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# Staff Paper 2017

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Jobseeker claims – comparing characteristics and outcomes for casual and full claimants

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This paper has been prepared by an IGEES economist working in the Statistics and Business Intelligence/Activation and Employment Policy Unit of the Department of Employment Affairs and Social Protection. The views presented in this paper are those of the author alone and do not represent the official views of the Department of Employment Affairs and Social Protection or the Minister for Employment Affairs and Social Protection. Analytical papers are prepared on an ongoing basis and reflect the data available at a given point in time.

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## Introduction

This paper examines the subset of part-time workers in receipt of a partial jobseekers payment. Where eligibility criteria are satisfied, the Department of Employment Affairs and Social Protection pays partial jobseeker payment to those who are in part-time employment and seeking full-time work. These workers are situated between full jobseeker claims and full-time employment.

This paper examines the trends in the numbers involved, and puts these in the context of survey data on overall trends in part-time employment, in particular part-time underemployment.

Finally, the analysis compares recipients of these partial jobseekers payment to all recipients of jobseeker payments. After identifying demographic and labour market characteristics on 31 December 2015, labour market outcomes are calculated and compared one year later.

### Terminology:

Full jobseeker claims: where someone claims a jobseeker payment and is not employed for any portion of the week – it may be the insurance-based Jobseekers Benefit or the contingency-based income support Jobseekers Allowance.

Casual jobseeker claims: where someone is entitled to a partial jobseeker payment on the basis of working for fewer than four days in the week.

Within casual jobseeker claims, there are part-time workers, who have a regular pattern of working hours, and casual workers, who are:

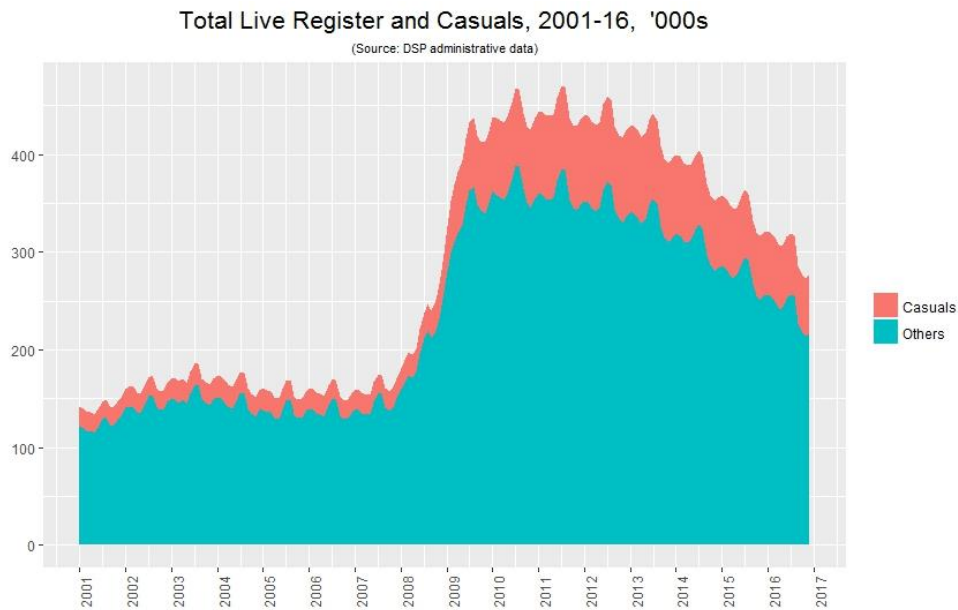
- normally employed for periods of less than a week
- working days vary with activity in business
- and have no assurance of return to same employer

For people working under these conditions, there is likely to be greater variation in earnings, hours, days of work and duration without work. However, there is no difference in how their claims are treated compared to part-time claimants – all are recorded as casual jobseeker claims.

## Background

The prevalence of part-time workers supported by jobseeker claims has increased. This increase began against a backdrop of considerable turbulence in the labour market between 2009 and 2012. The total number of casual claims has increased to 59,940 at the end of 2016 having been reasonably steady at approximately 20,000 between 2001 and 2008. The most dramatic increase occurred between October 2008 and March 2009, with monthly increases between 7% and 19% for every month in this period.

As portion of total on the Live Register, casuals have ranged between 10% and 20% since 2001, and now account for 21% of the total. <sup>i</sup>



**Figure 1. Live Register and casual claims, 2001-2016**

The increase in supported part-time work takes place against a wider increase in part-time work. Table 1 outlines the number of people in part-time employment in the last quarter of each year since 2006. The number of people in part-time employment has grown steadily since 2001 even when the total number of people in employment dropped significantly. Some 90,000 more workers are now in part-time employment compared to 2007, while the total number of people in employment remains 100,000 off its 2007 peak.

Comparing supported part-time work across countries is complicated by the absence of an agreed definition of part-time work, and by the variance in the extent to which countries allow jobseekers to engage in some work. However, as a general indication, Ireland is located at the upper end of the OECD's measurement of the prevalence of part-time work (OECD, EU-28 and Ireland are highlighted).<sup>ii</sup>

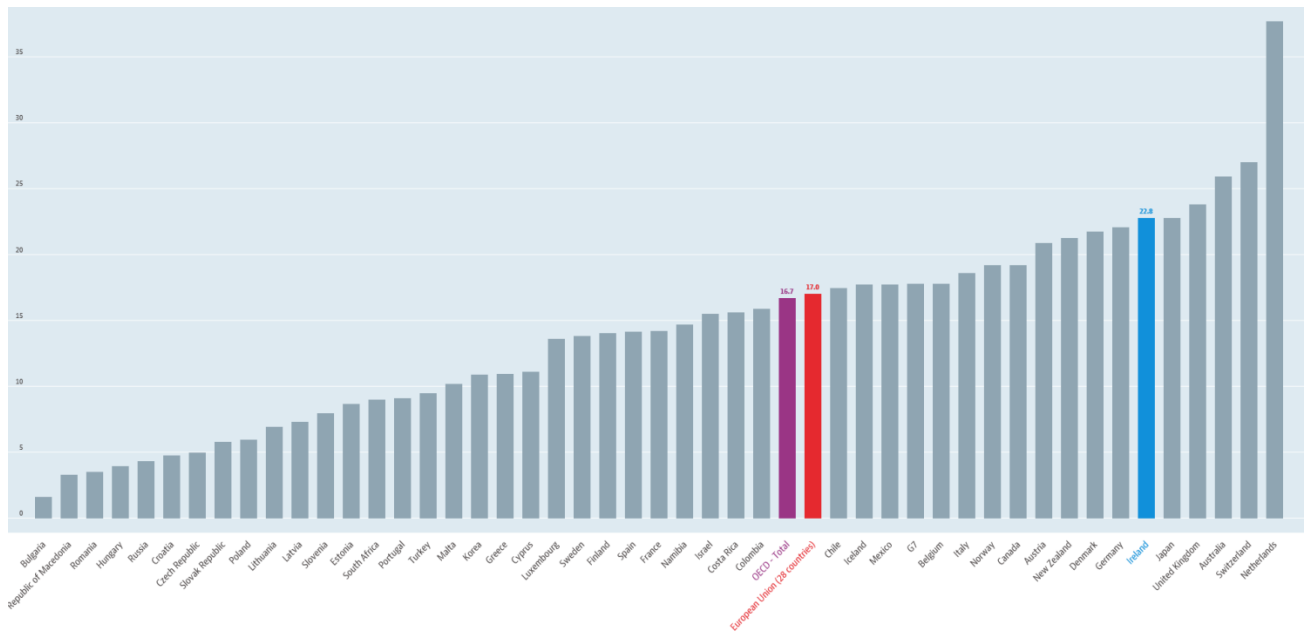


Figure 2.OECD (2017), Part-time employment rate (indicator). doi: 10.1787/f2ad596c-en (Accessed on 13 November 2017)

In considering how the Irish situation may develop, it is worth noting the trend in part-time employment in the UK, where labour market institutions resemble Ireland’s more closely than most EU member states or OECD countries. As a share of all workers in the UK, part-time workers have remained close to 25% for the past 15 years.<sup>iii</sup>

Persons, '000s	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	2015 Q4	2016 Q4
In employment	2,091.2	2,156	2,083.5	1,921.4	1,857.3	1,847.7	1,848.9	1,909.8	1,938.9	1,983	2,048.1
In part-time employment	355.3	390.7	401	430.7	434.4	436.2	450.2	456.8	446.4	451.6	444.8
Part-time as % of total employment	17.0%	18.1%	19.2%	22.4%	23.4%	23.6%	24.3%	23.9%	23.0%	22.8%	21.7%

Table 1- Number of persons in employment and part-time employment Source: CSO; QN/Q34 from QNHS

The total number of people in part-time employment includes

- those working part-time by choice, and not seeking additional hours, and
- those seeking full-time work.

The latter are the workers who may receive partial jobseeker payments, subject to eligibility criteria. As part of an overall increase in part-time work, the share of the underemployed – those willing and available to start more hours immediately – remains higher than its 2008 level, although it has dropped considerably from its peak in 2011-12. Where people in this cohort of the underemployed fulfil the Jobseekers Allowance criteria, the Department of Employment Affairs and Social Protection will pay a portion of the full jobseeker’s rate (outlined in the section on eligibility).

When considering those who work and would like to work more, the term 'underemployed' refers to respondents to Labour Force Survey (LFS) questionnaires who report their current hours to be too few, *and* are prepared to work more hours, *and* are available for work immediately. Table 2 compares, as a proportion of all people in employment, part-time workers who are underemployed and those who are not underemployed in the last quarter of each year between 2008 and 2016.

As a proportion of all people in employment, the percentage of part-time workers who are...	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	2015 Q4	2016 Q4
Not underemployed	15.3	16.8	17.1	15.7	16.5	16.4	17.1	17.5	17.2
Underemployed	3.9	5.6	6.3	7.9	7.9	7.5	6.0	5.2	4.5

Table 2- Percentage underemployed and not underemployed, Q4 in 2008-2016 Source: CSO; QNQ34 from QNHS

The number of people signing on the Live Register as part-time or casual workers is set out in Figure 3, which sets the increase against the number of underemployed workers in Ireland. The source is the Quarterly National Household Survey (QNHS), the quarterly measure of unemployment and the Irish input to the LFS. The number of people who describe themselves as underemployed in response to the QNHS questionnaire is displayed against the number of people signing on the Live Register on casual claims.

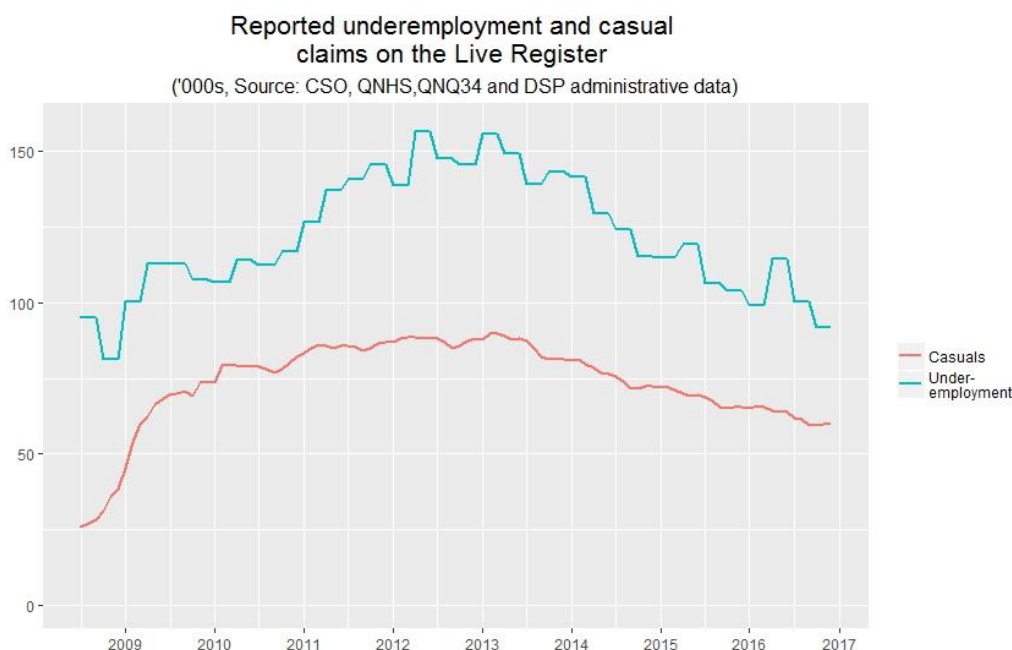


Figure 3. Underemployment and casual claims

The trend of the increase in casual claims mirrors the increase in reported underemployment from the QNHS across the late 2000s. However, the rate of reported underemployment has decreased almost to 2009 levels, whereas the number of casual claims has not decreased in a similar fashion. Also of note is the difference in levels, with the number of casual claims averaging at 60% of the people who report themselves as underemployed.

The discrepancy between the number of people who describe themselves as underemployed and those who have casual claims can be attributed to three factors:

- those whose part-time work extends across more than three days and are therefore not eligible for a jobseekers payment
- those who are entitled to make a casual claim but will not receive any payment due to their family circumstances or their financial means
- those on part-time public employment programmes such as Community Employment or Tús.

The driver of the increase in casual claims was the destruction of employment that occurred between 2009 and 2012. Initially, employers appear to have responded to the decrease in demand for goods and services by reducing workers' hours rather than making them redundant. This approach enables employers to smooth the reduction in demand and, once a recession ends, quickly resume a higher level of output. The most widely known application of this short-time work approach is the *Kurzarbeit* programme in Germany. The relatively low increase in unemployment in Germany between 2007 and 2009, despite a significant drop in economic activity, is partly attributed to this programme.

In Ireland, the Systematic Short Time Work (SSTW) programme closely mirrors *Kurzarbeit*. The number of SSTW and casual claims reflects the dramatic decrease in demand for full-time employees. If employers expected the recession to be short-lived, it made sense to direct employees towards the SSTW rather than making them redundant. However, this sharp spike in SSTW claims was relatively short-lived and, thereafter, the increase was limited to casual claims (Figure 4).

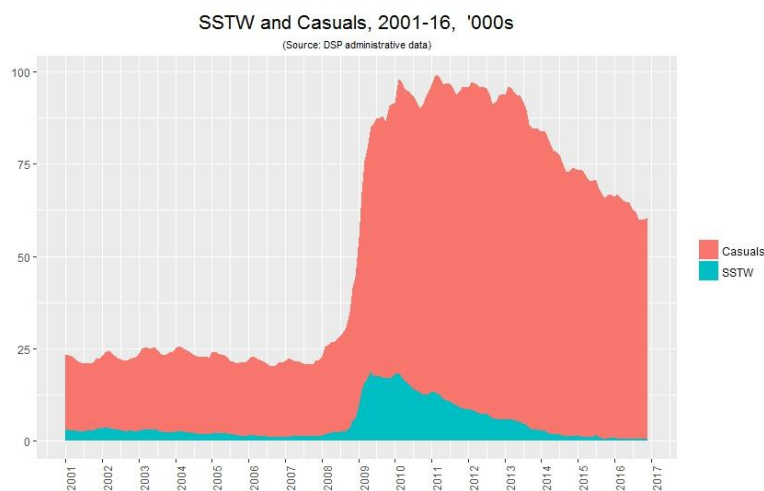
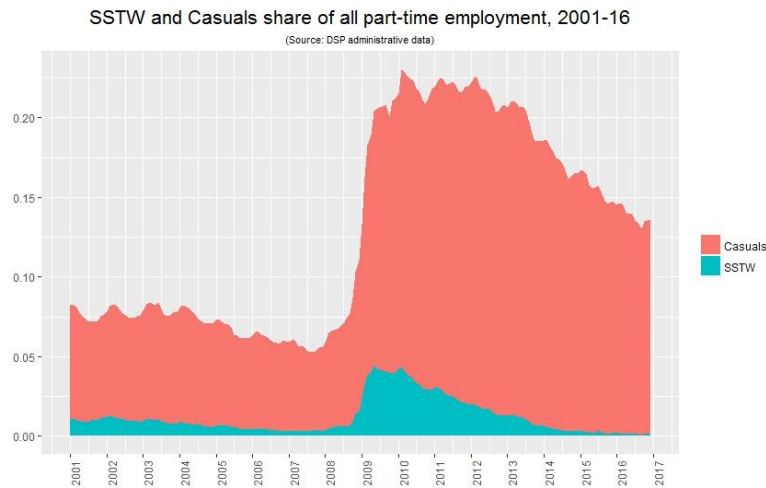


Figure 4. SSTW and casuals, '000s, 2001-2016



**Figure 5. SSTW and casuals share of all part-time employment, 2001-2016**

SSTW only applies to those whose hours are reduced to something less than full-time work, whereas casual is a broader category that includes those moving from full-time to part-time work and from full unemployment to part-time work. In other words, the casual cohort includes people engaged in part-time work from both directions: entering part-time work from full *unemployment* and entering part-time work from full *employment*.<sup>iv</sup>

### Eligibility

As with all recipients of jobseeker payments, there is an obligation on casual workers to be genuinely seeking full-time work. This applies regardless of the duration of any part-time work they undertake.

Casual jobseeker claimants are entitled to work up to three days per week and receive a payment in respect of the other four days. The number of hours worked over those three days is not taken into account. The final amount may vary depending on the number of dependents, the means test, the employment status of a spouse or partner, and any reductions in payments made by the Department of Employment Affairs and Social Protection.

Typically, approximately 20% of casual claims on the Live Register are not in receipt of payment in a given week.

Calculation of casual jobseeker payment:

$$\text{Maximum Jobseekers Allowance payment} - \text{weekly means (60\% of earnings, minus any disregards)} = \text{cash transfer for casual jobseeker claims}$$

### Policy relevance

When considering options for the wider jobseeker cohort, it is useful to have an indication of the probability of casual jobseeker claims acting as a stepping stone to full-time employment. This paper makes a contribution to this question by analysing the characteristics and outcomes of casual jobseekers compared to full claims.



In general, labour market theory suggests that remaining in close contact with the labour market can assist in the move from (a given level of) unemployment to employment. Being in part-time employment is a means of maintaining skills, gaining sectoral knowledge, growing a network of contacts and developing new competencies. It also signals to prospective employers the acquisition and maintenance of soft skills required in the workplace (reliability, ability to work alone or as part of a team). In addition, part-time work may serve as an initial screening process for employers who want to recruit full-time workers. The empirical evidence from international studies supports the idea that providing unemployment benefits for part-time employment can act as a stepping stone to full-time employment.<sup>v</sup>

The cohort of casual workers is specifically relevant to the Government's cross-Departmental labour market activation strategy, *Pathways to Work 2016-2020*<sup>vi</sup>. This medium-term strategy document aims to provide services to those beyond the traditional jobseeker cohort, as the more pressing challenges of youth and long-term unemployment recede. Part of this strategy involves activation of casual workers, either through referral to the Intreo service or the Department's contracted service, JobPath.

In practical terms, the activation of casual claimants poses one problem that does not arise for the full claim cohort: how to marry part-time work with activation and training. In the case of people working part-time, if there is to be any intervention from the State other than support to seek additional work, it must be clear that it improves the likelihood of a transition to full-time employment compared to no intervention. Referral to full-time training programmes, for example, will break casual workers' links to the labour market, albeit with the expectation of an increase in human capital. This trade-off will continue to be particularly acute unless training courses can be delivered in a manner compatible with ongoing work.

### **Comparing casual and full jobseeker claims**

This analysis uses the Jobseekers Longitudinal Dataset (JLD), an administrative dataset that tracks social welfare claims, activation and training, and employment histories over time, covering individuals with jobseeker or One-parent Family Payment claims since 2004.<sup>vii</sup> The dataset takes operational data from a range of sources and rearranges them into a view of each individual's episodes of unemployment, employment, and training. The data are structured in a way that bears some relation to a panel dataset but with important distinctions. To reflect the individual experience of employment and unemployment, each episode commences when the person begins a spell of unemployment and ends when the person moves to employment or another activation or training programme. The next episode begins when the person's employment or training status changes again. In this way, it differs from panel data in that observations are not recorded at fixed points but at points of transition from one status to another.

It is worth restating the distinction between the count of recipients of jobseeker payments and credited contributions from the Department of Employment Affairs and Social Protection (the Live Register), unemployment (measured by the QNHS), and the dataset used in this analysis (the JLD), which counts all jobseeker and OFP claims but also episodes of activation or training programmes.<sup>viii</sup> In other words, the JLD records all open jobseeker episodes, including where people have become eligible for a training/activation programme and are no longer being counted on the Live Register.

This descriptive analysis examines all open jobseeker claims on 31 December 2015. This amounts to a close approximation of Live Register claims, although the Live Register includes claims pending at the time of publication, whereas any claims that have subsequently been dropped or not awarded will not appear on the JLD.

Claim type	Frequency	Percent	Live Register
Full claim	224,255	71%	223,107*
Casual	60,156	19%	65,678
Credits	32,554	10%	32,518
Total	316,965	100%	321,616

Table 3. Claim types, frequency. Source: DEASP administrative data, CSO.

\*Note: The Live Register publication does not use the term 'full claim' – in order to estimate how this analysis compares with published Live Register figures it has been derived by subtracting casual claims and credits from the total.

Table 3 outlines the split between full claims, casual claims and those signing for credits. For comparison, the total number of claims recorded on the Live Register in December 2015 was 321,616, of which 65,678 were casuals and 32,518 were signing for credits. For the purpose of comparing labour market outcomes between casual claims and other jobseekers, those signing for credits in this period have been excluded (Table 4).

Claim type	Frequency	Percent	Cumulative frequency
Full claim	224,255	78.85	224,255
Casual	60,156	21.15	284,411

Table 4. Comparison of full and casual claims after removal of those on credits. Source: DEASP administrative data

The following tables compare the casual cohort and full jobseekers. They do not include those on activation programmes and training courses. For clarity of presentation, tables show the distribution of the values of a given variable for casual and full claims. Chi-square tests have been carried out on all tables and, with an alpha level of 0.05, a statistically significant difference exists in all cases (see appendix).<sup>ix</sup>

## Descriptive analysis – demographic characteristics

This section presents some of the demographic and labour market characteristics of the cohort under analysis – further tables are provided in the appendix.

Compared to the broader jobseeker population, a higher percentage of casual claimants are in the 30-39 and 40-49 age groups. The mean age of those with casual claims is 39.9 (39.4 for full claims) and the median is 38.6 for casuals (38.1 years for full claims). The mean age is drawn up by the number of claimants retired from employment who do not yet qualify for the State pension (currently 66 years).

Casual/full jobseekers, by age group	Casual	Full
Under 25	8.9	14.4
25-29	14.7	14.2
30-39	29.9	26.0
40-49	23.6	21.4
50-59	17.9	17.0
60+	5.1	7.0
Total	100	100

Table 5. Age group in years by casual/full claims (N=284,411)

Male and female claimants are more evenly balanced in the casual cohort than in the full jobseeker cohort – men represent 53% of the casual cohort but 65% of full claims. Table 6 shows the marked difference in nationality groups: those from what are referred to as the 2004 accession states (EU15-28) account for a greater share of the casual cohort than the full claim cohort.

Casual/full jobseekers, by broad nationality group	Casual	Full claim
EU13	0.9	1.1
EU15-28	14.3	9.1
Irish	79.6	83.2
Rest Of World	2.1	2.6
UK	3.1	4.0
Total	100	100

Table 6. Percentage of each nationality group in casual and full cohort (N=284,411)

Moving from nationality to location, the ratio of full jobseeker claims to casual claims is broadly similar for most counties. This location variable refers to the Intreo office at

which the person makes a claim rather than to the residence of the claimant. Table 15, in the appendix, displays each county’s contribution to the total population of full and casual claims. The greatest discrepancy between the two categories occurs along parts of the west of Ireland (Donegal, Mayo, Leitrim and Kerry) and in the south-east (Wexford, Kilkenny, Waterford, Carlow). These counties, along with Monaghan, all have a share of the casual population that is at least 10% greater than the county’s share of the jobseeker population. The reverse is the case in Dublin, which accounts for 26% of the jobseeker population but only 18% of the casual population.

Family structure looks broadly similar for casual and full claims, although casual claimants are more likely to have child dependents. Differences exist between the family structures of male and female claimants (Table 7). In the case of full claims, men are more likely than women to have no adult or child dependants – for casuals, the reverse is true. Similarly, men with adult and child dependants make up a greater share of the casual jobseekers cohort than of the full claim cohort whereas women with that family structure make up less of the casual cohort than they do in the full cohort.

Casual/full jobseekers, by sex and family structure	Male		Female	
	Casual	Full	Casual	Full
Adult and child dependant	21.1	15.9	11.9	13.9
Adult dependant only	8.4	7.7	4.5	4.4
Child dependant only	9.4	6.4	15.7	20.0
Neither	61.1	70.0	67.9	61.6
Total	100	100	100	100

Table 7. Percentage of each family claim type in casual and full cohort, by sex (N=284,411)

## Descriptive analysis - labour market characteristics

Having outlined the demographic characteristics of the population, we turn to labour market characteristics. The first variable analysed is sector, which takes account of the dominant sector in which someone was employed over a four-year period<sup>x</sup>. Casual claimants are more prominent in the wholesale and retail and accommodation and food service activities sectors (see annex for full table).

In discussing sector, it is more realistic to compare casual jobseekers' sector with that of all people in employment rather than comparing casual claimants to full claim jobseekers – a considerable proportion of whom have no sectoral information for the past four years.

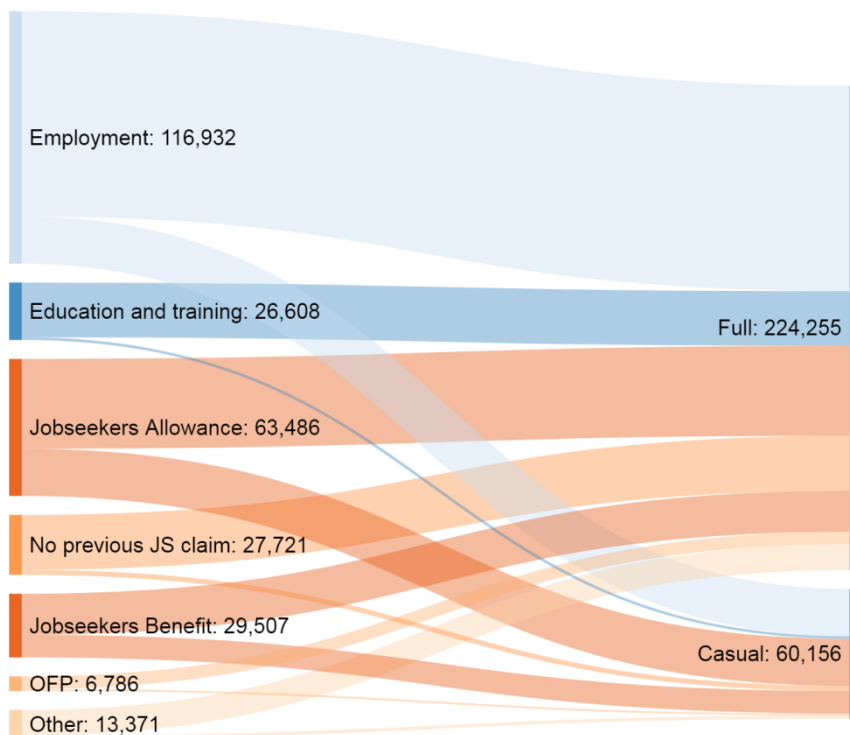


Figure 6. Origin of casual and full jobseeker claims(N=284,411). Diagram created using SankeyMATIC

Table 8 shows the previous status of individuals with open claims on 31 December 2015 (Figure 5 illustrates the same information by showing the flow from previous statuses to either full or casual claims). It does not reflect any particular timeframe – the previous episode depends on the duration of the episode open on 31 December 2015.<sup>xi</sup> Casual jobseekers are more likely to come from Jobseekers (Allowance or Benefit) payments and

employment. They are noticeably less likely to transition from Education and Training.

Casual/full jobseekers, by previous status	Casual	Full
Education and training	2.1	11.3
Employment	36.3	42.4
Jobseekers Allowance	36.4	18.6
Jobseekers Benefit	17.4	8.5
No previous jobseeker claim	3.8	11.3
One parent Family Payment	1.5	2.6
Other	2.5	5.3
Total	100	100

Table 8. Previous status, by casual/full status (N=284,411)

Table 9 compares full and casual claims by the highest level of education the person has completed, where available. It is worth qualifying this table by highlighting the large proportion of missing values, and by noting that education data are self-reported and have not been otherwise verified. Casual workers have slightly higher frequencies of Leaving Certificate and third level education, and correspondingly lower frequencies for primary and Junior Certificate.

Casual/full jobseekers, by education level	Casual	Full claim
Primary or less	3.9	6.6
Junior Certificate	10.7	12.7
Leaving Certificate	17.8	16.4
Third-Level	17.8	15.6
Unknown	49.9	48.8
Total	100	100

Table 9. Reported education level (N=284,411)

Duration of claim is another important indicator of the likelihood of exiting an open jobseeker claim. There is a well-established association between longer durations of unemployment and greater difficulty in returning to employment. Table 10 shows the mean duration of the current episode – full jobseekers and those on casual claims, with a longer average duration for the former. However, median values indicate that long duration claims seem to be increasing the mean value.

This duration variable counts the number of days from the start of the episode to 31 December 2015. It links claims in a way that more meaningfully represents durations of unemployment than separately counting two episodes of unemployment. For example, contiguous episodes of the insurance-based Jobseekers Benefit and contingency-based Jobseekers Allowance will be linked and the total includes the count of days from the

beginning of the period of unemployment (which is likely to begin with the Jobseekers Benefit claim). This count of days includes the period of unemployment and, where applicable, the period of casual claim and part-time employment.

Casual/full jobseekers average duration	Casual	Full claim
Mean	934	964
Median	573	423

Table 10. Duration in days of current claim (N=284,411)

Of those whose status was casual on 31 December 2015, some began that episode as casual claimants while others began as full jobseekers and then transitioned to casual claims after finding part-time work. For further analysis, we can consider the duration of the casual population by comparing those who begin with a casual claim to those who had full jobseeker claims and subsequently became casual claimants.

Table 11 shows that beneath the average value there are two distinct types of casual claims. Durations are much longer for subsequent casuels – in other words, those who had full claims preceding their casual claim tend to spend longer on a casual claim. This is partly explained by the fact that some of those who start as casual claimants are transferring to part-time employment from full-time employment whereas subsequent casuels are more likely to be coming from full unemployment to part-time employment. Nevertheless, the variation between initial and subsequent casual status is noteworthy.<sup>xii</sup>

Average duration of claim, by initial or subsequent casual episode	Full claims	Start as casual	Subsequent casual
Mean	964	703	1,211
Median	423	363	902

Table 11. Average duration in days, by full claim and initial or subsequent casual episode (N=284,411)

For casual workers, we can examine how long they have been combining part-time work with receipt of a social welfare payment by examining only the duration of the casual part of the episode of (partial) unemployment.

Casual jobseekers average duration, by sequence	Full claim	Start as casual	Subsequent casual
Mean	NA	628	586
Median	NA	332	330

Table 12. Casual jobseekers average duration by sequence (N=284,411)

Finally, duration is also correlated with the previous status of the claimant. Table 13 shows the shortest median duration relates to those who had made no previous claim, with the next lowest durations those whose claim was preceded by an episode of employment and education and training.

Casual/full jobseekers median duration in days, by previous status		Casual	Full claim
Median	Education	577	451
	Employment	532	303
	Jobseekers	784	577
	No previous claim	316	206
	OFP	786	962
	Other	584	554

Table 13 Median duration of claim, by previous status (N=284,411)



## Labour market outcomes

Following the point-in-time analysis of the cohort of all jobseeker claims at 31 December 2015, labour market outcomes for the same cohort are examined exactly one year later, 31 December 2016. As with the analysis based on 2015, the labour market outcome examines status at a point in time and does not track transitions in the interim.

Table 14 shows the divergent outcomes of the casual workers compared to full jobseeker claims. Before introducing the results, a brief explanation of the outcome categories may be useful.

'Closed off the Live Register for other reasons' covers those who have moved onto other Department of Employment Affairs and Social Protection payments that are not counted on the Live Register (such as Community Employment and the One-parent Family Payment), those who are no longer entitled to a claim, those who have emigrated, and those who have become inactive.

The category of 'Employment/Self-employment supported by DEASP' reflects progression to programmes that support nascent enterprises, such as the Back to Work Enterprise Allowance, or to employment that entitles the employee to Family Income Supplement, an in-work benefit dependent on hours worked, earnings and family circumstances.

'In Education, Training or Employment Placement Course' covers SOLAS training, and programmes such as the Back to Education Allowance, Momentum and JobBridge. 'In employment' refers to unsupported employment.

The fact that casual jobseekers are less likely to have progressed to the category of 'Employment/Self-employment supported by DEASP' or to the category of 'In Education, Training or Employment Placement Course' may reflect the lower level of activation for casual jobseekers in 2015. It may also be that further training and education is not a priority for those already engaged in part-time employment. While the numbers are low for both full and casual claims, a future examination of this transition may reflect the increasing level of engagement now underway.

The most significant progress for any episode of unemployment is the progression to 'In employment' i.e. unsupported employment. Some 25% of those on casual claims had progressed to unsupported employment one year after 31 December 2015, compared to 19% of those on full claims. This higher frequency of progression to unsupported employment for casual claims supports the idea of the casual status on 31 December 2015 acting as a stepping stone to full-time employment.

A less positive finding is that a considerable share of the casual cohort has not progressed to full-time employment and remains in the same status one year later (56%). In other words, they have not increased their hours to the extent that they work more than three days out of seven. In light of the employment growth at this time, an increase in hours to moving to full-time employment seems a reasonable objective.

The other significant movement is among people whose partial connection to the labour market has receded and they are now making a full jobseeker claim. Approximately 7% of those on a casual jobseeker claim at the end of 2015 were on full jobseeker claims the following year.

The share of casual claimants who are signing on for credited contributions – those who are not working but not making a jobseeker claim – is slightly above zero.

In summary, a considerable share of casual claims progress to employment (25%) and the largest share are no worse off one year later (56%). Only 7% of casual claims have lost their connection to the labour market by moving to full claims.

Casual/full jobseekers, outcome 12 months later	Casual	Full claim
Closed off the Live Register for other reasons	8.8	16.3
Employment/Self-employment supported by DEASP	1.6	3.0
In Education, Training or Employment Placement Course	1.3	5.3
In employment	24.9	19.0
On Live Register (casual worker)	56.0	4.1
On Live Register (excluding casual workers)	7.2	51.2
On Live Register - Credits only	0.2	1.1
<b>Total</b>	<b>100</b>	<b>100</b>

Table 14. Labour market outcome 12 months later, by full/casual claim (N=284,411)

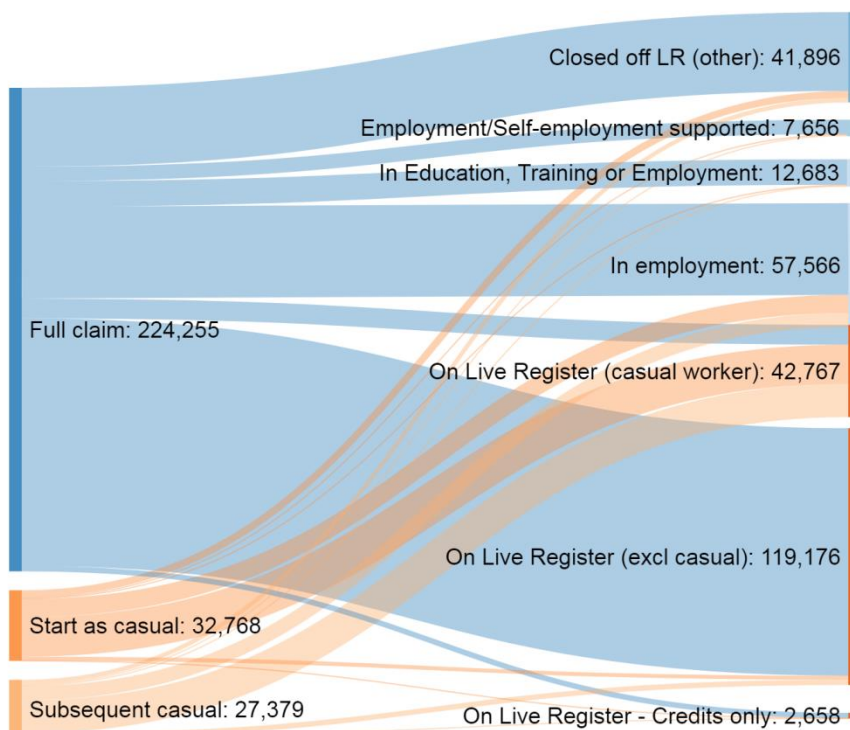


Figure 7. Labour market outcomes by full or casual claims and sequence (N=284,411). Diagram created using SankeyMATIC

A further breakdown shows that those who began their episode as casuals do better than those who switch to casual status after the claim has commenced (Table 15 and Figure 7). This corresponds to expectation, as it reflects a connection to the labour market at an earlier point, leading to an earlier exit to full-time employment. It also corresponds to the earlier finding of shorter durations for those who start an episode as a casual claimant. Those who

begin as casual claimants are also less likely to transfer to full claims (only 6%, compared to 9% for subsequent casu- als).

Casual/full jobseekers, outcome 12 months later	Start as Casual	Subsequent casual	Full claim	Total number
Closed off the Live Register for other reasons	10.1	7.3	16.3	41,896
Employment/Self-employment supported by DEASP	1.2	2.1	3.0	7,656
In Education, Training or Employment Placement Course	1.3	1.4	5.3	12,683
In employment	25.7	24.0	19.0	57,566
On Live Register (casual worker)	55.9	56.0	4.1	42,767
On Live Register (excluding casual workers)	5.7	9.0	51.2	119,176
On Live Register - Credits only	0.2	0.2	1.1	2,658
Percent total	100	100	100	--
<i>Number of observations, total</i>	<i>32,768</i>	<i>27,379</i>	<i>224,255</i>	<i>284,402</i>

Table 15. Outcome 12 months later by initial or subsequent casual claim (N=284,411)

The sector of the casual claimants who subsequently went onto full-time employment were broadly similar to the distribution of casual claimants overall (see Table 17 in the appendix).

### Longer run trends

To set this in context, and to account for the possibility of some unusual dynamic between full and casual claims at year-end, the labour market outcomes analysis was repeated over the following dates (113 days apart):

Casual/full claim open on:	Labour market status check on:
31Dec2015	31Dec2016
14Jun2014	14Jun2015
26Nov2012	26Nov2013
11May2011	11May2012
23Oct2009	23Oct2010

This repeats the steps taken above as at 31 December 2015 (eg removal of those signing for credits and those on activation and training) and assesses labour market outcomes for the casual/full population 12 months after these dates. The x-axis reflects the time the snapshot is taken and the markers identify the exact point at which the claim was open (e.g casual or full on 26 November 2012). The y-axis identifies the percentage that had, 12 months later, progressed to employment.

This longer view sets in context the results for 31 December 2015. While casual claims open on 31 December 2015 did better than full claims when measured one year later, the gap is narrower than it has been since 2009.

	Full claims in employment 12 months later	Casual claims in employment 12 months later	Casual and SSTW as share of LR
23Oct2009	17.5	30.7	20.96%
11May2011	17.9	28.9	21.89%
26Nov2012	16.7	31	22.38%
14Jun2014	18.3	29.9	19.65%
31Dec2015	19	24.9	20.72%

Table 16. Transitions to employment 12 months later (Source: DEASP administrative data)

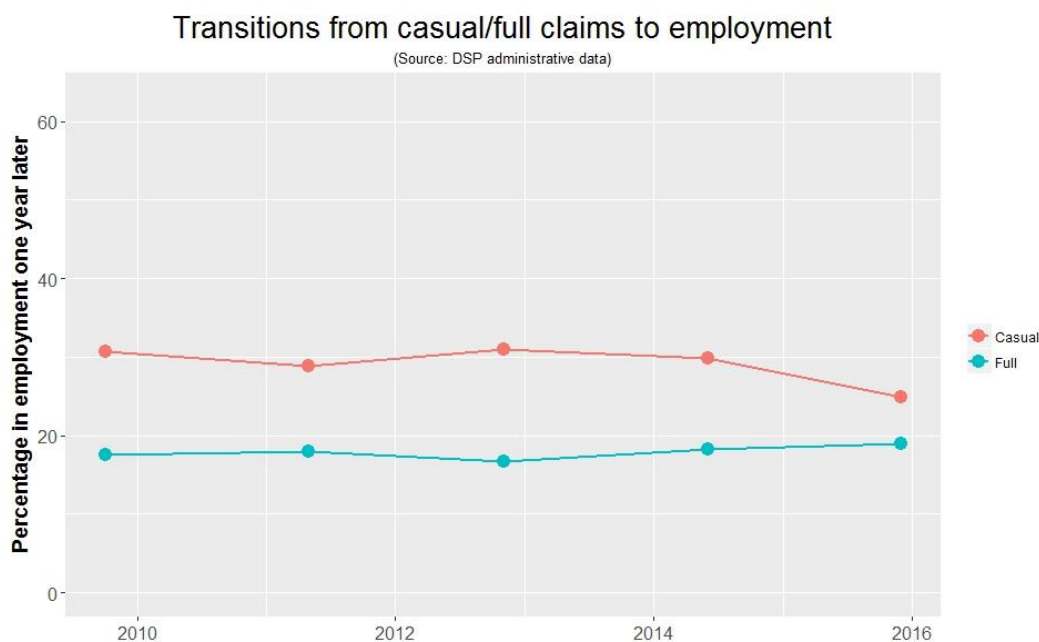


Figure 8. Labour market outcomes one year later, for casual/full claims at five points, 2009-2015

### Policy implications

In interpreting these findings, it should be noted that this descriptive analysis examines characteristics individually and does not control for all other characteristics or attempt to isolate causal effects. Indeed, it is likely that some characteristics of casual jobseekers are correlated with labour market outcomes.

Furthermore, this analysis reflects interaction between various income support schemes with differing eligibility criteria. For example, the differences in family structure evident

between those on casual and full claims may reflect transitions to the Family Income Supplement. At certain earnings levels, those who have some work and child and adult dependents may be better off moving from a casual claim to the Family Income Supplement once they can attain the threshold of 19 hours of work per week. This scheme is not affected by the three days eligibility criterion outlined above.

Previous empirical research in Ireland suggests the casual cohort fares worse than those on full jobseeker claims. A 2009 ESRI publication on the probability of exit from Live Register claims finds that, when controlling for other factors, casual claimants are 9% more likely to remain welfare dependant for 12 months or more.<sup>xiii</sup> In light of the positive employment outcomes outlined in this paper, and given the increase in the share of casual workers since 2009, further analysis may be worthwhile to examine whether this has changed in the interim.

As activation for casual claimants has only recently commenced, it would be useful to repeat this analysis to see the impact on labour market outcomes. Of particular interest is the proportion of casual claims where employment has not progressed to more than three days per week at a time of increasing employment opportunities. The greater probability of casual claimants being in employment 12 months later – compared to full claimants – appears to be narrowing over time (see Figure 8), even as employment prospects are improving. This trend is worth monitoring given that, as a proportion of all claimants, the number of casual claimants is now higher than in the pre-crisis period.

Examining the characteristics and labour market outcomes of casual claimants can inform the interaction between DEASP and its clients, particularly in respect of the frequency and nature of activation. In respect of those with casual claims, it is worth noting:

- Greater numbers from EU15-28 countries
- Higher ratios of casual:full in the south-east, and certain western counties
- Higher rate of exits to employment for casual claimants (compared to full claims)
- Higher reported levels of education, therefore less likely to require referral to education and training
- Greater presence in the following sectors:
  - Wholesale and retail trade
  - Accommodation and food service activities
- No particular sector is associated with higher transitions from casual claim to full-time employment
- Shorter claim durations in the case of those who start as casuals, compared to subsequent casuals or full claims
- A lower incidence of reversion to full claims of those who start as casuals.

### **Wider labour market factors and further work**

The analysis presented here points to broadly positive labour market outcomes associated with supported part-time work. In interpreting this, it is worth situating the analysis within the wider labour market context.

First, welfare support for part-time work allows for some flexibility in employers' responses to an economic shock such as that of 2009. If employers had not been able to reduce hours (either through SSTW or casual claims) in response to dampened demand

for goods and services during that period, the unemployment rate and the number of full claims on the Live Register would have been greater. The direct negative consequences include decreased output and revenue and increased Government expenditure.

Second, at the level of the individual, the evidence suggests part-time work is useful as a stepping stone towards full-time employment. Part-time work (as an alternative to becoming wholly unemployed) maintains jobseekers' skills and sectoral experience, expands their network of contacts and preserves or enhances the soft skills required in the workplace.

For people who are already unemployed, in the absence of part-time income support, it is reasonable to assume that at least some offers of part-time work would be refused, given that acceptance would lead to an overall income loss. By combining earnings with the part-time income support of a casual claim, any offer of part-time work can be accepted (within the limits of the days-based system). In this way, the provision of part-time income support eases the transition from unemployment to part-time employment, and potentially onwards to full-time positions.

However, there are potential downsides to subsidising part-time work, and these can be identified at the macro and micro level. First, it may be difficult to identify the point at which facilitating firms retaining staff to see out a recession becomes a long-term support for inefficient firms. Accordingly, saving existing jobs in the short-term may be mitigated by a wider economic downside as it hinders the reallocation of labour from less productive firms to more productive firms.

Second, the provision of part-time income support could inadvertently prolong the existence of low hours jobs.<sup>xiv</sup> To respond to unpredictable and irregular demand, employers may value variance in employees' hours of work and a larger pool of employees, at least some of whom work at less than full-time. The existence of casual jobseeker claims may mean that part of the cost of maintaining a larger pool of employees is shifting to the State.

In this respect, the days-based eligibility for jobseekers payments has an impact on work patterns and how hours of work can be distributed across days. Any offer of work will be assessed by potential employees against the loss of a casual jobseeker payment in respect of those days. While the days-based system has been subject to criticism, it is likely that it acts as a bulwark against low hours spread across the maximum number of days (in a way that an hours-based system would not).<sup>xv</sup> This consequence of the days-based system should be factored into any future consideration of changes.

Finally, it can be argued that part-time income support moderates one of the employer's incentives to convert part-time to full-time positions (eg the risk that the employee will leave for full-time work elsewhere).<sup>xvi</sup> However, this should be mitigated by the requirement on the jobseeker to seek full-time work as a condition of a jobseeker payment, and by the recent commencement of activation for the casual cohort.

Ultimately, the complex weighting of the positive and negative aspects of part-time income support should be underpinned by ongoing analysis of the labour market outcomes of casual claimants. Further analysis would be useful to broaden the discussion to other forms of subsidised employment.

## Appendix

Casual/full jobseekers, by county	Casual	Full claim
Carlow	2.0	1.7
Cavan	1.8	1.8
Clare	2.3	2.4
Cork	9.4	8.8
Donegal	7.1	4.5
Dublin	17.9	25.5
Galway	5.0	5.1
Kerry	6.1	3.5
Kildare	4.1	4.2
Kilkenny	2.0	1.6
Laois	2.1	2.1
Leitrim	0.9	0.8
Limerick	3.9	4.3
Longford	1.0	1.3
Louth	4.1	4.2
Mayo	3.4	2.8
Meath	2.1	2.4
Monaghan	1.8	1.3
Offaly	2.1	2.3
Roscommon	0.9	1.0
Sligo	1.4	1.3
Tipperary	4.3	4.0
Waterford	3.9	3.0
Westmeath	2.4	2.6
Wexford	5.1	4.4
Wicklow	2.7	3.0
Total	100.0	100.0

Table 17. Casual/full jobseekers, by county (N= 284,411)

Proportion in employment in each sector for all employees, casual claims and full claims	Total employment	Casual claims	Full claims	Casual claims in full employment 12 months later
Agriculture, forestry and fishing (A)	5	2	1	2
Industry (B to E)	13	7	5	8
Construction (F)	7	9	4	8
Wholesale and retail trade, repair of motor vehicles and motorcycles (G)	14	20	8	19
Transportation and storage (H)	5	4	2	4
Accommodation and food service activities (I)	7	17	5	15
Information and communication (J)	4	1	2	1
Financial, insurance and real estate activities (K,L)	5	2	3	2
Professional, scientific and technical activities (M)	6	3	2	3
Administrative and support service activities (N)	3	8	6	9
Public administration and defence, compulsory social security (O)	5	2	3	2
Education (P)	8	4	3	3
Human health and social work activities (Q)	13	7	5	6
Other NACE activities (R to U)	5	9	5	8
Not stated or unknown	-	5	50	12
All NACE economic sectors	100	100	100	100

Table 18. Sector for all employees, casual claims and full claims; Source: QNHS and DEASP administrative data (N=2,044,600 for all employees; N= 284,411 for claims)

Chi-sq table:

Table of cas_or_ful by detailed_outcome_12m								
cas_or_ful	detailed_outcome_12m							
Frequency Percent Row Pct Col Pct	Closed off the Live Register fo	Employment/Self-employment supp	In Education, Training or Emplo	In employmen t	On Live Register (casual worker	On Live Register (excluding cas	On Live Register - Credits only	Total



Table of cas_or_ful by detailed_outcome_12m								
cas_or_ful	detailed_outcome_12m							
Frequency Percent Row Pct Col Pct	Closed off the Live Register fo	Employment/Self-employment supp	In Education, Training or Emplo	In employemen t	On Live Register (casual worker	On Live Register (excluding cas	On Live Register - Credits only	Total
Casual	5317 1.87 8.84 12.69	960 0.34 1.60 12.54	797 0.28 1.32 6.28	14991 5.27 24.92 26.04	33658 11.83 55.95 78.69	4322 1.52 7.18 3.63	111 0.04 0.18 4.18	60156 21.15
Full	36580 12.86 16.31 87.31	6696 2.35 2.99 87.46	11886 4.18 5.30 93.72	42576 14.97 18.99 73.96	9116 3.21 4.07 21.31	114854 40.38 51.22 96.37	2547 0.90 1.14 95.82	22425 5 78.85
Total	41897 14.73	7656 2.69	12683 4.46	57567 20.24	42774 15.04	119176 41.90	2658 0.93	28441 1 100.00

Statistic	D F	Value	Prob
Chi-Square	6	111957	<.0001
Likelihood Ratio Chi-Square	6	101444	<.0001
Mantel-Haenszel Chi-Square	1	145.69252	<.0001
Phi Coefficient		0.62741	
Contingency Coefficient		0.53147	
Cramer's V		0.62741	

<sup>i</sup> The presence of a considerable portion of employed people on the Live Register underlines the need for the Live Register disclaimer that it does not measure unemployment.

<sup>ii</sup> In this chart, part-time employment is defined as people in employment (whether employees or self-employed) who usually work less than 30 hours per week in their main job. Source: OECD (2017), Part-time employment rate (indicator). doi: 10.1787/f2ad596c-en (Accessed on 13 November 2017)

<sup>iii</sup> Source: Office for National Statistics; dataset code: EMP01 SA

<sup>iv</sup> This feature of the Irish system stands in contrast to many short-time work schemes, which can be subject to the criticism that they prioritise existing employees at the expense of jobseekers, at least to some extent in the short term.

<sup>v</sup> An overview of the evidence can be found in Ek Spector, S. Should unemployment insurance cover partial unemployment?. IZA World of Labor 2015: 199 doi: 10.15185/izawol.199

<sup>vi</sup> <https://www.welfare.ie/en/downloads/PathwaysToWork2016-2020.pdf>

<sup>vii</sup> The principal creators of the JLD were Paul Morrin, Terry Corcoran, Mick Holohan and Brian King; subsequent development has been led by Saidhbhín Hardiman.

<sup>viii</sup> See Central Statistics Office, (2017) Standard Report on Methods and Quality (v1) for QNHS

<sup>ix</sup> Results available from the author.

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<sup>x</sup> If no value is available for the last full year, the value for the preceding year applies; where at least two years of the past four years have the same value, that value is preferred to a more recent (single) value.

<sup>xi</sup> The 'other' category here includes Community Employment, JobBridge, SSTW, and the pre-retirement allowance.

<sup>xii</sup> Initial and subsequent refer only to the episode open at 31 December 2015 – it does not account for whether the claimant had previous experience as a casual claimant.

<sup>xiii</sup> See O'Connell et al (2009); National Profiling of the Unemployed in Ireland; ESRI.

<sup>xiv</sup> For a discussion on prevalence, see <https://dbej.gov.ie/en/Publications/Publication-files/Study-on-the-Prevalence-of-Zero-Hours-Contracts.pdf>

<sup>xv</sup> See 'A review of the status of casual workers in Ireland', published by the Oireachtas Joint Committee on Jobs, Social Protection and Education in May 2012.

<sup>xvi</sup> Cahuc and Nevoux are critical of the expansion of short-time work in France in 2008-09, finding large firms to be recurrent users of short-time work (<http://ftp.iza.org/dp11010.pdf>)