

Whose recovery?
Austerity, One Parent Families and
Social Protection

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Context

- I will present information to illustrate that one parent families have been a target group in an unfair proportion of public spending cuts and reforms.
- I will argue that one parent families face multiple challenges due to government policy during austerity, which continues to present day:
 - Outright cuts in benefits and tax credits
 - Recommodification and welfare conditionality
 - Precarity in the labour market

My background

- BA Sociology and Social Policy, Trinity College
- MA Gender and Culture, Goldsmiths College.
- PhD student at Durham University: 2nd year.

- ‘Local Health in an Age of Austerity: The Stockton-on-Tees project’ (dur.ac.uk/health.inequalities).
- Mixed methods case study: to advance understanding of causes, development and localised experience of health inequalities in an ‘age of austerity’.
- Women's experiences of austerity: health, service use and access, income and benefit receipt, housing, employment, coping mechanisms.

Background to Austerity

- Policy response to global crisis. Shifted burden onto the population and away from the financial sector (Karamessini and Rubery, 2014) from ‘financial debt’ crisis to ‘sovereign debt’ crisis.
- Large reduction in public spending from €61.9bn in 2012 to €53.6bn in 2015 (13% or €8.3bn reduction).
- Felt most by low-income households, one parent families, and low-paid workers (Barry and Conroy, 2014).

Are we 'post austerity'?

- Ireland has left emergency programme, economic growth for two years, increasing wage demands and public spending, total debt and debt: GDP reducing.
- But major austerity retrenchment not undone.
- 2015 Budget: 'Marks the end of an era of budgetary austerity,' Minister for Public Expenditure Brendan Howlin.
- 2016 Budget: Overall increase in public spending, but Ireland has one of lowest EU levels of public spending and investment at 36% of GDP (Euro area average of 49.5%). Tax cuts weakens the base for public spending.

One Parent Families in Ireland: demographics

- One parent families are overwhelmingly headed by women, at 91.6% (CSO, 2013). Not *just* a women's issue, but predominantly so.
- Mothers: must act as primary carer and primary breadwinner.
- Childcare costs in Ireland are highest in OECD for lone parents (OECD, 2015).
- 43% of lone parents are in employment (TASC, 2016). Gender pay gap compounds difficulties mothers will face (Albelda et al., 2004).

Risks faced by One Parent Families

- 58% of lone parents suffer material deprivation. Highest rates of consistent deprivation are experienced by lone parent households (SILC, 2014).
- Rising indebtedness to one parent households:
 - 34% may not have a bank account
 - 27% excluded from credit
 - 73% unable to save (ESRI, 2011)
- *‘People parenting alone tell us through our surveys and family support services that they constantly live on the knife edge of poverty. Government continues to enforce ill-formed activation measures without the provision of effective supports such the long-promised, affordable quality childcare.’ (Karen Kiernan, CEO of One Family, 2015).*
- Key determinant for future health and wellbeing of child is living without deprivation and affects whole family.

Public expenditure reform and One Parent families

- One Parent Family Payment
- Tax credit reforms
- Others: Rent supplement, Back to Education Allowance

One Parent Family Payment

The One Parent Family payment is available to those parenting a child alone. It is means tested. From July 2015 there has been a change in policy, parents of children over the age of 7 are ineligible.

It's reforms have been in line with an 'activation' principle – to get parents to engage in employment, education or other training.

Due to reforms, many parents who were in employment find it is not cost-effective to work. (Income Disregard has been reduced from €146.50 to €90). Inadequate supports (financial and services) to support parents entering education or training.

Payments to One Parent Family

- One Parent Family Payment budget allocation has been reduced from over €1bn* in 2012 to €670m in 2015 down to €500m** in 2016, >50% reduction.
- Age limit reduced to 7, Jobseeker's Transitional Payment introduced for families with children aged 7-13. 2016 Budget announced that Government budgeted an extra €8m***
- With JSTP you can no longer claim half-rate Carer's Allowance (but can remain on OPFP until child is 16).
- Welfare reform for one parent families looks like a jigsaw puzzle-with deliberately missing pieces.

Figures sources

* <http://www.per.gov.ie/en/rev/>The Comprehensive Expenditure Report 2015-2017 p. 179

** <http://www.per.gov.ie/en/comprehensive-expenditure-report-2012-2014/> The Comprehensive Expenditure Report 2012-2014 p. 194

*** <http://www.budget.gov.ie/Budgets/2016> PART II Expenditure Allocations 2016-18 p. 78

Reform of tax credits for One Parent Families

Single Person Child Carer Tax Credit (worth €1,650 per annum) was introduced in 2014

- Single non-cohabiting parents receiving child benefit are eligible
- Expected cost in tax expenditure was €94m

However One Parent Family Tax Credit (worth €1,650 per annum) was abolished in 2014

- All lone parents were eligible
- Expected saving in tax expenditure was €141m (cost in 2013)

The total saving on transfers to Single non-cohabiting parents/Lone Parents to Revenue was the estimated to be €47m

Sourced from <http://www.revenue.ie/en/about/statistics/costs-tax-expenditures.csv>

Other expenditure reforms affecting one parent families

- There have been reduced budget allocations to some areas of welfare, particularly housing, children and education, which suggest that these will be more difficult to obtain, with more conditionality attached.
- The allocations to the Back to School clothing & footwear scheme budget was cut by €82m in 2011 to €39m in 2016 (>50% cut)*
- Back to Education Allowance allocation was reduced from €146m to €121m (-17%).
- Rent Supplement allocation was reduced from €298m to €266m (-11%).
- These cuts represent a substantial fall in One Parent Family incomes, and a loss of income for communities they live in.

*The Comprehensive Expenditure Report 2012-2014 and 2015-2017

Recommodification

- Commodification: extent to which one's capacity to live well is connected to ability to earn wage (Esping-Andersen, 1987).
- Ireland: liberal welfare regime, state provision is minimal and benefits have strict entitlement criteria.
- Substantial re-commodification, more complex than simple benefit cuts, is being embedded in 'post austerity' reform.
 - E.g. Family Income Support highly predicated upon specific type of participation in the labour market.

Conditionality & Labour Market Activation

- Labour market activation is key aim of welfare policy.
- Back to Work Family Dividend (BTWFD) introduced in Budget 2016:
 - Incentivises move to work for parents on a Jobseekers or One Parent Family Payments. Recipient gets 2 years of weekly payments-but *all* within household must sign off primary social welfare payments.
- Jobseekers Transitional Payment replacement to the One Parent Family Payment with new conditionality attached:
 - Must attend meeting with Department of Social Protection case officers to identify and access supports-education, training and employment schemes-to prepare for full-time employment.
 - ‘If you do not participate in this process, you may be paid a reduced rate of JST (a penalty rate) or you may be disqualified from getting your JST payment’ (Citizen’s Information, 2016).

Labour market precarity

- Labour market activation promoted alongside rise in female low-wage work.
- In 2014, women accounted for 51% of labour force (QNHS, 2014). Women make up the majority of employees with constantly variable part-time hours.
- Extra financial support to supplement people on 'low pay' Family Income Support budget allocation increasing from €199m in 2012 to €410m in 2016.
- Embedded conditionality-requires a job with at least 38 hours per fortnight, which will last for more than three months, and earnings must be below low thresholds based on number of qualifying children.

Some lessons from UK context of my findings

- Experience for low-income parents radically different from middle-income parents due to austerity policies.
- For lone parents, access to universal services such as Sure Start and early years education, as well as targeted benefits, are a lifeline.
- Sanctioning, a severe form of conditionality, is a real threat to one parent families.
- Arbitrary and punitive nature of welfare reform is hurting families (delays of payment, interaction with Job Centre, etc.).
- Intersectionality: having a disability, a disabled child and other complex issues make life harder and benefit system does not adequately accommodate for this.

Proposed progressive policy solutions

Suggested policies:

- Increasing unconditional income supports for one parent families.
- Expanding childcare entitlement and ECCE scheme to cover all children under age 7, additional funding for one parent families thereafter, and expand and enhance the scope of the After-School Child Care Scheme.
- Addressing zero hour contracts and low wage work. Reforming entitlements so as to not to be effectively a ‘top up’ for low-paid work.
- Empirical qualitative research in consultation with lone parents is needed

Conclusion

- One parent families have been impacted disproportionately.
- Economic and social policy reform has had classed and gendered effects: lone mothers are ultimate losers in this equation.
- Progressive policies are crucial in wider policy context.

- Empirical research into lived experience is essential.
- Class and intersectional perspective should be added to mix.
- ‘Evidence based policy making’ must engage with perspectives of those being directly affected.

Thank you

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