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WORK-POOR
HOUSEHOLDS:
THE WELFARE
IMPLICATIONS OF
CHANGING
HOUSEHOLD
EMPLOYMENT
PATTERNS

HELEN RUSSELL

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Responsibility for the content of the report remains solely with the authors.

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EXECUTIVE SUMMARY

Introduction

In the following report we consider how the employment situation of working-age Irish households has changed over a period of remarkable economic growth between 1994 and 2000. High levels of household joblessness became a matter of public concern in Ireland and elsewhere during the late 1980s and early 1990s. The concentration of unemployment and non-employment within households meant that many of the unemployed did not have access to the protection and support afforded by living with someone in employment. Therefore, household joblessness has serious implications for the financial situation of households and consequently for the psychological well-being of their members. It also has important implications for the scale of public support necessary to prevent poverty. For a given level of unemployment, a concentration of joblessness within households will require greater financing because there is no other source of household income.

We would expect that the high rates of employment growth in the mid to late 1990s would have reduced the number of households cut off from the labour market. However, in the UK and Australia it was found that despite employment growth in the mid-1990s the proportion of jobless working age households remained stable, while the numbers of households where all adults were employed grew substantially. This trend was summed up in the phrase ‘more work in fewer households’. In Ireland too, some commentators have suggested that the benefits of employment growth in the 1990s were concentrated among households that already had members in employment. Therefore, it is important to examine the nature of changes in household employment in Ireland over recent years.

Data and Research Questions

Here we use data from the Living in Ireland Panel surveys from 1994 to 2000 to examine how the boom period affected the proportions of households without anyone in employment and conversely the proportions with all or some adults in employment. We consider the composition of households that experience work-poverty and the factors that increase the risk of being work-poor and persistently work-poor. We also examine the consequences of household joblessness for income, financial deprivation and for the subjective well-being of household members and the manner in which this has changed over time. Finally, we address the issue of the increasing incidence of employment-rich households.

Trends in Household Worklessness

The proportion of working age households in which no member was engaged in paid employment fell from 22 per cent in 1994 to 18 per cent in 1997 and less than 14 per cent in 2000. The decline in the incidence of workless households was offset by modest increases in the proportions of households in the mixed work and all work categories between 1994 and 1997. However, between 1997 and 2000 the proportion of households in which all adults were in paid employment increased sharply, from 36 per cent in 1997 to 49 per cent in 2000. The proportion of households in which some, but not all adults were at work declined from 46 per cent in 1997 to 37 per cent in 2000.

A similar trend is noted when we switch to a measure of working hours. In 1994, in a third of all households the average working time per adult household member was less than 10 hours per week. This fell to one fifth of households in 2000. There was a strong increase in the proportion of household where working hours per person was between 30 and 44 hours suggesting that there has been an increase in the proportion of households where all members are working full-time.

Most household types shared in the general trend of a decline in worklessness between 1994 and 2000. However, there were a number of household types in which there was a particularly marked decline in worklessness. In households composed of couples in which the youngest child is less than 18 years of age, the rate of worklessness fell from 14 per cent in 1994 to 4 per cent in 2000. There was also a sharp decline in worklessness in households headed by lone parents: from 70 per cent to 41 per cent. The principal exception to this general trend occurred among households in the 'other' category, mainly households of unrelated individuals, where the proportion of workless households increased somewhat between 1994 and 2000. These trends in household joblessness meant that Ireland went from having one of the highest rates in the EU in 1985 to a situation in 2002 when Ireland fell below the EU average.

Who Are Work-Poor Households? Risk Factors and Composition

Our study has identified a number of groups among the working age population that are vulnerable to the risk of household work poverty. These are households where the household reference person has one or more of the following characteristics:

- Aged 55-64 years
- Lone parent
- No educational qualifications
- Has a chronic health problem or disability
- In the unskilled manual class
- Single-person household

Even for these households the risk of work poverty has decreased between 1994 and 2000 but they still have a higher

probability of being in this situation than other households. There is evidence that while the concentration of joblessness among those with no qualifications has decreased, the concentration of worklessness among older households and households dependent on disability/invalidity benefits increased over time. Our longitudinal analysis also showed that these groups are also more likely to be persistently work-poor.

Household Worklessness – Income and Income Packages

There was a very strong relationship between household employment status and income, with workless households strongly concentrated at the lowest income levels. In both 1994 and 2000 up to 30 per cent of workless households received less than £100 per week in year-2000 prices, and over three-quarters of workless households received less than £200 per week. In both 1994 and 2000 between 75 per cent and 80 per cent of workless households had incomes in the bottom two deciles of the national income distribution.

When we turned to an analysis of income sources we found that the source of income was strongly related to household employment status. Workless households derived over 80 per cent of their income from social welfare sources. Households in which some or all adults worked derived well over 80 per cent of their total income from work.

Among jobless households in receipt of social welfare income, unemployment-related payments were the most common type of payment in 1994 however, the importance of these payments declined over time. In contrast, sickness and incapacity-related payments, as well as lone-parents payments became much more prominent. By 2000 sickness and incapacity-related payments represented the single most important payment among workless households followed by lone-parents payments. Within unemployment related income, insurance-based Unemployment Benefit and activation benefits became more important for workless households over the period studied while Unemployment Assistance declined in importance, reflecting a decline in long-term unemployment.

Poverty, Deprivation and Subjective Well- Being and Household Joblessness

Our analysis shows that in both 1994 and 2000 there was a very strong association between household employment status and the risk of income poverty. Taking the most extreme definition of poverty, we found that in 2000 almost three-quarters of households where no-one was in employment fell below the 50 per cent line. This compares with less than 10 per cent in mixed households and only 4 per cent in work-rich households. Similar differences are observed using the 60 per cent and 70 per cent poverty lines (Chapter 4).

The relationship between household joblessness and lifestyle deprivation and economic strain is similarly strong. For example, in 2000, 29 per cent of work-poor households were lacking at least one

basic item compared to only 8 per cent of mixed-work households and 6 per cent of work-rich households. However, the level of deprivation was considerably lower than in 1994 when over half of work-poor households lacked one basic item.

Given the link between psychological well-being and economic strain it is not surprising that our analysis found that the household reference person in work-poor households is significantly more likely to experience psychological distress, nor that the proportion experiencing distress decreased since 1994.

Polarisation of Household Conditions

A key issue in the analysis is whether there has been a deterioration in the financial circumstances of the declining group of work-poor households over the period 1994 to 2000. On this issue the results are somewhat mixed. The differential risk of income poverty between work-poor and work-rich households increased at the 50 per cent income poverty line but remained the same at the 60 per cent and 70 per cent lines. When we turn to the indicators of deprivation we observed some deterioration in the position of jobless households compared to other groups. Although there were gains for all groups, the reduction in life-style deprivation between 1994 and 2000 was much more substantial for the work-rich and mixed-work households than the work-poor. This difference was particularly noticeable for secondary deprivation, which includes access to items such as a car, leisure and social activities, and central heating. Therefore, there is evidence of some polarisation in the conditions of the work-poor compared to other households. Over the period of the study this widening gap was buffered by the general improvement in living conditions, as evidenced in the decline in deprivation and feelings of economic strain among work-poor households. However, should this buffer disappear in the future the consequences of this polarisation may be significant.

Coupled Transitions – The Role of Female Employment

In Chapter five we examine the role of female employment in changing patterns of household employment, particularly within couple households. Policy analysts have been interested in whether benefit systems discourage the wives of unemployed men from taking up paid employment. Others have suggested that changes in the employment patterns of couples have been crucial in the concentration of paid work in certain work-rich households in other countries.

Our analysis shows that the proportion of households that fit the traditional male breadwinner female homemaker arrangement declined substantially to one-third of couple households in 2000. In contrast, joint breadwinning increased to become the norm for married couples.

The analysis of transitions shows that while changes in the male partner's status cause the majority of moves *into* household joblessness in couple households, women's transitions are solely responsible for 24 per cent of such moves and are jointly

responsible in a further 8 per cent of moves. Women's moves into employment are also responsible for 18 per cent of transitions *out of* work poverty in couple households and 60 per cent of moves from mixed-work to work-rich.

The analyses of couples also shows that the employment status of the partner has a significant influence on the probability and direction of employment transitions for both men and women. In other words, those with an employed partner are more likely to enter work while those with an unemployed or non-employed partner are more likely to exit employment. Investigation of the mechanisms behind this link is a priority for future research.

Excess Work in Households?

While most of the report focuses on work-poor households, the substantial increase in work-rich households is also of significance, and is raised in discussions about the 'quality of life'. Our analyses show that the proportion of households where all adults of working age are employed has increased very significantly in the latter half of the 1990s. The increase in full household employment was observed for every household type but was most significant among households with children under the age of 18. The increase for couple households with children was 70 per cent while for lone parents it was over 120 per cent. Similarly, the greatest increases in working hours were observed among lone and couple parents with children under 18 years.

The increase in paid work among those with caring responsibilities raises the possibility of increased time-pressure and stress among members of these households and a deterioration in work-life balance. In other words, work-poverty may have been exchanged for time-poverty. However, when we looked at psychological strain and satisfaction with leisure time and satisfaction with 'employment/main activity' among couples with children under 18 years we found that the household reference person in work-rich households recorded slightly more positive responses than those in mixed-work households. The partner of the reference person in work-rich households is also more satisfied with main activity than those in mixed-work households but is somewhat less satisfied with leisure time. Therefore, there is little sense from this limited investigation that people are being pushed unwillingly into the labour market.

The possibility remains that there are sub-groups who are experiencing excessive time-demands (e.g. both partners full-time with young children, or those experiencing work intensification in their jobs). The current data does not contain the information on unpaid workloads or working conditions to allow a comprehensive evaluation of these issues, however, the general analysis does not support a pessimistic reading of the rise in work-rich households.

1. HOUSEHOLD WORK POVERTY: IRELAND IN AN INTERNATIONAL CONTEXT

1.1 Introduction

Employment, unemployment and inactivity rates for individuals of working age are often used as measures of overall labour market performance. However, the standard of living and labour market behaviour of individuals will be crucially affected by the composition of the households in which they live and the labour market situation of other household members. For these reasons the pattern of employment within households has been central to recent international debates about labour market reforms and poverty. An important theme within these debates has been the degree to which joblessness is concentrated within households and whether there is a growing polarisation between work-rich and work-poor households (OECD, 1998). More broadly, there has been a growing interest in how trends in labour market participation and changing patterns of household formation combine to produce new distributions of economic welfare (Gregg and Wadsworth, 1996; OECD, 1995).

Unemployed or non-employed individuals who live with employed people are less vulnerable to poverty and social exclusion because of the possibility of sharing resources within the household. In a number of countries including Ireland however, the protection afforded by multi-person households was undermined in the 1980s and early 1990s by increasing numbers of working age households where no member was employed. The concentration of joblessness within households has important implications, not only for the financial well-being of individual households, but also for social policy and the scale of government finance necessary for social welfare. For a given level of unemployment in the population, a concentration of unemployment within households will require greater levels of financing because resources and costs cannot be shared between employed and unemployed household members.

The consequences of the recent economic boom and employment growth in Ireland for household joblessness is of particular interest. Between 1994 and 2000 the period of reference for our study, the number of people in employment rose by 37 per

cent. However, a number of accounts of the Celtic Tiger era claim that the benefits of this economic boom were concentrated among an already privileged group while others such as the long-term unemployed have been left behind (O'Hearn, 1998; Coulter 2003). Therefore, these authors suggest that the boom period has attenuated inequalities rather than reduced them. In particular, it has been argued that a large proportion of the new jobs created went to supplementary or second earners in households or to new job market entrants rather than the unemployed and therefore has not brought a fall in poverty (O'Hearn, 1998, pp. 137, 138). If this assessment is true we would expect that the increases in employment over the last decade will have had relatively little impact on the rate of household joblessness.

However, other accounts of recent economic and employment changes have been somewhat more optimistic (e.g. O'Connell, 2000). Over the period 1994 to 2000 the rate of unemployment fell from 14.7 per cent to 4.3 per cent (O'Connell *et al.*, 2003). In the first half of the 1990s the problem of long-term unemployment seemed intractable but between 1994 and 2000 the number of long-term unemployed fell from 128,000 to 27,000.¹ Even a cautious interpretation, which recognises the role of state training and employment schemes in this reduction (O'Connell, 2000) would still suggest that a significant part of the unemployed group did benefit from the economic upturn.

Therefore, there remains an important empirical question on the extent to which the employment growth over the latter half of the 1990s benefited workless households. This is one of the core questions addressed in the current study. In this context we are interested not only in unemployment trends but also trends in non-employment since the movement from economic inactivity to employment may also be instrumental in reducing household work poverty. Furthermore, by investigating the composition and characteristics of work-poor households we can shed light on the question of which groups have not been able to find work despite the increasing job opportunities.

The debate on rising inequality within the boom period also raises another issue regarding the living standards of those households without any member in employment compared to other households. Therefore, we will also investigate income and deprivation levels among work-poor households to see if there has been a polarisation in the conditions of those connected and unconnected to the labour market.

¹ LFS and QNHS. The 2000 figure refers to second quarter, March to May. The number of long-term unemployed continued to fall to a low of 20,500 in the second quarter of 2001. The latest figure for the third quarter of 2003 is 26,700.

1.2 Household Joblessness – A Review of the Literature

The literature on household joblessness has focused on both the causes and the consequences of this phenomena. Micro-level studies put forward a range of explanations to explain the observed concentration of joblessness within couples (Cooke, 1987, de Graaf and Ultee, 2000) or more rarely among parents and children (Payne, 1986). One set of explanations centre on the shared characteristics of household members. These suggest that household joblessness arises because members, particularly partners tend to resemble each other in factors that affect the chances of employment such as class, age and education levels (Blossfeld and Drobnic, 2001). Members of a household also tend to compete in the same local labour market and therefore share the risks of unemployment within this market. A second group of explanations refer to the shared resources of family members: having another family member in employment can provide material and non-material resources (e.g., job contacts) that ease the transition into employment. Cultural explanations such as resistance to a reversal of traditional gender roles (Irwin and Morris, 1993) and the transmission of a weak work ethic between family members have also been evoked as a possible reason for the concentration of unemployment and non-employment within families (Murray, 1990; Wilson, 1987).

Disincentives within the social welfare system have also been pointed to as a possible cause of a concentration of joblessness among couples (Cooke, 1987; McGinnity, 2002). Means-tested benefits that are adjusted according to partner's earnings can act as a barrier to taking up employment, since the 'added worker' must earn enough to offset any loss in benefits. This system will particularly discourage the uptake of part-time or low paid jobs. Cross-national research suggests that the link between partners employment status is stronger where benefit regimes impose household means tests (Dex *et al.*, 1995; McGinnity, 2002). However, these financial disincentives should not operate for those on insurance-based benefits nor can they account for a concentration of unemployment across family generations because children's earnings do not affect parent's welfare payments.

Macro-level studies of household joblessness have highlighted demographic change as a cause of increasing household joblessness. During the 1990s in the UK and Australia it was noted with concern, that improvements in the national employment rate were not matched by a corresponding decline in household work-poverty and welfare dependency. Instead there was a simultaneous rise in the proportion of households in which all members were employed and households where no-one was employed giving rise to a polarisation between work-rich and work-poor households (Gregg and Wadsworth 1996; Dawkins, Gregg and Scutella, 2002). Gregg and Wadsworth suggest that this trend was partly due to a change in household composition, namely an increase in single adult households including lone-parent households, and partly due to the rise in part-time opportunities, which are more likely to be entered by those with another worker in the household.

The substantial shift toward part-time work explains around one-quarter of the relative deterioration of transition rates into work of those with no working household member. (Gregg and Wadsworth, p. 204).

However, the authors acknowledge that those without another employed household member have also lost out in access to full-time jobs and that the “bulk of the emerging differential..... remains unexplained”.

There has been less research on the consequences of household worklessness. While there is a very well-developed literature on unemployment and poverty this often focuses on the employment status of the head of household alone. Similarly, the literature on the link between unemployment and subjective well-being usually focuses on the individual. Studies of poverty, however, more frequently focus on the household and these find a link between poverty and household joblessness (e.g., Muffels, 2000; Jarvis and Jenkins, 2000). Russell and Nolan (1999) also found a strong relationship between household work situation and both income poverty and deprivation across eleven EU countries. The gap between the work-rich and work-poor on these measures was particularly wide in Ireland (ibid. p. 97). Others have pointed to the implications of household worklessness for child poverty. For example, Robinson and Burkitt (2001) highlight that one in six children in the UK were living in a workless household in 2000 so that reaching targets set in relation to child poverty would mean tackling this issue.

A number of authors have broadened the discussion of work-rich and work-poor households to consider the number of hours as well as the number of jobs held. Brannen and Moss (1998) focus on parental employment patterns and argue that there has been a concentration of paid working hours among certain households due to the increases in mother’s weekly hours of employment (p. 233). Brannen and Moss also highlight the high levels of unpaid caring work among parents aged 25 to 50 years and therefore alert us to the possibility that work-rich households may be over-worked. The polarisation of parental employment observed is argued to have significant consequences for divisions in the living conditions and care of children.

Jarvis (1997) also argues for distinguishing between part-time work and full-time work in the polarisation debate, and acknowledges the possibility that there are over-employed households (which can have dis-benefits). Jarvis also stresses the importance of recognising cleavages from a longitudinal perspective for example by distinguishing between sporadic and long-term employment insecurity in households.

1.3 International Comparisons

At the international level, the OECD conducted a major study into household joblessness in 1998 (OECD, 1998). The study outlined two reasons for focusing on non-employment at a household level: first, because many labour supply decisions are taken at the household level and second, because this provides a

‘more appropriate’ basis for judgements about welfare. The OECD data, relating to households with at least one adult member of working age (15-64 years old), shows that the incidence of workless households in Ireland in 1996 was just over 20 per cent, about the EU average. But Ireland had the highest rate of joblessness among households with children. Between 1985 and 1996 the percentage of jobless working-age households increased in all countries examined except the Netherlands, the US and Ireland (where there was a decrease of less than 1 per cent). In most countries this trend was largely driven by changes in household composition, in particular a shift towards single adult households.² Focusing on multi-adult households the OECD (p. 21) found “evidence of polarisation of employment i.e. of a simultaneous increase in the proportion of both workless households and households with at least two adults in employment” in nine of the eleven countries examined.

Table 1: Risk of Non-employment for Working-age Households, 1985-2000

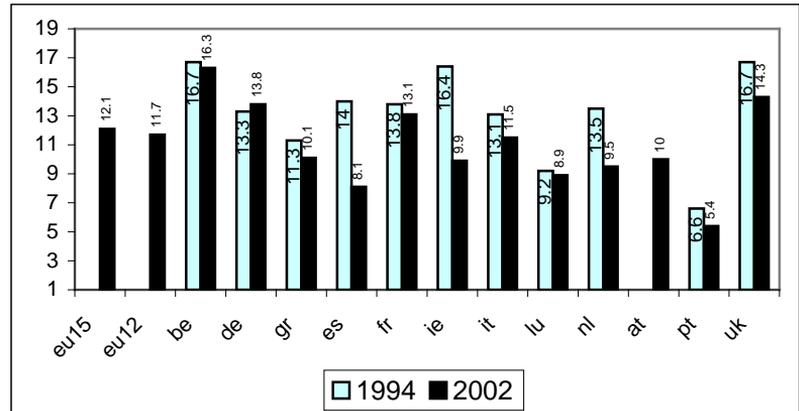
	1985	1996	2000
	%	%	
Austria	–	16.8	11.8
Belgium	21.2	24.8	14.5
Finland	–	27.1	–
France	18.8	21.9	14.3
Germany	20.5	20.7	13.3
Greece	18.1	20.1	14.8
Ireland	20.9	20.4	13.6
Italy	17.0	20.7	15.6
Luxembourg	14.7	16.4	9.3*
Netherlands	21.4	19.7	10.8
Portugal	12.7	13.3	7.9
Spain	18.2	20.0	12.6
United Kingdom	19.8	21.6	16.6

Source: OECD (1998), Table 1.7; Eurostat (2002); Living in Ireland Survey 2000.

* Luxembourg 1999.

Data for 2000 provides a more positive picture across the EU. This shows a decline in household joblessness in all countries, and suggests that Ireland’s position is now midway in Europe. Data relating to individuals (as opposed to households) also tell a similar story about recent trends. The figures contained in Figure 1.1 show that the proportion of individuals in workless households in Ireland fell from 16 per cent in 1994 to 10 per cent in 2002. This placed Ireland below the EU average of 12 per cent in 2002.

² Ireland also experienced this rise in the proportion of household types with high incidence of joblessness but this was offset by changes in non-employment rates within household types.

Figure 1.1: Per Cent of Population Aged 0 to 65 in Workless Households

Source: New Cronos Database – from European Labour Force Surveys.

These figures suggest that the period of recent economic growth has led to a situation where Ireland is no longer an outlier in Europe in respect of household worklessness. However, it is important to understand the process that lies behind these trends at the micro level and to identify both the characteristics and the conditions of those households who remain work-poor despite the tight labour market. This investigation should shed light on some of the reasons for their continuing exclusion from the labour market.

1.4 Outline of Report

In the following report we consider how the employment situation of working-age Irish households has changed over a period of remarkable economic growth. Because of the serious implications of household joblessness for individuals and society, our main focus is on those experiencing ‘work-poverty’. We consider the composition of this group, the factors that increase the risk of household work poverty and the financial and subjective well-being of these households. However, there is a secondary focus on the increasing incidence of employment-rich households and the implications this might have for individual welfare and social policy. We consider whether there has been a polarisation between work-rich and work-poor households as experienced in the UK and Australia and whether the standard of living of jobless households has fallen behind the rest of society. We also follow households’ trajectories over time to investigate the decisive factors in moves in and out of work-poverty. Finally, we explore the welfare and social implications of changes in patterns of household work.

The report is structured in the following way. In Chapter 2 we describe the data and measures of household employment used in the study. We also describe the labour market and demographic changes which provide an important context for changes in household joblessness. Changes in the employment patterns of households over the period 1994 and 2000 are then described and risk factors for household joblessness are identified.

In Chapter 3 we examine the composition of workless households. We also compare the income levels of work-poor and work-rich households and examine the income sources of these households. The financial situation of work-poor households is further explored in Chapter 4 when we calculate poverty rates and deprivation rates for different household types. We also investigate the impact of household employment situation on subjective well-being. In addition to measuring the impact of work poverty on well-being we also consider whether employment-rich households show signs of strain, which might indicate 'over-work'.

In Chapter 5 we move to a longitudinal analysis of household joblessness. Here we use panel data to follow household's moves in and out of work poverty over time. We analyse the factors associated with such moves and profile households who experience long-term or recurrent worklessness. The chapter also contains an additional focus on couple households, in order to consider the inter-relationship between partner's employment status and to investigate the role of changes in women's employment on household employment situation. In the final chapter we draw out the welfare implications of the very significant changes in household working patterns over the period 1994 and 2000, in doing so we focus on the experience of important groups such as lone parents, families with children, single person households and older people.³ The final chapter also summarises the results in relation to both the polarisation and work intensification debates.

³ As we are concerned here with working age households this means older people under the upper age limit of 65 years.

2. CHANGING HOUSEHOLD EMPLOYMENT PATTERNS

2.1 Introduction

In this chapter we outline significant changes in the labour market and in household formation patterns that are likely to impact upon the prevailing rate of household joblessness in Ireland. In Section 2.3 we describe the data and the measures of household employment used in the study. In Section 2.4 we examine the trends in household work poverty over the period 1994 and 2000 and identify some of the factors associated with the risk of household joblessness. This analysis points to some of the reasons why some households have remained work-poor despite recent employment growth. In the final section we focus on working hours within households and consider whether there has been an intensification in working time in some households.

2.2 Labour Market and Demographic Trends

CHANGES IN THE LABOUR MARKET

Before examining trends in the distribution of employment across households it is useful to briefly consider the wider labour market context. Over the course of the 1990s Ireland experienced rapid economic growth and converged with levels of development in other advanced European countries. The economic boom resulted in unprecedented increases in employment and a dramatic fall in unemployment. Between 1994 and 2000, the period covered by the present study, the total number at work increased by 450,000 or 37 per cent: an exceptional rate of employment growth over a relatively short period. The increase in the number at work was almost the same for men and women but the female employment rate was lower to start with therefore the percentage increase is more dramatic for women. Labour force figures show that the employment rate for women rose from 40 per cent to 53 per cent between 1994 and 2000 (not shown). Over the same years, unemployment fell by 136,000, from almost 15 per cent of the labour force in 1994 to just over 4 per cent in 2000. The labour force participation rate increased from 53 per cent of the adult population in 1994 to 59 per cent in 2000.

Table 2.1: Total At Work, Unemployed and Labour Force 1994-2000

	At Work	At Work M	At Work F	Unemp.	Labour Force	Unemploy- ment Rate
	(000s)	(000s)	(000s)	(000s)	(000s)	%
1994	1,221	761	453	211	1,432	14.7
1996	1,329	815	513	179	1,508	11.9
1998	1,495	900	595	127	1,622	7.8
2000	1,671	990	681	75	1,746	4.3
Change: 1994-2000	+450	+229	+228	-136	+314	-10.4
% Change 1994- 2000	% + 36.9	% 30.1	% 50.2	% - 64.5	% + 21.9	% -70.7

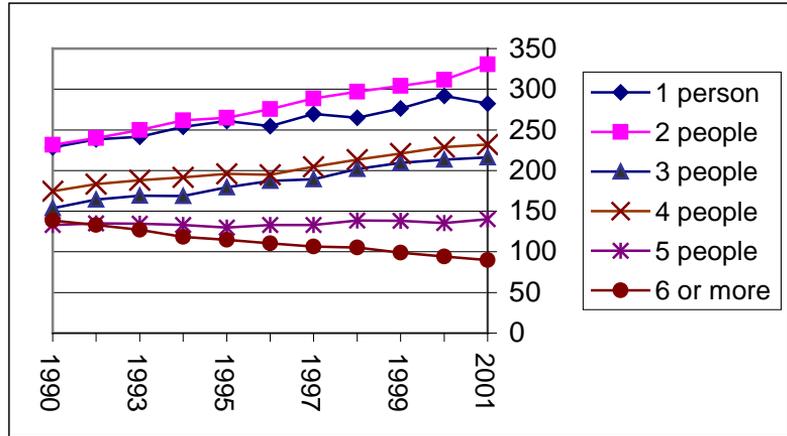
Source: Labour Force Surveys and QNHS various years.

We might expect such dramatic changes in employment and unemployment to have resulted in a shift in the distribution of employment across households between 1994 and 2000. In fact, about two-thirds of the increase in employment during this period took place between 1997 and 2000, as did over 60 per cent of the fall in the number unemployed, so shifts in household working patterns may be particularly concentrated in the more recent years.

CHANGES IN HOUSEHOLD COMPOSITION

In recent decades there have been a number of significant demographic changes which have important implications for the extent to which employment and joblessness are concentrated within households. The most influential of these changes is the growth of single adult households, comprising of those living alone and lone parent households, where one adult is co-resident with children. Single-adult households affect the distribution of work-rich and work-poor households because the employment status of that one person will place the household in either extreme of the continuum.

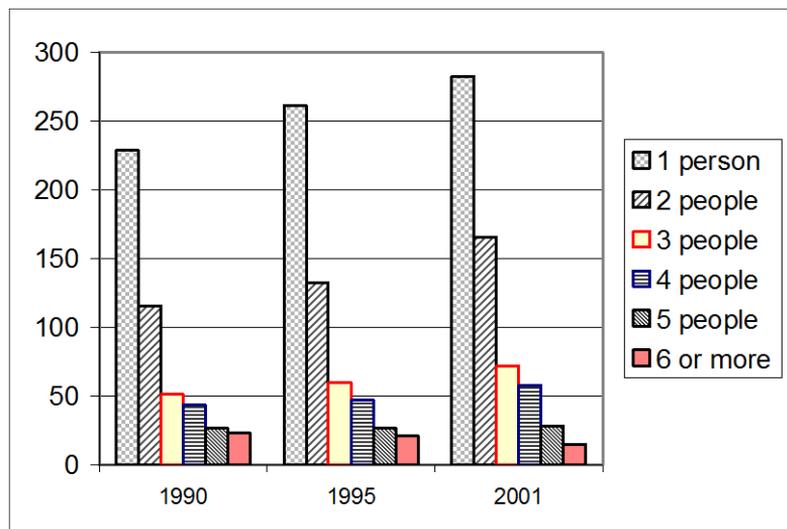
Figure 2.1: Trends in Household Size, 1990-2001 (000s of persons)



Source: LFS various years.

Figure 2.1 highlights the changes in household size over the last decade. There has been a gradual increase in the number of people living in one-person households from 229,000 in 1990 to 282,000 in 2001. The number of people living in households of two to four people have also increased in that time period, whereas households with six or more people have declined. The graph includes households of all ages and a significant part of the increase in one person households has occurred among the over 65 age group who are not normally included in analyses of household worklessness. However, Census data show that among the 25-44 year old age-group the number of one-person households doubled between 1981 and 1996 (from 28,000 to 57,000). While among those aged 45 to 64 years the number living alone increased by almost 17,000 (*Census 96*, Vol. 3, pp. 38,40; *Census 81*, Vol. 3, p. 20). We can also observe these changes by looking at the distribution of *households*.

Figure 2.2: Trends in Household Size 1990-2001, (000s Households)

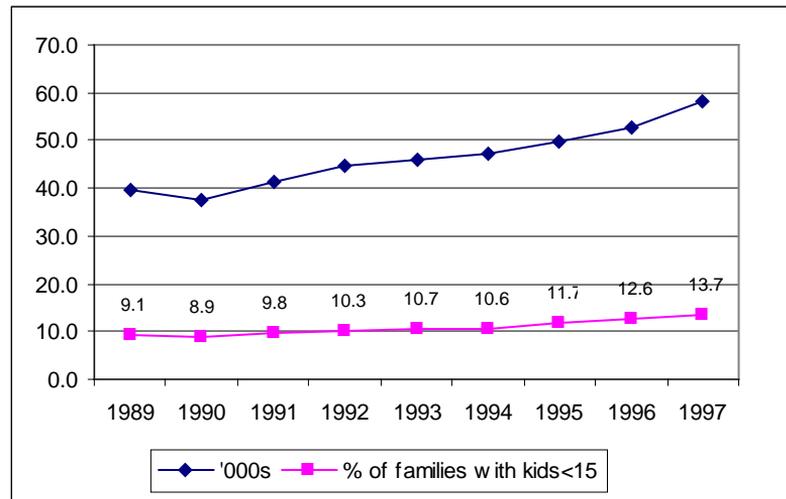


Source: LFS, various years.

Figure 2.2 shows the trend in the number of households of different sizes in 1990, 1995 and 2001. Overall, the number of households in the state increased by about 27 per cent, from 489,000 in 1990 to 620 in 2001. The rate of increase in the number of single-person households, up 23 per cent between 1990 and 2001, which mirrors the pattern for individuals in Figure 1, is slightly lower than the national average. The numbers of households with 2 or 3 persons both increased by over 40 per cent during the period, while the number of households with 5 people remained virtually static. However, the number of households with 6 or more members fell by 35 per cent, from 23,000 in 1994 to 15,000 in 2001.

The growth of lone parent households has proved significant for the incidence of joblessness in the UK (Gregg and Wadsworth, 1996), because these households experience particular difficulties in combining their working and caring responsibilities and tend to experience other labour market disadvantages e.g. low educational qualifications (Fahey and Russell, 2001). Lone parenthood has also increased in Ireland from just under 40,000 families in 1989 to 58,000 in 1997 when they accounted for 14 per cent of families with children, (Figure 2.3), which may have implications for rates of household work poverty here.

Figure 2.3: Trends in Lone Parent Households



Source: Labour Force Surveys, various years (Fahey and Russell, 2001).

Note: Lone parents with children under 15 years only.

2.3 Data and Measures

In this study we draw on data from the Living in Ireland Surveys (LIS).⁴ The LIS consists of a household questionnaire which is completed by the 'reference person' or person responsible for the

⁴ The LIS forms the Irish component of the European Community Household Panel (ECHP): an EU-wide project to conduct harmonised longitudinal surveys dealing with household income and labour situation in the member states.

accommodation, and an individual questionnaire which is completed by each adult (aged 17 or over) in the household. The first wave of the LIS was conducted in 1994, and the same individuals and households were then followed each year until 2001. The data can therefore be used cross-sectionally for each year or can be used as a longitudinal panel. For Chapters 2 to 4 of the current study we rely on the cross-sectional data from 1994 and 2000, i.e. the first and the seventh wave of the survey. In Chapter 5 we make use of the longitudinal dimension of the survey, and draw on information from all seven surveys between 1994 and 2000.

The total number of households successfully interviewed in 1994 was 4,048, representing 57 per cent of the valid sample. Within these households, 9,904 eligible respondents completed the full individual questionnaire (964 on a proxy basis). In the following waves, despite extensive efforts to follow those moving or forming new households, the number of respondents declined as individuals moved, died or refused to participate. The response rates for each year of the survey are outlined in Table A2.1 in the Appendix to this chapter. Further details on sample attrition are outlined in Chapter 5 and in Layte *et al.* (2001a).

In 2000, the Irish sample of individuals and households followed from Wave 1 was supplemented by the addition of 1,500 new households to the total, to increase the overall sample size. The sample supplementation exercise, together with the follow-up of continuing households, resulted in a completed sample in 2000 of 3,467 households. Individual interviews were conducted with 8,056 respondents, representing 93 per cent of those eligible. In each survey, detailed information was provided on income, education, labour market experience and other characteristics.

Our study is concerned with the working-age population, therefore, we have excluded households where the household reference person is aged 65 or over and couple-only households where either partner is aged 65 or over.⁵ A table outlining the sex of the household reference person in different household types is included in the Appendix of this chapter (Table A2.2).

In Table 2.2 we present the distribution of household type in the 1994 and 2000 LIS surveys. We distinguish households with adult children (aged 18-30) because this is relevant for the number of people in the household available for employment. We identify lone parents with children under 18 and lone parents with adult children. It should be noted that most definitions of lone parenthood would only include households that include children under 18 or 15 years (see Fahey and Russell, 2001).

The sample figures have been weighted to the population totals. The total number of households in the State with members in the 18-65 year age group increased by about 9 per cent over this seven-year period. In general, the table shows substantial stability in

⁵ The household reference person is defined as the owner or tenant of the accommodation, or if a couple are jointly responsible, the older of the two.

household composition, as might be expected over a relatively short period of time, in demographic terms. There were, however, a number of interesting shifts. The number of households in the modal category, composed of a couple with a youngest child under the age of 18, declined slightly in numerical terms, with the result that their share of total households fell from 48 per cent in 1994 to 42 per cent in 2000. The number of households composed of a couple with adult children increased strongly, accounting for 8 per cent of all households in 1994 and over 9 per cent in 2000. Households headed by lone parents with children maintained their share of the total at about 10 per cent in both years. The greatest change occurred in the 'other' household category, mainly consisting of households of unrelated individuals, which increased from 50,000 (6 per cent) in 1994 to 86,000 (9 per cent) in 2000.

Table 2.2: The Distribution of Household Types, 1994 and 2000

	1994		2000	
	(000s)	%	(000s)	%
1 person < 65 years	127.1	14.9	141.7	15.1
Couple, both <65 years	82.1	9.6	104.9	11.2
Couple, youngest child < 18 years	407.4	47.7	396.8	42.3
Couple, adult children only	64.8	7.6	81.4	8.7
Lone parent, youngest child < 18 years	65.3	7.6	69.5	7.4
Lone parent adult children only	24.3	2.8	23.5	2.5
Multi-generation, children < 30 years	33.6	3.9	35.1	3.7
Other	49.7	5.8	86.4	9.2
Total	854.3	100.0	939.3	100.0

Source: Living in Ireland Surveys, 1994 and 2000.

Note: Adult children are those aged 18-30 still living with their parent(s).

The figures are weighted to represent the population.

MEASURING WORK-RICH AND WORK-POOR HOUSEHOLDS

A variety of measures have been used in the literature to explore whether there has been a polarisation in the employment patterns of households. Here we examine some of the most widely used measures. It is worth emphasising at this point that the measures are all limited to *paid work* and so should be more accurately labelled 'employment rich' and 'employment poor' or 'jobless' households. The households we examine must also organise their *unpaid work* such as caring and domestic work, and these demands are likely to be one factor behind household employment outcomes. It should, therefore, be kept in mind that some households that are not defined as 'work-rich' may in fact be involved in high levels of unpaid work.

The most commonly used and least complex measures of household employment are based on the number of adults of working age who are in employment at a particular point in time. In

its simplest form this cross-sectional information is then grouped into dichotomous categories of households where all adults are employed, labelled 'work-rich' and households where no adults are employed, labelled 'workless' (Cooper-Green, 2001). Households that do not fit into either category may or may not be included as a 'mixed-work' category. Another alternative has been to calculate the proportion of adults in employment, which produces a continuum of work-rich work-poor households. In some cross-sectional analyses the relationship between household members is ignored. For example, a two-adult household may consist of a couple or a parent and adult child or two unrelated individuals (Gregg and Wadsworth, 1996). While other research focuses on families within households and in particular on the employment patterns of couples (Brannen and Moss 1998; Blossfeld and Drobnic, 2001).

The advantage of this approach is that the measure is easily comparable over time and across groups. For example, the UK Office for National Statistics uses this dichotomous definition, to compare the ratio of work-rich to workless households between 1996 and 2001 and across different regions, ethnic groups and household types (Cooper-Green, 2001). One disadvantage of this definition is that it does not take into account the hours that people work, so that a household with two adults working full-time is placed in the same category as a household with two people working part-time.

The hours worked by household members are interesting from a poverty perspective, in that households that are not workless but have only a small number of paid hours are likely to be more vulnerable to poverty. Investigating the hours of paid work can also contribute to the debate about the polarisation of working time and the impact this might have on the quality of family and community life (Brannen and Moss, 1998).

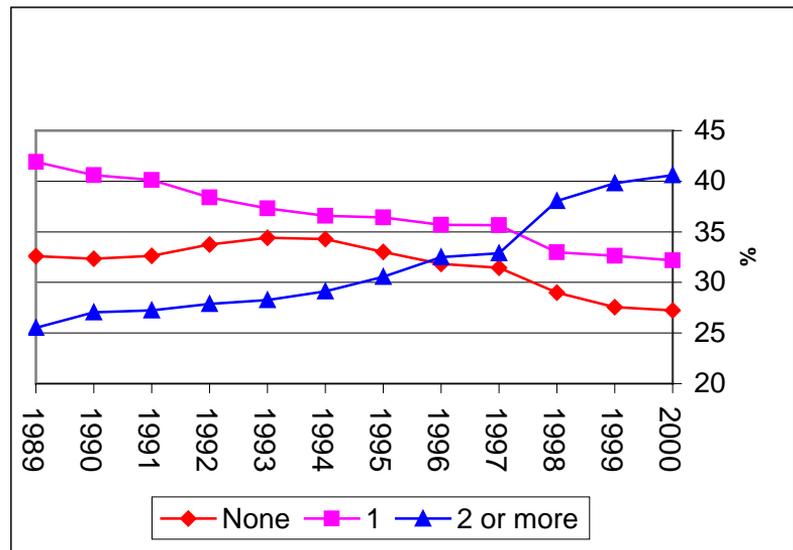
In this study we adopt two measures of the household work situation. The first considers the employment status of all adults of working age in the household (18-64 years). Those doing any paid work are counted as employed, including those working less than 15 hours per week. Households are then grouped into three categories work-rich (all employed), mixed-work, (some members employed others not) and work-poor (no-one in employment). To take account of variation due to working hours we will construct a second measure of household employment which calculates the mean number of working hours per week for household members of working age.

2.4 Trends in Household Joblessness

Figure 2.4, drawing on data from the Labour Force Survey and the Quarterly National Household Survey, allows us to look at the evolution in the distribution of employment across all households from 1989 to 2000. The share of workless households increased somewhat from 32 per cent of all households in 1989 to just under 35 per cent in 1994 and 1995, but dropped steadily thereafter, to about 27 per cent in 2000. The share of households with one person

in paid employment dropped steadily, from 42 per cent of all households in 1989 to 32 per cent in 1997 and to about 27 per cent in 2000. In contrast, the share of households with 2 or more members at work increased steadily from 25 per cent in 1989 to 32 per cent in 1997, and then increased more rapidly to just over 40 per cent in 2000.

Figure 2.4: Number Employed per Household by Household Size, 1989-2000



Source: Labour Force Survey and Quarterly National Household Survey.

The data in Figure 2.4 are useful insofar as they track broad trends in the number employed per household for all households over the 1989-2000 period, but they are not disaggregated by household type, nor do they focus on the population of working age. We expect that the majority of those over 65 years of age are in retirement and there are particular policy concerns with the distribution of employment among those of working age. In order to focus exclusively on the population of working age, we must turn to the Living in Ireland Survey (LIS). For the remainder of this chapter we focus on households with members in the working-age population, aged 18-64 years, since this is the population of primary interest in a study of household employment patterns.

Table 2.3: Household Employment Status, 1994 and 2000

Household Employment Status	1994	1997	2000
	%	%	%
No Work	22.1	17.6	13.6
Mixed-work	42.9	46.1	37.1
All Work	34.9	36.4	49.3
Total	100.0	100.0	100.0

Source: Living in Ireland Surveys.

Table 2.3 shows household employment status for all households where the household reference person is aged 18-64 years for the years 1994, 1997 and 2000.⁶ The proportion of households in which no member was engaged in paid employment fell from 22 per cent in 1994 to 18 per cent in 1997 and less than 14 per cent in 2000. The rate of household worklessness in 1994 is consistent with the international comparisons shown in Chapter 1, which reveal a very high incidence of workless households in Ireland. However, there was a very sharp fall in the incidence of workless households after 1994, down to 14 per cent in the year 2000.

The decline in the incidence of workless households was offset by modest increases in the proportions of households in the mixed-work and all work categories between 1994 and 1997. However, between 1997 and 2000 the proportion of households in which all adults were in paid employment increased sharply, from 36 per cent in 1997 to 49 per cent in 2000. The proportion of households in which some, but not all adults were at work declined from 46 per cent in 1997 to 37 per cent in 2000. So the expansion in employment opportunities in the later years of the 1990s led to a very substantial increase in work-rich households, a continuation of the decline in workless households, which had begun in 1994, as well as some reduction in the proportion of households with a mixed-work pattern.

These trends over time are consistent with trends in individual employment and unemployment over the period. As shown in Table 2.1, total employment increased by 37 per cent between 1994 and 2000, while the number unemployed fell by 65 per cent. However, about two-thirds of the increase in employment during the period took place between 1997 and 2000, as did over 60 per cent of the fall in the number unemployed, so we would expect shifts in household working patterns to be particularly concentrated in the more recent years.

Table 2.4: Household Type by Household Employment Status, 1994 and 2000

	1994			2000		
	No Work	Mixed-Work	All Work	No Work	Mixed-Work	All Work

⁶ Households with a member aged 65 or over who is not the household reference person will still be included e.g. three generation households. However, the employment status of the person aged over 65 is not be used to construct the household status.

	%	%	%	%	%	%
1 person < 65 years	37.1	–	62.9	28.1	–	71.9
Couple, both <65 years	16.4	29.4	54.2	11.8	20.9	67.4
Couple, youngest child < 18 years	14.1	57.1	28.7	4.4	46.8	48.8
Couple, children 18-29 years	8.7	77.1	14.1	7.8	71.5	20.7
Lone parent, child <18 years	70.1	8.1	21.8	41.1	10.6	48.3
Lone parent, children 18-29 years	23.5	57.6	18.9	15.9	58.7	25.4
Multi-generation, children < 30 years	15.4	71.3	13.4	8.1	73.0	18.9
Other	17.5	33.4	49.2	19.3	41.0	39.7
Total	22.1	42.9	34.9	13.6	37.1	49.3

Source: Living in Ireland Surveys.

Given that the distribution of employment is strongly influenced by household size and structure, it is useful to examine trends over time by household type. Table 2.4 shows the pattern for different household types and suggests that most household types shared in the general trend of a decline in worklessness and an increase in the proportion of work-rich households. For example, among households composed of single individuals under the age of 65, 37 per cent were workless in 1994, while 63 per cent of the individuals were at work. In 2000 the proportion not at work had fallen to 28 per cent while the proportion at work had increased to 72 per cent.

There were a number of household types in which there was a marked decline in worklessness. In households composed of couples in which the youngest child is less than 18 years of age, traditional nuclear-families, the rate of worklessness fell from 14 per cent in 1994 to 4 per cent in 2000. There was also a decline in worklessness in households headed by lone parents. In lone-parent headed households where the youngest child was aged less than 18 years, the proportion with no adult working fell dramatically from 70 per cent in 1994 to 41 per cent in 2000. In lone-parent households with adult children, the proportion with no working adult fell from 24 per cent to 16 per cent.

The decline in joblessness among the two household categories with children under 18 years has had significant implications for the proportion of children living in households where no-one is in employment, which declined dramatically from 27 per cent in 1994 to 9 per cent in 2000.

These declines in the proportion of jobless households were accompanied by increases in the proportion of work-rich households. The proportion of nuclear-family type households (couple plus children aged under 18) with all adults working increased from 29 per cent in 1994 to 49 per cent in 2000. This result suggests there has been a substantial shift towards dual-earning among this group. This shift from single to dual-earner has been witnessed right across the EU and the US, but usually over a longer time-frame (OECD, 1988; Blossfeld and Drobnic, 2001; Han and Moen, 2001). The increase in the case of lone-parent headed households with children aged under 18 years was from 22 per cent to 48 per cent. The principal exception to this general trend occurred among households in the 'other' category, mainly households of unrelated individuals, where the proportion workless increased from 18 per cent in 1994 to 19 per cent in 2000.

Table 2.5 shows the risk of household worklessness by the educational attainment of the household reference person and household type in 1994 and 2000. In general, there is a strong relationship between the educational qualifications of the household reference person and the rate of worklessness. In 1994, there was no adult at work in 38 per cent of households headed by individuals with no qualifications, indicating a very high risk of worklessness at this education level, compared to less than 5 per cent of households in which the household reference person had attended third level education. In 2000, the corresponding rates of worklessness were 29 per cent in respect of households headed by those with no qualifications, compared to 4 per cent of those in which the reference person had attended third level.

Table 2.5: Risk of Household Worklessness by Educational Attainment of Household Reference Person

	No Qualifications	Junior Cert.	Leaving Cert.	Third Level	All
1994					
1 person <65 years	64.8	43.9	16.4	10.5	36.7
Couple, both <65 years	35.7	6.8	14.0	2.3	16.1
Couple, youngest child <18 years	28.0	9.8	6.1	1.9	13.8
Couple, adult children 18-29 years	12.1	12.0	1.1	1.5	8.7
Lone parent, youngest child <18 years	75.6	68.6	63.1	36.8	70.0
Lone parent, adult children 18-29 years	34.9	3.2	15.6	0.0	23.9
Multi-generation, children <30 years	21.8	12.4	0.0	0.0	15.4
Other	32.9	14.2	9.2	2.4	17.5
All	37.6	17.4	12.4	4.7	21.9
2000					
1 person <65 years	50.4	33.7	22.8	5.0	28.1
Couple, both <65 years	38.8	11.0	7.1	2.2	11.8
Couple, youngest child <18 years	12.0	5.8	0.6	1.0	4.4
Couple, adult children 18-29	9.9	1.4	11.0	9.9	7.8
Lone parent, youngest child <18 years	56.8	40.6	43.5	22.7	41.1
Lone parent, adult children 18-29 years	23.2	21.0	0.0	6.4	15.9
Multi-generation, children <30 years	15.6	1.1	0.0	0.0	8.1
Other	51.2	15.8	12.3	1.9	19.3
All	29.0	12.5	9.7	3.9	13.6

Source: Living in Ireland Surveys.

In general, this strong relationship between education and worklessness is repeated within each household type. For example, in 1994, among single-person households, 65 per cent of those with no qualifications were workless, 44 per cent of those with a Junior

Certificate level of education were workless, as were 16 per cent of those with a Leaving Certificate. Among single person households with third level education, 11 per cent were workless. In the same year, among households composed of couples with children aged less than 18 years, the risk of worklessness fell from 28 per cent among those with no qualifications, to 2 per cent among those with third level qualifications. In 1994, households headed by a lone parent with children under the age of 18 years, the household type with the highest overall risk of worklessness, fully three-quarters of those with no qualifications had no one at work. In this household type, almost 70 per cent of those with a Junior Certificate level of education were workless, as were 63 per cent of those with a Leaving Certificate. Even among such lone-parent households in which the household head had a third level qualification, the risk of worklessness was 37 per cent, almost as high as the national average for all households in which the household reference person had no qualifications.

Overall, the incidence of workless households fell at each level of educational attainment in most household types in the period 1994 to 2000. However, there were some exceptions to this pattern. For example, among households composed of a couple with adult children, the risk of worklessness actually increased where the household reference person had a Leaving Certificate or third level education and among 'other' households, the risk of worklessness increased in each educational category except where the reference person had attended third level education.

Conversely, it is also worth noting that the incidence of work-rich households is strongly related to education. Only 27 per cent of households headed by someone with no qualifications are work-rich compared to 69 per cent of those headed by a third level graduate (table not shown). If we consider couples with young children (<18 years) and couples with no children we see that dual-earner couples are much more common among those with high education (Table 2.6).⁷ This is consistent with international research on couples' work patterns. Greater earning capacity and raised career aspirations among educated women increase the likelihood that they will remain in employment when they have children.

Table 2.6: Proportion of Work-Rich Among Couple Households by Education of Reference Person, 2000

	No Qualifications	Junior Cert.	Leaving Cert.	Third Level	All
Couple, both under 65 years	27.2	64.9	72.7	86.2	67.4
Couple, youngest child <18 years	23.2	51.3	49.0	64.6	48.8

Source: Living in Ireland Survey 2000.

⁷ The situation for couples with adult children is less clear because the status of these older children will influence the household work situation.

Table 2.7 shows the risk of household worklessness by age group of the household reference person. Overall, households where the reference person was in the 55-64 year age group were at the greatest risk of worklessness: 31 per cent in 1994, 26 per cent in 2000. However, this generalisation conceals important differences between household types. In general, in households without children the rate of worklessness increases with age. For example, in 1994, 18 per cent of single person households headed by someone aged less than 35 years were workless, compared to 68 per cent of those aged 55 to 64 years. Among households with children, however, the reverse appears to hold: in 1994, 19 per cent of households composed of couples with younger children with a reference person in the under 35 year age were workless, compared to 11 per cent of similar households in the 55-64 year age group.

Table 2.7: Risk of Household Worklessness by Age Group of Household Reference Person

	Less than 35 Years	35-44 Years	45-54 Years	55-64 Years	All
1994					
1 person < 65 years	18.1	24.3	35.4	67.7	37.1
Couple, both < 65 years	0.0	8.7	14.0	38.7	16.4
Couple, youngest child < 18 years	18.9	14.1	10.6	10.7	14.1
Couple, adult children 18-29 years	0.0	0.0	9.3	9.2	8.7
Lone parent, youngest child <18 years	81.4	68.8	55.2	45.7	70.1
Lone parent, adult children 18-29 years	0.0	64.8	5.8	27.9	23.5
Multi-generation, children < 30 years	26.9	18.0	11.2	15.3	15.4
Other	7.1	18.4	23.1	26.7	17.5
All	23.3	19.5	16.8	31.2	22.1
2000					
1 person <65 years	8.8	13.6	34.8	55.5	28.1
Couple, both < 65 years	3.3	0.0	4.4	32.9	11.8
Couple, youngest child < 18 years	4.3	3.4	5.8	5.0	4.4
Couple, adult children 18-29 years	0.0	0.0	3.6	10.7	7.8
Lone parent, youngest child <18 years	46.0	37.0	38.5	19.1	41.1
Lone parent, adult children 18-29 years	0.0	0.0	14.9	17.4	15.9
Multi-generation, children < 30 years	3.9	2.7	5.8	12.1	8.1
Other	3.4	11.1	60.2	33.8	19.3
All	11.3	6.7	13.5	25.5	13.6

Source: Living in Ireland Surveys.

The improvement in the labour market between 1994 and 2000 led to a reduction in worklessness in all age categories (comparing the bottom row for each year in Table 2.7). However, the new opportunities appear to have been disproportionately taken up by

younger households. Among households where the reference person was aged less than 45 years, the risk of worklessness fell by more than half between 1994 and 2000, while among older households, the risk of worklessness fell only by about one-fifth.

Table 2.8 shows the distribution of employment between households by urban/rural residence. In 1994, 25 per cent of households in urban areas were workless, compared to 17 per cent in rural areas, suggesting a higher concentration of disadvantage in urban areas. Rural households were more likely to be characterised by the mixed-work pattern and there was virtually no difference between urban and rural households in the proportion of households in which all adults were employed. By 2000, however, the differences in worklessness had virtually disappeared, although the proportion of urban households with all adults in paid work was higher (51 per cent) than in rural areas (46 per cent), perhaps reflecting a disproportionate improvement in labour market opportunities in urban areas in the second half of the 1990s. Alternatively, this may reflect a greater adherence to the traditional male breadwinner household model in rural areas.

Table 2.8: Household Employment Status by Urban/Rural Residence

	1994		2000	
	Rural	Urban	Rural	Urban
No work	17.2	25.1	13.2	13.9
Mixed-work	47.3	40.3	40.6	34.8
All work	35.4	34.6	46.2	51.3
Total	100.0	100.0	100.0	100.0

Source: Living in Ireland Surveys.

Table 2.9 presents a simple logistic regression analysis of the probability of a household having no one in paid employment, versus having some or all adults in employment. The predictor variables are the risk factors already explored in a bivariate manner in Tables 2.3 to 2.8 above. The regression allows us to examine the effects of each variable while controlling for the influence of the others, and we are particularly interested in changes in the effects of the variables over time.

With regard to household type, we see considerable stability in the overall pattern of effects over time (indicated by the signs of the coefficients), but also some shifts in the influence of different household types (indicated by the magnitude of the coefficients). In 1994 lone parent households with younger children faced the highest risk of worklessness, substantially higher than the reference category, couple households, but, as Table 2.3 suggests the risk for these lone parent households, relative to that for the reference category, declined over time. Among one-person households, the risk of worklessness was significantly greater than among couple households in 1994, and their relative risk increased somewhat in 2000. In contrast, couples with adult children were substantially less

likely to experience worklessness in 1994, and their risk declined, relative to that of couple households in 2000. A similar pattern can be observed in relation to households composed of couples with younger children.

In both years, the educational attainment of the household reference person was highly influential: the higher the education of the household reference person, the lower the probability that no adults were at work. The reduction in probability of joblessness associated with third level and upper second level qualifications was similar in both years. However, the difference between those with Junior Certificate level qualifications and no qualifications declined over the period.

Table 2.9: Logistic Regression of Workless Households, 1994 and 2000

	1994		2000			
	Coefficient	S.E. Error	Coefficient	S.E. Error		
Household type:						
<i>Ref cat.: Couple, no children</i>						
1 person	1.008	***	.220	1.226	***	.260
Couple, youngest child < 18 years	-.502	*	.193	-1.103	***	.266
Couple with adult children	-1.524	***	.283	-1.978	***	.386
Lone parent, youngest child 18 years	1.962	***	.258	1.149	**	.308
Lone parent, adult children	-.278		.329	-.690		.462
Multi-generation, children <30 years	-.782	*	.310	-1.300	*	.450
Other	0.014		.268	.240		.295
Education:						
<i>Ref Cat: No Qualifications</i>						
Junior Cert. Level Certificate	-1.068	***	.153	-.665	**	.191
Leaving Certificate	-1.340	***	.164	-1.406	***	.230
Third Level	-2.602	***	.280	-2.130	***	.293
Age-group:						
<i>Ref Cat.: < 35 years</i>						
35-44 years	-.168		.165	.083		.263
45-54 years	-.820	***	.185	.120		.256
55-64 years	.201		.180	.614	*	.258
Urban residence	.787	***	.120	.501	**	.156
Constant	-2.665	***	.262	-3.624	***	.321
N of cases	3,111			2,413		
-2 Log Likelihood (initial)	2,624.36			1,598.09		
-2 Log Likelihood (final)	2,105.07			1,242.41		

Nagelkerke R ²	.27	.28
*, p < .05; **, p < .001; ***, p < .0001		

The effects of age are less clear. In 1994, households with a reference person in the 45-54 year age group were less likely than those with a reference person aged less than 35 years to experience worklessness. In 2000, households with older reference persons were more likely to be workless. Urban households were more likely to be workless in both years, but the magnitude of this effect fell over time.

2.5 Working Hours

Up to this point we have focused on patterns of household employment based on whether individual household members are employed or not. However, we noted at the outset of this chapter that this does not take account of variation in the hours that people work, so that a household with two adults working full-time is regarded as equivalent to a household with two adults working 10 hours per week. The hours worked by household members can strongly influence households' welfare and dependence on social welfare income. An examination of changes in working hours also allows us to establish whether some households are experiencing very long hours in paid work. The polarisation hypothesis suggests that the number of households experiencing long work hours has increased (Brannen and Moss, 1998). Furthermore long hours of paid work within households is also mentioned as a potentially negative influence on the quality of family life (especially among families with young children).

The measure of household hours is calculated by adding together the hours of paid work for each household member of working age (18-64 years), this total is then divided by the number of members of working age. For example, if there are three adults one working 40 hours per week, one working zero hours and one working 20 hours, the household average will be 20 hours (60/3).

Table 2.10: Average Hours Worked per Adult Per Week

	1994	2000
Hours	%	%
Less than 10	33.1	20.5
10 to 19	16.9	14.7
20 to 29	19.8	24.7
30 to 39	16.9	24.0
40 to 44	4.6	7.5
45 or more	8.7	8.6
All	100.0	100.0

Note: Excludes households with missing information on hours of work.

Table 2.10 shows the distribution of mean working hours for households. In 1994, in a third of all households the average

working time per adult household member was less than 10 hours per week. This fell to 21 per cent of households in 2000. So by this measure, the proportion of work-poor households fell over the period, mirroring the decline in worklessness based on the dichotomous measure of employment (see Table 2.3). Adding households with very low average working hours to the work-poor category increases the rate of work poverty by 11 percentage points in 1994 and 7 percentage points in 2000. This suggests an additional category where the level of paid work may not be enough to sustain the household on market earnings alone, but which has also declined over the time period.

The proportion working an average of 10 to 19 hours also decreased but each of the other categories of average working time increased. For example, in 1994 17 per cent of households had an average working time of 30-40 hours per adult per week, and this increased to 24 per cent in 2000. There was an increase in the proportion of households working 40 to 44 hours on average per adult but the proportion of households in the highest category, where the average was 45 hours or more per week was stable. This suggests some expansion in the proportion of households working long hours but not in the most extreme category.

The work-life balance debate suggests that the implications of high working hours will vary depending on households position in the life cycle. Table 2.11 shows how changes in working hours are distributed by household type. There is substantial variation in average household working hours across the different household types. In 1994 in 24 per cent of households consisting of a couple with adult children, the average working time was less than 10 hours per adult, compared to 76 per cent of households headed by a lone parent with young children. Between 1994 and 2000, there was a marked decline in the share of households working less than 10 hours per adult in all household types except 'other', and a corresponding increase in the share of households working longer hours, particularly in those working 30 or more hours per adult per week.

Table 2.11: Household Type by Average Hours Worked per Adult per Week

	Hours					Total
	0 to 10	10 to 19	20 to 29	30 to 39	40+	
1994	%	%	%	%	%	%
One person <65 years	42.6	0.8	4.1	24.0	28.5	100.0
Couple, both <65 years	22.7	12.8	16.3	19.3	28.9	100.0
Couple, youngest child <18 years	24.2	22.0	29.0	17.3	7.6	100.0
Couple, adult children (18-29) years	23.7	34.5	27.4	12.0	2.4	100.0
Lone parent, youngest child <18 years	75.7	6.5	3.6	9.7	4.5	100.0
Lone parent, adult children	36.8	23.7	24.4	8.9	6.1	100.0
Multi-generation, children <30 years	31.4	34.7	26.7	6.7	0.6	100.0
Other	30.1	14.1	12.6	16.9	26.3	100.0
All	33.1	16.9	19.8	16.9	13.3	100.0

2000						
One person <65 years	33.9	2.6	12.9	20.7	29.9	100.0
Couple, both <65 years	16.6	8.3	14.7	38.9	21.5	100.0
Couple, youngest child <18 years	7.7	18.3	32.8	26.3	15.0	100.0
Couple, adult children (18-29) years	17.8	27.5	35.0	16.8	2.9	100.0
Lone parent, youngest child<18 years	44.5	9.1	17.2	17.1	12.1	100.0
Lone parent, adult children	19.6	22.9	39.5	16.5	1.6	100.0
Multi-generation, children <30 years	13.8	36.8	31.7	14.3	3.4	100.0
Other	35.3	15.1	16.7	20.9	12.0	100.0
All	20.5	14.7	24.7	24.0	16.1	100.0

The most dramatic decline in the proportion of households working less than 10 hours per adult occurred in respect of households headed by lone parents with young children, down from 76 per cent in 1994 to 47 per cent in 2000. The proportion of these households working 10 to 30 hours per week increased from 11 per cent in 1994 to 26 per cent in 2000, and the share working more than 30 hours per adult increased from 14 per cent in 1994 to 29 per cent in 2000. Some of this increase in working hours among households headed by lone-parents may be due to strong growth in the number of lone-parents participating in the Community Employment Scheme after 1994 (Deloitte and Touche and Murphy, 1998). The Community Employment Scheme provides part-time work opportunities, mainly in the community and voluntary sector, to the long-term unemployed and others suffering labour market disadvantage. However, the growth in working hours above 20 hours per week would suggest that lone parents also took increasing advantage of opportunities in the open labour market over this period.

Focusing on the top end of the hours spectrum, we see that the biggest increase in high average working hours (i.e., 40 hours or more) has occurred among households composed of couples with children under the age of 18, and lone parents with young children. These households have also experienced an increase in the proportion where the average number of paid hours is between 30 and 40 per week. Since households with children tend to also have a high unpaid work-load due to domestic and caring commitments this suggests that some of this group may consider themselves over-worked rather than work-rich.

COMBINING FULL- AND PART-TIME WORKING

In the context of a focus on working hours, it is also useful to examine the manner in which households combine full- and part-time working. Table 2.12 shows the distribution of households by the number of full- and part-time workers. Individuals working 30 hours per week are regarded as full-timers; those working less than 30 hours are considered to be part-timers. There was an increase in the proportion of individuals working part-time in the national labour market between 1994 and 2000, so we would expect this

increase to be reflected in households. The proportion of households in which there was a single individual working part-time, and no others gainfully employed increased from just under 7 per cent to just under 9 per cent. The proportion of households with one full-time and one part-time worker also increased, from 10 per cent in 1994 to 14 per cent in 2000. There was a substantial reduction in the share of households with a single full-time worker, down from 53 per cent in 1994 to 38 per cent in 2000. This was partly offset by an increase in households with two full-time workers; up from 21 per cent to 27 per cent. The proportion of households in the other category, mainly where there were more than 2 persons at work also increased from 9 per cent to almost 12 per cent. The general trend entails an increase in the proportion of households with multiple earners and a decline in the proportion with only one person in paid employment.

Table 2.12: Distribution of Households by Number of Part- and Full-Time Workers, Households in which at least One Adult is in Employment

	1994	2000
1 part-time only	6.7	8.8
1 full-time only	52.9	38.3
1 full-time and 1 part-time	10.2	14.2
2 full-time	20.7	26.9
Other (more than 2 at work)	9.4	11.8
Total	100.0	100.0

Note: Excludes households with missing information on hours worked by household members.

Table 2.13: Distribution of Households by Part- and Full-Time Workers in Couple Household, Households in which at least One Adult is in Employment

	1 part-time		1 full-time, 1 part-time		2 full-time		Other	Total
	%	%	%	%	%	%		
1994								
Couple	4.4	31.5	8.5	54.2	1.3	100.0		
Couple, youngest child <18 years	5.8	52.5	14.5	18.6	8.8	100.0		
Couple, adult children 18-29 years	4.7	29.9	12.2	24.4	28.7	100.0		
2000								
Couple	1.5	21.2	9.5	67.8	0.0	100.0		
Couple, youngest child <18 years	2.5	38.0	19.1	28.1	12.3	100.0		
Couple, adult children 18-29 years	1.7	17.2	16.5	27.2	37.4	100.0		

Note: Excludes households with missing information on hours worked by household members.

Table 2.13 shows full- and part-time working combinations for couple households. In both years couples with a single part-time worker represented a small minority of all households, and such households declined in importance over time. The share of couple households in which a single adult was in paid employment also

declined. For example, the share of households composed of a couple with a youngest child under the age of 18 years, traditional nuclear families, with one person in full-time employment fell from 53 per cent in 1994 to 38 per cent in 2000. These shifts were offset by increases in the share of households with dual earners. The proportion of nuclear families combining one full-time with one part-time worker increased from 15 per cent in 1994 to 19 per cent in 2000, while the share of such households with two full-time workers increased from 19 per cent to 28 per cent. Among households composed of couples with adult children, the proportion in the 'other category' – all multiple earners and mainly involving 3 or more workers – increased from 29 per cent in 1994 to 37 per cent in 2000. So couple households participated strongly in this general trend towards increased involvement in paid work.

2.6 Conclusion

This chapter has focused on trends over time in the distribution of paid work across households and examined differences in the risk of worklessness both between different households and over time. Rapid economic growth during the 1990s resulted in unprecedented employment growth and a dramatic fall in unemployment. Under these highly favourable conditions, the proportion of households with adult members of working age (18-65 years) in which no one was in paid employment declined markedly, from 22 per cent in 1994, to 18 per cent in 1997 and less than 14 per cent in 2000. The rate of household worklessness observed in 1994 is consistent with international comparisons in Chapter 1 which show a very high incidence of workless households in Ireland. However, the subsequent fall in the incidence of workless households – by 8 percentage points between 1994 and 2000 – was sufficient to bring the household workless rate in Ireland below the European average. The decline in the proportion of workless households was offset by an increase in the proportion of households in which some but not all households worked between 1994 and 1997, and by a marked increase in the proportion of work-rich households between 1997 and 2000, the latter period being one of a particularly dramatic increase in total employment in the economy. Therefore, the Irish situation is unlike that in the UK, where there was an increase in the proportion of households at the two extremes (up to 1996), giving rise to the polarisation debate. Ireland saw the same rise in work-rich households but also experienced a dramatic decline in work-poverty.

Most household types shared in the general trend of a decline in worklessness and an increase in the proportion of work-rich households between 1994 and 2000. There were a number of household types in which there was a marked decline in worklessness. In households composed of couples in which the youngest child is less than 18 years of age, traditional nuclear-families, the rate of worklessness fell from 14 per cent in 1994 to 4 per cent in 2000. There was also a sharp decline in worklessness in households headed by lone parents. The principal exception to this

general trend occurred among households in the 'other' category, mainly households of unrelated individuals, where the proportion of workless households increased somewhat between 1994 and 2000. There is no evidence that changes in household composition blocked the decline in work poverty, as experienced in the UK (Gregg and Wadsworth, 1996). Although there has been an increase in lone parent households and single person households who are more prone to household work poverty, their decreased risk of worklessness has been sufficient to counteract any negative compositional effect.

In general, there is a strong relationship between the educational qualifications of the household reference person and the rate of worklessness of the household. In 1994, households in which the reference person had no qualifications were eight times more likely to be jobless than households in which the household reference person had attended third level education. In 2000, the risk of household worklessness was still 7.4 times greater among the former group than the latter.

Overall, older households were at greater risk of worklessness, although there were important differences between household types. In households without children the rate of worklessness tended to increase with the age of the household reference person. Among households with children, however, the reverse appears to hold, so that households with reference persons in the younger age groups were more likely to be workless. The improvement in the labour market between 1994 and 2000 led to a reduction in worklessness in all age categories. However, the new opportunities appear to have been disproportionately taken up by younger households.

In 1994 urban households were at greater risk of being workless than rural households, suggesting a greater concentration of disadvantage in urban areas. By 2000, the raw data suggest that urban-rural differences in worklessness had virtually disappeared. However, when other factors were controlled including household composition we found that urban residents still had a higher risk of being work-poor.

While the overall incidence of workless households decreased over time, multivariate analysis of the risk factors associated with workless households indicates substantial stability in the relative risks of experiencing worklessness between 1994 and 2000. Nonetheless, there were some shifts in the risks experienced by different household types: the risk of worklessness declined for both couple and single-parent households with younger children. The educational attainment of the household reference person had strong effects on the probability that a household would be workless in both years, however the difference in risk between those with Junior Certificate level education and those with no qualifications declined. We also found that the negative effect of urban residence declined somewhat over time.

Shifting the focus to work-rich households reveals another interesting trend. The biggest increase in work-rich households occurred among couples with children under 18 years and lone

parents with children under 18. This result suggests that this change is strongly influenced by changes in female employment. This conclusion is also suggested by labour market statistics which show that women account for a major part of the growth in employment in the second half of the 1990s (Russell *et al.*, 2002; O'Connell, 2000). This issue is returned to in Chapter 5.

The analyses presented in this chapter focused mainly on patterns of household employment based on whether individuals household members were employed or not. We also briefly examined trends in the distribution of working hours across households, on the grounds that the hours worked by household members can strongly influence households' living standards and dependence on social welfare income. We found that the proportion of households in which the average working time per adult per week was less than 10 hours per week fell from 33 per cent of all households in 1994 to 21 per cent in 2000. So by this measure, the proportion of 'work-poor' households fell over the period, mirroring the decline in worklessness based on the dichotomous measure of employment. We also found that the proportion of households with a single earner in either full- or part-time employment declined, while the proportion of households with multiple earners, including both all full-time workers as well as combinations of full- and part-time, increased.

There was a small increase in the proportion with high average working times of 40 hours or more, but the biggest increase was in the 30-40 hours category. This suggests a growing number of households where all adults are working full-time but not a concentration of very long hours within households. There is also evidence of increasing hours of paid work in households with children under 18 years, which points to potential *time*-poverty among some of this group when unpaid work is considered, however the current data cannot confirm this.

APPENDIX TABLES:

CHAPTER 2

Table A2.1: Household and Individual Response Details, Living in Ireland Surveys 1994 -2000

	1994	1995	1996	1997	1998	1999	2000 Cont.	2000 New	Total 2000
Households									
Completed Households	4,048	3,584	3,174	2,945	2,729	2,378	1,952	1,515	3,467
Non-Response	3,038	794	624	390	394	464	414	1,146	1,560
Total Households	7,086	4,378	3,798	3,335	3,123	2,842	2,366	2,661	5,027
Household Response Rate	57%	82%	84%	88%	87%	84%	83%	57%	69%
Individuals									
N. in Completed Households:	14,585	12,576	10,889	9,952	9,000	7,721	6,276	5,174	11,450
Eligible for Interview*	10,418	9,048	7,902	7,255	6,620	5,719	4,745	3,952	8,697
Interviewed	9,904	8,531	7,488	6,868	6,324	5,451	4,529	3,527	8,056
% Completed	95%	94%	95%	95%	96%	95%	95%	89%	93%

* Aged 17 and over.

Table A2.2: Sex of Household Reference Person by Household Type

	Male	Female	Total
One person <65 years	56.2	43.8	100
Couple, both under 65 years	78.0	22.0	100

Couple, youngest child <18 years	82.3	17.7	100
Couple with adult children only (18-29 years)	85.9	14.1	100
Lone parent, youngest kid<18 years	7.6	92.4	100
Lone parent, adult children (18-29 years)	26.2	73.8	100
Multi-generation hhs, children under 30 years	63.4	36.6	100
Other	49.8	50.2	100
All	66.4	33.6	100

3. COMPOSITION AND INCOME OF JOBLESS HOUSEHOLDS

3.1 Introduction

In the last chapter we examined the overall pattern in the distribution of work across households as well as the risk factors associated with worklessness. In this chapter we focus on the composition of workless households in order to examine which types of households are affected by worklessness, and to shed light on why some households have not become integrated into the labour market despite the employment growth described in the last chapter. We then turn to an analysis of the income situation of households in different employment situations. We consider changes in the real level of income of households with different attachments to the labour market, and the position of work-poor households in the national income distribution. This allows us to investigate whether there has been a polarisation in the *conditions* of those experiencing household joblessness. We then go on to compare the income packages of work-poor, mixed-work and work-rich households, that is the proportion of income coming from different sources for example the market, the state and private incomes. In the final section we break down in more detail the types of welfare income received by work-poor households, this provides some insight into the policy issues relevant to work-poor households in 2000.

3.2 Changes in the Composition of Work-Poor Households 1994-2000

Table 3.1 shows household employment status by household type for households with working age members. In 1994, about 30 per cent of workless households were composed of couples with children, the youngest less than 18 years, traditional nuclear families, and the most common household type in Irish society (see Table 2.2). Another 24 per cent of workless households were headed by lone parents with children under the age of 18. Therefore, well over half of all workless households had children under the age of 18. A further 25 per cent of workless households were single-person households. Couples with young children dominated the mixed-work category, accounting for 64 per cent of all households with one but not all adults in paid employment. Couples with young children accounted for almost 40 per cent of work-rich households,

and a further 27 per cent of work-rich households were single-person households.

Table 3.1: Household Employment Status by Household Type, 1994 and 2000

	1994			2000		
	No Work	Mixed-Work	All Work	No Work	Mixed-Work	All Work
	%	%	%	%	%	%
One person < 65 years	24.9	–	26.8	31.1	–	22.0
Couple, both < 65 years	7.1	6.6	14.9	9.7	6.3	15.2
Couple, youngest child <18 years	30.4	63.5	39.2	13.8	53.4	41.8
Couple with adult children only (18-29 years)	3.0	13.6	3.1	4.9	16.7	3.6
Lone parent, youngest child <18 years	24.2	1.4	4.8	22.3	2.1	7.2
Lone parent, adult children (18-29 years)	3.0	3.8	1.5	2.9	4.0	1.3
Multi-generation, children under 30 years	2.7	6.5	1.5	2.2	7.4	1.4
Other	4.6	4.5	8.2	13.1	10.2	7.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

As we have seen in Chapter 2 between 1994 and 2000 the proportion of households with no-one in employment declined dramatically. As it did, the composition of workless households also changed. By the year 2000 traditional nuclear families, composed of a couple with younger children, accounted for only 14 per cent of all workless households. Single person households increased their share to 31 per cent of all workless households. Households headed by lone parents with young children continued to account for a substantial share of workless households: 22 per cent in 2000. The ‘other’ household type also increased its share of total workless households, to 13 per cent in 2000.

Households with couples dominated the mixed-work category: in 2000, 53 per cent of mixed-work households were couples with children under 18 years, and a further 17 per cent were couples with adult children. The ‘other’ household type increased its share of the total to 10 per cent. As in 1994, couples with younger children dominated the work-rich households, accounting for 41 per cent of the total in 2000.

Table 3.2 shows the educational attainment of the household reference person for workless households in 1994 and 2000. In general workless households are characterised by a very high concentration of low levels of qualification of household reference persons. In 1994 in almost two-thirds of all workless households the reference person had no qualifications, 19 per cent had attained a Junior Certificate level of education, and only 3 per cent had attended third level. Educational disadvantage was pervasive among workless households, but households headed by lone parents with adult children were particularly disadvantaged, with over 85 per cent of workless lone parents lacking any educational qualifications. So also were workless multigenerational households, 83 per cent of whom had no qualifications.

Table 3.2: Workless Households by Educational Attainment of Household Reference Person 1994 and 2000

	No Quals.	Junior Cert.	Leaving Cert.	Third Level	Total
	%	%	%	%	%
1994					
One person	61.0	21.9	10.0	7.0	100.0
Couple	62.7	8.3	25.8	3.2	100.0
Couple, youngest child <18 years	67.3	20.6	10.0	2.1	100.0
Couple with adult children only (18-29 years)	69.9	25.7	2.4	2.1	100.0
Lone parent, youngest child<18 years	61.7	18.5	17.3	2.5	100.0
Lone parent, adult children (18-29 years)	85.3	2.7	12.0	0.0	100.0
Multi-generation, children under 30 years	83.3	16.7	0.0	0.0	100.0
Other	72.0	11.9	13.1	3.0	100.0
All	65.3	18.6	12.6	3.4	100.0
2000					
One person	56.7	22.4	15.4	5.5	100.0
Couple, both	54.0	22.9	17.6	5.5	100.0
Couple, youngest child <18 years	47.9	43.7	3.5	4.9	100.0
Couple with adult children only (18-29 years)	41.1	5.3	34.0	19.7	100.0
Lone parent, youngest child<18 years	26.4	32.2	30.8	10.7	100.0
Lone parent, adult children (18-29 years)	55.8	36.9	0.0	7.2	100.0
Multi-generation, children under 30 years	95.7	4.3	0.0	0.0	100.0
Other	68.5	15.8	12.2	3.4	100.0
All	50.1	25.9	17.1	6.9	100.0

The decline in the overall workless rate appears to have led to some reduction in the strength of the relationship between educational attainment of the household reference person and worklessness. In 2000, in 50 per cent of workless households, the reference person had no qualifications, 26 per cent had attained a Junior Certificate level of education, and about 24 per cent had attained a Leaving Certificate or higher level of education. Workless multigenerational households remained particularly disadvantaged: in 95 per cent of such households, the reference person had no qualifications.

Table 3.3 shows workless households by age group of the household reference person. In 1994, overall, workless households were distributed fairly evenly across the age groups: in 28 per cent of workless households the reference person was aged less than 35 years, and in a further 28 per cent the reference person was aged 55-64 years. However, there was substantial variation in the age pattern across different household types. By and large, if we exclude households with younger children, there is a concentration of workless households in the older age groups. For example, in 78 per cent of workless couple households the reference person was in the 55-64 year age group. This was also true of 70 per cent of workless

households composed of lone parents living with adult children, and 63 per cent of workless households composed of couples with adult children.

There is substantial stability between 1994 and 2000 in the age pattern of worklessness, although in the later years there is some strengthening of the tendency for a greater proportion of workless households to be concentrated in the older age groups. Thus, overall, 65 per cent of all workless households were aged between 45 and 64, and 39 per cent were in the 55-64 year age group.

Table 3.3: Workless Households by Age of Household Reference Person 1994 and 2000

	<35	35-44	45-54	55-64	Total
	%	%	%	%	%
1994					
One person < 65 years	14.7	14.8	16.9	53.5	100.0
Couple, both < 65 years	0.0	7.7	14.7	77.6	100.0
Couple, youngest child <18 years	33.3	41.7	20.1	4.9	100.0
Couple with adult children only (18-29 years)	0.0	0.0	36.9	63.1	100.0
Lone parent, youngest child <18 years	51.7	26.8	18.2	3.3	100.0
Lone parent, adult children (18-29 years)	0.0	24.2	6.5	69.3	100.0
Multi-generation, children under 30 years	18.5	27.5	31.7	22.3	100.0
Other	14.9	18.0	22.4	44.7	100.0
All	27.5	25.7	19.0	27.8	100.0
2000					
One person < 65 years	10.0	9.4	26.9	53.7	100.0
Couple, both < 65 years	11.9	0.0	4.6	83.5	100.0
Couple, youngest child <18 years	16.8	33.6	42.5	7.1	100.0
Couple with adult children only (18-29 years)	0.0	0.0	18.4	81.6	100.0
Lone parent, youngest child <18 years	61.7	19.7	15.7	2.9	100.0
Lone parent, adult children (18-29 years)	0.0	0.0	42.4	57.6	100.0
Multi-generation, children under 30 years	6.8	2.3	24.6	66.3	100.0
Other	8.9	7.2	42.5	41.4	100.0
All	21.6	12.9	26.4	39.0	100.0

These results provide some explanation of why some households have not been integrated into the labour market despite the recent employment growth. The figures show that in 2000 work poverty was concentrated among households headed by lone parents, people aged 55-64, and those with poor qualifications. While the risk of work poverty has declined for all these groups since 1994 (see last chapter) they have continuing labour market disadvantages which do not disappear with increased demands for labour. The findings support the conclusion in the last chapter that the strength of the link between age and household joblessness has increased since 1994, and has become more concentrated in households where the HRP is in the 55 to 64 year age group.

3.3 Household Income and Household Work Patterns

Table 3.4 shows the distribution of disposable household income by household employment status in 1994 and 2000. In order to enhance comparability, the income data for 1994 are adjusted for changes in the Consumer Prices Index to 2000. The table shows a very strong relationship between household employment status and income, with workless households concentrated in the lower income groups, and both mixed- and all-work households distributed more evenly across income categories. In both years between 27 per cent and 30 per cent workless households received less than £100 per week in 2000 prices, and over three-quarters received less than £200 per week. So during a period of sustained increases in national prosperity, there was no increase in the purchasing power of the vast majority of workless households.

Table 3.4: Weekly Household Income by Household Employment Status
(Income in 1994 adjusted to 2000 prices)

	1994			2000		
	No Work	Mixed	All Work	No Work	Mixed	All Work
	%	%	%	%	%	%
<£100	27.3	0.8	3.2	29.5	0.6	1.8
£100-200	48.5	11.0	11.1	48.2	3.5	7.1
£200-300	18.2	25.7	20.4	17.4	13.1	11.4
£300-400	4.3	20.9	20.8	3.8	15.2	12.4
£400-500	1.5	17.1	18.1	0.7	14.0	13.1
£500-600	0.2	10.8	10.4	0.3	13.4	13.7
£600-700	–	5.5	6.5	–	11.2	11.0
£700-800	–	2.7	3.4	0.2	8.1	9.8
£800-900	–	1.5	2.4	–	7.1	6.7
£900+	–	3.9	3.7	–	13.7	12.9
	100.0	100.0	100.0	100.0	100.0	100.0

Shifts in income distribution over time are also evident, but only in respect of mixed-work and all work households. For example, in 1994 about one-quarter of both mixed-work and all-work households had weekly incomes in excess of £500 per week. By 2000, well over half (55 per cent) of such households earned in excess of this income.

We can also look at the proportion of households in each decile of the national income distribution. Table 3.5 reveals a very strong concentration of workless households at the bottom of the equivalised national income distribution.⁸ In 1994 one-third of workless households had household income in the bottom decile. This increased to 60 per cent of all workless households in 2000. In

⁸ Equivalised income means that the figures are adjusted to take account of household size. The equivalence scale used is 1 for the first adult, .66 for any additional adults and .33 for any children under the age of 14.

both years, between 75 per cent and 80 per cent of workless households were in the bottom two deciles. Almost half of households in which all eligible adults were at work in 1994 were in the top two income deciles, and there is some evidence of a decline in the proportion of work-rich households in the top two deciles, to less than 40 per cent in 2000. In both years, about half of all mixed-work households were in the top 5 income deciles, as were about 80 per cent of work-rich households.

Table 3.5: Proportion of Households in each Decile of the National Income Distribution by Household Employment Status

	1994			2000		
	No Work	Mixed	All Work	No Work	Mixed	All Work
	%	%	%	%	%	%
Lowest	38.6	8.8	2.5	60.7	5.2	2.6
2 nd	38.1	7.0	1.3	18.4	5.2	2.2
3 rd	8.9	7.7	2.6	9.1	9.3	2.5
4 th	7.8	12.5	4.4	4.7	13.1	6.2
5 th	2.0	12.7	7.4	3.1	14.7	8.7
6 th	1.4	13.5	8.5	2.1	11.7	11.1
7 th	1.4	13.0	10.5	1.0	14.1	10.1
8 th	0.9	11.0	14.6	0.3	9.9	15.6
9 th	0.6	7.4	22.1	0.5	9.0	18.1
10 th	0.3	6.2	26.1	0.0	7.9	22.9
	100.0	100.0	100.0	100.0	100.0	100.0

3.4 Household Income Packages and Household Employment Status

Table 3.6 provides an analysis of the sources of household disposable income (market income plus social welfare transfers less income taxes).⁹ The household income is calculated from the individual questionnaires of all household members on their *current* income from earnings, social welfare payments, pensions, grants, interest on savings/investments, rental income, etc. The share of income derived from work is strongly related to the proportion of adults at work. Among households in which there was at least one working adult almost 80 per cent of total income was earned from work, and in work-rich households, over 90 per cent of total household income was earned. In 1994, in workless households, about 1 per cent of income was from work.¹⁰

⁹ The figures in this section are based on non-equivalised household income.

¹⁰ Income from work in workless households may be due to reporting errors or to income from household members outside our working age range (18-65 years).

Table 3.6: Source of Income as a Percentage of Total Disposable Income by Household Employment Rate, 1994 and 2000

	Income from Work	Private Income	Pension Income (State and Private) ¹	Social Welfare Income ²	Other Income ³	Total
	%	%	%	%	%	%
1994						
No Work	1.0	0.9	4.9	90.5	2.6	100.0
Mixed	79.8	1.2	1.4	16.6	1.0	100.0
All Work	92.0	1.2	0.4	5.7	0.7	100.0
All	66.9	1.1	1.8	28.9	1.3	100.0
2000						
No Work	1.1	4.1	8.2	84.7	1.9	100.0
Mixed	83.7	1.2	2.0	12.7	0.9	100.0
All Work	90.6	1.3	0.4	7.0	0.6	100.0
All	76.0	1.7	2.0	19.4	0.9	100.0

¹ We have excluded households where the household reference person is 65 years or over, however households may contain another person in this age category. The early retired may also be in receipt of private pension income.

² Child benefit is included with social welfare income.

³ Other income consists of strike pay, annuities/covenants and trusts and assistance from charities.

The other main source of income was social welfare income. In 1994 this accounted for 91 per cent of total household income for workless households, 17 per cent of income in households in which at least one adult was at work, and only 6 per cent of income in households in which all adults were in employment. Pension income, accounting for about 2 per cent of total household income, was inversely related to the proportion of adults at work, so pension income was a more important income source among workless households than in work-rich households. In general these patterns were stable over time.

Table 3.7 disaggregates social welfare income by type of payment. In interpreting these results it is important to remember that the figures for work-rich and mixed-work households refer only to the minority of households that receive any social welfare income.¹¹

Here we see significant changes over time. In 1994, unemployment-related payments accounted for 47 per cent of total social welfare income for all households, and the share of unemployment-related payments in total income was highest in mixed-work households. In 2000, however, unemployment-related payments only accounted for about 27 per cent of total social welfare income. The latest figures show that among work-poor households where social welfare income was the most significant source of income – sickness/disability benefits accounted for the biggest share (38 per cent) followed by lone parents allowances (30

¹¹ The great majority of work-poor households (91 per cent) receive income from benefits compared to 35 per cent of mixed work households and 20 per cent of work-rich households.

per cent) while unemployment payments only amounted to 20 per cent.

Table 3.7: Welfare Income Type as a Percentage of Total Welfare Income by Household Employment Rate 1994 and 2000

Employment Rate	Elderly	Un-employment	Sick and Incapacitated	Lone Parents and Survivors	Family Income Supports ¹	Supplementary and Other Schemes (incl. Occup. Injuries)
1994	%	%	%	%	%	%
No Work	4.7	43.9	18.4	24.8	5.2	3.6
Mixed	6.4	45.6	19.2	14.4	11.5	3.4
All Work	12.6	35.6	8.9	27.3	13.3	2.4
All	6.3	43.6	17.6	21.0	8.6	3.4
2000						
No Work	4.2	19.3	36.9	27.7	7.9	4.9
Mixed	6.0	28.3	27.5	17.4	16.4	6.2
All Work	7.8	23.4	9.7	32.9	21.1	6.4
All	5.9	23.8	25.8	25.2	14.8	5.8

¹ Family income supports include Child Benefit payments, Maternity Benefit, Family Income Supplement and Carer's Allowance.

Lone parents and survivors payments accounted for 22 per cent of total social welfare income in 1994 and 27 per cent in 2000. In both years, this type of social welfare income was more important for households at both extremes of the household employment rate, households with either no or all adults employed, and its share in total income dipped in the mixed-work categories, presumably because of the importance of such incomes to all lone parent households, irrespective of work-status.

Sickness and incapacity-related payments increased in importance over time. In 1994 such payments accounted for 18 per cent of total social welfare payments for all households. In 2000, the proportion had increased to 27 per cent. In that year, sickness and incapacity income accounted for 38 per cent of total social welfare income in workless households, and for only 11 per cent of social welfare income where all adults were at work.

Table 3.8 allows us to disaggregate unemployment-related payments in greater detail. In 1994, almost three-quarters of total unemployment related benefits took the form of Unemployment Assistance (UA), reflecting the high national rate of long-term unemployment among individuals at that time. In workless households, 83 per cent of unemployment-related benefit income took the form of Unemployment Assistance. In 2000, there was a more even balance between Unemployment Benefit (UB) and Assistance. Among all households, about 40 per cent of unemployment-related benefit income took the form of Unemployment Benefit, and a further 44 per cent was in the form of Unemployment Assistance. Even among workless households, the share of Unemployment Assistance in total unemployment-related benefit income had fallen to 60 per cent in 2000.

Table 3.8: Unemployment-related Benefits by Type and by Household Employment Rate 1994 and 2000

	Unemployment Benefit	Unemployment Assistance	Part-Time Job Incentive Scheme + Back to Work Allowance	Total
1994	%	%	%	%
No Work	16.5	83.3	0.2	100.0
Mixed	29.3	68.4	2.4	100.0
2000				
No Work	39.3	60.6	0.1	100.0
Mixed	44.8	40.0	15.2	100.0
All	40.1	44.0	15.9	100.0

Note: Work-rich households are excluded from the table because so few are in receipt of unemployment related payments.

It is interesting that in mixed-work households where there are both employed and unemployed adults, the unemployment benefits are more likely to take the form of insurance based UB, while in workless households, the unemployed were more likely to be reliant on means-tested UA. This pattern is consistent with the hypothesis that means-tested benefits tend to discourage employment among other household members.

Over this period, the importance of social welfare based activation measures increased substantially. Overall, the share of unemployment-related payments represented by income from the Part-time Job Incentive Scheme and the Back to Work Allowance Scheme increased from less than 2 per cent in 1994 to 16 per cent in 2000.¹²

3.5 Conclusion

This chapter has examined aspects of the composition of workless households as well as the relationship between household employment status and level and sources of income.

The analysis of composition suggest that while work-poor households are becoming less prevalent they continue to have a number of characteristics that distinguish them. These are: having an older household reference person, having poor educational qualifications, being a lone parent or being a single-person household. These characteristics provide some clue as to why they have not been integrated into the workforce despite recent employment growth. There is some evidence that the concentration of joblessness among older age groups has increased over time while

¹² A minority of work-rich households were also in receipt of these activation payment. Only 6 per cent of work-rich households had received any kind of unemployment payment during the year (compared to 14 per cent of mixed work households and 26 per cent of work-poor households) and a third of these had received activation payments.

the concentration among those with no qualifications has declined somewhat. Single-person households have also become more prevalent among the work-poor. The findings on sources of income suggest that household joblessness has also become increasingly concentrated amongst those with long-term illnesses or disabilities.

One significant change in the composition of work-poor households between 1994 and 2000 was the decline in the proportion of traditional nuclear families in this category. In 1994, about 30 per cent of all workless households were couples with children under 18 years but by the year 2000 they accounted for only 14 per cent of all workless households. This change has led to a significant reduction in the proportion of Irish children living in work-poor households, from 27 per cent in 1994 to 9 per cent in 2000. However, children in households headed by lone parents continue to be exposed to a high risk of household joblessness. Lone parents with children under 18 years still accounted for 22 per cent of workless households in 2000.

There was a very strong relationship between household employment status and income, with workless households strongly concentrated at the lowest income levels. In both 1994 and 2000 up to 30 per cent of workless households received less than £100 per week in year-2000 prices, and over three-quarters of workless households received less than £200 per week. So during a period of sustained and substantial increases in national living standards, there was no increase in the purchasing power for the declining group of workless households.

This pattern of unchanging inequalities associated with household employment status is confirmed when we compare household incomes with the structure of national income distribution. In both 1994 and 2000 between 75 per cent and 80 per cent of workless households received incomes in the bottom two deciles of the national income distribution.

When we turned to an analysis of income sources we found that the source of income was strongly related to household employment status. Workless households derived virtually no income from work, and over 80 per cent from social welfare sources. Households in which some or all adults worked derived well over 80 per cent of their total income from work, and were thus much less reliant on social welfare, or any other income source.

Among households in receipt of social welfare income, unemployment-related payments were the most common type of payment in 1994 however, following the decline in aggregate national unemployment, the importance of unemployment-related payments fell. Sickness and incapacity-related payments, as well as lone-parents payments became much more prominent over time, with the former accounting for 37 per cent of total social welfare income and the latter accounting for another 27 per cent in 2000. This meant in the later year, sickness and incapacity-relating payments represented the single most important payment among workless households.

There were also important changes over time in the structure of unemployment-related payments. In 1994, almost three-quarters of total unemployment-related payments took the form of Unemployment Assistance, reflecting the high national rate of long-term unemployment among individuals at that time. In workless households, 83 per cent of unemployment-related benefit income took the form of Unemployment Assistance. In 2000, there was a more even balance between Unemployment Benefit and Assistance. Among all households, about 40 per cent of unemployment-related benefit income took the form of Unemployment Benefit, and a further 44 per cent was in the form of Unemployment Assistance. Over this period, the importance of social welfare based activation measures, the Part-time Job Incentive Scheme and the Back to Work Allowance Scheme, increased substantially, and in the year 2000 accounted for 16 per cent of unemployment-related payments, because they are paid to people returning to work they are most important in households with members in employment.

4. THE IMPLICATIONS OF HOUSEHOLD WORK SITUATION FOR POVERTY, DEPRIVATION AND SUBJECTIVE WELL-BEING

4.1 Introduction

In this chapter we shift our focus from the composition of work-poor households and the risk factors associated with joblessness to consider the *consequences* of work poverty. A large part of the increasing concern with concentration of employment opportunities among certain households follows from a fear that such concentration will be accompanied by a corresponding polarisation of households in terms of income and standards of living. In the previous chapters we saw that in numerical terms there has not been a polarisation of households, the proportion of work-poor households has declined significantly over the period 1994-2000 while the proportion of mixed-work and work-rich households have both increased. However, there remains the possibility that the shrinking pool of work-poor households have experienced a deterioration of their conditions either in absolute or relative terms. In other words there may have been a polarisation in conditions between households with no members in employment and those with some or all members in work.

To address this issue we compare the income levels and experience of deprivation of working-age households (i.e. where at least one member of the household was in the age range 18-64 years) with differing connections to the labour market. We examine whether there has been a deterioration in their circumstances over time, both in absolute terms (i.e., compared to work-poor households in 1994) and relative to work-rich and mixed-work households (i.e., has the gap between work-poor and other households widened since 1994). We also consider the consequences of household employment for the subjective well-being of household members. This analysis taps into concerns expressed by critics of the Celtic Tiger, that the 'quality of life' of those excluded from the economic boom will have deteriorated because the surrounding prosperity creates a greater sense of

4.2 Income Poverty and Employment

alienation (O'Hearn, 1998), and that the quality of life of the work-rich has deteriorated because they have too little time to spend on other non-work activities (e.g., Ryan, 2003).

We begin our analysis of the consequences of the distribution of work for economic life-chances by focusing on income poverty. In Table 4.1 we look at the relationship between household employment situation and income poverty, defined as falling respectively below 50 per cent, 60 per cent and 70 per cent of household disposable median equivalent income. Concentrating first on the most extreme definition of poverty we can see that, already by 1994, there was a clear relationship between the distribution of employment opportunities and income poverty. At this point one in ten households with no-one in work fell below the 50 per cent poverty line. The corresponding figure for mixed-work households was 4 per cent and for work-rich households was at just above 1 per cent. The work-poor households were thus exposed to a risk of poverty at this level that was two and half times higher than for the mixed households and nine times higher than for work-rich households. Before making comparisons with the situation in 2000, it is necessary to take account of the fact that overall, there was a threefold rise over time from 5 per cent to 16 per cent in the number of households falling below the 50 per cent threshold. However, exposure to higher levels of poverty was spread very unevenly across households depending on employment status. Thus by 2000 almost three-quarters of households where no-one was in employment fell below the 50 per cent line. This compares with less than 10 per cent in mixed households and only 4 per cent in work-rich households. Therefore, the relative disadvantage of work-poor households increased over time: in 2000 work-poor household were twenty times more likely to be poor than work-rich households compared to 1994 when their risk was nine times greater.¹³ The differential poverty risk between work-poor households and mixed households also increased over the period, from three to one in 1994 to seven to one in 2000.

Turning to the poverty line represented by 60 per cent of median income, we find that in 1994 just over two out of five work-poor households were found below this line. For the mixed households the corresponding figure was just less than one in ten and for work-rich households it was as low as one in forty. Between 1994 and 2000 the overall number below the 60 per cent line increased from 14 per cent to 22 per cent. In this case, however, the rate of increase was much more evenly spread across the employment situation of the household.

¹³ These figures are calculated by dividing the percentage of households below the poverty line in no-work household by the percentage below the poverty line in work-rich households in each year.

Table 4.1: Risk of Income Poverty by Household Employment Status by Year

	% < 50% of Median		% < 60% of Median		% < 70% of Median	
	1994	2000	1994	2000	1994	2000
No work	11.2	73.6	41.4	85.2	75.8	90.7
Mixed	4.1	9.9	9.1	17.5	15.9	25.3
All work	1.3	3.7	2.7	6.3	4.0	9.4
All	4.7	16.2	14.0	21.9	25.0	27.1

For work-poor households the number below the 60 per cent line more than doubled to reach a level of 85 per cent. The rate for the mixed group also came close to doubling in reaching a level of 17 per cent. Finally, the figure for the work-rich group more than doubled and by 2000 was just in excess of 6 per cent. As a consequence of these changes the vast majority of work-poor households fell below the 60 per cent income line but this situation had come about largely because of the overall increase in poverty rather than because of any significant change in the differential in risk between work-poor and work-rich households. Thus in 1994 the former were fifteen times more likely to be poor and in 2000 fourteen times more likely.

Finally, the 70 per cent median income poverty line represents another type of case where the overall poverty rate remained fairly constant – going from 25 per cent to 27 per cent – allowing fairly straightforward comparisons over time. In the case of work-poor households the poverty rate rose from 76 per cent to 91 per cent constituting a proportionate increase of almost 20 per cent. The mixed group households saw a corresponding increase from 16 per cent to 25 per cent involving an increase of the order of 60 per cent. However, the sharpest increase was observed for the work-rich households where the relevant figure more than doubled from 4 per cent to 9 per cent. As a consequence, while the absolute difference between work-rich and work-poor households in numbers under the 70 per cent line rose, the differential risk declined from nineteen to one to less than ten to one.

It should be clear by now that interpretation of the trend in poverty rates across employment status is by no means a simple matter. The conclusions one draws will be influenced by the poverty line on which one focuses and whether one focuses on absolute or relative change. The situation is also complicated by the fact that the distribution of households across the categories of the classification of employment concentration changes so dramatically in a short period of time. This produces results that at first glance seem paradoxical. Thus, in the case of the 70 per cent income line while the overall rate of increase in poverty is extremely modest, at the same time a substantial increase in the rate is observed within each of the sub-categories of employment status. The paradox is explained by the substantial increase in numbers in the categories with lower, although increasing, risk of poverty. Change for the employment status sub-groups has taken place in the context of an overall increase in income inequality that is reflected in the relatively

4.3 Life-style Deprivation and Employment Status

Poverty is now widely conceptualised in terms of exclusion from the life of one's society because of a lack of resources, and so involves experiencing various forms of what a particular society would regard as serious deprivation (Townsend 1979). A definition of poverty in very much these terms has been enshrined in the National Anti-Poverty Strategy (NAPS 1997, 1999). As has been argued in previous work, income on its own has limitations for capturing such exclusion. Those below lower relative income lines in particular are often not those experiencing the corresponding levels of deprivation. Consequently, income and deprivation approaches to identifying the most disadvantaged tend to identify groups with quite different socio-demographic profiles (Callan *et al.*, 1993; Nolan and Whelan, 1996). This has been shown to be true across a wide range of European Union countries (Whelan *et al.*, 2001; Layte *et al.*, 2001.)

The Irish case is even more complex, because the very rapid growth in average incomes since 1994 poses particular problems in capturing what is generally regarded as exclusion. In such circumstances, relying on relative income lines alone could lead to particularly misleading conclusions. Direct measures of deprivation can provide a valuable and complementary source of information in measuring poverty and assessing poverty trends. A measure of poverty combining both low income and manifest deprivation was developed at The Economic and Social Research Institute (ESRI) initially using the 1987 survey results. Callan, Nolan and Whelan (1993) and Nolan and Whelan (1996) used a range of deprivation indicators to produce different indices of deprivation, and identified those both below relative income poverty lines and experiencing what was termed basic deprivation as experiencing generalised deprivation due to lack of resources. This 'consistent' poverty measure was subsequently the basis for the global poverty reduction target adopted in the National Anti-Poverty Strategy. Given the scale of economic change that took place between 1994 and 2000, we feel that a sensible approach is to examine trends in life-style deprivation before proceeding to examine comparable trends in the consistent poverty measure. We concentrate on the basic and secondary deprivation dimensions, which have earlier been shown to bear the stronger relationship to household income. Table 4.3 shows the nature of the items involved. Basic life-style deprivation items focus on current economic pressures as reflected in the enforced lack of items such as food and clothing and the experience of debt problems. Secondary life-style deprivation involves the enforced absence of consumer durables such as a car, a telephone and leisure activities.

Table 4.3: Life-style Deprivation Dimensions**Basic Dimension**

A meal with meat, chicken or fish
 A warm, waterproof overcoat
 Two pairs of strong shoes
 A roast joint of meat or its equivalent once a week
 New, not second-hand clothes
 Go without a substantial meal
 Go without heat
 Go into debt for ordinary living expenses

Secondary Dimension

Telephone
 Car/Van
 A week's annual holiday away from home
 Central heating
 Be able to save regularly
 Daily newspaper
 Hobby or leisure activity
 Presents for friends or family
 Able to afford afternoon or night out

In Table 4.4 we show the relationship between basic and secondary deprivation and the concentration of employment for 1994 and 2000. It is clear that each of the three groups experienced a substantial reduction over time in the level of basic deprivation but that the extent of that reduction was directly related to access to employment by household members. Thus, for the work-poor households the level for 2000 falls to approximately two-fifths of that for 1994. For the mixed households the corresponding figure is nearly one-third and for the work-rich group it is close to 50 per cent. The last three columns in Table 4.4 report the corresponding analysis for secondary deprivation. Once again we observe a reduction in deprivation households for all categories but in this case the reduction is relatively modest for the work-poor households and the main contrast is between them and all other households. Thus for the work-poor-group their level of secondary deprivation is just over 70 per cent of that pertaining in 1994 while for the other groups the level is halved.

Table 4.4: Average Levels of Basic and Secondary Deprivation by Employment Status and Time of Survey

	Basic Deprivation			Secondary Deprivation		
	1994	2000	2000 as % of 1994	1994	2000	2000 as % of 1994
Work-Poor	1.79	0.69	38.7	3.74	2.66	71.1
Mixed	0.41	0.12	29.5	1.65	0.85	51.8
Work-Rich	0.20	0.09	47.3	1.07	0.55	51.3
Total	0.64	0.19	29.6	1.90	0.96	50.4

The NAPS consistent poverty measure requires that in order for a household to be counted as poor it must not only fall below the relevant income poverty threshold but must also experience enforced absence of at least one basic deprivation item. In this context it is interesting to look again at the trends in basic and

secondary deprivation using as an indicator the percentage lacking at least one item. From Table 4.5 we can see that, among the work-poor households, the number of households lacking a basic deprivation item was halved between 1994 and 2000 as the figure fell from almost six out of ten to less than three out of ten. For the mixed households the corresponding decline was from just over one in five households to one in twelve. Finally, for the work-rich households the relevant figure went from nearly one in seven households to just one in sixteen. In contrast, the vast majority of work-poor households continued to suffer the enforced absence of at least one secondary item: as the number in this situation went from just above nine out of ten to just over eight out of ten. The decline in secondary deprivation was much more pronounced for other households. While in 1994 almost two-thirds of the mixed category households experienced this type of deprivation, six years later this was true of only four out of ten. Correspondingly, while one in two work-rich households were deprived of such an item at the earlier date, over time this fell to three out of ten.

Table 4.5: Risk of Basic and Secondary Deprivation by Household Employment Status by Year

	% Lacking at Least One Basic Item		% Lacking at Least One Secondary Item	
	1994	2000	1994	2000
No work	57.9	29.3	91.0	82.1
Mixed	22.1	8.1	64.6	41.9
All work	14.6	6.4	52.8	29.5
All	27.4	10.3	66.3	41.5

As a consequence of the strength of the relationship between declining deprivation and employment status, we find that, despite the changed distribution of employment opportunities documented earlier, the composition of the deprived groups in terms of employment concentration remained a good deal more stable than was the case for the income poverty lines. From Table 4.6 we can see that for basic deprivation the proportion accounted for by work-poor households declined from 47 per cent to 41 per cent. For the mixed group the proportion decreased from three out of nine to nearly three out of ten. At the same time there was a corresponding increase for the work-rich group from almost two out of ten to three out of ten. For secondary deprivation the extent of change was rather modest with a marginal increase from 28 per cent to 35 per cent observed for the work-rich group being counterbalanced by smaller shifts in the opposite direction for the other groups.

The broad pattern of change is clear. There was a general and substantial reduction in levels of deprivation in a relatively short period. In relation to basic deprivation this was relatively even across households with different employment statuses. As a consequence by 2000 a substantial majority of the now smaller group who made up the work-poor group now managed to entirely avoid exposure to such deprivation. However, in relation to secondary deprivation improvement was significantly less

pronounced among work-poor households. As a consequence inequalities between this group and the work-rich and mixed households widened. Taken together our findings show that work-poor households, although they became increasingly exposed to income poverty, were able to take advantage of overall improvements in living standards to rise above the threshold set by basic deprivation. However, in important respects they fell behind other households in the standard of living available to them. Although reductions in the level of basic deprivation clearly constitute an achievement, the widening gap in other respects between work-poor households and others clearly constitutes a cause for concern.

Table 4.6: Incidence of Basic and Secondary Deprivation by Household Employment Status by Year

	% Of Those Lacking at Least One Basic Item		% Of Those Lacking at Least One Secondary Item	
	1994	2000	1994	2000
No work	46.7	40.7	30.4	28.3
Mixed	34.6	28.8	41.7	36.8
All work	18.7	30.5	27.9	34.9
All	100.0	100.0	100.0	100.0

4.4 Consistent Poverty and Employment Status

We have seen that there have been significant reductions between 1994 and 2000 in the basic index of deprivation, which is the measure we have used to date together with low income to identify households excluded because of a lack of resources. As in earlier work (Callan *et al.*, 1996, Layte *et al.*, 2000), we now combine basic deprivation with relative income poverty lines to construct a 'consistent' poverty measure, distinguishing households that both have relatively low income and are experiencing basic deprivation.

The use of a range of income lines allows us to see the consequences of varying the income criterion for the numbers and types of households identified as poor, so we again employ relative income lines as 50, 60 and 70 per cent of median disposable income. From Table 4.7 we can see that the trend in consistent poverty over time, for working age households, is highly dependent on the choice of income line. At the 50 per cent line there is a slight increase in the number above the threshold from 2.5 per cent to 3.9 per cent. At the 60 per cent line there is little change with the figure going down from 6.9 per cent to 5.2 per cent. At the 70 per cent line there is a sharp decrease from 12.9 per cent to 6.1 per cent.

Turning to the impact of employment concentration, we can see that at the 50 per cent line there is a sharp increase from 9 per cent to 22 per cent for the work-poor. For the remaining groups the numbers below this threshold were already close to zero by 1994 so, not surprisingly, little change is observed over time. At the 60 per cent line we see little movement for any of the groups. The pattern of no change continues at the 70 per cent line for the work-rich group. In fact, in both years this group have consistent poverty rates close to zero at all three lines.

4.5 Subjective Well-Being and Employment

In this section we seek to examine the relationship between employment opportunities and subjective well-being and the manner in which this has changed over time. We start by looking at the impact of employment status on subjective economic strain, which we define as a household experiencing “great difficulty” or “difficulty” in making ends meet. The second outcome on which we focus our attention is psychological distress. For this dimension we focus on the household reference person. We use the General Health Questionnaire (GHQ) and ask respondents 12 questions about their present mental and emotional condition “over the last few weeks” in comparison to their normal condition. Normally a score of two is taken as a threshold and respondents with higher scores are classified as suffering from psychological distress. In Table 4.9 we show risk levels for 1994 and 2000 by employment status for both economic strain and psychological distress by employment status.

The first point to note is that, overall, increased prosperity was associated with substantial declines in the levels of economic strain and psychological distress. The percentage of households experiencing economic strain almost halved between 1994 and 2000 while the level of psychological distress among household heads declined by a third. Focusing first on economic strain we find the largest reduction was for the work-rich and mixed households where levels were halved. For work-poor households the corresponding reduction was of the order of one-quarter. For psychological distress, on the other hand, the reduction was more even across household types. The rate decreased by about one-quarter for work-poor and mixed households but by one-third for work-rich households.

Table 4.9: Risk of Economic Strain and Psychological Distress by Household Employment Status by Year

	% Experiencing Economic Strain			% Above Psychological Distress Threshold		
	1994	2000	2000 as % of 1994	1994	2000	2000 as % of 1994
No Work	55.0	40.4	73.5	44.0	34.1	77.4
Mixed	24.7	13.5	54.6	20.4	15.6	76.5
All Work	13.0	7.6	58.6	16.2	10.8	66.5
All	27.3	14.6	53.3	24.3	15.9	65.4

The effect of the combination of these trends and the change in the distribution of employment status over time was to produce a situation whereby by 2000 the work-poor constituted slightly less of those experiencing economic strain and the work-rich slightly more (see Table 4.10). In the case of psychological distress there were comparable shifts but of a somewhat greater magnitude. In 2000 the work-poor constituted 31 per cent of those experiencing psychological distress down from 41 per cent in 1994, while the proportion accounted for by the work-rich rose from 24 per cent to 33 per cent producing a reversal in their relative importance.

Table 4.10: Incidence of Economic Strain and Psychological Distress by Household Employment Status by Year

	% Of Those Experiencing Economic Strain		% Of Those Above Psychological Distress Threshold	
	1994	2000	1994	2000
No work	44.6	40.7	41.4	30.8
Mixed	38.8	33.5	34.8	35.8
All work	16.7	25.8	23.8	33.4
All	100.0	100.0	100.0	100.0

4.6 The Distribution of Work and Quality of Life

While the major concern for those studying changing work patterns has been with work-poor households, an additional focus has been on the possibility that work-rich households may experience a diminution in their quality of life as a consequence of the stresses involved in balancing work and non-work demands. Thus as Fisher (2002), notes the term “work-life balance” appears widely in popular parlance, and stories of threats to quality of life from increasingly pervasive demands of work figure prominently in many industrialised countries at the start of the twenty-first century. Concern with quality of life issues has been prompted not just by extent of engagement in paid work by household members but also by a perception of an increased intensification of work associated with changing work practices. Thus as Gallie (2002, pp. 104-105) notes, faced by increased competitive pressures employers have tended to seek greater flexibility in work practices while accompanying technological change has tended to disrupt established work practices.

We do not have available the type of information necessary to offer a comprehensive evaluation of the impact of the changing distribution of work on quality of life. However, for both 1994 and 2000 we can draw on information relating to respondents’ evaluations of their main activity and their leisure time. By comparing variations across household work situation and time we can at least get some insight into the extent to which respondents’ evaluations are in line with the speculations in the work-balance literature.

Turning our attention first to satisfaction with “work or main activity” and focusing on the household reference person, we find that there is a sharp contrast between work-poor households and all others (Table 4.11). Just less than one-half of the work-poor group were satisfied with their main activity compared to just over three-quarters of mixed households and over eight in ten of those in work-rich households. Comparing the situation in 2000 with that in 1994, we find that there was a general trend towards increased satisfaction, which operated across all three groups, leaving the relativities between groups largely unchanged. Thus, there was no evidence that the increase in the number of work-rich households was accompanied by a declining level of satisfaction with work situation.

Table 4.11: Satisfaction with Work or Main Activity by Employment Status and Date of Survey

	1994	2000
	% Satisfied	% Satisfied
No work	44.5	53.6
Mixed	76.6	80.9
All work	82.0	86.1

In Table 4.12 we focus on satisfaction with leisure time. In 1994 there was almost no difference in levels of such satisfaction among the heads of households associated with household employment status. In each category close two-thirds of respondents were satisfied with their leisure time. Over time one observes an increase in the level of satisfaction. The increase is most notable for the work-poor group where a rise of 10 percentage points is involved, compared to an increase of 5 percentage points for the mixed group and 6 percentage points for the work-rich group. Thus we observe improvements in levels of satisfaction both for main activity and leisure time. There is no evidence from this analysis that the increase in work-rich households has involved deterioration in the manner in which they assess their work activities or that an increased ability to participate in paid work has been achieved at the price of a perception of reduced opportunity to benefit from leisure time.

Table 4.12: Satisfaction with Leisure Time by Employment Status and Date of Survey

	1994	2000
	% Satisfied	% Satisfied
No work	66.6	76.0
Mixed	67.7	73.1
All work	67.0	73.4

The results reported above offer a fairly sanguine picture of the consequences for quality of life of the increase in the number of work-rich households. However, the possibility remains that the tensions provoked by increasing numbers of work-rich households may be concentrated on particular sub-sets of households. The most plausible candidates here are households made up of couples with children (and lone parents with children). It might also be that such tensions impact more strongly on the partners of reference persons in such couple households rather than on the reference persons *per se*. Below we repeat our earlier analysis focusing on such households and reporting results for both partners. Focusing first on the reference person, from Table 4.13 we can see that in 1994 the level of satisfaction with main activity among work-poor households in this category was particularly low with only 25 per cent expressing satisfaction. This compares with almost 80 per cent in the mixed and work-rich categories. Over time we once again observe an improvement in satisfaction for all categories. This is marginal in the case of the mixed group. However, for the work-poor category it involves an increase of 15 percentage points and

for the work-rich category one of 8 per cent. Thus the shift in relativities between the work-rich and work-poor categories was associated not with deterioration in the situation of the former but an improvement in the circumstances of the latter.

In the case of the partners it is again those in work-rich households who are most satisfied with their main activity in both 1994 and 2000, although the differences between household types are narrower in 2000. In general, partners in work-poor households are significantly more satisfied with their own non-employed status than the reference person.

Table 4.13: Satisfaction with Work or Main Activity by Employment Status and Date of Survey for Couples with Children

	1994	1994	2000	2000
	% Satisfied Reference Person	% Satisfied Partner	% Satisfied Reference Person	% Satisfied Partner
No work	24.6	55.8	35.8	77.1
Mixed	77.7	78.0	81.5	83.1
All work	81.3	83.8	89.9	85.9

In Table 4.14 we report the results relating to satisfaction with leisure time for households comprised of couples with children. In 1994 there was relatively little variation across sub-groups in reported level of satisfaction of the reference person on this dimension, with just over 60 per cent being satisfied in each case. When we turn our attention to change over time we observe improvements in the reported satisfaction levels of the work-poor and work-rich groups with increases of 14 percentage points being reported in the first case and of 10 percentage points in the last case.

Among partners while satisfaction levels increase across all three groups, this is particularly so for the partners in the work-poor households. As a consequence while such partners were clearly significantly less satisfied than partners in other households in 1994 by 2000 they were the most satisfied group. In both years spouses in work-rich households were less satisfied with their leisure time than those in mixed-work and work-poor households. The gap between the groups widened in 2000 because those in work-poor and mixed-work households became more satisfied while the satisfaction levels of partners in work-rich households declined somewhat over time. These results provide some evidence of pressure on leisure time among female partners in households that have high paid and unpaid work commitments. However, the majority, 64 per cent still express satisfaction with their leisure time. Furthermore, despite the lower than average leisure satisfaction, women in this position express high levels of satisfaction with their work or main activity which suggests there may be a trade-off between different elements of life satisfaction for this group.

Table 4.14: Satisfaction with Leisure by Employment Status and Date of Survey for Couples with Children

	1994	1994	2000	2000
	% Satisfied Reference Person	% Satisfied Partner	% Satisfied Reference Person	% Satisfied Partner
No work	61.9	48.5	76.0	80.9
Mixed	61.4	70.4	68.3	76.6
All work	60.7	63.3	70.8	65.3

4.7 Conclusions

In the foregoing analysis we saw that in one very important respect a reduction in the number of work-poor households was associated with an increasing polarisation between such households and others. This involved a striking increase in the proportion of such households below 50 per cent of median household income. This result is consistent with the finding reported in Chapter 2 that such households had become increasingly concentrated in the bottom income decile. This change has taken place in the context of a general increase in the numbers below this line but the burden has been disproportionately borne by work-poor households with consequent increases in the disparities between them and mixed and work-rich households.

The risk of income poverty for work-poor households also increased at the 60 per cent and 70 per cent lines, so that by 2000 a staggering 91 per cent of these households fell below the 70 per cent poverty line. However, the decline in the number of work-poor households noted in the earlier chapters coupled with general increases in the numbers below relative income poverty lines (due to increasing income inequality) has resulted in a situation whereby, except for the 50 per cent income line, work-poor households constitute a smaller proportion of the poor in 2000 than had been the case in 1994. Thus it is true that, at the same time as the position of work-poor households has become particularly precarious, exposure to income poverty, except in its most extreme form, has become a phenomenon that extends beyond such households to a substantially greater extent than heretofore.

In order to evaluate the implications of these trends, it is necessary to take into account the less than entirely straightforward relationship between income and life-style deprivation and the fact that such changes took place in the context of an unprecedented increase in the overall level of prosperity in Irish society. When we focus on life-style deprivation, we find that, despite the deterioration in their relative income position, work-poor households experienced substantial reductions in their levels of basic and secondary deprivation. However, in the case of secondary deprivation their gains were substantially smaller than those achieved by other households. Thus a clear picture emerges of a pattern of gains for all three groups accompanied by a substantial polarisation in relative terms between work-poor households and all others. However, in a manner that at first glance may seem

paradoxical, these trends, combined with the change in the distribution of households across employment status categories over time, produced a situation whereby work-poor households came to make up a smaller proportion of those experiencing basic deprivation while the role of work-rich households increased in importance.

Combining income and deprivation information we proceeded to examine the situation relating to consistent poverty. Here we found that at the 50 per cent line there was a substantial increase in the level of consistent poverty among work-poor households between 1994 and 2000 and a consequent widening disparity between themselves and all other households in exposure to such risk. At the 60 per cent line on the other hand there was little change either in the actual rates of poverty or the disparities between groups while at the 70 per cent line there was a substantial reduction in the poverty rate for the work-poor group. There appears, therefore, to be a degree of polarisation within the work-poor group, with one-fifth of the group being pushed towards the rather extreme level of disadvantage represented by consistent poverty at 50 per cent of median income while at the same time three-quarters of the group avoid consistent poverty across all three income thresholds. As a consequence of these diverse trends the composition of the consistently poor shows little signs of change.

When we turn to trends in subjective well-being, the major question is whether the reaction of the work-poor group is likely to be more strongly influenced by the absolute improvements in their life-style or the relative deterioration in their situation in terms of both income poverty and basic and secondary deprivation. The evidence relating to economic strain and psychological distress suggests that it is the former that has had the decisive impact as the work-poor group display a significant degree of improvement in their situation in relation to both dimensions, although in relation to the former the rate of improvement is somewhat less than that for other groups. Thus despite the significant deterioration in their relative position experienced by work-poor households there is no evidence that the position conforms to one of progressive immiseration. However, given the extent to which the deterioration of their relative position has involved them being pushed to the margins in relation to both income and secondary deprivation there must be considerable cause for concern as to what the consequences of such polarisation may be when the overall increases in prosperity levels are no longer present to buffer the impact of rising inequality.

In concluding this chapter we redirected our attention to the potential problems faced by work-rich rather than work-poor households. We did so in the context of emerging arguments relating to the consequences of a deteriorating 'work-life' balance and the potential consequences of intensification of work. While the available data do not allow us to offer a comprehensive evaluation of such issues and, in particular, we have no data relating to quality of working conditions, we could find no evidence that

expanding employment opportunities and an increase in the number of work-rich households had resulted in decreasing satisfaction with either work or leisure activities. In fact where changes over time were observed, they were in the opposite direction. There was some evidence that in couple households with children female partners in work-rich households experienced lower levels of satisfaction with leisure time than those in mixed-employment and no-employment, however, this was in the context of much higher satisfaction with their main activity.

5. THE DYNAMICS OF HOUSEHOLD JOBLESSNESS

5.1 Introduction

In this chapter we move from a cross-sectional view of household joblessness to a dynamic one. First we look at the duration of household joblessness and consider whether this is a temporary or more permanent condition of households. The persistence of joblessness is an important issue since it is likely that the longer households remain without employment the more severe the consequences. If households experience a long-term joblessness and welfare dependency the risks of income poverty and deprivation become higher as resources (such as savings) become depleted over time (Whelan *et al.*, 2003). Another major concern about household joblessness is that individuals in these households will become increasingly detached from the labour market as their connections with social networks of employed people weaken. This suggests a “duration dependency” in other words the longer households remain disconnected from the labour market the more difficult it becomes to break back in. These factors suggest it is important to take account of the temporal dimension of household joblessness.

The shift to a longitudinal perspective in this chapter involves the use of different analysis techniques, which are described in the methodology section below. In Section 3 of this chapter we develop a typology of household joblessness based on the number of years of work poverty and we consider the characteristics of those who experience persistent or recurrent work poverty. We then move on to examine transitions both to and from joblessness and the processes at the household level that account for these changes (Section 4). Here we consider the role of changes in household composition versus changes in employment in transitions to and from joblessness.

In the final section we examine changes in the work patterns of couples and consider the role of women’s employment in household work transitions. We focus on these issues for two reasons. First, because there has been an emphasis in the literature on the link between the employment status of partners (see Chapter 1). Second, we saw in Chapter 2 that a significant part of the employment growth experienced in the latter half of the 1990s was due to increases in women’s employment rate. We have shown elsewhere that the rise in employment was particularly dramatic among married women (Fahey *et al.*, 2000). Therefore, we would

expect changes in married women's employment status to have had a significant impact on household work transitions.

5.2 Methodology

In this chapter we make use of the panel element of the Living in Ireland Survey. Because the survey returned to the same individuals every year we are able to examine how their circumstances and characteristics changed over time. Here, we use this capability to examine the persistence of household joblessness, transitions to and from joblessness and how these patterns may be related to certain individual and household characteristics. However, as this approach requires that we follow individuals across time we have to confront some difficult issues presented by attrition in the sample that influence the types of analyses that can be performed.

The first wave of the Living in Ireland Survey/European Community Household Panel (ECHP) was conducted in 1994, and the same individuals and households were followed, where possible, for each year thereafter. The wave conducted in 2000, therefore, was the seventh wave of the survey. In Wave 1 there were 4,048 completed sample households and 9,904 members were interviewed individually. The follow-up rules for the survey meant that new households might be included in each wave where a sample person from Wave 1 moved to another household. Table A2.1 in Chapter 2 summarises the wave-on-wave response rates, from Wave 1 to Wave 7.

In 2000 a new sample of just over 1,500 completed households was added to the sample continuing from previous waves. Since we are concerned with longitudinal processes we do not use the new supplementary sample in this chapter but confine our analysis to households that were included in the earlier waves (1,952 households with 4,745 individuals).

Through the life of the panel individuals and households have been lost to the sample, or have failed to provide an interview in particular years. Such attrition causes "censoring" problems when carrying out longitudinal analyses since if information is not gathered after a certain date we do not know the outcomes of certain processes. For example, if someone is work-poor in 1995 and 1996, but leaves the sample thereafter we do not know whether the jobless spell ended in 1996 or perhaps carried on through 1998. Such "right-censoring" is not difficult to take account of with the appropriate techniques and in a sense all data is censored because information stops at the final interview. But, such censored samples do demand complex weighting schemes to take account of the fact that certain cases may contribute more information than others simply because they stayed in the sample longer. The appropriate weighting technique in this situation is disputed c.f. (Enst, 1989; Lepkowski, 1989; Rendtel, 1991) and several different techniques are advocated.

In Section 3 we restrict the analysis to households that were present for five or more of the seven years available (this section is based on year counts), one of which must be the first year of the

panel (1994). We then weight this data using the cross-sectional weight for 1994. Tests showed that using households present for 5 or more rather than 7 waves did not significantly alter the results, but did increase the numbers of households available in particular cells (thus increasing reliability). In the analysis of transitions, outlined in Section 4, we included all households who appeared in at least two waves of the panel.¹⁴

5.3 The Persistence of Joblessness

As argued at the outset, the consequences of household joblessness are increasingly serious the longer this situation lasts. Therefore, in this section we attempt to establish the degree to which household joblessness is a long-term condition. To do this we count the number of years over the period 1994 to 2000 that the household was work-poor. This gives us a measure of the persistence of joblessness over the period that will allow us to quantify the average experience and the distribution of work-poor years.

As mentioned above we restrict the analysis to those households who were in the survey for at least five of the seven possible years. As in the previous chapters we limit the analyses to households with at least one individual aged between 18 and 65 years and where the household reference person is aged less than 65 years at first interview in 1994.

On this basis we can now go on to examine the persistence of joblessness in the Living in Ireland sample. In Table 5.1 we can see the distribution of years work-poor across the households in the sample and this shows that a majority of households (58 per cent) avoided joblessness during the period from 1994 to 2000. However, this also means that a substantial minority of 42 per cent did experience joblessness during the period. This proportion is substantially more than either the 22 per cent found in 1994 or the lower figure of 14 per cent found in 2000 reported in Chapter 2.

Table 5.1: Proportion of Households Experiencing N Years Work-Poor 1994-2000

Years Work-Poor	%
0	57.8
1	12.2
2	6.0
3	5.1
4	4.7
5	4.6
6	3.5
7	6.1
Total	100.0
% Exp. 1+ Years	42.2

Source: LII Survey 1994-2000; only households present in the survey for a minimum of 5 of the 7 waves are included.

¹⁴ In Section 4 we are analysing 'transitions' from one year to the next and so only need to have at least two years for analysis.

This shows that over a longer observation period a far higher proportion of households have experienced joblessness than is revealed by cross-sectional figures. Moreover, of the 42 per cent of households who have experienced joblessness over the period from 1994 to 2000, around 30 per cent have experienced two or more years and 19 per cent have experienced four or more years.

Such statistics do not however tell the whole story. First of all, the use of a set observation period means that a household only reporting one year of joblessness in 1994 may in fact have been in the last year of a considerably longer spell (this is what is referred to as ‘left’ censoring).¹⁵ This is an important problem but, a report of more years work-poor over the period would still tend to indicate greater disadvantage. However, this problem also highlights another issue – that joblessness often occurs as a ‘spell’ rather than as single years. This is important since four years of joblessness over the seven observed may indicate a single period of sustained unemployment or recurrent spells. To address this issue we devised a typology of joblessness based on both the number of years work-poor and the length of the spells:

- Non-Work-Poor: Households which did not experience joblessness over the seven year observation period.
- Transient Work-Poor: Experienced one spell of joblessness, but not of more than two years.
- Recurrently Work-Poor: Experienced two or more spells of joblessness, but none of more than two years.
- Persistently Work-Poor: Experienced at least one spell of joblessness of three or more years.

Table 5.2 shows the distribution of households across this typology. As in Table 5.1 we see that 58 per cent of households have avoided joblessness completely during the period, but 16 per cent have experienced a single spell (‘transient’ work-poor) and 5 per cent have experienced two or more spells. Most interestingly however, almost 21 per cent have experienced at least a single spell of three or more years. Remember that households of retired people have been removed from the sample under analysis, so these ‘persistently’ work-poor households represent working age households that were without a working adult for at least three years.

¹⁵ Although here we refer to ‘spells’ of joblessness, in fact we only use annual information on the work status of household members at the time of the interview. It is possible then that the household has not been work-poor throughout the year.

Table 5.2: Proportion of Households by Work-Poor Typology 1994-2000

Never Work-Poor	57.8
Transient Work-Poor	16.1
Recurrently Work-Poor	5.3
Persistently Work-Poor	20.8
Total	100.0

Note. Only includes households present in at least 5 of the 7 survey waves.

So what types of households experienced these different forms of joblessness? Table 5.3 shows the composition of the different categories by household type and shows that just over a quarter of the persistently work-poor are single person households whilst almost another quarter are households consisting of a couple with one or more children under the age of 18 years. Households of single parents with children aged less than 18 years make up around 16 per cent of the persistently work-poor.

Table 5.3: Proportion of Households by Work-Poor Typology and Household Type 1994-2000

	Never Work-Poor	Transient Work-Poor	Recurrent Work-Poor	Persistently Work-Poor
One person <65 years	10.6	9.8	16.8	27.2
Couple, both under 65 years	8.6	4.5	2.1	11.3
Couple, youngest child <18 years	61.6	51.6	38.9	23.2
Couple with children 18-29 years	6.3	9.4	8.4	6.7
Lone parent, youngest <18 years	3.4	10.1	25.3	16.4
Lone parent, children 18-29 years	1.8	4.5	4.2	6.2
Multi-generation, children < 30 years	3.6	3.8	4.2	3.2
Other	4.1	6.3	0.0	5.7
Total	100.0	100.0	100.0	100.0

Note. Only includes households present in at least 5 of the 7 survey waves.

Looking at the composition of households experiencing recurrent joblessness, couples and single parents with children aged less than 18 are by far the largest group. Similarly, in terms of transient joblessness, couples with children aged less than 18 are by far the largest group.

In part however, the composition of these categories could simply be a function of the prevalence of that household type in the population. Table 5.4 shows the risk that these household types face of household joblessness and reveals an interesting and rather different pattern. Here we see that single person and single parent households run the highest risk of being long-term work-poor with around 40 per cent of these groups being persistently work-poor. In contrast only 10 per cent of couples with children under the age of 18 years experienced persistent joblessness. Very few of all the household types experienced recurrent joblessness, although lone parents with children under 18 years had a 16 per cent chance of doing so. The proportions of the different household types not experiencing joblessness is simply the corollary of the persistently work-poor figures and shows that couple based households are far less likely than single adult households to experience joblessness.

Table 5.4: Risk of Persistent Work Poverty by Household Type, 1994-2000

	Never Work-Poor	Transient Work-Poor	Recurrent Work-Poor	Persistently Work-Poor	Total
One person <65 years	42.9	11.0	6.3	39.8	100
Couple, both under 65 years	61.0	8.9	1.4	28.8	100
Couple, youngest child <18 years	70.1	16.4	4.1	9.5	100
Couple with children 18-29 years	52.0	21.6	6.4	20.0	100
Lone parent, youngest <18 years	23.5	19.5	16.1	40.9	100
Lone parent, children 18-29 years	32.2	22.0	6.8	39.0	100
Multi-generation, children < 30 years	57.8	17.2	6.3	18.8	100
Other	51.9	22.2	0.0	25.9	100

Note: Only includes households present in at least 5 of the 7 survey waves.

It is striking that almost 21 per cent of all households and 40 per cent of single person and 30 per cent of couple households under 65 years are persistently poor across a period of such enormous growth in the economy nationally when unemployment decreased by over 12 per cent. How can we explain this? At first glance one would imagine that these groups were in a prime position to claim jobs in the expanding economy. The answer to this question was suggested in Chapter 2 which showed that a large proportion of households that were work-poor contained adults who had low levels of education and this is even more true for the groups who are persistently work-poor. Further analyses of the LII data show

Table 5.5: Characteristics of Persistently Work-Poor Households (in 1994)

	Persistently Work- Poor %	All Other HHs %
Ed level of HRP		
No Qualifications	69.7	32.3
Intermediate Certificate Level	14.5	25.4
Leaving Certificate Level	10.8	25.3
Third Level	5.0	17.0
Age of HRP		
Under 35 years	21.7	25.1
35-44 years	20.7	33.6
45-54 years	14.5	27.7
55-64 years	43.2	13.6
Social Class HRP		
Service Class	9.0	22.1
Routine non-manual	4.5	10.4
Self-employed	3.4	7.7
Farmers	3.6	9.1
Skilled Manual	23.5	20.4
Unskilled Manual	56.0	30.3
Health status of HRP		
No chronic health problems	60.4	88.4
Chronic health problems	39.6	11.7
Household Type		
Lone Parent	16.3	93.6
Not lone parent	83.7	6.4
	100.0	100.0

Note: Only includes households present in at least 5 of the 7 survey waves.

that 70 per cent of persistently work-poor households have a reference person with no qualifications and 85 per cent have less than Leaving Certificate levels. Furthermore, 56 per cent of this group come from the unskilled manual working class and almost half were aged over 55 years in 1994. Perhaps more damaging for their work prospects, 40 per cent of the HRPs of persistently work-poor households have chronic health conditions which limit their activities to some extent.¹⁶

We can see more details on the difference in levels of disadvantage between households in Table 5.6 which shows that those households where the HRP has no qualifications having almost three times the chance of experiencing persistent joblessness compared to those where the HRP has at least a junior certificate. Those households where the HRP has at least a leaving certificate have almost a quarter of the chance of these households with no qualifications and those with a tertiary qualification less than a sixth of the chance.

Table 5.6: Proportion of Households by Work-Poor Typology and Educational Qualifications of the HRP in 1994

	Never Work-Poor	Transient Work-Poor	Recurrent Work-Poor	Persistently Work-Poor	Total
No Qualifications	40.9	16.1	6.8	36.1	100
Junior Certificate	62.6	18.0	7.0	12.5	100
Leaving Certificate	69.7	16.1	4.4	9.8	100
Tertiary	80.3	12.2	1.2	6.3	100

Note: Only includes households present in at least 5 of the 7 survey waves.

There are similar, though not as pronounced gradients in the risks that the different qualification groups run of transient and recurrent joblessness, whereas the gradient is reversed, as we would expect, in terms of the risk of avoiding joblessness over the period.

Table 5.7 shows that those households where the HRP was employed in 1994 ran a fraction of the risk of experiencing persistent joblessness compared to households where the HRP was unemployed, or particularly where the HRP was early retired or unable to work due to sickness or disability. The unemployed and ill/disabled households also run a high risk of experiencing both recurrent and transient joblessness compared to all other groups.

¹⁶ In 11 per cent of work-poor households the HRP said this health problem *severely restricted* their daily activities or the type of work they could do, while 29 per cent said it restricted their activities *to some extent*.

Table 5.7: Proportion of Households by Work-Poor Typology and Employment Status of HRP 1994

	Never Work- Poor	Transient Work- Poor	Recurrent Work- Poor	Persistently Work-Poor	Total
Employed	80.3	14.0	1.6	4.2	100
Unemployed	16.9	23.2	16.9	42.9	100
Ill/Disabled	6.8	17.6	16.2	59.5	100
Retired Early	13.4	15.9	3.7	67.1	100
Home Duties	20.9	19.1	8.2	51.8	100

Note: Only includes households present in at least 5 of the 7 survey waves.

5.4 Movements To and From Joblessness

In the last section we examined the distribution of years of joblessness and saw that, although the majority of households whose members were of working age had at least one person working through the period from 1994 to 2000, a substantial minority of 42 per cent experienced at least one year of joblessness. More worryingly almost 21 per cent were persistently work-poor during this period and experienced a continuous spell of at least three years work-poor. In this section we attempt to tease out what factors explain transitions into and from joblessness at the household level and thus understand why some households remain jobless for long periods whilst others move out from joblessness more quickly.

The members of work-poor households tend to be disadvantaged in a number of ways which make their entry into joblessness more likely and their exit less so; their members tend to have lower educational levels, are more likely to be lone parents and generally have a larger number of factors that increase the risks of unemployment. Across all households, the retirement of a previously working household member can also increase the probability of experiencing joblessness, particularly if other members of the household are already unemployed or inactive. Overall then it is these general disadvantages that determine whether a household becomes or remains work-poor. However, a household can also become work-poor because an individual who was working left the household; this could happen because of a number of reasons such as the death of an individual, family break-up, or because a younger member left home. Therefore, we have two general groups of factors that can explain why a household becomes work-poor: either a change in the number of workers through unemployment or retirement, or a change in the number of individuals in the household. Of course, these two ‘events’ can also occur together since if an individual who was previously working leaves the house, there will be one less person working.

We can use the longitudinal nature of the Living in Ireland data to examine these routes into joblessness by following household ‘transitions’ from year to year. As well as following the employment status of individuals in the household we can also keep track of whether individuals leave or enter the household, or whether they pass certain milestones such as reaching retirement age.

By looking at the prevalence of these events when households make a transition into or from joblessness we will be able to examine what factors are most important. Remember that our observations of households are yearly and so the events that we observe do not necessarily occur at the same time, but sometime within the same year.

We begin the analysis of transitions by examining the two general groups of events separately, thus in Table 5.8 we see the proportions of transitions into and from ('entry' and 'exit') joblessness where the number of employees changed by different amounts. This shows that most households who became work-poor did so because of the loss of a single worker in that year (69 per cent), although a substantial 21 per cent lost two or more workers from the household in the preceding year. Interestingly, exits from joblessness were even more likely to occur because of the employment of a single person in the household as shown in the second column of Table 5.8 where 85 per cent of exiting households gained a single worker.

Table 5.8: Proportion of Transitions into and From Work Poverty by Change in Number Employed

No. Employed	Enter	Exit
-3 or more	3.7	0.0
-2	16.9	0.0
-1	69.3	0.0
0	10.0	3.9
+1	0.0	85.1
+2	0.0	10.0
+3 or more	0.0	0.9
Total	100.0	100.0

Note: Includes households present in any two consecutive survey waves.

What role does a change in the number of adults in the household have in these transitions and is it as substantial as that of employment transitions? Table 5.9 shows that such events do not seem to be as important with just 7 per cent of transitions into joblessness coincided with a decrease in those aged 18-64 in the household, while 9 per cent coincided with an increase in the number of adults of working age. On the other hand, a slightly more substantial 17 per cent of transitions out of joblessness coincided with an increase in the number of household members aged 18-64 years.

Table 5.9: Proportion of Transitions into and From Work Poverty by Change in Number of People Aged 18-64 Years in the Household

	Enter	Exit
Stayed Same	83.7	75.9
Increased	9.3	16.6
Decreased	7.0	7.5
Total	100.0	100.0

Note: Includes households present in any two consecutive survey waves.

We get confirmation of the greater importance of changes in the number working compared to the number of adults in Table 5.10 which cross-classifies these different events and shows that over 82 per cent of transitions into joblessness occur with a decrease in the number employed, though the number aged 18-64 years in the household remained stable. In fact only 2.2 per cent of transitions into joblessness occurred where the number employed stayed the same or increased and the number aged 18 years plus in the household decreased. If anything this pattern is even more pronounced for transitions from joblessness.

Table 5.10: Proportion of Transitions Into and From Work-Poverty by Type of Change in Number of Employed and Number of Adults

	Enter	Exit
Employed Decreasing & Number 18-64 years Same	82.3	0.0
Employed Decreasing & Number 18-64 years Increasing	9.3	0.0
Employed Decreasing & Number 18-64 years Decreasing	6.2	0.0
Employed Same & Number 18-64 years Decreasing	1.5	0.0
Employed Same & Number 18-64 years Same	0.7	0.5
Employed Same & Number 18-64 years Increasing	0.0	0.5
Employed Increasing & Number 18-64 years Decreasing	0.0	7.4
Employed Increasing & Number 18-64 years Increasing	0.0	16.9
Employed Increasing & Number 18-64 years Same	0.0	74.8
Total	100.0	100.0

Note: Includes households present in any two consecutive survey waves.

5.5 Coupled Transitions and The Role of Women's Employment

At the outset of this report we highlighted the fact that the literature on joblessness has paid particular attention to the link between the employment statuses of couples. Policy analysts have been interested in whether benefit systems discourage the wives of unemployed men from taking up paid employment. Others have suggested that changes in the employment patterns of couples have been crucial in the concentration of paid work in certain 'work-rich' households in other countries (Greg and Wadsworth, 1996).

Ireland too has seen a dramatic growth in women's labour market participation. For example, (O'Connell, 2000, p. 61) has shown that women's labour force participation rate grew by over 8 percentage points or 187,000 between 1991 and 1999, compared to a fall of 0.7 per cent among men. Increases in participation have been most dramatic for married women (Fahey *et al.*, 2000).¹⁷ The significance of changes in female employment for female headed households including lone parent households is self evident, however, it is less clear what the role of married women's employment transitions has been in the decline of work-poor households over the late 1990s.

¹⁷ In contrast, rates among single women declined between 1983 and 1995, with an increase between 1995 and 1998. This decline mostly reflected increasing educational participation among the younger age-group.

Although married women may not be the main earner in the household, their contribution to household income may still be significant. In joint-earner couples women's contribution tends to be lower than men's because of lower pay and part-time working.¹⁸ However, contrary to the assumption that increases in female employment have not improved household circumstances (O'Hearn, 1998), women's earnings are often vitally important for the household and may mean the difference between being above and below the poverty line, particularly where the male partner is not working. Maitre *et al.* (2003) find that in couple households in Ireland the rate of poverty would more than double from 13 per cent to 30 per cent in the absence of the female partner's earnings.

Here, we focus briefly on the extent to which couples employment status is linked and then look at the role of married women's employment in transitions to and from joblessness.

We look first at the employment status of couples over the time period of interest in Table 5.11. The proportion of households that fit the traditional male breadwinner female homemaker arrangement has declined substantially in a short space of time from 45 per cent in 1994 to one-third of couple households in 2000. In contrast, joint breadwinning increased from 35 per cent to over 50 per cent in 2000 to become the norm for married couples. Indeed it became the dominant form of household work arrangement for couples by 1997. Joint non-employment declined steadily over the period consistent with the decline in household joblessness. Despite women's increased employment, role reversal among couples has remained uncommon, remaining at under 5 per cent for the period.

Table 5.11: Couples Employment Status 1994-2000

	1994	1995	1996	1997	1998	1999	2000
Men emp. Women non-emp.	45.0	43.7	39.7	37.2	36.5	35.8	36.2
Men emp. Women emp.	34.6	36.8	39.8	44.8	47.3	49.2	50.7
Men non-emp. Women non-emp.	16.1	15.0	15.8	13.3	12.3	11.3	8.5
Men non-emp. Women emp.	4.2	4.5	4.7	4.7	3.9	3.8	4.6
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: 2000 figures do not include new respondents, only those in original panel.

It seems then that female employment has substantially increased the proportion of dual earner couples over the period from 1994 to 2000, but to what extent has the employment of women influenced the experience of joblessness at the household level? To examine the extent to which women's employment moves lead to or from household joblessness we examine all household transitions both into and from joblessness and look at the extent to which these transitions were driven by the employment of a female partner, male partner or some other person in the household. As

¹⁸ Analysis of the 1994 ECHP showed that in dual-earner couples women contributed an average of 38 per cent in Ireland, this compared with 36 per cent in the UK, 40 per cent in France and 42 per cent in Denmark.

explained earlier, however, even if no person in the household leaves employment, it is still possible for the household to become work-poor as a member may leave (or reach age 65). As we are looking at the employment of partners, we restrict our analysis to households with a male and female couple (aged less than 65 years). This group made up 51 per cent of households in 2000. The analysis is also restricted solely to those transitions where no member left the household since we are interested in the roles of the male and female partners in transitions to and from joblessness.

Table 5.12 shows the results of this analysis and shows that, for the majority of transitions into joblessness (among this restricted group), it is the male partner's transition either to unemployment or inactivity that is primary, with 57 per cent of all transitions into joblessness occurring where the male partner alone leaves employment. Changes in the male partner's employment status are also involved in a further 9 per cent of transitions, though this time accompanied by simultaneous moves by other people in the household.¹⁹

Table 5.12: Proportion of Transitions Into and From Work Poverty by Sex of Partner Making Transition

(In two partner households where employment moves occurred)

Male Partner	Female Partner	Other in HH	Enter	Exit
Same	Same	Leaves Employ.	10.2	0.0
Leaves	Same	Same	56.5	0.0
Employ.				
Same	Leaves Employ.	Same	24.1	0.0
Leaves	Same	Leaves Employ.	0.9	0.0
Employ.				
Leaves	Leaves Employ.	Same	8.3	0.0
Employ.				
Same	Leaves Employ.	Leaves Employ.	0.0	0.0
Same	Same	Enters Employ.	0.0	20.8
Enters Employ.	Same	Same	0.0	58.5
Same	Enters Employ.	Same	0.0	18.3
Enters Employ.	Same	Enters Employ.	0.0	2.5
Total			100.0	100.0

Table 5.12 shows, however, that changes in female partner's employment is nonetheless important for transitions *into* joblessness accounting for almost a quarter of all such transitions and playing a part in a further 8 per cent. Interestingly, the loss of employment of 'others', be these children or some other relation are crucial in around 10 per cent of transitions.

For exits from household joblessness, we find that 59 per cent of transitions were due to movements into employment by the male partner. The employment of 'others' in the household was instrumental in almost 21 per cent of transitions, while the entrance

¹⁹ 'Simultaneous' is here used rather loosely as we are using yearly interview data and so the transition may actually have occurred at any point during the preceding year, although the individuals concerned will be employed or not employed at the time of interview.

of female partners into employment was critical in 18 per cent of moves. Although the male partner's employment predominates, it is also clear that the employment of the female partner and moreover, others in the household also play a role in exits from joblessness. In these cases their earnings are likely to be crucial for the household since they will be the sole earner. In an additional 2.5 per cent of cases exits from joblessness for households involved both partners moving into employment.

In terms of transitions into and from joblessness it seems that women's role is subsidiary to that of the male partner in the household, but could it be that increases in female employment between 1994 and 2000 were greater in households where the male partner was already employed? If so, we could see women's role being far more important in household transitions to being 'work-rich'. We can examine whether this is true in Table 5.13 which looks at the role of different people in moving households from a 'mixed-work' position where some, but not all individuals aged 18 to 65 years are employed, to one where everyone of this age group is employed. Table 5.12 confirms the importance of women's employment in these moves, showing that 60 per cent of transitions into full-household employment occur because the female partner enters employment. This compares to just 11 per cent where the male enters employment and 26 per cent where another member of the household does so.

Table 5.13: Proportion of Transitions To Being Work-Rich by Sex of Partner Making Transition

(In two partner households where employment moves occurred)

Male Partner	Female Partner	Other in HH	Enter
Same	Same	Leaves Employ.	3.3
Enters Employ.	Same	Leaves Employ.	0.2
Same	Enters Employ.	Leaves Employ.	0.2
Same	Same	Enters Employ.	25.8
Enters Employ.	Same	Same	10.7
Same	Enters Employ.	Same	59.7
Total			100.0

THE INFLUENCE OF PARTNERS' EMPLOYMENT STATUS

We have seen that the employment of female partners is a significant influence on the experience of joblessness at household level, but do we see the mutual influence of partners' employment status that has been observed in work elsewhere? (de Graaf and Ultee 2000; McGinnity, 2002; Cooke, 1987). Here we perform some preliminary analyses to examine this question using tabular methods, although of course it would be important to control for socio-demographic factors when carrying out a full analysis. Nonetheless, by restricting our sample to those couples where both partners are aged less than 65 years and examining transitions into and from work we will be able to perform a simple, but effective test of whether partners' employment statuses influence one another.

To test the hypothesis of the mutual influence of partners' employment status we examined the probability of each partner making a transition both into and from non-employment (both unemployment and inactivity) conditional on the status of the other partner (the analyses are restricted to couples where both are aged less than 65 years).

Table 5.14 gives the results of the analysis of transitions into work and shows clear differences between the probability of both male or female partners entering employment depending on whether their partner is employed or not. For male partners whose partners do not work, the average probability of entering employment across the six years is around 0.14 (although substantially higher in 1996-7 and 1999-00) whereas for males with employed partners the average probability is around 0.24 and there is evidence of an increasing trend across the period. Although the difference between women with and without employed partners is lower than among males, this same relationship also holds here. Although we have not controlled for a number of covariates such as age and socio-economic status that may impact on this relationship, it is still clear that partner's employment statuses are important.

Table 5.14: Year-on-Year Probability of Transition Into Work for Men by Employment Status of Partner

	94-95	95-96	96-97	97-98	98-99	99-00
Men with Emp. Partner	10.9	17.9	28.9	27.0	31.4	26.8
Men with Non Emp. Partner	11.3	11.7	17.9	11.4	11.0	20.5
Women with Emp. Partner	10.5	12.3	13.2	11.9	15.1	15.2
Women with Non-Emp. Partner	6.2	4.0	8.4	6.2	7.1	11.2

If we look at the probability of transition out of work by the status of the partner in Table 5.15, the difference between those with and without partners is not as large as in Table 5.14, but in all years those men with an employed partner are less likely to leave employment than those with a non-employed partner (all are statistically significant apart from 1999-00 at 5 per cent probability). Women with employed partners are also significantly less likely to become non-employed for the first four years of the period, but the difference disappears after 1998.

Table 5.15: Year-on-Year Probability of Transition Out of Work by Employment Status of Partner

	94-95	95-96	96-97	97-98	98-99	99-00
Men with Emp. Partner	2.4	3.0	2.3	1.5	2.1	2.2
Men with Non Emp. Partner	5.8	6.4	3.8	4.6	4.7	3.2
Women with Emp. Partner	13.7	9.9	8.2	8.7	9.8	10.5
Women with Non-Emp. Partner	17.6	26.9	11.8	20.3	9.8	9.7

The results from Tables 5.13 and 5.14 suggest that partners' employment statuses impact on one another over time and increase

the probability of transition either into or out of employment. Investigation of the mechanisms through which this may occur is a priority for future research.

5.6 Summary and Conclusions

Research on unemployment at the individual level has found that the financial and some of the social/psychological consequences become more serious the longer unemployment persists.²⁰ This research has also established that the longer someone is unemployed the less likely he or she is to be re-employed even when a wide range of personal and labour market characteristics are controlled (Russell and O’Connell, 2001; Bernardi *et al.*, 2000). The negative impacts of household joblessness outlined in earlier chapters are also likely to be reinforced the longer the household remains outside employment. Therefore, in this chapter we distinguish between households that experience more transient spells of work poverty from those who face long-term or recurrent joblessness. We found that 21 per cent of households experience the type of long-term joblessness (three years or more) likely to be associated with social exclusion. A further 5 per cent of households experienced recurrent joblessness.

The longitudinal analysis also shed further light on the question of why some households have remained work-poor despite the rapid employment growth during the late 1990s. The risk of becoming, or remaining work-poor is not evenly spread across households. Lone parent and single person households are particularly vulnerable to persistent work poverty. This heightened risk for lone parent households remains even when the children reach working age, suggesting that labour market disadvantages persist for the children of lone parents. Households where the reference person was in the unskilled manual classes were over-represented in the “persistently work-poor” category as were households headed by someone aged 55 to 64 years. Chronic health problems were also strongly correlated with persistent work poverty and households where the reference person was ill or disabled in the first wave of the survey were extremely likely to experience long-term household joblessness: 60 per cent of this group were persistently work-poor. Finally, persistent work poverty was strongly linked to the educational level of the household reference person. Seven in ten of such households were headed by someone with no qualifications and they were six times more likely to be persistently work-poor than households where the reference person had a third level qualification. These results suggest that it is primarily those with poor educational qualifications, older workers, lone parents, the disabled and those with chronic health problems

²⁰ Some research has found a non-linear relationship between duration of unemployment and psychological distress. This shows that after an initial decline, distress levels remain stable at this lower level (Warr, 1987).

who have found it most difficult to escape the problem of household joblessness despite the unprecedented increase in employment over the period studied. It is clear that these groups experience specific labour market disadvantages and therefore require additional support to assist transitions into the labour market.²¹

These results suggest that improving access to and completion of formal education is one of the key policy tools in preventing households becoming work-poor. However, since many of the adults in work-poor households are in older age groups, this will mean access to appropriate adult education or training. Previous research has found that for lone parents access to flexible work and training opportunities, the availability of affordable childcare, the removal of benefit disincentives (around secondary benefits) are among the key supports needed to enter employment (Russell and Corcoran, 2000).

Much of the increase in employment over the last decade has been among women, therefore this chapter investigated the role of women's employment in transitions in household employment status. The importance of women's employment status in lone parent households, which are mainly headed by women, is self-evident, therefore we concentrated here on couple households. Our analysis showed that the loss of women's employment was critical in 24 per cent of household moves into work poverty (and played a partial role in a further 8 per cent), while women's entry to employment was linked to 18 per cent of exits from work poverty. These results confirm the important role of married/cohabiting women's employment in maintaining household's attachment to work, although the role of the male partner still dominates. The lower proportion of *exits* from work poverty instigated by female partners entering jobs is consistent with possible benefit disincentive effects. More evidence in this direction was also presented in the final two tables of the paper which showed that an unemployed partner was more likely to gain employment if their partner was employed and vice versa. We did not formally test for the presence of benefit disincentive effects or try to differentiate these from the impact of partners' correlated characteristics, but the influence of one partner on the other was clear. The decline in the single male breadwinner model has important implications for the organisation of both unpaid and paid work within society (e.g. in creating a need for childcare and elder care to be provided outside the family) and for the operation of a benefit system that often assumes a traditional division of labour (Murphy, 2003). The economic boom in Ireland has seen a very substantial increase in female employment during the economic boom of the late 1990s

²¹ For some of the group, employment may not be possible or desirable and in these cases income supports are the most crucial policy intervention to avoid poverty.

and this was reflected in the high proportion of moves into ‘work-richness’ caused by the female partner entering employment.

Finally, it is worth noting that the current study does not examine the quality and sustainability of the jobs entered by those exiting household work poverty. This factor will be crucial in determining whether the gains that workless households have made can be maintained within a period when we do not have the high levels of employment growth experienced in the 1990s.

6. CONCLUSIONS AND POLICY IMPLICATIONS

6.1 Introduction

High levels of household joblessness became a matter of public concern in Ireland and elsewhere in Europe during the late 1980s and early 1990s. The concentration of unemployment and non-employment within households meant that many of the unemployed did not have access to the protection and support afforded by living with someone in employment. This pattern of joblessness also has important implications for the scale of public support necessary to prevent poverty. For a given level of unemployment, a concentration of joblessness within households will require greater financing because income cannot be transferred within households between employed and unemployed individuals.

In this study we have outlined the very significant negative implications of household joblessness for their members. Jobless households have significantly lower income levels and standard of living than households with an attachment to the work force, which means they are more vulnerable to both relative income poverty and consistent poverty. Our analyses have shown that in 2000 workless households had a 64 per cent chance of falling below the 50 per cent median income poverty line, 27 per cent lacked at least one basic deprivation item and 79 per cent lacked at least one secondary item. This combines to produce a 22 per cent risk of poverty using a National Anti-Poverty Strategy (NAPS) type measure.²² We have also found that members of jobless households experience heightened levels of psychological distress and high rates of economic strain (Chapter 4). However, the level of psychological and subjective economic strain among work-poor households was found to have decreased since 1994 (see section on polarisation below).

The report has outlined trends in household joblessness over a period of very strong economic growth in Ireland (1994 to 2000). We have identified households most vulnerable to joblessness and highlighted risk factors, we have also profiled households according to duration of joblessness and modelled the transitions in and out of work-poverty. In doing so, the study has addressed a number of key debates. First, we have focused on the issue of polarisation i.e. to what extent has there been a growth at both extremes of the

²² Below 60 per cent median income plus lacking one basic item.

household work continuum, and is there a growing gulf between the situation of work-poor households and other households? Second, we have examined the questions who are the work-poor, and why have they remained detached from the work force despite substantial improvements in employment in the economy as a whole. A third, subsidiary theme in the report has been the debate on intensification of work within households focusing on the growth of work-rich households (i.e. where all adult members are employed). In this final chapter we summarise the evidence relating to these debates, we also explore the welfare implications of changes in household joblessness by focusing on key policy groups: families with children, lone parent households, older workers, those with poor educational qualifications, and single person households.

6.2 Growing Polarisation?

The notion of a polarisation in household employment situations was developed on the basis of the UK experience. There, it appears that those who benefited most from employment growth were households that already had at least one member in employment. A significant part of this trend was due to women married to employed men taking-up many of the new part-time opportunities that emerged in the UK economy in the 1990s. At the other end of the household work continuum were households whose family situation, welfare status or other labour market characteristics prevented them from taking advantage of the increases in employment. Furthermore, some of this group, e.g. lone parent households, were becoming more numerous and so the rate of household joblessness for British society as a whole remained stable despite economic improvements.

The theme of growing inequality or polarisation during a time of plenty has also been prominent in some accounts of the Irish 'Celtic Tiger'. (O'Hearn, 1998; Coulter, 2003; Kirby, 2002). However, the reality has proved more complex than some of the rhetoric both in relation to workless households and to issues considered elsewhere such as earnings inequality and poverty (Nolan and Maître, 2000; Layte *et al.*, 2000).²³

Ireland shared with the UK some of the characteristics that might have been expected to produce similar trajectories in household joblessness for both countries. Both countries shared a high level of household joblessness in the late 1980s, our social welfare systems have a common reliance on household means-testing which can reinforce joblessness among couples (Dex *et al.*,

²³ Nolan and Maître (2000) show that while earnings inequality has indeed increased over the period 1987 to 1997, this change did not involve the lowest earnings falling behind the median nor a rise in the levels of low pay. In relation to poverty Layte *et al.* (2000) show that the percentage of households falling below relative poverty lines rose in the 1990s but this was in the context of very significant increase in real household incomes. Therefore, when non-monetary indicators of deprivation were measured, there was a significant decline in poverty.

1995), and Ireland like the UK experienced an increase in lone parent households and single person households who are more prone to household work poverty (see Chapter 2). However, despite these similarities, the trends in household employment in Ireland outlined in this study, are rather different to those in the UK.

In Ireland the rapid economic growth experienced in the 1990s translated into a significant decline in household joblessness between 1994 and 2000, falling from 22 per cent to less than 14 per cent. Moreover, this decline was evident across nearly all household types (the exception was non-familial, multi-person households). There was also a modest decline in the proportion of 'mixed-work' households where some members were employed, but this decline was concentrated in the latter part of the period, 1997 to 2000. Households in which all members were employed grew from 35 per cent to just over 50 per cent over the same time period, which is consistent with the major rise in female employment over this period. Therefore, while there was evidence of increasing multiple employment within households this did not occur at the expense of work-poor households.

Another dimension of polarisation centres on the relative position of work-poor households compared to the rest of society. Is there evidence that the diminishing number of work-poor households have become more detached from the standard of living of society? On this issue the results are somewhat mixed. The risks of work-poor households falling below any of three poverty lines increased between 1994 and 2000, however, this was within the context of a general increase in the proportions falling below these lines. Therefore, there was no change in the differential risk of income poverty between work-poor and work-rich households at the 60 per cent and 70 per cent poverty lines, however, there was a widening of the differential risk at the 50 per cent poverty line. When we turn to the indicators of deprivation we observe some deterioration in the position of jobless households compared to other groups. Although there were gains for all groups, the reduction in life-style deprivation between 1994 and 2000 was much more substantial for the work-rich and mixed-work households than the work-poor. This difference was particularly noticeable for secondary deprivation, which includes access to items such as a car, leisure and social activities, and central heating.

Our analyses of income also suggest an increased polarisation between jobless households and others. First, comparing the income of work-poor households in 1994 and 2000 (adjusting for prices) show that during this period of sustained increase in national prosperity there was no increase in purchasing power for the majority of jobless households, however, other households showed a significant upward shift in their real income. Second, our figures show that work-poor households have become increasingly concentrated in the bottom income decile. Poverty studies suggest that this growing division between the incomes of the employed and non-employed has occurred because increases in social welfare

payments have not kept pace with the rapid rises in earnings (Layte *et al.*, 2001b, pp. 17-18).

Using the NAPS measure of consistent poverty which combines income and deprivation indicators we see that work-poor households have fallen behind on the strictest measure (<50 per cent median) but their position remains stable on the 60 per cent and 70 per cent lines. Therefore, we observe a polarisation *within* work-poor households with an increasing proportion being included in the most extreme category alongside an increasing group who avoid consistent poverty across all three thresholds.

Finally our investigation of subjective well-being among the work-poor found that the proportions experiencing economic strain and psychological distress decreased significantly between 1994 and 2000. The decline in psychological distress was similar to that for other households over the same time period, but the decline in economic strain, although substantial (-33 per cent) was less than the decline for other households (-50 per cent). These results suggest that absolute improvements in life-style outweigh deterioration in relative position in determining subjective well-being among those in work-poor households. However, the consequences of the polarisation in the economic position of the work-poor for subjective well-being is likely to worsen when increases in the overall levels of prosperity are no longer providing a buffer.

Overall then, while jobless households have become less common in Ireland since 1994, there is evidence that the economic position of these households has fallen behind others in society in some respects. This may be partly a selection effect, in that as more and more people are drawn into the labour market it is those who are most disadvantaged who are left behind. The most important dimension of this polarisation is that the income of this group has not kept pace with households where there are some adult members in employment, although the general rise in the standard of living has reduced non-monetary deprivation even for this group. So far this has not lead to a deterioration in the subjective well-being of jobless households. There is also evidence of a polarisation of economic position within workless households, our longitudinal analyses suggest that there is a division between those who experience long-term joblessness and those for whom the experience is more transitory. Preventing households falling into persistent joblessness may therefore be a necessary strategy for bridging this growing gap.

6.3 Who Are the Work-Poor?

While household joblessness has declined significantly there are clearly some households who remain work-poor. Our study has shown a number of groups among the working-age population that are vulnerable to the risk of household work poverty:

- Those aged 55-64;
- Lone parents;
- Those without educational qualifications;

- Those with a chronic health problem or disability;
- Those in the unskilled manual class;
- Those in single person households.

Although the risk of work poverty has decreased over time for even these groups between 1994 and 2000, they still have a higher probability of being in this situation than other households. Our longitudinal analysis also showed that they were also likely to be persistently work-poor (i.e. for three consecutive years or longer). This suggests that once jobless they experience greater difficulty in exiting this state. For a number of these groups their higher risk is partly associated with household structure. Lone parents and those in single person households are by definition reliant on the economic status of one adult, and will fall into work poverty if that one person is non-employed or unemployed. It is also clear that many of these groups face additional labour market difficulties which has prevented them from benefiting from the employment growth witnessed over the period 1994 to 2000.

Other groups have a lower than average risk of work poverty but because they represent a large group among the working-age population, their presence among jobless households remains significant. One such group are *couple households with children under 18*. In the following section we focus on these vulnerable groups and draw out the implications of our findings for each one, and consider the supports needed to assist their transition into the labour market where appropriate.

6.4 Welfare and Policy Implications of Changing Household Work Patterns

The declining incidence of joblessness among households with members of working age has been a very significant bonus of the recent economic boom. Since poverty is strongly linked to household work status this change indicates a substantial improvement in the economic welfare of those households who have made this transition. This change also has significant implications for social welfare spending. Jobless households are shown to be highly dependent upon social welfare income; in 2000, 85 per cent of their disposable income came from this source whereas in mixed-work and work-rich households such transfers made up only 13 per cent and 7 per cent of income respectively. Therefore, this shift in household work-status over time has reduced welfare dependency among the working age population. The changing employment situation has also led to a shift in the nature of payments to work-poor households. Unemployment payments have declined in significance while lone parent payments and sickness/disability related payments have become more important. This change in the type of transfers is indicative of the selection effect suggested earlier. In the following discussion we focus on the groups identified as having a high risk of household joblessness or who make up a significant proportion of the work-poor and draw out the implications of our findings for each of these groups.

FAMILIES WITH CHILDREN

The proportion of children living in work-poor households declined dramatically from 27 per cent in 1994 to 9 per cent in 2000. This is a very positive development towards meeting policy targets of reducing child poverty. As a proportion of work-poor households couples with children under 18 years dropped from 30 per cent to 14 per cent over the same time period. Couples with children had a below average risk of household joblessness in both 1994 and 2000, and were found to be the group least likely to have experienced work poverty over the seven year period: 70 per cent had never been jobless. Ten per cent of these families fall into the most excluded category, who have experienced persistent work poverty for three or more successive years. However, because this is the most common household type among those of working age (see Table 2.2) they still account for almost one in four of persistently work-poor households. This group therefore remain a concern from a poverty perspective. The female partners in these couples may also be subject to work disincentives, there is some evidence of this in our finding that moves out of household joblessness in couple households are predominantly due to the husband entering employment, while women's employment mainly caused moves from the mixed-work to work-rich category.

LONE PARENTS

Children in lone parent households are much more vulnerable to household work poverty. In 1994, 70 per cent of these households had no member in employment in 1994, but by 2000 the proportion had fallen to 41 per cent. This increase in employment among lone parents has not resulted in a equivalent decline in welfare dependency at the aggregate level (DSCFA, 2000). The earnings disregard attached to the One Parent Family Payment means that many of these working parents will still be claiming some benefit while others will be in supported employment through the Community Employment (CE) scheme.²⁴ Figures in Chapter 3 showed that of the minority of work-rich households in receipt of benefits, over a third (36 per cent) were claiming lone parent benefits.

The extent to which lone parent's employment represents a route out of poverty for their households is also dependent on the quality and sustainability of those jobs. The results for the sample as a whole suggest that full-household employment is a very effective defence against household poverty: less than 4 per cent fall below the 50 per cent median poverty line and only 9 per cent have less than 70 per cent of median household income. However, the continued reliance on Community Employment schemes which are of limited duration, and the combination of low earnings potential

²⁴ Those on temporary employment schemes are included among the employed in our analyses.

and high childcare costs, councils against complacency about the long-term well-being of employed lone parents. Our longitudinal analyses showed that lone parents run a relatively high risk of recurrent joblessness (16 per cent compared to 5 per cent for the sample as a whole) which suggests that the jobs entered are often not sustainable

Despite increases in employment among lone parent households, this group still remain the most vulnerable to joblessness: 41 per cent have no adult in employment and if we extend the definition of work poverty to those who have mean household working hours of less than 10 per week this rises to 45 per cent. These households still accounted for 22 per cent of work-poor households in 2000. Furthermore, this joblessness is not transitory. Around 40 per cent of this group experienced persistent poverty, which means their households were without anyone in employment in at least three consecutive years.

OLDER WORKERS

Chapter 2 showed that the new employment opportunities were disproportionately taken up by younger households, so that households where the household reference person (HRP) was over 45 experienced a smaller than average decline in joblessness between 1994 and 2000. This meant that by 2000, households where the HRP was aged 55 to 64 years accounted for 39 per cent of jobless households up from 28 per cent in 1994. The longitudinal analyses also showed that those aged 55 to 64 years were particularly vulnerable to persistent work poverty. In addition to the immediate income and poverty implications, this growing concentration of joblessness among older age groups also has serious longer term consequences, since the pension system tends to reproduce and reinforce inequalities among the working age population (e.g., Ginn and Arber, 1998; Layte *et al.*, 1999).

DISABLED AND THOSE CHRONIC HEALTH PROBLEMS

Our study found that households where the reference person was unable to work due to illness or disability in wave one of the survey had a high risk of having no other person in the household in employment and remaining in work poverty for a long period. Sixty per cent of this group were found to be persistently work-poor, and only 7 per cent managed to avoid work poverty completely over the seven waves of the survey. Furthermore, it was found that in 40 per cent of persistently work-poor households the reference person's activities were limited by a chronic physical or mental health problem (11 per cent severely limited, 29 per cent somewhat limited). The significance of long-term illness/disability for household joblessness is also reflected in the finding that sickness or disability benefits accounted for the biggest share of welfare income among work-poor households in 2000. It is clear that the disabled and chronically ill can face a number of barriers to participation in the labour market including discrimination, lack of

flexible employment opportunities, lack of appropriate facilities in the workplace, problems of access to education and training (e.g. Grammenos, 2003). For those whose activities are severely restricted, unsupported employment may not be possible. However, for those who wish to participate, public policies need to tackle these barriers (Commission on the Status of People with Disabilities, 1997). Further research is also needed to establish the reasons why other household members are not in employment e.g., benefit disincentives, caring responsibilities, etc., and to devise policies that address these issues.

THOSE WITHOUT EDUCATIONAL QUALIFICATIONS

This study has highlighted the central role of low education in increasing vulnerability to household joblessness. In 1994 the risk of household joblessness was eight times higher for households where the household reference person (HRP) had no qualification than for those headed by someone with third level education. Despite the significant rise in employment this association remained almost as strong in 2000 (when the ratio was 7.4). The beneficial effects of educational qualifications emerged for all household types including those experiencing other labour market disadvantages such as lone parent households. For example in 2000, 23 per cent of lone parents with third level education were jobless compared to 57 per cent of those with no qualifications. This is partly because those with higher education will be better able to replace benefit income because they can command higher wages. Education was also important in increasing households' chances of being work-rich. Among couples with children, almost two-thirds (65 per cent) of those where the HRP had a third level qualification were work-rich compared to less than a quarter of households where the HRP had no qualification.

The role of education in preventing household work poverty is also evident from our longitudinal research. Households where the reference person had no qualification were six times more likely to be persistently work-poor than those where the reference person had a third level qualification.

These results suggest that improving access to and completion of formal education is a key policy tool in preventing households becoming work-poor. Since many of the adults in work-poor households are in older age groups, this will mean second-chance education or appropriately designed and targeted training. The recent NESF study on older workers makes a number of recommendations for re-integrating older unemployed and non-employed workers (NESF, 2003, p.60). Research by Russell *et al.* (2001) addresses the training and education needs of women returners.

SINGLE PERSON HOUSEHOLDS

The single person household is of policy interest because this is becoming a more common living arrangement. This group are also

more vulnerable to household joblessness and poverty because there is no other member to provide financial support in the event of unemployment or non-employment. Those living alone may also lack additional emotional and non-financial support which may contribute to social exclusion. Our analysis found that joblessness among single person households declined from 37 per cent to 28 per cent over the period 1994 to 2000. However, this group retained the second highest risk of being work-poor. Single person households were also the most vulnerable to persistent work-poverty (i.e. three or more years of joblessness), which has serious implications for their poverty and psychological well-being. The number of working age people (25-64 years) living in one-person households increased by 46,000 between 1981 and 1996. Within the context of the economic boom this change did not dampen the fall in household joblessness, however, should unemployment increase significantly in the future this change in household composition will have implications for the ability of households to support themselves during periods of unemployment and for the level of state support needed to prevent poverty.

6.5 Intensification of Work Within Households

While much of this report has focused upon the decline in the proportion of work-poor households, the substantial increase in work-rich households is also of social and policy significance. Our analyses show that the proportion of households where all adults of working age are employed has increased very significantly in the latter half of the 1990s. This is not simply due to the growth in the number of single adult households, although this demographic change does contribute to the overall pattern. The increase in full household employment was observed for every household type. The most significant increases however occurred among households with children under the age of 18 years (see Table 6.1). The increase for couple households with children was 70 per cent while for lone parents it was over 120 per cent.

Table 6.1: Increase in Work-Rich Households by Household Type, 1994 and 2000

	Work-Rich		%	
	1994	2000	Change	Change
	%	%		
1 person < 65 years	62.9	71.9	+9.0	+14.3
Couple, both <65 years	54.2	67.4	+13.2	+24.4
Couple, youngest child < 18 years	28.7	48.8	+20.1	+70.0
Couple with adult children	14.1	20.7	+6.6	+46.8
Lone parent, youngest child <18 years	21.8	48.3	+26.5	+121.6
Lone parent, adult children	18.9	25.4	+6.5	+34.4
Multi-generation, children < 30 years	13.4	18.9	+5.5	+41.0
Other	49.2	39.7	-9.5	-19.3
Total	34.9	49.3	+14.4	+41.3

Figures based on Table 2.4.

The increase in full-household employment in both these cases is driven by changes in women's employment status. The vast

majority of lone parent households with children under 18 years are headed by women (92 per cent) so their employment status determines that of their household. Our analyses of transitions from mixed-work to work-rich, among couples, showed that 60 per cent of these moves were due to the female partner (re)entering employment.

The analysis of working hours also adds to our understanding of work-rich households. We saw that there has been an increase in the proportion of households in which the average number of paid work hours per person per week was over 30 hours (from 30 per cent to 40 per cent). However, the proportion working over 40 hours per week increased by only three percentage points, and there was no change in the proportion of households where the average was 45 hours or more. This suggests an increase in multiple full-time employment but not a concentration of very long working hours within households. Again the greatest increases in working hours were observed among lone and couple parents with children under 18 years, although the households most likely to have long working hours (over 40 hours) were still single person households and couple-only households.

The increase in paid work among those with caring responsibilities raises the possibility of increased time-pressure and stress among members of these households and a deterioration in work-life balance. In other words, work-poverty may have been exchanged for time-poverty. To explore this issue we examined the subjective well-being among those in fully-employed households. In general, we find little evidence that the increase in the number of work-rich households has led to increased psychological strain or to reduced satisfaction with leisure time or with 'employment/main activity'. On all of these subjective measures the household reference person in work-rich households recorded slightly more positive responses than those in mixed-work households, including evaluations of leisure time. This remained true even when we focused on couples with children under 18 years who are likely to have additional caring and unpaid work demands. Furthermore, the level of satisfaction with work situation and leisure time expressed by the HRP in work-rich households increased over the period 1994 and 2000.

We might expect however that the 'double burden' of paid and unpaid work in such households would be more evident among the female partners. Among this group we find that satisfaction with leisure has remained stable over time but is lower than for partners in work-poor and mixed-work household. This suggests time-pressure is an issue for some of these women. Nevertheless, this group are more satisfied with their main activity than those in work-poor and mixed-work households, with 86 per cent expressing satisfaction. Therefore, there is little sense from this limited investigation that people are being pushed unwillingly into the labour market.

The possibility remains that there are sub-groups who are experiencing excessive time-demands (e.g., both partners full-time

with young children, or those experiencing work intensification in their jobs). The current data does not contain the information on unpaid workloads or working conditions to allow a comprehensive evaluation of these issues, however, the general analysis does not support a pessimistic reading of the rise in work-rich households.

Nevertheless, the changes in the employment status of households with children have important implications for the organisation of both paid and unpaid work in society. Working mothers and fathers without a stay-at-home partner require different work arrangements and supports than those needed to facilitate more traditional households. These include employer policies such as flexible working hours, working from home, part-time hours and governmental policies such as leave schemes for parents, and policies to re-integrate those who wish to return to the labour market e.g., access to training and education for returners (see Russell *et al.*, 2002). These changes in household employment also increase demand for childcare and elder care services. The current level of public support for working parents in Ireland is poor compared to other countries in the EU. The level of public or subsidised childcare places is very low (Network on Childcare, European Commission (1996)) and consequently childcare costs are second highest in the Union (Ditch *et al.*, 1998). Ireland is now one of the minority of EU countries without any statutory paternity leave and is one of only six EU15 countries where parental leave is unpaid (O'Brien and Shemilt, 2003; Department of Justice Equality and Law Reform, 2002). These supports are particularly important to the increasing number of employed lone parent households, who do not have the option of sharing caring responsibilities and domestic work within the household. Increasing employment opportunities for both men and women remains a central focus of the Irish and EU policy,²⁵ government, employers and households themselves will need to adjust to reflect this social change that is already well underway.

²⁵ In the employment action plans there is a target of 60 per cent employment rate for women by the year 2010.

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