

Moving from Welfare to Work: Low Work Intensity Households and the Quality of Supportive Services¹

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Introduction

In Ireland, the percentage of people living in households where no-one is working or where there is only marginal attachment to the labour force is higher than in most other European countries. Eurostat data show that in 2016 in Ireland 11.6 per cent of adults aged 18-59 lived in households where no-one was working, compared to an EU27/28 average of 10.1 per cent, with Ireland's rate being seventh highest.² These 'low work intensity' households experience much higher poverty rates and there is a long-lasting negative impact on the children growing up in these homes. There are also significant costs to the State from the income transfers necessary to support the households. The Country-Specific Recommendations from the European Council on Ireland's 2017 National Reform Programme raised concerns about the low work intensity of many households in Ireland despite substantial falls in unemployment, and recommended that Ireland implement an integrated package of policies to address the needs of low work intensity households.³

Research Methodology

This research study examined the experiences of low work intensity households and the services they interact with, through 92 interviews with households, service provider organisations, employers, senior officials in government departments and agencies, and national stakeholder organisations. The field work was carried out in a disadvantaged suburb in Dublin in 2016-2017. The area exhibits the characteristics of low work intensity households: higher levels of unemployment, lower education levels, higher rates of disability, households more likely to contain children and more likely to be

¹ Based on two reports: (i) NESC, 2018, *Moving from Welfare to Work: Low Work Intensity Households and the Quality of Supportive Services*, Report No. 146; and NESC, 2018, *Low Work Intensity Households and the Quality of Supportive Services: Detailed Research Report*, Research Series Paper No. 12, available at www.nesc.ie

² Based on the EU Labour Force Survey, see <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do> Accessed on 20th March 2018.

³ European Commission, 2017, *Recommendation for a Council Recommendation on the 2017 National Reform Programme of Ireland and delivering a Council opinion on the 2017 Stability Programme of Ireland*, Brussels: Publications Office of the European Union.

headed by a lone parent, more likely to be in the manual social class, and more likely to be in rented social housing.

Findings

The study found that there is a diversity of low work intensity households: unemployed people, lone parents, people with an illness or disability, and ethnic minorities. They avail of a range of income support payment schemes. Most had labour market experience and low levels of education but many also have ambition to improve their lives and the lives of their children. The main reasons why people were not working at the time of the interviews were because they lost their job due to the economic crash; they left work to care for children; they or a family member developed an illness or disability; or other reasons, including being a Traveller or African migrant who found it difficult to get work.

The research also found that the social welfare and employment support system, i.e. Intreo, the Local Employment Service and JobPath, is generally supportive, and more benign than in some other countries. However, there can be a lack of trust between service users and Intreo, and at times, people feel they have no choice in relation to the activation/training options offered. Some also felt there were not enough places on sought-after courses with good labour market potential. In addition, service users reported that it can be difficult to get information on the options open to them.

Conclusions

These findings suggest three overarching conclusions:

- First, there is a need to develop a stronger focus on the household, by continuing work to expand activation supports to adult dependents, people with a disability, and carers who wish to enter employment.
- Second, coordination needs to improve and this requires stronger links between the employment support services and employers, and between the wide range of services to support jobless households. Resources for co-ordination need to be provided; and
- Third, the intensity of support available to ensure effective outcomes should increase, particularly for those most distant from the labour market, such as lone parents, people with illness/disability; and those with literacy difficulties, poor English, no work experience or contacts, a history of addiction or time in prison.

Policy Implications

The study's findings provide specific guidance on key issues arising from the research, which have implications for a range of government departments and agencies.

For employment support services it points to the need for:

- Tailored supports for those most distant from the labour market;
- Adequate time for case officers to engage with clients, and pairing of the most disadvantaged clients with the most experienced and qualified case officers; and
- Ensuring that those who have completed employment support schemes, such as Community Employment, are linked effectively to employment; along with recognition that this also supports social inclusion and community services.

For particular services it points to the need for:

- More affordable childcare, particularly after-school care;
- More public housing, and additional affordable private sector housing;
- Greater promotion of the fact that those leaving welfare to take up employment can keep their medical card for three years;
- Considering the possibility that those with an on-going illness could retain their medical card for the duration of their illness; and
- Greater support for those on low incomes to enable access to transport and IT that facilitates moves into training and employment.

For further education and training it points to the need for:

- Financial support to cover the full costs of those in jobless households attending education and training, including childcare and transport;
- Improving career guidance provision and ensuring it is consistently available;
- Upskilling the low skilled in employment, making greater use of the National Training Fund and Skillsnet;
- Stronger links between training and the labour market, by linking training resources to skills needs, and involving employers more in curriculum development, work placement and recruitment;
- Reducing early school leaving further by providing more alternatives to school-based education;
- Supporting disadvantaged groups with higher education qualifications to access appropriate employment; and

- Further research on why people who undertake multiple training courses do not progress to employment.

For supports to help people move from welfare to work it points to the need for:

- Measures that provide more certainty for people with children, and/or in precarious employment, to reduce the risk of moving into paid work;
- Better tapering of payment withdrawals for people with children, to incentivise opportunities to take a job;
- More timely assessment and payment of income supports and secondary benefits; and
- Awarding the Working Family Payment automatically to eligible households moving from welfare to work.

In relation to employers it points to the need for:

- Employment support and training services that engage more comprehensively and consistently with employers;
- Employers to be encouraged to engage more with applicants with atypical CVs, e.g. through recognising the value of volunteering; and
- Actions to be continued that address negative issues arising from precarious working practices.

For institutions and service provision it points to the need for:

- Greater trust between service users and service providers to ensure effective engagement;
- Additional flexibility to allow local service delivery to be better tailored to meet people's needs;
- More funding to address the needs of disadvantaged groups;
- Poor neighbourhoods to have adequate resources to self-finance community services; and
- Evaluation to continue to be built in to all programmes, and data to be collected that adequately captures service outcomes, including 'distance travelled', as well as acting on the evidence gathered from data and evaluations.