

Society at a Glance 2014 Highlights: IRELAND The crisis and its aftermath



Irish households faced very large falls in earnings and a steep deterioration of labour-market conditions since the start of the crisis.

Well-targeted social benefits were effective at supporting hard-hit families during the downturn. The priority now is helping people get off benefits and back into work.

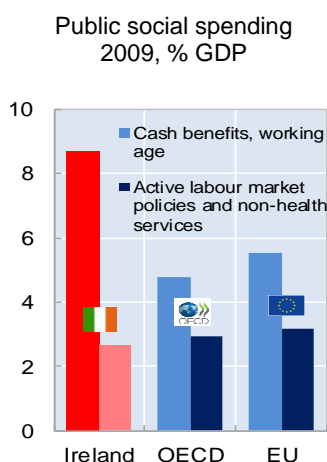
Recent policy reforms in Ireland have already made the social protection system more employment-oriented. But more needs to be done to ensure that the most disadvantaged households benefit quickly from a recovery.

Household incomes hit hard but well targeted social spending helped prevent a surge in poverty

Incomes of Irish households fell by 1 800 euros per person since 2008, to reach 18500 euros per person in 2012. This is one of the biggest falls in the Eurozone – the loss in the average Eurozone country was 1 100 euros – and reflects the deterioration of labour-market conditions across large parts of the population, and particularly among youth. At just below 60%, the share of working-age people in employment is the seventh-lowest among 34 OECD countries.

But income losses in Ireland would have been far greater without a functioning and adequately resourced social protection system. Spending on unemployment benefits more than doubled and also increased markedly for other income support programmes. Much of this spending was targeted to the poor. In fact, despite big losses overall, relative poverty – which counts people with incomes below half of the median – did not increase.

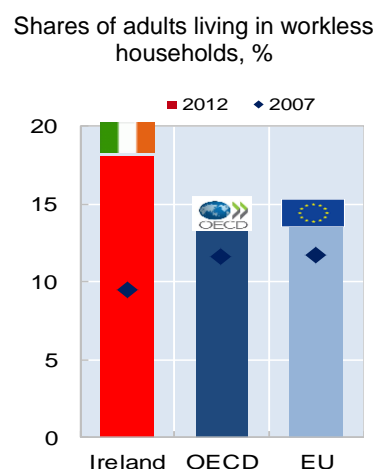
But the focus now needs to be on helping people get off benefits and back into work. This requires a broader and integrated poverty reduction strategy that goes beyond providing cash benefits through essential safety nets. In particular, Ireland now needs to invest in more effective services for a successful and job-rich recovery, through job-search assistance, training and other active labour market policies.



[Figure 5.7.xls]



[Figure 1.5.xls]



Regaining ground that was lost since the start of the crisis

Economic output, employment and incomes all remain far below their pre-crisis levels. GDP is projected to continue a gradual recovery in 2014 and employment is growing again. Yet, the number of people in work still remains a quarter of a million lower than in 2008 and a growing number of people are in involuntary part-time employment, working fewer hours than they would like.

More than 1 in 6 Irish adults live in a “jobless” household where nobody works, and this rate has nearly doubled from 1 in 10 before the crisis. Although the poverty rate remained broadly unchanged for the population as a whole, the poor suffered large income losses. Relative poverty rates increased among youth, while they fell for the elderly [Figure 5.4.xls]. For low-income groups, losses compounded difficulties in meeting their basic needs. For instance, the share of people feeling that they cannot afford food has doubled to 10% [Figure 1.10.xls]. Young people in particular have been emigrating in large numbers, reducing potential growth and further adding to future demographic problems.

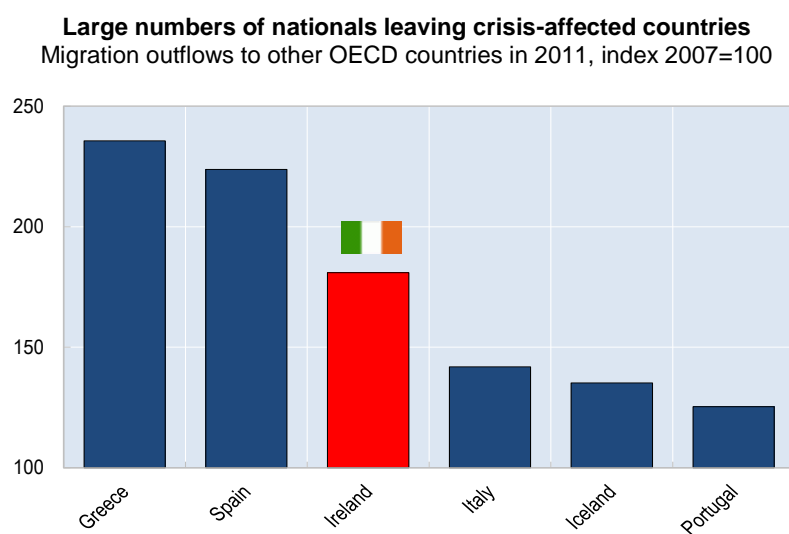
Long-term unemployment is at a historic high and the proportion of NEETs (young people Neither in Employment nor in Education or Training) is the sixth-highest in the OECD – 16.7% compared with an OECD average of 12.6%. There are growing risks that Irish jobseekers become permanently disconnected from the labour market or face poor earnings and employment prospects throughout their careers.

Economic recovery alone will not undo damage of deep and long crisis

More needs to be done to help families benefit quickly once economic activity picks up.

Where funding is insufficient, support should be targeted to disadvantaged groups, such as struggling youth or poor families. For instance, people moving from out-of-work benefits back into employment should be given priority access to childcare, and job-search requirements for benefit recipients can be strengthened as job opportunities increase.

With a very large number of workless households, back-to-work measures should not be limited to recent job losers. Instead, employment-oriented support and work incentives should be gradually extended to all working-age family members. When employment does not pay, it becomes difficult for jobless families to work their way out of poverty. Currently, and unlike in other OECD countries, some jobless couple households receiving out-of-work benefits see only very limited income gains [Figure 1.20.xls] when one of the adults moves into employment.



[Figure 3.6.xls]

Scoreboard: selected social indicators
(Click on indicators for full data and information)

	Pre-crisis			Latest year		
	Ireland	EU	OECD	Ireland	EU	OECD
Annual disposable household income in national currency, latest year prices						
Average	29 600	..	..	26 400	..	..
Bottom 10%	10 400	..	..	8 400	..	..
in USD, latest year PPPs and prices						
Average	30 700	22 900	23 100	27 500	22 900	23 100
Bottom 10%	10 800	7 900	7 300	8 700	7 700	7 100
Total Fertility rate	2.10	1.63	1.75	2.04	1.59	1.70
Unemployment rate (%)	4.6	6.6	5.9	14.0	11.1	9.1
Youth neither in employment, education nor training, NEET rate (%)	13.0	10.7	11.5	16.7	12.7	12.6
Income inequality:						
Gini coefficient	0.299	0.288	0.313	0.307	0.291	0.313
Gap between richest and poorest 10%	6.7	6.9	9.2	7.5	7.4	9.5
Relative poverty (%)	9.8	9.2	11.2	8.8	9.4	11.3
Share of people reporting not enough money to buy food (%)	4.2	9.5	11.2	9.0	11.5	13.2
Public social spending (% GDP)	18.3	22.5	19.6	22.0	25.1	21.9
Suicide rates, per 100 000 population	10.4	12.5	12.5	11.0	12.2	12.4
Health expenditure per capita (latest year USD PPPs)	3 700	3 100	3 100	3 700	3 200	3 300
Confidence in national government (%)	67	50	49	36	41	43
Confidence in financial institutions (%)	67	65	63	16	43	46

Unweighted average of the 21 EU and 34 OECD countries.

[from OECD Employment database](#)

[from OECD Income Distribution Database](#)

[from OECD Social Expenditure Database \(SOCX\)](#)

[from OECD Health Data](#)

See also:

- How does your country compare: [data visualization](#)
- Executive summary: in your [language](#)

