

In Transit? Insights from the lived experience of lone parents claiming Jobseeker's Transitional Payment

Dr Fiona Dukelow, School of Applied Social Studies, University College, Cork.

Dr Joe Whelan, School of Social Work and Social Policy, Trinity College Dublin.

Dr Margaret Scanlon, College of Arts, Celtic Studies and Social Sciences, University College, Cork.

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Introduction

The introduction of Jobseeker's Transitional payment (JST) for lone parents was one of the most controversial social protection reforms implemented following the 2008 financial crisis. This briefing sets out some of the key findings of a piece of research on the introduction of JST, called '*In Transit?*'¹. The research sought to bring the perspective of lone parents claiming the payment, and who therefore have first-hand experience of the reform, to the fore. Before these findings are presented and their policy implications are discussed, the context to the introduction of JST is first set out.

JST and its contested introduction

JST was introduced on a phased basis between 2013 and 2015. The policy objective was to prepare lone parents for transition into the workforce as the best means of addressing the very high incidence of poverty in one-parent households. It saw recipients of One-Parent Family Payment (OFP) transition to JST when their youngest child reached the age of 7. The payment introduced a measure of conditionality to welfare support for lone parents by requiring recipients to engage with activation services. This conditionality increases again when JST recipients, if still in need of income support, transition to Jobseeker's Allowance (JSA) when their youngest child reaches the age of 14. Parallel to these reforms, new penalties for jobseekers not in compliance with activation conditions were introduced in 2010 and extended in 2013. Prior to these reforms a recipient of OFP could claim the payment, without activation conditions, until their youngest child reached 22 years of age, if still in full-time education. The implications of these changes for lone parents and for how they balance care of their families and work were therefore substantial.

The reform came at the confluence of two drivers: longer term efforts to activate lone parents combined with the pressure to cut back welfare expenditure under conditions of austerity. Regarding the former, a plan to make activation for lone parents with children as young as five obligatory and to cease OFP by age seven was raised in a *Government Discussion Paper: Proposals for Supporting Lone-parents* (Department of Social and Family Affairs, 2006). Age-based reform occurred in a modified form during the Fianna Fáil led coalition government of 2007-2011. Under the Social Welfare (Miscellaneous Provisions) Act 2010, a provision to reduce the youngest child qualifying age for OFP to 14 came into effect in April 2011. At this point, the policy agenda of a more active social protection system was amplified by the conditions attached to the Troika's (International Monetary Fund (IMF), the European Commission and the European Central Bank) financial assistance. This agenda called for greater conditionality around the take up of work and training. Attention was also drawn to the problem of a low-wage trap for lone parents (Directorate General for Economic and Financial Affairs, 2011).

In this context and as part of 2012 budgetary plans to reduce social protection expenditure, the Minister for Social Protection in the Fine Gael/Labour government of 2011-2016 announced further reforms to bring the child qualifying age for OFP down to seven years of age by 2014. Significant cuts to earnings disregards over a five-year period were also announced, reducing the disregard from €146.50 to €60 and bringing OFP in line with the JSA earning disregard. The purpose of the cuts to earnings disregards was justified as a means of addressing low-wage traps and the perception that the existing disregard levels had the effect of maintaining lone parents in low paid part-time employment to maintain earnings below the disregard (Burton, 2011).

The plans triggered significant opposition by groups supporting one-parent families (including One Family, Open, Barnardos, the National Women's Council) as well as a new group, SPARK-Ireland, set up specifically to voice lone parents' opposition. This opposition coalesced around the idea that '7 is too young' and for not recognising the lived realities of the families who would be subject to these reforms. Moreover, they were to be implemented during a time of high unemployment and lack of suitable job opportunities, with no provisions to improve childcare services for one-parent families.

In the event, the plan to reduce earnings disregards was implemented until 2014 at which time the OFP disregard was reduced to €90. The plan to move OFP claimants to JSA by the time their youngest child was seven was met with a policy compromise in the form of JST introduced in the Social Welfare and Pensions (Miscellaneous Provisions) Act 2013. Framed as a 'special arrangement under the Jobseeker's Allowance scheme' (DSP, 2023), it underlined the idea that

work is the most effective solution to poverty in one-parent families albeit through a payment intended as a ‘supportive and effective way to return to work in a manner that best suits their family circumstances’ (Burton, 2013).

A supportive and effective way to return to work?

Despite this framing of the payment, aspects of the design of JST are not particularly work friendly. Key points include the fact that recipients of OFP are entitled to Working Family Payment (WFP)ⁱⁱ but JST recipients are not. This penalises parents who worked part-time under OFP when they transition to JST. Self-employed recipients are heavily penalised in the absence of an income disregard for income from self-employment (unlike its treatment under OFP). In addition, initially the income disregard for JST was set at the lower JSA level which, again, posed a disincentive to work. Improvements to childcare provision lagged behind JST reforms and there are still aspects of that provision that are problematic, including the lack of provision appropriate for older children. It is notable however, that more recent changes to JST have realigned it with OFP conditions regarding earning disregards, and the disregard rate for both payments increased from €90 to €165 between 2016 and 2020 (but rate increases have since stalled). This reflects the importance of the level of the income disregard as a basic poverty alleviation measure rather than necessarily being a low-wage trap for lone parents juggling work and care.

Problems with the design of JST were raised in a research report by Millar and Crosse (2018). Subsequent research which has looked at lone parent income, poverty and work patterns in the aftermath of the reform demonstrates a mixed picture (Indecon, 2017; Redmond et al., 2022). Indecon (2017) found that of those that transitioned out of OFP in 2015, 52% of individuals faced no decline in incomes in the following year; 19.8% experienced increases in income of over 10%, but over 30% experienced income declines of over 10%. Redmond *et al.*’s research (2022) reported favourable changes to hours worked and household income and a 10 to 13 percentage point reduction in the poverty rate of affected lone parents. However, Redmond *et al.* caution that it is important to interpret these findings in the context of a strongly performing economy. Moreover, it continues to be the case that lone parents face a substantially higher risk of poverty across all measurements and are particularly at risk of in-work poverty. In addition, despite the move towards activation, a substantial number of lone parents do not work (Roantree, et al., 2020; 2022).

The ‘In Transit?’ research project

Against this context of the contested introduction of JST and the mixed picture of existing research, this study focused on the lived experience of these reforms and the challenges and

benefits associated with the payment. It sits within a growing stream of research on understanding social policy from lived experienceⁱⁱⁱ. This type of research is not without its challenges and limitations however, it provides an important complement to econometric evaluation of policy. It also connects with growing attention to the importance of what Miranda Fricker (2013) calls epistemic justice, or of giving credence to service user knowledge and testimony, in welfare institutions and the provision of services. The research involved thirteen participants across a focus group and individual interviews. While the participant group was diverse across many dimensions, it did not include recipients who do not combine the payment with work or study. This group and their experiences remain hidden. The research sought to gain an in-depth insight into participants' experiences of transitioning to the payment, their experiences of the activation measures associated with the payment, and their decisions around work and caring while on the payment. These are looked at in turn.

Key research findings

In terms of transitioning to the payment, several participants spoke of an 'abrupt' end to their child/children being recognised as children. One participant conveyed the transition as an illogical change of status for lone parents with relatively young children:

‘from being a single parent to a job seeker but sure your youngest child is only seven. ... I don't think it is a transition, it is more of an abrupt ending to your child being a child’.

This transition, which was unwanted for the majority of participants, came with much uncertainty about the financial implications. Many participants spoke about a lack of information prior to moving on to JST (from OFP) and a loss of income, which the majority encountered, and which came as a shock. Certain aspects of income loss came across quite strongly. These speak to the extremely tight budget margins and the personal 'arithmetic' of poverty for lone parent households where a very small change in income can have deep repercussions. Participants who were self-employed faced significant cuts to their income and had to decide whether it was financially viable to continue working. Because of being unprepared for this, one participant fell into significant debt with bills. Another had to use up her savings to keep on top of bills and spoke of sinking 'into a massive state of depression' because of the stress of juggling payments and avoiding utilities being cut-off. Being able to sustain self-employment was particularly important for these participants because of its fit with being a lone parent. It offered significant flexibility around the amount and timing of hours worked which allowed participants to balance work with the time demands of parenting alone.

While claiming the payment, several of the practices associated with the conditionality of JST caused significant amounts of anxiety and insecurity. The levels of intrusion around means-testing, having to sign on every three months, fear of not being in compliance with payment rules, and the phrasing of correspondence all contributed to these feelings. In this regard, one participant spoke of 'always this cloud hanging over you like is it going to be removed because I am not working, am I not meeting the conditions.... I just felt stressed all the time'. The

threat of sanctions and the threatening tone of letters was raised as something which reinforced this stress:

‘... “your payment could be at risk if you...” - you know; it is all of this – it is just added pressure that you don’t need. You are working, you are raising a family and you are trying to manage limited finance and you do not need threatening letters coming in the post – another added burden’.

For a number of participants these stressful experiences were compounded by instances of what they called being ‘cut off’. This reflects the practice of stopping or diverting a payment to another post-office. This has been raised in previous National Economic and Social Council research as a means of engaging with a claimant rather than imposing a sanction (Johnston and McGauran, 2018). However, our research revealed the distressing effect that such practices have on JST recipients. In the case of our research participants, issues that prompted diverted payments included not notifying Intreo about a change of address or being on holiday. In other instances, it was triggered by Departmental mistakes such as mis-laid forms. In one such latter case, a participant described the extremely stressful process of trying to track her payment down:

‘I ended up spending a whole afternoon queueing up in the post office, queueing up in the Intreo office and then going to another post office – nearly missing it because it was so late at this stage – and then having to do my shopping. At that stage when I tell you that you are frustrated and you are close to tears and you feel humiliated – you really are made to feel like “I am a beggar here”’.

If these are some of the key challenging experiences of the payment, then the main intended benefit, a supportive transition to work, was not experienced as beneficial to several of the participants. They spoke of being ‘bombarded’ with generic information of little use to them and a lack of support for the types of training, education or work opportunities they wanted to pursue. All spoke of a lack of tailored information and a lack of interest in supporting individuals’ efforts to pursue training or education that would lead to more quality employment of personal interest to them. This is conveyed in the training opportunities one participant recalled frequently receiving:

‘I really wouldn’t be interested in becoming a barista at this age [laughs] or upgrading my forklift skills! ‘First Aid response’ – grand – but there wouldn’t be many courses there for me – they are very kind of, I don’t know, basic I guess’.

Another participant remarked that, to her, the message of the support available is ‘just get out and start working in any job’, and that, in this regard, JST is primarily targeted at low-paid and relatively unskilled work.

Despite the problems experienced with JST, it was also valued by several of the participants as a means of balancing part-time working and caring while their children were still relatively young. The option of being able to combine part-time work while looking after their children was a particularly appealing aspect of the payment for those who were reasonably happy with their employment situations. Being able to balance time at work around their children's schedules also mattered in this regard. This meant having the flexibility to do things such as pick their children up from school and spending quality time with them while they are still young. One participant remarked that for her, the payment gave her 'the option of having a much better family life' than she would have if working full-time or expected to be available for full-time work. For participants who were in education, similar views were expressed. The payment gave them time to study and to invest in their own and their children's future. For these and related reasons, the majority of participants felt the cut-off age of fourteen was too young. One participant remarked that 'there is a lot of parenting that has to go on between fourteen and seventeen'. The transition to working full-time or being available for full-time work under JSA rules when a lone parent's youngest child is fourteen was felt to present a set of unfair choices with repercussions for their children's wellbeing.

Concluding comments and policy implications

These findings raise several questions about the rationale for, and the design of, JST. These are even more compelling given the fact that changes to the design of JST since its inception have actually realigned it with OFP for the purposes of earnings disregards. To make JST a more effective tool to support parents into education and employment, improve their wellbeing and ultimately reduce the high levels of poverty that one-parent families experience, the research participants' experiences suggest that further changes are needed. These include, amongst other things:

- extending the child qualifying age for JST until the lone parent family's youngest child leaves second-level education;
- more tailored and enabling activation supports which would more effectively assist lone parents with making the transition to sustainable and well-paid work;
- more tailored childcare supports that reflect that family situations of lone parents with older children;
- allowing recipients to claim Working Family Payment and having an equivalent income disregard for self-employed income which would address the loss of income that recipients already working experience when moving to the payment from OFP.

Such interventions are significant not only for improving the design of the payment. They also speak to the issues involved in the upcoming referenda to amend Article 41 of the Constitution

and to how the State values care and the equal treatment of all families with regard to choices made involving working and caring.

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ⁱⁱ WFP provides a weekly allowance to employees with children and who are in low paid employment.

ⁱⁱⁱ See, for example, Boland and Griffin (2015), McGann (2021) and Whelan (2022).