

**MUTUAL LEARNING PROGRAMME:
PEER COUNTRY COMMENTS PAPER – IRELAND (ROI)**

Pathways to Work for Lone Parents- what can the Republic of
Ireland Learn from the Northern Ireland Experience?

Peer Review on Pathways to Work for Lone Parents
Northern Ireland, May 2010

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1 LABOUR MARKET SITUATION IN THE PEER COUNTRY

This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on Ireland's comments on the policy example of the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.

The government in the Republic of Ireland (ROI) is changing the current policy whereby lone parents on income support are not required to be available for work until their youngest child is 18, or 23 if in full-time education, to one that will require such parents to be available for work when their youngest child is 13. However, there will be a phasing in of these changes over a six year period.¹ This policy change is being considered due to a number of concerns on the part of the Irish government - persistently high and poverty rates in one-parent families, a need to move to more active labour market policies and the realisation that during the economic boom expenditure on social welfare rates remained high despite falling unemployment due in the main to expenditure on the one-parent family payment and on disability payments. This policy has not as yet been adopted by government. However, a number of agencies and organisations are currently working to develop programmes to support lone parents to better access education, training and employment. This response is partly due to this planned policy change and this peer review process provides an opportunity to share learning.

At the end of 2009, there were 90,500 lone parents and 150,000 children dependent on the one-parent family payment, giving a total of 240,500 people depending on this payment. The total cost of the payment was some €1,116 million in 2009 – compared to €0.835 billion in 2006 and €0.338 billion in 1997.² This growth was due to a combination of rising numbers on the payment and increases in welfare rates as part of a commitment by government to bring welfare rates up to an equivalent of 30% of gross average industrial earnings over that period.

The 2006 Census of Population indicates that there are 120,000 one-parent families in Ireland with children under 20 years of age.³ Of this group, 35% aged 15-59 years have experienced marriage breakdown and 8% are widowed, leaving 57% with a child aged under 20 years who have never married. For females, the equivalent figures are 34%, 6% and 60% respectively. For males, the proportions are radically different, at 50%, 23% and 27% respectively.⁴ Available statistics indicate that in 2007, this reflects both the higher proportion of one-parent families headed up by fathers that are widowed and conversely the relatively low number of single fathers heading up one-parent families. However numbers of fathers heading up one-parent families overall are relatively small- less than 10%.

51% of lone mothers were in work compared to 62.3% of married mothers.⁵

Proposed changes in government policy in this area are aimed at reducing poverty in one-parent families through reducing social welfare dependency and increasing opportunities for

¹ Government Discussion Paper: *Proposals for Supporting Lone Parents*, Department of Social and Family Affairs, 2006

² Department of Social and Family Affairs, *Annual Statistical Information Report*, 2008

³ Central Statistics Office, (CSO) *Census of Population*, 2006

⁴ Lunn, P Fahey T and Hannan C *Family Figures: Family Dynamics and Family Types in Ireland, 1986-2006*, The Economic and Social Research Institute, 2009

⁵ Department of social and Family Affairs *Families in Ireland :An Analysis of Patterns and Trends*, 2008

work. One-parent households continued to be the household type with the highest at-risk-of-poverty rate with a rate of 36.4% in 2008 compared to 14.4% for the general population. Children remained the most at-risk age group in 2008 with an at-risk-of-poverty rate of 18%, a decrease of 1.9 percentage points from 2007.⁶

However, such policy reform must now take place in a wider labour market context of rising unemployment, low economic growth and limited job opportunities with little change in this situation forecast for the next two years.⁷ The current unemployment rate is 12.3% (February 2010) compared to 4.9% in February 2008, illustrating the rapid increase in unemployment that has occurred in Ireland over the last two years due to the international recession and the serious down turn in the Irish economy that has occurred over that period.⁸

⁶ Central Statistics Office,(CSO), *Survey on Living and Income Conditions 2008*

⁷Economic and Social Research Institute, (ESRI) *Quarterly Economic Commentary, Spring 2010*, April, 2010

⁸ Central Statistics Office,(CSO) *Quarterly National Household Survey*, 2010

2 ASSESSMENT OF THE POLICY MEASURE

As stated in the previous section, the policy measure of providing a comprehensive package of supports to increase the number of lone parents in employment is highly relevant in a ROI context, and a number of pilots of a similar nature are being tested here. For example, FÁS (the National Training and Employment Authority) is testing a new social inclusion model aimed at providing specialist work preparation programmes for lone parents wishing to access training and work experience. The programme provides training on preparation for work including personal development and coaching, practical information and two weeks work experience. Interim results for the first 30 participants on the first pilots indicate a high completion rate and most of the participants have progressed on to further training, education or work⁹. These pilots were set up with the support of the specialist one-parent family non-governmental organisations (NGOs) working in the ROI - One Family, OPEN and Treoir and relevant service providers – FÁS, Vocational Education Committees and the Department of Social and Family Affairs. The support of the NGOs was found to be a key element of the success of the programme in attracting lone parents to participate in the pilots, as was the one-stop-shop approach to information provision and support provided by the service providers.

Added to this, One Family, a leading national organisation for one-parent families in Ireland has acquired funding from the FÁS Social Inclusion fund and other sources to pilot high support programmes for lone parents wishing to take their first steps into the labour market. The One Family model is based on a key worker and intensive one-to-one supports and counselling where required. This programme has also seen a very high completion rate and has been evaluated as a cost-effective response to the needs of lone parents currently distant from the labour market. This model is currently being tested in a regional context.¹⁰

These models are similar to the Northern Ireland pathways approach in that:

- facilitators with specialist training on working with one-parent families are provided and give one-to-one on-going support to participants
- an intensive guidance approach, consisting of confidence-building, personal coaching, one-stop-shop provision of information regarding welfare-to-work issues and costs, education/training options, and budgeting is provided
- training allowances and childcare allowances are paid in addition to one-parent family payments, during participation on a 10-week part-time preparation for work programme
- work experience is the key element of the programme.

Areas of difference in emphasis in the two approaches would appear to be:

- in the ROI, outreach and information on available services and training and education opportunities, as well as budgeting advice are provided by an inter-agency and NGO steering group rather than by additional staff
- the ROI model is strongly focused on supporting lone parents, often with low skills and qualifications, to access further training and education programmes in order to help them to progress to sustainable employment and out of poverty
- the FAS Social Inclusion model is specifically designed to be sustainable and easily mainstreamed by utilising existing resources, expertise and facilities and

⁹ FÁS Social Inclusion pilot programme: Interim evaluation report, January 2010 and FÁS Social Inclusion Model – Participant Profile/Outcomes Jan 2010

¹⁰ Eustace Patterson Limited, *Evaluation of the New Futures Project*, One Family, 2010

providing specialist training for existing staff; also because the model is relatively easily transferable to other disadvantaged groups in the labour market

- the ROI model is more focused on providing financial and other supports during the work preparation period; although a range of supports are also in place to support lone parents and other groups to move from welfare to work.

For instance, an 'income disregard' allows lone parents to earn a certain amount before they lose part or all of the one-parent family payment, either while working or on employment schemes.¹¹ Lone parents moving from welfare to work can also benefit from transitional payments for a period following engagement in the labour market.¹² Family Income Supplement (FIS) is also available to support families on low incomes.¹³ Early engagement with a facilitator to encourage lone parents to plan a return to work and to access the Family Income Support, (available for 12 months regardless of whether the income threshold is subsequently exceeded) will be a key element of the successful roll out of work preparation programmes for lone parents on income support.

Specialist childcare supports are available for those on low income or moving into employment through the Community Childcare Scheme. Also, a relatively new housing support scheme called the Rental Accommodation Scheme¹⁴ is helping to remove housing-related poverty traps for lone parents and other vulnerable groups accessing work.

Research on lone parents and employment¹⁵ provides an important back drop to the way that supports for lone parents are being developed in the ROI. Such research indicates that lone parents are highly motivated to work, but are prevented in doing so by a range of barriers both personal and structural. Of particular importance in this regard is the low level of availability of quality affordable childcare in the ROI, especially after school care, coupled with relatively low educational levels among lone parents, as well as the existence of a number of poverty traps that make it difficult for lone parents to make work pay.

Recent in-depth analysis of 2006 Census of Population data found that one quarter of women who have only lower second-level qualifications are never-married lone mothers by their mid-20s. This compares with just 3% of graduates. This, the authors state, very strongly suggests that low education (and perhaps socio-economic status more generally)

¹¹ You can earn up to €146.50 per week and qualify for the full One-Parent Family Payment. Half the remainder of your gross earnings up to €425 per week is assessed as means. If you earn between €146.50 and €425 per week, you may qualify for a reduced payment.

¹² If you have been getting the One-Parent Family Payment and you have earnings above €425, you are entitled to a transitional payment that is the same as one half of your rate of One-Parent Family Payment for six months.

¹³ The Family Income Supplement is a weekly tax-free payment available to employees with children on low pay. You must be an employee to qualify and working 19 hours a week or more, Department of Social and Family Affairs

¹⁴ The Rental Accommodation Scheme (RAS) is an initiative by the Government to cater for the accommodation needs of certain persons in receipt of rent supplement, normally for more than 18 months and who are assessed as having a long-term housing need. <http://www.environ.ie/en/DevelopmentandHousing/Housing/SocialHousingSupport/RentalAccommodationScheme/Service Executive Community Welfare Service>.

¹⁵ Millar, M., Coen, L., Rau, H., Donegan, M., Canavan, J., Bradley, C., 2007, 'Towards a Better Future: Research on Labour Market Needs and Social Exclusion of One Parent Families in Galway City and County', Child & Family Research Group, NUI Galway: Galway; Fine-Davis, M., Craven, F., McCarthy, M., Holzworth, A., O'Sullivan, M., 2007, *An Evaluation of the FÁS Initiative for Women in Receipt of One Parent Family Payment*, Social Attitude and Policy Research Group, TCD: Dublin. National Economic and Social Forum, 2006, *Creating a More Inclusive Labour Market*, Report No. 33, NESF: Dublin.

greatly increases the chances of becoming a lone mother.¹⁶ This finding also highlights the need to provide second-chance education for lone parents if they are to access sustainable high-quality employment that will take such families out of poverty and social welfare dependency.

One Family research also shows that many lone parents require a range of supports to help them to move off welfare into work, including confidence building, information on labour market opportunities and access to second-chance educational and training qualifications etc..¹⁷

Overall these findings indicate that lone parents are strongly motivated to work and that many are already actively involved in the labour market, but trapped in low paid, low skilled employment.

¹⁶ ESRI, 2009

¹⁷ Lone parents and Employment; what are the real Issues? One Family, 2008

3 ASSESSMENT OF THE SUCCESS FACTORS AND TRANSFERABILITY

The success factors found in the Northern Ireland pilot would seem to be broadly transferable to the ROI. The ROI is moving to a situation of increasing mandatory engagement with the labour market for lone parents and therefore learning from the Northern Ireland experience in this area is very important for policy makers, programme providers and NGOs in the ROI.

We know from experience to date in both the ROI and Northern Ireland that the availability of specialist advisers that understand the issues of particular concern to lone parents is critical for successful interventions aimed at supporting lone parents to access the labour market. Such specialist advisers, supported by appropriate training, can build up the confidence of participants and help them to deal with the specific personal, financial and practical issues that will impact on their availability to complete work preparation programmes and to progress from there to education, skills training and work.

As stated in the Host Paper, such programmes can only be successful if other mitigating factors are also addressed and this is very difficult to envisage in the current labour market conditions in the ROI. These factors include, as stated in the paper, the need to ensure that there are financial benefits accruing from work for lone parents. (We know from UK research that it is only if work increases family income that it is beneficial for children in one-parent families.¹⁸) It is also very important, again as stated in the Host Paper, to ensure that flexible work opportunities that fit lone parents' skills, aspirations and family commitments are available and that affordable quality childcare is accessible.

The provision of financial supports that are easily accessed and transparent to help ease the transition to work of lone parents is something that could be tested in an ROI context in order to help ensure that work does lead to increased take-home pay. Currently, The Family Income Supplement (FIS) is available as an in-work financial support to married and unmarried employees with children. It is a weekly tax-free payment available to people with children on low pay. To qualify, a person must be working more than 19 hours per week¹⁹. The exact transferability of a Return to Work Credit (RTWC) would need to be assessed by the relevant benefit and revenue authorities of the ROI.

The experience in the ROI would strongly support the need to develop the 'work first' regime currently being implemented in the UK in a way that ensures that these reforms lead to higher incomes and reduced poverty in one-parent families and do not instead lead to a cycling of lone parents on and off benefit and into low-paid work with limited or no benefits for such families. In this context, it is important that the so-called activation of lone parents in the ROI has focused more on developing skills and qualifications, rather than on direct labour market entry, as recommended in the Host Paper. The planned policy changes in the ROI are aimed initially at providing a three-year transition period for lone parents during

¹⁸ Gregg, Harkness & Smith, *Welfare Reforms and Lone Parents in the UK*, 2007

¹⁹ To qualify for FIS, net average weekly family income must be below a certain amount for your family size. The FIS received is 60% of the difference between net family income and the income limit which applies to the family.

which time they will be supported to develop a three-year career plan and to avail of education and training to support their successful transition to work.

It is planned, over time, as resources permit, to provide more structured interventions from the Department of Social and Family Affairs, FÁS and the Local Employment Service staff to support people into education, training and employment from claim award stage.

To make a pathways to employment initiative more transferable in an ROI context, it would be necessary to ensure that lone parents are not penalised if suitable work opportunities are not available or if childcare and other supports are not accessible. It would also be necessary to aim to ensure that where work opportunities are available, they do lead to increased family income, either through adequate pay levels or government supports to increase take-home pay.

In the longer term, measures to support lone parents must focus on enhancing their skills and qualifications and thus it is important that work preparation programmes are followed up by skill development opportunities and access to educational qualifications; all part of a long-term plan to assist lone parents to develop and implement career plans that will enhance family incomes and improve outcomes for children.

4 QUESTIONS

The following questions are relevant from an ROI context:

- Of the participants who did not go into employment, what outcomes did they achieve?
- Is there any analysis of client success in terms of obtaining and sustaining work versus their duration on income support and/or previous inactivity in the labour market?
- Where was the focus – to support clients to access training, education or work - and what supports were available to participants on the pilot to progress into further training or education programmes?
- What supports did those that did not do the work preparation programme receive and how do outcomes for these two groups compare?
- If the programme is rolled out more broadly, will the same range of specialist supports be put in place?
- How does the costs of the programme compare with other similar programmes in Northern Ireland and throughout the UK?
- In what way were NGOs and other agencies involved in the pilot?
- Will participants on the pilot be followed up over time to see how they progressed or whether they returned to welfare?
- Did participants have an opportunity to avail of other supports to assist them in their wider parenting and caring roles (e.g. parent mentoring, counselling).
- How important was the work experience element of the programme?
- BOC – will it be demonstrated and made available to organisations (outside of Northern Ireland)?

ANNEX 1: SUMMARY TABLE

Labour market situation in the Peer Country
<ul style="list-style-type: none"> ○ In 2009, there were 90,500 lone parents and 150,000 children dependent on the income support measure known as the one-parent family payment which amounted to some €1,113 million. ○ One-parent households continue to be the household type with the highest at-risk-of-poverty rate with a rate of 36.4% being recorded for individuals in these households in 2008 compared to 14.4% of the general population. ○ Children remained the most at-risk age group in 2008, with an at-risk-of-poverty rate of 18%, a decrease of 1.9 percentage points from 2007. ○ Available statistics indicate that in 2007, 51% of lone mothers were in work compared to 62.3% of married mothers.
Assessment of the policy measure
<ul style="list-style-type: none"> ● The learning from Northern Ireland example is highly relevant because of the policy changes currently being introduced in the ROI that are making it increasingly mandatory for lone parents on income support to be available for work. ● Similar pilots are being run in the ROI (FAS Social Inclusion Model) on a smaller scale – building on feedback from similar larger-scale pilots projects. ● The Social Inclusion Model in the ROI is more focussed on “front-loading” the skills development of individuals to enable them to access “better employment” – rather than a work-first approach, which is perhaps more relevant in a weak labour market and given the low level of skills and qualifications of many lone parents. ● Compulsory participation is not an element of the Social Inclusion Model in the ROI and initial outcomes have been highly successful – however, this will need to be monitored over time, especially when the model is rolled out on a larger scale. There is some evidence that larger scale approaches are more problematic on a voluntary basis and all approaches will need to be reviewed in the event of a policy change towards compulsory activation in the Republic of Ireland. ● Pilots designed to support a variety of groups distant from the labour market and which aim to utilise existing resources through specialist training and which adopt an inter-agency approach to deliver services may be more easily mainstreamed and sustained.
Assessment of success factors and transferability
<ul style="list-style-type: none"> ● The Northern Ireland model is broadly transferable building on similar pilots available in the ROI. ● Similar wider factors affecting lone parents and employment must be addressed in both jurisdictions if such measures are to be successful in reducing poverty and in increasing the availability of work opportunities for one-parent families, especially the provision of adequate childcare. ● Such pilots should be accompanied by measures to raise skills and qualifications among lone parents.

- RTWC – simplicity and transparency of this support was seen to be highly effective and could be considered in an ROI context.

Questions

- Where was the focus – to support clients to access training, education or work- and what supports were available to participants on the pilot to progress into further training or education programmes?
- How do the costs of the programme compare with other similar programmes in Northern Ireland and throughout the UK?
- In what way were NGOs and other service providers involved in the pilot?
- Did participants have an opportunity to avail of other supports to assist them in their wider parenting and caring roles e.g. parent mentoring, counselling?
- How important was the work experience element of the programme?