The time-related underemployment of lone parents during welfare reform, recession and austerity: A challenge to in-work conditionality?

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Abstract

Reforms to UK social security benefits introduced between 2008-12 that increased lone parent obligations to enter employment coincided with economic crisis and government austerity. Increases in underemployment in the broader population during this period both in terms of unemployment and time-related underemployment raise questions regarding the extent to which lone parents not only managed to enter paid-work but obtain a sufficient number of employment hours. Activation policies have increased labour market exposure at a time of greater underemployment. At the same time high levels of economic hardship, in the context of stagnant real wage growth and benefit cuts linked to broader austerity policy, could place additional pressures on lone parent time-related underemployment where a desire for greater employment hours to improve household income is not met by availability. We present findings showing disproportionately high growth in time-related underemployment among lone mothers with at peak around one in five employed lone mothers with a youngest dependent child above five years of age experiencing such underemployment. The implications to in-work conditionality policies and the roll out of the UK’s new working age benefit Universal Credit are highlighted.

Key Words: Welfare reform; lone parents; recession; economic crisis; underemployment; time-related underemployment; Universal Credit.
Introduction

In this article, we examine what happened to the labour market participation of lone parents between 2008-13 following changes to Income Support (IS) that limited lone parent eligibility instead directing them onto Job Seeker’s Allowance (unemployment benefit), a benefit with greater activation requirements and sanction powers. An initial government evaluation of the ‘Lone Parent Obligations’ (LPO) reforms concluded that strengthening the requirements of lone parents to seek paid-work led to sizeable employment increases (DWP, 2013: 3). In the context of economic crisis, however, growth in underemployment in the broader population during this period, both in terms of unemployment and time-related underemployment, raises questions regarding whether lone parents have not only managed to enter employment but obtain a sufficient number of paid hours.

The term underemployment denotes the inadequacy of a person’s employment situation in relation to some defined criteria (Feldman, 1996). Underemployment may cover a range of situations including unemployment, the inadequacy of working hours availability, and skill under-utilisation (ILO, 2008). Underemployment linked to inadequate working hours is often measured in national statistics as ‘involuntary part-time employment’ (in US national statistics ‘part-time work for economic reasons’) where people state the reason they are employed part-time is that they cannot find a full-time job (ONS, 2012). Although such part-time employment represents an important aspect, ‘time-related underemployment’ more broadly refers to any employed person (whether employed part- or full-time) wanting to increase their employment hours either in their current employment, through an additional job, or by finding a replacement job who are willing to accept the same level of pay but report they are unable to do so (ILO, 2008; DWP, 2014a).

Explanations of time-related underemployment growth during recession predominantly focus on how a reduction in economic demand and employer labour management responses affect
the availability of employment hours and part- and full-time employment (Bell and Blanchflower, 2011; Wilkins and Woodens, 2011; Lallement, 2011). Time-related underemployment we argue however requires a broader conceptualisation in terms of how factors that shape the desire for additional employment hours within households could also affect trends. Economic hardship, stagnant real wage growth, or loss of income from other sources such as linked to welfare reform and austerity measures, for example, could all motivate employed people to increase their income by seeking additional working hours. Where such requirements are unfulfilled by availability growth in time-related underemployment will occur.

The case of lone parents in the UK serves as illustration. Labour market activation through the LPO reforms increased the labour market exposure of lone parents in a period of reduced availability of full-time relative to part-time employment and associated greater time-related underemployment. At the same time, in combination with a high concentration in low paid part-time work, a greater economic reliance on social transfers has meant lone parent incomes have been particularly badly affected by wider benefit cuts contained in austerity measures (TUC, 2013; Browne, 2011; DeAgostini et. al., 2014). Combined with a comparatively high risk of economic hardship (Rabindrakamur, 2013) such factors may place additional upward pressure on time-related underemployment for many low-income lone parents if additional employment hours are sought to alleviate economic circumstances but are unfound.

Our findings demonstrate time-related underemployment disproportionately increased among lone parents following the economic crisis in the post- LPO reform period. Given we show a link between low pay and such underemployment, there are genuine material implications for the welfare of lone parent families.

A further aim of this article is to provide critical reflection on in-work conditionality policies, discussing how a lack of availability of greater working hours may negatively affect the ability of claimants to meet new conditionality requirements within Universal Credit (UC) that both attempt to
encourage but also mandate employment hours increases. The new Universal Credit reform has a purpose, but we argue primarily this is neither the improved security nor autonomy of claimants. Its rules and regulations on conditionality and mandated activation instead craft a model of permanent activation that seeks not only to increase employment participation but also underpin a more flexible labour market reconfigured in line with the perceived interests of employers. The introduction of UC may also provide further upward pressure on time-related underemployment levels if mandated working hour increases are unmet by availability.

**Background**

Prior to the 2007-8 financial crisis the UK unemployment rate had fallen to around 5 per cent and the employment rate reached just under 75 per cent (HM Treasury, 2006: 227). For lone parents the employment rate meanwhile had risen from 44.6 per cent in June 1997 to over 55 per cent by 2005, reaching 57.3 per cent by the end of 2009 (Barrett, 2010: 20). The rate of growth from 2005 onwards however had slowed compared to the preceding period. Within this context the incumbent Labour Government felt confident enough to announce the aspiration of an overall employment rate of 80 per cent for the working age population (DWP, 2005: 25; DWP, 2007a: 4). To achieve this required an increase in the number of economically inactive people entering paid-work (Hutton, 2006a). An 80 per cent employment rate therefore implied faster progress towards the accompanying lone parent employment target of 70 per cent by 2010 (Barrett, 2010: 20).

While New Labour consistently emphasised that the right to benefits was conditional on fulfilment of the obligation to seek and sustain employment, its actual application of work-related benefit conditionality for lone parent Income Support recipients was undertaken incrementally. From April 2001, for example, new IS claimants eligible through their lone parent status whose youngest child was above five years old and equivalent existing recipients whose youngest dependent child was between 13-15 years old were required to undertake a Work Focused Interview.
(WFI) intended to keep them in closer contact with the employment agency support services. This was progressively expanded to other dependent child age groups; by 2004 applying to all new and existing IS recipients on grounds of lone parenthood. Subsequent changes increased the regularity of WFiS, with age of youngest dependent child again the determining factor for conditionality (DWP, 2014b: 12). Overall, however, the intensity of activation remained comparably weak when seen from the vantage point of contemporary arrangements (Haux, 2012: 2-3; Whitworth and Griggs, 2013, 125-28; Whitworth, 2013: 827).

To accelerate the labour market entry of economically inactive benefit claimants the Labour Government’s attention turned to overhauling social security and active labour market programmes through commissioning two reviews. A review of welfare-to-work policy was commissioned in 2006, conducted by David Freud (Hutton, 2006c: 22), whereas a separate review into the structure and operation of benefit conditionality was commissioned to the academic, Professor Paul Gregg (Whitworth and Griggs, 2013: 126). Each review could have been used as an opportunity for reflection and interrogation of the relative success or failure of UK activation policy directed towards lone parents. Not least they might have called into question New Labour’s strong focus upon supply side policy remedies to unemployment and economic inactivity despite research indicating the importance of structural factors, not least regional imbalances in economic performance and the availability of employment (Theodore, 2007; Fothergill and Wilson, 2007; Haux, 2013). Yet, both New Labour and their successor Conservative Liberal Coalition Government sought to frame policy and popular discourses in ways that favour the extension of conditionality as the best policy response to the articulated individualised problem of ‘worklessness’ (Connor, 2010, Author B; Patrick, 2012).

As Béland (2010: 149) notes ideas are critical to organising and mobilising political power and convincing others of the desirability of preferred policy goals, transforming them from sectional interests into shared projects. A key part of ‘selling’ potentially controversial and unpopular welfare
reform is therefore the capacity to effectively frame the issue to advantage a preferred interpretation of the ‘problem/policy’ solution (Béland, 2005: 13). The Freud and Gregg reviews provided the ostensible empirical and discursive means for repositioning lone parents, completing their transformation from primarily mothers or ‘mother-workers’ to primarily ‘worker-mothers’, altering their treatment within the social security system (Whitworth and Griggs, 2013: 126).

The ‘Freud Review’ recommended (DWP, 2007b): a more streamlined single system of working age benefits; a tightening up of the obligations of individuals in receipt of out of work benefits to take part in work-related activity; and the quasi-marketisation of employment services through a new active labour market programme contracted to private and third sector providers with payment linked to sustained job outcomes (DWP, 2007b: 8). The ‘Gregg Review’ (DWP, 2008) advocated ending the connection between conditionality and specific benefit category in favour of a model of ‘personalised conditionality’. This meant the form and degree of conditionality would be linked to assessments of whether a claimant was job ready; progressing towards work; or should not be subject to conditionality at all on grounds of health, impairment or caring responsibility for a very young child (Gregg, 2008: 8).

Both reviews were notionally independent assessments of (some of) the options and evidence for securing higher lone parent employment rates. In effect however they functioned as filters through which political elites could interpret and select evidence to reconfirm cross party support for more conditional supply side intervention (Hutton, 2006b; DWP, 2006: 53). This not least involved a growing fixation with shifting from a more voluntaristic approach, based on encouraging labour market entry and increasing the financial incentives of employment, towards strengthening conditionality for lone parent Income Support (IS) claimants through greater mandated activation (Grover, 2007a, 2007b: 537; DWP, 2007a: 82-87). New Labour for example made much of the international disparity between the lesser work related requirements applied to lone parent non-employed benefit claimants in the UK compared to other OECD countries (Finn and Gloster, 2010;
although the implications of national differences in demographic composition and childcare infrastructures remained under-acknowledged.

The financial crisis of 2007-8 did little to dissuade the Labour or subsequent Coalition Government Ministers that greater conditionality was necessary (Lister, 2012: 65). Beginning in November 2008, through the LPO reforms to lone parents’ requirements to seek paid-work, eligibility to IS on the grounds of lone parenthood was restricted for new claimants to those with dependent children below 12 years of age, with equivalent restrictions by dependent child age for existing claimants scheduled for their next Work Focused Interview. This formed ‘Phase One’ of the LPO reforms (DWP, 2013). In October 2009 IS eligibility was subsequently restricted to those whose youngest dependent child was below 10 years old (‘Phase Two’), and by October 2010, to lone parents with a youngest dependent child aged below seven years (‘Phase Three’). Eligibility for IS was then restricted to those with a dependent child below five years of age from May 2012 (‘Phase Four’).

Instead of Income Support, lone parents affected were required to either claim Jobseeker’s Allowance (JSA), move into employment, or if unavailable for employment on grounds of ill health, sickness or disability apply for the sickness and disability benefit, Employment and Support Allowance (ESA) (Coleman and Riley, 2012). Lone parents therefore became increasingly part of the larger body of unemployment benefit claimants subject to the stronger mandatory job search requirements and sanction powers of JSA compared to IS (Whitworth, 2013: 828).

Also from November 2008 lone parents entering the final year before they lost eligibility to IS were required to attend quarterly WFI meetings (‘Final Year WFIs’). At the time of writing lone parents with a youngest dependent child aged under 1 year of age are not required to participate in such interviews, but those with a youngest dependent child aged 1-3 years are required to attend every six months (DWP, 2014b: 12). Failure to attend can result in benefit either not being paid or a
sanction applied (DWP, 2011: 9). WFI requirements have therefore become more closely integrated with broader changes to IS entitlements, with the intention of strengthening the signal prior to lone parent IS eligibility loss that they have a responsibility to engage in paid-work.

Aligning labour market activation to child age shows that policymakers are informed about lone parent employment patterns and the relationship between age of dependent child and the management of paid and domestic unpaid work (Ridge and Millar, 2008: 56; Haux, 2012: 2). Age of dependent child alone however is not necessarily a good basis for activating lone parent IS claimants. Such recipients have a comparatively high likelihood, irrespective of dependent child age, of multiple disadvantages such as poor child or adult health, or low skills, which affect employment (Haux, 2012: 9). The sickness and disability benefit – Employment and Support Allowance (ESA) provides one alternative to paid-work or unemployment, at least for those with ill health or disability, although access to ESA has also been tightened. The JSA conditionality regime does provides some acknowledgment of the dual role of lone parents as carers and paid workers through twelve ‘lone parent flexibilities’ regulations. Amongst these is provision for those with children under 13 years old to restrict their hours of employment to school hours, even if this means they are unlikely to secure employment. Lone parents may also refuse a job offer or leave employment if they reasonably cannot secure childcare and may restrict job search activity in certain other circumstances (Gingerbread, 2014). Lone parents however report a lack of awareness of regulations amongst Jobcentre Plus office staff and pressure to apply for jobs of more than 16 hours per week (Lane et al., 2011: 45). As we discuss later the lone parent flexibilities in JSA are also not fully incorporated into the new Universal Credit.

**Time-related underemployment and the labour market context**

Initial efforts have been made to evaluate the LPO conditionality reforms. A government-funded study using benefit records examined overall employment impact across the first three phases,
affecting lone parents with a youngest child seven or above years. This followed claimants from around a year prior to their benefit eligibility change for up to 24 months to Autumn 2011 (DWP, 2013). By nine months after losing IS entitlement, the estimated policy effects of the reforms on the share of lone parents receiving any out-of work benefit was a reduction of between 13 and 16 percentage points, combined with an employment increase of between 8 and 10 percentages points\(^1\). The conclusion drawn was that the LPO reforms had a ‘much greater impact on moving lone parents into work than other previous Departmental [DWP] employment programmes and initiatives aimed at lone parents’ (DWP, 2013: 3).

Despite the purported success of the reforms in broad policy objective terms, the deteriorated labour market context in which they took place raises questions regarding the sufficiency of the evolving employment situation of lone parents. In addition to unemployment, a characteristic of the recent recession and recovery has been the increase in involuntary\(^2\) part-time employment and broader time-related underemployment (DWP, 2014a). In the pre-crisis era in 2006 when New Labour began to explore strengthening lone parent conditionality a total of 1.87 million people reported wanting more hours of paid-work than they were able to attain- a time-related underemployment rate of 6.5 per cent. By 2012 the number of people time-related underemployed had risen steeply to 3.05 million, taking the corresponding rate to 10.5 per cent. Amongst part-time employees the problem is particularly severe with the rate rising from 15.9 per cent in 2006 to 24 per cent in 2012 (ONS, 2012).

During recession growth in time-underemployment may reflect the hoarding of (skilled) labour and could even be a positive alternative to redundancies (Lallement, 2011). In the UK however it has predominantly reflected the increased use of more ‘flexible’ or contingent employment practices such as part-time employment, and during the economic recovery, growth in low-paid and low-skilled occupations where such practices are more prevalent and in the time-underemployed self-employed (TUC, 2013; Author, A).
Compared to full-time employment lower hours employment tends to be lesser paid, offer lower job security and be more segregated into female dominated occupations (Matteazzi et. al., 2014). Gendered cultural assumptions that part-time employment is a source of secondary income within the context of social norms surrounding the dominant one and half breadwinner model in the UK persist (Ingold and Etherington, 2013). Such assumptions are at a particular variance with the economic needs of lone parents who are more likely to be reliant on a single household wage whilst also facing working hour constraints through domestic care.

The LPO reforms increased the movement of lone parents into the labour market at a time of deteriorated opportunities than when envisaged, the implications of which are likely concealed when evaluating policy outcomes based on overall employment entry rates. In addition to greater unemployment and time-underemployment, wage stagnation (TUC, 2013) compounded by rising childcare, housing, and other livings costs (Rutter, 2015; Huskinson et. al., 2014) have placed further pressures on households. Despite median income actually rising slowly during the recession, between 2009-10 and 2011-2 real household median income fell by 4 per cent and subsequently only grew by 1.8 per cent by 2014-5, a considerably slower rate of recovery than in the preceding recessions of the 1990s and 1980s (Cribb et. al., 2015).

Declines in real household income and social policy reform may affect both the extensive margin (related to the overall employment level or decision) but also the intensive margin of employment (concerning the number of hours people are employed) (Blundell et. al., 2013; Warren-Tyagi, 2004). Household strategies to combat economic hardship or declining real income that involve an increase in the supply of employment hours where unmet by availability will increase levels of time-related underemployment. This may have specific implications for lone parents who are at a particularly high risk of experiencing low income and economic hardship (Padley and Hirsch, 2014; Rabdindrakumar, 2014) and in the absence of a partner’s wage may have a specific requirement for longer working hours. Although not confined to lone parent households, social
security, tax credits and tax reforms implemented between 2010 and 2014/5 as part of a package of austerity and welfare reforms have also particularly negatively affected lone parent disposable incomes (DeAgostini et. al, 2014). Such policy measures include changes to Working Tax Credit, partly involving a reduction in support for childcare, and reductions and caps for broader non-means tested and means tested benefits (Women’s Budget Group, 2013; Browne, 2011).

**Universal Credit and the availability of employment hours**

There are further implications for policy developments around in-work benefit eligibility in the new Universal Credit system. The UC rolls up the main means tested working age social security benefits and tax credits (Income Support, Jobseeker’s Allowance, Employment and Support Allowance, Housing Benefit, Child Tax Credit and Working Tax Credit) into a single system (Dwyer and Wright, 2014). The dissolving of benefit categories for different contingencies (unemployment, sickness, and lone parenthood) and formerly attached differences in benefit conditionality will complete the transition to a new system of social security. A variation on the ‘personalisation’ recommended in the Gregg Review forms the basis of conditionality. Aligned with 4 state defined notions of ‘job readiness,’ the following conditionality groups were defined:

- Full conditionality (majority of claimants including lone parents with older children);
- Work preparation (those with limited capability for paid-work);
- Work Focused Interviews only (e.g. lone parent with youngest dependent child aged below five but above one years);
- No conditionality (e.g. lone parent with child below one year old) (Dwyer and Wright, 2014: 2-5).
As UC is available to those outside and within paid-work, conditionality is being extended to the latter. This is a consequence of a trade-off embedded in the intention for policy to foster a more flexible workforce and variety of employment forms. Currently Working Tax Credit (WTC) provides a barrier to the creation of mini-jobs of below 16 hours per week through a ‘16 hour eligibility rule’, preventing people minimising their hours beyond this point to obtain a higher WTC payment. Under UC this rule is abolished, making employment below 16 hours per week more attractive to lone parents (Pennycook and Whittaker, 2012: 5). Ministers believe this will give business more scope to expand such jobs and experiment with other forms of irregular employment to better meet the ‘peak and troughs of demand’ (Freud, 2014: 1).

Having created an incentive for employers to offer more flexible forms of paid-work and made such jobs more viable the Coalition designed a new in-work conditionality instrument to guard against a combination of UC and part-time employment being used to lower employment participation. Flexibility as organised in UC arguably seems more oriented towards the perceived preference of employers and claimed purported benefits of a more flexible labour market, rather than supporting the autonomy of (potential) employees. The new in-work conditionality is operationalised through an earnings threshold in UC set at the National Minimum Wage multiplied by the number of hours a claimant is expected to be in employment. The latter varies according to state defined perceptions and assessment of individual capacity. Those subject to ‘full conditionality’ will be expected to sustain employment of 35 hours per week at National Minimum Wage (NMW). UC recipients in the ‘no conditionality’ group will not be subject to an earnings threshold. For lone parents in the work preparation and WFI conditionality group the requirement will be 16 hours per week at National Minimum Wage (NMW) (HM Government, undated). UC recipients deemed below their defined earnings threshold will need to either increase their earnings or paid-working hours, or otherwise risk sanction (DWP, 2012: 42). The UC reforms therefore seek to influence participation at both the extensive and intensive margin of employment through a combination of financial
incentives and mandated activation. Sought mandated employment hours increases if unmet by availability could therefore lead to greater time-related underemployment.

As with conditionality in JSA the UC system does contain provisions for ‘lone parent flexibilities’, but the draft UC regulations indicate that protections offered are being weakened. Gingerbread (2014) note that not all JSA lone parent flexibilities regulations are being transferred and of those that are scope has been narrowed, limiting lone parents’ capacity to contest what they view as inappropriate activation requirements without sanction threat. For example there is currently no regulation in UC giving lone parents flexibility to leave or refuse a job because of a lack of affordable or appropriate childcare availability (Gingerbread, 2014: 2). As in JSA lone parent claimants of UC with a youngest dependent child aged 5-12 years can restrict their availability to school hours, even if this limits the possibility of finding employment. Lone parents with a youngest dependent child over 13 years old however will not be afforded a similar option if meaning there is little reasonable possibility of securing employment. Consequently, UC lone parent claimants with older children could have to seek employment outside of the hours they deem necessary for caring or risk facing sanction (Gingerbread, 2014: 8).

The weakening of protections in UC places lone parent claimants at risk of even greater pressure to take jobs or increase their hours or earnings in ways that may neither match their own preferences or accord with the spirit of the conditionality group they are placed in. Understanding the availability of paid working hours is consequently key to whether increases in labour market participation are feasible and whether lone parents may potentially have to combine multiple jobs to meet the new UC in-work conditionality.
**Method**

We examine trends in lone parent employment during the period of policy reform and following the economic crisis using a repeated cross-sectional dataset of independent samples from the 2005-13 Quarterly UK Labour Force Survey. Given nine out of ten lone parents are women the analysis focuses on lone mothers. The analysis examines changes in part-time (involuntary and voluntary) employment, full-time employment, working hours, and time-related underemployment. We define the time-related underemployed as those who wish to increase their employment hours, either in their current job, through a second job, or by finding a replacement job who are willing to accept the same level of pay but report they are unable to do so. Measures typically contain a working hour maximum threshold above which people are not considered time-underemployed (ILO, 2008). We set this in the UK as 48 hours per week for those aged above 18 years or 40 hours per week if aged 16 to 18 years (ONS, 2014).

Comparisons are drawn between lone mothers whose youngest dependent child is five or above years of age (the ‘policy targeted group’), coupled women with similar aged youngest dependent children, and single (never married) women with no-dependent children (see Gregg et. al., 2009). We combine lone mothers into two categories of specific policy interest: a) Those with a youngest dependent child aged 10 years and over (reform ‘Phases 1 and 2’), and b) those with a youngest dependent child aged between 5 and 10 years of age (‘Phases 3 and 4’).

Logistic regression is used to examine differences in underemployment after controlling for individual characteristics and provide tests of statistical significance. In separate models, the odds of being in the following states (1=yes, 0 =no) are estimated: 1) Unemployment; 2) involuntary part-time employment, and 3) time-related underemployment. An exhaustive ‘family unit type’ variable identifies lone mothers and coupled mothers with children in the considered age categories, ‘single’ (never-married) women with no dependent children and other women (no dependent children). The control variables were highest qualification level (none, lower high school (NVQ1), upper high school
(NVQ 2), further education (NVQ3), and higher education (NVQ4/5); age; government office region, ‘ethnicity’ (UK white/non-white), and whether a person has a medical condition or disability that limits either the amount or type of work they can undertake (1=yes). These dimensions were selected based on prior knowledge of their importance to understanding lone mother employment participation (Author A).

Results

Overall trends

Prior to the Lone Parents Obligations (LPO) reforms lone mothers were more likely than coupled mothers or single women with no dependent children to be not in the labour force (NILF) (Figure 1). Lone mother economic inactivity levels however were declining before the reforms, partly due to the impact of previous reforms but also the effects of a long period of economic growth and broader increasing female employment (Blundell et al., 2008; Gregg et al., 2009). Acceleration in the drop in economic inactivity in the policy-targeted groups however was notable in the post-reform period, with levels converging towards those of coupled mothers. This tended to begin a year prior to a given policy reform date suggesting potential ‘anticipatory effects’. These may occur where lone parents to avoid future transferal onto JSA seek employment prior to mandatory activation through intensified job search activity following the Final Year Work Focused Interviews (see DWP, 2013: 32).

<Figure 1>

Between 20073 Q3 and 2011 Q2 lone mothers in the Phase One and Two group experienced a drop in economic inactivity of around -7.6 percentage points (24.9 to 17.3 per cent), compared to a marginal increase for the coupled mother comparator group and a relatively flat trend for single (never married) women with no dependent child. The largest drop however was for lone mothers in
the 5<10 years child age category (Phases Three and Four). Between 2009 Q3 and 2013 Q1 the percentage of this group NILF dropped by -15.2 per cent (33.9 to 18.7 per cent).

Although lone mothers in the 10+ years and 5<10 years child age groups both experienced post reform employment increases, this growth was larger for those in the younger child age group (Figure 2). Between 2010 Q3 and 2013 Q4, the employment of lone mothers with a youngest dependent child in the 5<10 years category increased by +11.2 percentage points (55.7 to 66.9 per cent), compared to a decline of -1.2 percentage points for the coupled mother comparator group and an increase of +2.8 percentage points for single women with no dependent children. Lone mothers in the 10+ years child age category between 2007 Q3 to 2012 Q2 saw a smaller albeit sizeable increase of +5.3 percentage points (70.1 to 75.4 per cent), compared to no growth and a drop of -2.7 per cent for the coupled mother and single women comparators respectively.

The likely impact of the LPO reforms on economic inactivity and employment levels therefore appears to have been larger for lone mothers with a youngest dependent child below 10 years old. These findings are consistent with the official evaluation (DWP, 2013). This similarly found the reforms were more successful at moving those with younger children off out-of-work benefits into employment, although observations were restricted up to 2011 and so did not include the Phase Four group. It could be that those with older children who have not already voluntarily moved into the labour market have greater chronic barriers to employment such as personal or child ill-health or disability and so are more likely to be moved onto ESA or already be claiming sickness and disability benefits (DWP, 2013: 37).

The impact of the recession on unemployment was clear across all of the considered groups (Figure 3). However policy targeted lone mothers experienced higher growth over a longer period. For lone mothers with children in the 5<10 years group, taking 2009 Q3 as a time roughly a year prior to first potential mandatory activation, a rise in the percentage of the working age population
who were unemployed of +10.1 per cent occurred from 9.7 to 19.8 per cent, peaking in 2013 Q1. This compared to a rise of +1 per cent and +0.4 per cent for the coupled mother and single women with no dependent children comparators respectively. Although some recovery in the unemployment of this group of lone mothers subsequently occurred, their levels at the end of 2013 remained around twice that of the comparators at 11.7 per cent. The rise in unemployment for lone mothers with a youngest dependent child 10 years or above was sizeable but less than for the younger policy targeted group at +4.9 per cent between 2007 Q3 and 2010 Q3 (to 9.9 per cent). This increase however was still larger than for the comparator groups.

*<Figure 3>*

**Part-time and full-time employment**

What employment growth did occur for lone mothers in the post-reform period tended to be part-time paid work. For those with a youngest dependent child between 5<10 years of age this manifest more as ‘voluntary part-time employment’ (Figure 4) whereas an increase in involuntary part-time employment was notable for those with older children (Figure 5). Between 2007 Q3 and 2010 Q4, lone mothers in the 10+ years child age category experienced a growth in involuntary part-time employment of +6.6 per cent (4.5 per cent to 11.1 per cent) compared to a change of +2.0 per cent and +2.3 per cent for the coupled mother and single no dependent children comparators respectively. Lone mothers with a youngest dependent child 5<10 years old had comparatively high prior levels of involuntary part-time employment and experienced a rise of +3.4 per cent between 2010 Q3 and 2013 Q3, reaching a similar level to those with older dependent children of 10 per cent.

*<Figure 4>*

*<Figure 5>*

Over the same period, the proportion of employed lone mothers in full-time employment however reduced (Figure 6). Although consistent with wider reductions in full-time employment
availability and a greater incidence of part-time work following the economic crisis, this drop was particularly striking for lone mothers. Between 2010 Q3 and 2012 Q4 lone mothers with a youngest dependent child aged 5<10 years for example experienced a reduction in full-time employment of -7 per cent compared to drops of -1.5 per cent and -0.8 per cent for the coupled mother and single women comparator groups respectively.

To explore these trends in more detail Figure 7 gives employment hours per week for policy targeted lone mothers. The largest employment growth occurred in the 16-25 hours per week category whereas the biggest drop was for lone mothers employed 35+ hours per week. There was also an increase in the proportion of lone mothers working below 16 hours per week. The availability of employment under 35 hours per week is important if those with a youngest dependent child age 13 years and over are to be able to exercise a restriction in their employment hours under UC. If the labour market does not provide such opportunities they may be required to increase their availability or otherwise face sanction. The decreasing number of lone mothers employed above 35+ hours per week also indicates that those seeking full-time hours, be it due to personal preference or because of pressure (or misinformation) from Jobcentre Plus might find this more challenging.

Time-related underemployment

Levels of more broadly measured time-related underemployment were roughly double those of involuntary part-time employment, although lone mothers remained most likely to be underemployed on both measures (Figure 8). By 2013 Q2 around one in five (20.8 per cent) of employed lone mothers with a child 10+ years of age were time-related underemployed, a figure 7.8 per cent percentage points higher than for compared coupled mothers. Similarly by 2013 Q1, 20.4
per cent of lone mothers with a youngest dependent child between 5<11 years of age were time-related underemployed compared to 12.9 per cent of the comparator group of coupled mothers.

<Figure 8>

Table 1 examines gross hourly wage rates and time-related underemployment by paid working hours. Lower hours employment tended to disproportionately concentrate within the bottom two quintiles of the wage distribution. The time-related underemployed were also more likely to be found in the lower wage quintiles than women generally. Around 71.1 per cent of time-related underemployed lone mothers for example were found in the bottom two wage quintiles compared to 60.8 per cent of employed lone mothers generally. The association between time-related underemployment and low wages could just be due to the inferior wages associated with lower hours or part-time employment. However, although the risk of time-related underemployment was typically lower among those with greater working hours, the time underemployed were more likely to experience low pay within each working hours category than people generally. Irrespective of employment hours, it appears that the lower paid are more likely to be seeking greater employment hours to increase their income. Compared to the comparator groups, lone mothers were more likely to be found within the lower wage quintiles.

<Table 1>

For the multivariate analysis three time points were selected: one prior to welfare reform and the economic crisis (2007 Q3); one around when unemployment peaked for lone mothers (2012 Q4); and a final point during the economic recovery (2013 Q4). Comparisons are drawn to the baseline category of coupled mothers with a youngest dependent child aged 5<10 years of age (Table 2). Consistent with the descriptive findings, lone mothers exhibited among the highest levels of unemployment. This was particularly the case for lone mothers with a youngest dependent child between 5<10 years of age with the difference being largest in 2012 (Odds Ratio (OR) = 3.01, p. <0.01) before narrowing although remaining statistically significant in 2013 (OR= 2.05, p. <0.01).
Regarding involuntary part-time employment, in 2007 although levels among policy targeted lone mothers in the 10+ years child age category were significantly higher than in the coupled mother (youngest child 5<10yrs) base comparator group (OR= 2.57, p. < 0.01), the difference between lone mothers in the 5<10 years child age group and the comparator group was not statistically significant. By 2012 however levels of involuntary part-time employment had grown and were significantly higher for both lone mothers in the 5<10 years youngest dependent child group (OR= 1.66, p. <0.05) and 10+ years youngest dependent child category (OR= 2.67, p. <0.01) and this remained so in 2013. A similar trend was apparent for time-related underemployment with both of these lone mother groups exhibiting statistically significant higher underemployment than the comparator group by 2013, with levels of time-related underemployment being particularly high for those in the older 10+ years youngest dependent child age category (OR= 2.07, p. <0.01). The findings therefore confirm how lone mothers in the policy-targeted groups have comparatively high levels of unemployment, involuntary part-time work, and time-related underemployment, and that such disparities persist after controlling for qualification levels and other considered characteristics.

<Table 2>

**Discussion**

In the period following the Lone Parent Obligations (LPO) reforms the number of lone mothers not in the labour force declined, facilitated through transfers from Income Support onto unemployment benefit and acceleration in lone mother employment growth. The reforms however appear to have been more successful in moving lone mothers with a youngest child between 5 and 10 years of age into the labour market than those with older children. Within the context of broader economic recession and austerity, levels of unemployment, involuntary part-time employment, and broader time-related underemployment also increased disproportionately among lone mothers. At peak
around one in five lone mothers with a youngest dependent child between 5 and 10 years of age were unemployed and one in five employed with a youngest dependent child aged 5+ years time-related underemployed. What employment growth did occur for lone mothers was part-time in nature, and their full-time employment decreased to a greater extent than for coupled mothers. These findings consequently provide some necessary context regarding the evolving employment situation of lone mothers, pointing towards some of the problems of evaluating the success of the LPO reforms based on overall employment entry rates (DWP, 2013).

Whereas explanations of time-related underemployment growth following recession focus on the effects of changing economic demand on working hours availability, this article sought to develop an understanding of how factors that shape the desired (or required) supply of working hours within households also influence trends. Stagnant real wage growth during recession and recovery and austerity policies affecting household income could incentivise people to increase their working hours, and where unmet by work availability lead to time-related underemployment increases. The comparatively high levels of time-related underemployment among lone mothers could reflect their greater risk of facing financial difficulties (Rabindrakumar, 2013) and in the face of low pay and part-time employment a desire for greater employment hours to escape financial hardship, particularly as state support is clawed back.

The high levels of time-related underemployment among lone parents also hold implications for in-work conditionality policies and the roll out of Universal Credit (UC). The UC in-work conditionality reforms are premised on claimants being able to raise their working hours or earnings when required. Our assessment indicates that in the period 2008-13 at least this does not appear to have been tenable for many lone parents. A lack of longer hours availability or better paid work may therefore create new risks to income, security and the reconciliation of domestic care and employment, especially for those with a youngest dependent children aged over 13 years old who are likely to be under greatest pressure to increase their employment hours/earnings.
The overarching goal of welfare reform consequently appears to be not only to reduce the number of non-employed households, but also support the remaking of the labour market into an even more ‘flexible’ version than existed before the financial crisis. Assessments of New Labour’s welfare reforms for lone parents have made similar points about policy goals, but until recently the de-commodifying effect of Income Support, together with barriers to paid-work meant lone parents remained marginal to the regulation of pay and labour market conditions (Grover and Stewart, 2002: 21; MacLeavy, 2007). The impact of incremental reforms to Income Support since 2008 has changed this and the full implementation of UC takes such developments to their logical conclusion, thoroughly mobilising and incorporating lone parents into the labour supply. Ministers have been clear that UC is integral to making unemployed and economically inactive claimants available and willing to take up more intermittent employment (Freud, 2011). The information provided by Government to employers explicitly identifies UC as a means for generating a larger pool of job applicants and new opportunities to expand irregular employment while enhancing employer capacity to vary their staffing levels in relation to demand (HM Government, 2013: 1; Freud, 2014).

The Coalition Government therefore crafted a system that proposes to encourage/discipline lone parent UC recipients to enter and remain in paid-work even if just a few hours per week in the ‘mini-jobs’ that UC incentivises employers to create (Alakeson et al., 2015: 22). In-work conditionality at the same time encourages working hour increases and constrains those employed longer hours from reducing labour market participation. Policy consequently encourages the creation of greater lower hours and irregular employment, but at the same time, in contradiction, pushes UC claimants to increase their working hours or find employment offering greater hours.

The UC regime also perpetuates mixed signals in a welfare system that on the one hand seeks to treat claimants as autonomous individuals who with sufficient encouragement and incentives will make the rational choice to enact policy desired behaviour, but on the other takes a more paternalistic and coercive approach, overriding individual autonomy or personal choice. There
are potential implications to the wellbeing of lone parents and their families of mandating working hours participation beyond individual preferences if lone parents themselves are at a good vantage point to understand their own personal family circumstances. Such policies may also lead to greater time-related underemployment if mandated paid-working hours increases that are sought are unmet by availability. Greater underemployment may therefore become a more common feature of the labour market experience of UC claimants in the context of a more flexible albeit insecure labour market.

Endnotes

1. The government evaluation does not include employment below 16 hours per week or information on unemployment (classified as ‘unknown destination’) due to benefit record limitations (DWP, 2013: 12).

2. The standard terminology (‘voluntary’) here may be at a variance with the level of autonomy surrounding employment decisions given welfare reform is mandating lone parents into paid-work.

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FIGURE 1. Non-labour force participation (2005-13)

Notes: Working age population aged 16-60 years, weighted.
FIGURE 2. Overall employment (2005-13)

Notes: Working age population aged 16-60 years, weighted.
FIGURE 3. Unemployment (2005-13)

Notes: Working age population aged 16-60 years, weighted.
FIGURE 4. Voluntary part-time employment (2005-13)

Notes: Employed population aged 16-60 years, weighted.
FIGURE 5. Involuntary part-time employment (2005-13)

Notes: Employed population aged 16-60 years, weighted.
FIGURE 6. Full-time employment (2005-13)

Notes: Employed population aged 16-60 years, weighted.
FIGURE 7. Lone mother employment hours (2005-13)

Notes: Employed population aged 16-60 years, weighted, actual hours.
FIGURE 8. Time-related underemployment (2005-13)

a) Youngest dependent child 5<10 yrs old

b) Youngest dependent child 10+ yrs old

c) Youngest dependent child 0-4 yrs old

Notes: Employed population aged 16-60 years, weighted.
## Table 1. Time-related underemployment by hourly wage quintile

<table>
<thead>
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<th></th>
<th>Q1</th>
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<th>Q3</th>
<th>Q4</th>
<th>Q5</th>
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<td>(% Quintile thresholds (&gt; £/hr)</td>
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<td>(8.97)</td>
<td>(12.09)</td>
<td>(17.45)</td>
<td>(14.31)</td>
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Notes: 2011-2013q4 pooled independent samples. Figures indicate percentage in each hourly wage quintile. Hourly wage quintiles calculated for entire (male and female) working age population (16-60 women, 16-65 men).
<table>
<thead>
<tr>
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<th>Table 2. Logistic Regression: Unemployment, involuntary part-time employment and time-related underemployment</th>
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<td>2007 (Q3)</td>
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<td>2012 (Q4)</td>
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</table>

Notes: *= p. < 0.05, **= p. <0.01. Separate models, working age population (women aged 16-60 years). Control variables (not displayed) are highest qualification, age, region, ethnicity (white/non-white) and health limits type/amount of work. Base group samples are 2780, 2258, and 2315 for 2007, 2012, and 2013 respectively.