**Jobless Households**

***Presentation to Joint Committee on Education and Social Protection***

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Unemployment is one of the most devastating impacts of the economic crisis. While the focus of unemployment tends to be on individuals, there is a related concern: households where no one is working or has very limited access to work. There is a need to address the issue of household joblessness for a number of reasons: for the households themselves, especially for the future of their children; to reduce poverty; for the productive capacity of the economy; and for the common good and societal well-being.

Jobless households are defined in two ways. One is based on working adults living in a household where no-one is at work, using the Labour Force Survey. The other is based on very low work intensity, where a household is considered jobless if the total time in work over the last year by all the working-age adults (excluding students) is less than 20 per cent of their working time, using the Survey of Income and Living Conditions.

On both measures Ireland has an above average share of the adult population in jobless households: 16 per cent in 2012 compared to an EU average of 11 per cent using the LFS; and nearly one-quarter of households in Ireland described as jobless, twice the EU-15 average, using SILC for 2011. A distinguishing feature of Ireland’s jobless households is the likelihood that they contain children.

There was a sharp increase in jobless households in Ireland following the economic crash in 2008. A combination of factors has been attributed to this increase in household joblessness: the increase in unemployment, changes in household structure, and other characteristics such as having a disability or having caring responsibilities. For example, in Ireland jobless adults are less likely to live with at least one working adult than in many other European countries. The working patterns in couple households have changed in that there has been a decline in ‘traditional male breadwinner’ households. At the same time, there has been an increase in dual-earner households and a growth in households where neither partner is at work.

The complexity of jobless households is reflected in their composition. Children make up nearly one-third of those in jobless households. About one-fifth are unemployed, 18 per cent are in home duties, and 12 per cent are sick or disabled. A further 13 per cent are

students over sixteen, or are adults who are otherwise inactive in the labour market. Those who live in jobless households are more likely to have no educational qualifications, to have never worked or to be in the unskilled social class. They are also more likely to be parenting alone, and to either have a disability or to live with someone with a disability.

Various explanations have been put forward to explain the causes of household joblessness. These can be summarised as follow:

1. ***The operation of the tax and welfare system*** – which can result in disincentives and traps for those trying to make the transition from welfare to work;
2. ***The state of the labour market*** – where there is a lack of jobs or a mismatch of education, training, skills to the jobs available; and
3. ***The characteristics of jobless households*** – which may make it more difficult to access jobs, such as lone parenthood, disability, caring responsibilities, or low levels of skills and education.

A number of responses have been made to address the problem of unemployment, if not specifically household joblessness. These include the *Pathways to Work* programme and the *Action Plan for Jobs*, as well as the work of the Advisory Group on Tax and Social Welfare. Notable reforms include the transformation of the public employment system, and the education and training services, as well as reconfiguration of the One Parent Family Payment.

Given the diversity of household joblessness, however, the issue will not be resolved through single solutions, but through packages that reflect the complexity of the situation of jobless households and their needs. This means that the emphasis on participation and activation must extend beyond those on the Live Register.

Responses must include the capacity to provide tailored services that respond to people’s real needs and circumstances. The provision of such tailored services will require good connectivity and co-operation between service providers at both local and national levels as well as an understanding of the issues and the provision of appropriate supports at the local level. Some degree of devolution and flexibility may be required within an overall framework of accountability. NESC is planning research to explore these issues further.