



# New action plan for jobless households in Ireland

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*In a context of a high proportion of people living in jobless households, among the highest in the European Union (especially for children living in these households), Ireland introduced a multifaceted plan to address joblessness among households in September 2017.*

## Description

Household joblessness has been identified as a problem in the EU and especially so in Ireland. In 2016, 11.6% of the Irish adult population aged between 18 and 59 years (EU average: 10.1%) lived in a household where no one is working - i.e. all household members are either unemployed or economically inactive. This figure places Ireland in the first quarter of the least performing EU countries. More worryingly, the proportion of children under 18 years living in such households is 13.4% (EU: 10.5%), the second worst figure in the EU. While the trend is downwards for both the adult and children populations since 2010, there is a considerable degree of persistence in the phenomenon of jobless households in Ireland. For a number of years, the EU has alluded to Ireland's jobless households in its Country Specific Recommendations (source: Labour Force Survey, Eurostat).

Within this context Ireland introduced an Action Plan for Jobless Households in September 2017. This essentially targets jobless lone parents and spouses of benefit recipients with children aged between 7 and 14 years who are judged to have a capacity to be in employment. The Action Plan also targets those with a disability – a sector with especially low labour force participation rates in Ireland.

The Plan consists of three sets of actions which aim to extend services to people in these households – and especially those targeted - and remove barriers to their employment.

The first action is the extension of the Jobseeker's Allowance transitional approach to those targeted – this is an approach pioneered first in 2013 for lone parents in receipt of One-Parent Family Payment whose children are aged between 7 and 14 years. The allowance treats them as jobseekers but operates a more lenient regime to those receiving unemployment payments in that they are not treated as being available for full-time employment until their youngest child reaches 14 years of age. So engaging with the activation process has for them a more developmental register.

The second action is the reconfiguration of the main illness and disability payments to introduce a principle of early intervention so as to secure better employment outcomes among people with a disability.

Finally, the third planned action is the improvement of incentives and the removal of barriers for people transitioning from welfare to employment by a number of welfare reforms, including introducing a package of reforms to welfare schemes to support working families; further expanding access to free and subsidised child-care to reduce the cost to families associated with taking up employment.

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## Outlook & commentary

This Action Plan has to be considered a major attempt to address a complex population and set of problems. All the indications are that the category or label encompasses people who are quite differently situated although they have in common distance from the labour market. For example, in 2014, 39% of people aged 17-59 living in “very low work intensity” households, i.e. in jobless or quasi-jobless households, reported a chronic illness and a further 23% gave their current economic status as “engaged in domestic and care duties” (Redmond 2016: 7, 13). The latter is related to the fact that around a fifth of these households are headed by lone parents. Moreover, in 2014, 19% of people aged 26-59 who lived in these households and were without a job had never worked before (ibid 14). Only a third classified themselves as unemployed.

The Action Plan has several strong points. For one it hopes to introduce several innovations. These include the co-ordinated case management approach across agencies and a joint approach to couples. In order to develop the new approach, the Action Plan intends to set up a pilot family focused employment service/case management approach in five geographical areas. This is a potentially major innovation in several respects, not least in that, while led by the Intreo employment service, this intervention would also allow for the involvement of other public services (or referral to such services) where the engagement process identifies wider social issues in the household that affect members’ employment prospects. It is important though that an interagency approach is built in from the start as the Irish National Organisation of the Unemployed has stated (2017). A further potential strength of the Action Plan is that it is founded on a principle of earlier intervention for

it recognises that adults in jobless households are not all “unemployed” in the sense of being available for and seeking employment now or even in the future.

The Action Plan also has challenges if not weaknesses.

One potential weakness is that the Plan challenges a long-standing norm in Ireland – and a commitment historically realised by the benefit system – that mothers should be supported to rear their children, especially if they are lone parents. There is also the related matter of the gender underpinnings in the problem of “household joblessness” in Ireland and activation policy more widely (Millar and Crosse 2016). The targeted groups consist mainly of women and especially mothers. Given the gender dimension, one wonders whether gender inequality should be explicitly addressed in the Plan and made more integral to the way the jobless household problem is addressed as a whole. Even if mothers were willing to engage in employment, a much greater provision of supporting services would be needed, although there is a strong push now to develop childcare services and subsidise parents with the costs.

The new plan is correct in seeing household joblessness as beyond unemployment alone because, as the economy and employment have picked up, joblessness has decreased at a slower pace than unemployment. Research has also found that joblessness inhibits entry into employment even when other characteristics are taken into account (Watson et al 2015). All of this suggests that there are structural elements to the phenomenon of jobless households and, therefore, that longer-term education and skills development and resourcing are needed. In this regard the relatively detailed understanding of barriers to employment as developed by the OECD (Brown 2017) may help to improve the effectiveness of the

new action plan. Three such sets of barriers are identified: a) insufficient capacity for employment (elaborated in terms of skills, health status, care responsibilities and work experience); b) lack of financial work incentives; and c) scarce job opportunities.

### Further reading

Browne, J. (2017). Faces of Joblessness in Ireland: Main Results and Policy Inventory, Paris: OECD.

Department of Employment Affairs and Social Protection (2017). Pathways to Work Action. Plan for Jobless Households. Analysis and Proposals, Dublin.

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Millar M. and Crosse, E. (2016). Lone Parents and Activation: What Works and Why, Galway: The UNESCO Child and Family Research Centre.

Redmond, P. (2016). Very Low Work Intensity in Ireland and the EU, PublicPolicy.IE, Dublin.

Watson, D., Maitre, B. and Russell, H. (2015). Transitions into and out of Household Joblessness, 2004 to 2014: An analysis of the Central Statistics Office (CSO) Quarterly National Household Survey (QNHS), Dublin: Department of Social Protection and the Economic and Social Research Institute.

### Authors

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