tax' employers can now compel their employees to be self-employed. Consequently self-employment in the industry now accounts for nearly 40% of all those at work in Irish construction. Whereas in the UK self-employment in construction facilitated tax evasion and the 'black' economy (Winch 1998; Behling and Harvey 2015), in Ireland casualization occurs within the legal economy.

The final section of the paper raises national and European level issues. We use earnings data for a preliminary assessment of the impact of these micro-level changes on overall inequality; we consider whether legal employment regulation including recently introduced Irish legislation can provide 'anchor points' against further degradation; finally we consider whether these more 'lousy' jobs are outweighed by the growth of 'lovely' jobs in other occupations (Goos and Manning 2007).

#### References

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