

## **Presentation to Joint Oireachtas Committee on Social Protection and Education**

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Chairman, Deputies and Senators many thanks for inviting us to discuss our research on lone parent labour market activation with you here today. Our research was funded by the Irish Research Council and the DSP under the Social Protection Research Innovation Award. We investigated best practice and innovative approaches to the labour market activation of lone parents in Ireland and internationally. Our research considered approaches to labour market activation with the potential to create good outcomes for lone parents and their children in terms of achieving financial independence and social well-being. This evidence is then grounded in its application to the Irish context, by giving due consideration to the profile of Irish lone parents and the barriers to paid employment they experience, as well as the relevance and applicability of such approaches to the Irish policy landscape.

The methodological approach to this research encompassed two parts: a theoretical part and an empirical part. The theoretical part consisted of a thorough review of the academic literature, to identify best international and Irish practice and innovative approaches in the activation of lone parents, taking account of good outcomes. The empirical part of this study targeted organisations, projects and stakeholders delivering activation supports to lone parents, and actors from organisations representing those parenting alone. The conclusions and recommendations from the report are derived from the thorough review of the national and international evidence, in conjunction with the Irish expert evidence obtained through the analysis of the empirical data.

One of the greatest concerns of those interviewed in relation to the policy changes is the reduction in the combined income of those OFP recipients who were in part-time employment prior to the change. With the exception of those countries that introduced a time limit on welfare payments, there is no evidence of activation resulting in lone parents in receipt of welfare being financially worse off as a result of policy change. Policy often has unintended consequences, but if the premise of activation policy is to reduce poverty levels by increasing the number of lone parents in paid employment, then a policy which results in

lone parents in paid employment being financially worse off has evidently created an unintended consequence and needs revision. This neither encourages welfare recipients to enter into employment, nor will it result in an increase in the income of the household; rather, it has the perverse effect of encouraging welfare dependency and reducing household income.

Critiques of lone parent activation policies centre on the capacity of activation to deliver an adequate income for single parent families and that full-time employment is neither desirable nor practical in a home with one parent. Overall, the research suggests that a package of supports is the most effective way to assist lone parents into sustainable employment and ensure that income levels are sufficient to lift lone parents out of poverty. Indeed it is the combination of measures that is required to make an impact, as the 'sum is greater than the parts'. Ireland's activation policy for lone parents is to categorise them as a Jobseeker and there are no exceptions made for the fact that they are parenting alone. Unlike other countries, there are no plans for a lone parent-tailored approach to activation which takes into consideration the unique challenges and barriers to employment they experience. The capacity of a lone parent to work and care cannot be equated to that of a two parent family; they only have half the time resources available to them that coupled parents have. We recommend that a package of supports for lone parents in Ireland should encompass pre-employment supports, employment supports, financial support and childcare support.

**Pre-employment Supports** - Given the characteristics of OPF recipients not working, an education and training-first approach will be required in order to increase their capacity to attain and sustain paid employment. The 2011, census shows that 40.8% of all Irish lone parents have not completed second-level education. In most countries, participation in education and training is a prerequisite prior to moving from social protection and into paid employment. There is an important association between receiving training and moving into work and retaining employment. International evidence suggests that lone parents with low levels of education generally participate in low wage, low skill service industry jobs, typically on a part-time basis. Educational attainment is persistently identified as a significant factor in reducing welfare dependency and providing a sustainable income for lone parents and their children.

The literature suggests that the role of the equivalent of the INTREO caseworker in facilitating the progression of lone parents is fundamental both at the pre-employment stage and continually thereafter. Such support is regarded as a simple and effective indeed it is also a low cost policy option and is linked to job retention. However, those lone parents closest to the labour market benefit most from assistance provided by caseworkers again reiterating the importance of education and training for many lone parents. Caseworkers require specific training on the challenges faced by lone parents in their everyday lives. The research shows that caseworkers who take an empathetic approach to dealing with lone parents and build a relationship based on mutual respect and trust are more effective in their role. Training is required to achieve this approach.

**Employment Supports-** While activation programmes have been successful in increasing lone-parent participation in employment, particularly for 'work-ready' lone parents, those more distant from the labour market require more intensive support. Many lone parents will require ongoing contact and support from caseworkers when they are in employment.

**Financial Supports** - should ensure income adequacy for lone parents and their families in order to make work pay. The literature has highlighted how activation can lead to in-work poverty. Such lone parents require higher amounts of in-work financial support, which has been proven to reduce poverty in this group of lone-parent households. Given the tendency for lone parents coming off the OPF to work in low-skilled, low-income employment and for some to favour part-timework which is often low-paid, this is a pertinent issue. In-work benefits require flexibility and responsiveness to the lived labour-market experiences of lone parents. Policymakers have yet to legislate for maintenance for those lone parents who have been moved from OPF to JA. This requires attention.

**Childcare Supports** - The cost of childcare is a significant disincentive to lone-parent employment. The literature has shown that subsidies have significant positive effects on the use of childcare in lone-parent and low-income families and are proven to contribute to sustainable employment. The issue of childcare availability needs to be addressed, ensuring that there are adequate childcare places available in localities where they are required. Flexibility in childcare provision is seen as an important factor in determining childcare

usage for lone parents. In many cases care is still required for children over the age of 14; this issue may be resolved by collaboration between state and community sectors.

Whilst poverty levels experienced by lone parents are a significant problem, we question the capacity of the current activation policy to deliver an adequate income for these families. The evidence in relation to activation improving the economic wellbeing of lone parent families is mixed and recent poverty data demonstrate the implementation of activation programmes has not led to a decrease in poverty levels among lone parents in the EU and OECD. Low paid employment is seen to have no positive effects on the lives of lone parents, with precarious employment leading to precariousness in all aspects of their and their children's lives. Labour market activation of lone parents represents a major change in how social protection policy views lone parents. Such a change requires ongoing monitoring and evaluation to measure the impact of the policy on employment outcomes, employment supports, poverty levels and well-being, to ensure that the policy aims of increasing paid employment and tackling poverty levels in lone-parent families is achieved.