NO LONGER ‘FIT FOR PURPOSE’?
CONSOLIDATION AND CATCH-UP IN
IRISH LABOUR MARKET POLICY

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DEBT, DEFICIT AND ECONOMIC GROWTH 2007-2017
UNDEREMPLOYMENT AND LOW PAY 1990-2017
KEY CHANGES TO SOCIAL PROTECTION

Framed as ‘overly generous and poorly policed’ (NESC, 2011:2) and a contributor to the fiscal crisis. Also under continued EU/IMF/OECD spotlight for lack of structural reform.

Benefit schemes:

Retrenchment the dominant trend: downgrading of already relatively weak social insurance protections, to contain costs and (negatively) incentivise employment:

- Payments retrenched (by up to 10%)
- Duration reduced (from 15-9 months to 9-6 months)
- Qualifying conditions toughened (no. of contributions required doubled, harder to combine with part-time work which quadrupled between 2008 - 2013)
- Illness Benefit significantly curtailed

Followed by modest turn to positive incentivisation:

KEY CHANGES TO SOCIAL PROTECTION

Minimum income/assistance schemes:

Retrenchment also the dominant trend.
- Same pattern of rate cuts
- Deeper cuts for young people (up to 50%)
- Cuts to earnings disregards for means testing purposes

Some efforts ‘risk recategorisation’ (Clasen and Clegg, 2012) in context of growth of number of recipients of contingency based payments but, until crisis, out of line with efforts to activate these groups elsewhere (Imervoll and Scarpetta, 2012).
- Reform of One Parent Family Payment (shift to JobSeeker once youngest child is 14 (against original plan of 7 years)).
KEY CHANGES TO ACTIVE LABOUR MARKET POLICY

‘the emperor who had no clothes’ (Martin, 2015: 9).

Until the crisis, minor changes to a regime instituted in the 1980s, when activation focused on social cohesion and alleviating the experience of mass long term unemployment.

Again a combination of domestic and international scrutiny (EU/IMF/OECD (2009)) generating pressure to reform.

Relatively rapid catching-up process with first and second wave activation reforms (Lødemel and Moreira, 2014)

First wave type reforms 2009+: creation of leaner, market oriented programmes and self-employment – lower benefits, greater compulsion.

Second wave type reform 2014+: institutional re-configuration Intreo (one-stop shop), Jobpath (private service).
KEY CHANGES TO ACTIVE LABOUR MARKET POLICY

Cost containment of existing programmes – participant benefit cuts

Introduction and escalation of sanctions/penalty rates – heavier emphasis on negative incentivisation, particularly associated with JobPath.

- 2011 - 359 sanctions applied
- 2016 – 10,867
- 2017 – 16,451

Further risk-recategorisation planned (people with disabilities, part-time workers, ex-carers, adult dependants) explicitly framed ‘to help ensure a supply of labour at competitive rates and to minimise welfare dependency’ (Government of Ireland, 2016: 14).
HOW MUCH CATCH UP? PARTICIPANTS ON ACTIVATION PAYMENTS/PROGRAMMES VS. LIVE REGISTER

![Graph showing participant numbers on activation payments/programmes vs. live register from 2008 to 2017.](image-url)