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Lone Mothers and Paid Work

**A thesis submitted in partial
fulfillment of the requirements
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Abstract

In recent years in New Zealand the Government's policy of coercing lone mothers on the Domestic Purposes Benefit (DPB) into paid work has been intensified. This thesis examines this policy and focuses on the following issues: what assists/impedes paid work for lone mothers, what policy measures are employed to facilitate and/or coerce DPB recipients into paid work, and how effective are these measures?

Three research methods were used:

- a comparative study of government policy towards lone mothers and their workforce participation in Sweden, the United States of America, Australia, and New Zealand;
- a qualitative study of six women on the DPB to provide illustrations from lone mothers' perspectives;
- analysis of material obtained under the Official Information Act to examine the assumptions behind government policy decisions on lone mothers.

All findings confirmed that women on the DPB face a formidable number of barriers and obstacles to entering paid work. The principal issues were:

- the lack of availability of suitable jobs;
- the low level of the wages for jobs available to lone mothers; and
- the lack of government provisions designed to help lone mothers reconcile their dual responsibilities as breadwinner and principal caregiver.

In both Sweden and the United States lone mothers are expected to be in paid work, and in both countries lone mothers have high workforce participation. However, these countries pursue diametrically opposed policies. In Sweden an active labour market policy and extensive welfare programmes support parents to combine parenting with employment. In the United States little support is provided, and if lone mothers cannot

find work in the private sector they are often obliged to go on a workfare programme. The disadvantages to this approach are that many lone mothers in paid work still live in poverty, and they have a very high rate of leaving work and returning to the benefit because of the lack of support for them in the workforce. There is a danger that if New Zealand continues to follow the United States' policies, the same negative outcomes will predominate here.

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Abbreviations

| | |
|-------------|--|
| AFDC | Aid to Families with Dependent Children |
| ADHD | Attention Deficit Hyperactive Disorder |
| AS | Accommodation Supplement |
| BDL | Benefit Datum Line |
| Cabinet ETE | Cabinet Education, Training and Employment Committee |
| CCS | ChildCare Subsidy |
| CSO | Customer Service Officers |
| CW | Community Work |
| DA | Disability Allowance |
| DSW | Department of Social Welfare |
| EMTRs | Effective Marginal Tax Rates |
| ETSA | Education, Training and Support Agency |
| FS | Family Support |
| GAIN | Greater Avenues Towards Independence |
| GMFI | Guaranteed Minimum Family Income |
| IFTC | Independent Family Tax Credit |
| JET | Jobs, Education and Training |
| MWA | Ministry of Women's Affairs |
| NZCCSS | New Zealand Council of Christian Social Services |
| NZES | New Zealand Employment Service |
| NZISS | New Zealand Income Support Service |
| OECD | Organisation of Economic Cooperation and Development |
| OSCAR | Out of School Care and Recreation |
| OSCAR DAP | Out of School Care and Recreation Development Assistance Programme |
| SNG | Special Needs Grant |
| SPA | Social Policy Agency |
| SPELD | Specific Learning Disabilities |
| TANF | Transitional Aid for Needy Families |
| TIA | Training Incentive Allowance |
| TOP | Training Opportunities Programme |
| UK | United Kingdom |
| USA | United States of America |
| WIN | Wisconsin Works |
| WINZ | Work and Income New Zealand |
| WB | Widows Benefit |

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1: Introduction

1. The Topic

1.1 Introduction

Policy towards lone mothers' workforce participation has changed dramatically since the Domestic Purposes Benefit (DPB) was first introduced in 1973.

Today the Government urges DPB recipients to join the workforce as soon as possible, whereas in 1973 lone mothers were seen as 'unemployable' because of their childcare responsibilities.

Over the last seven years the Government has been increasingly using policy measures to step up the pressure on lone parents to join the workforce. In 1991 it cut the DPB arguing that if benefit levels were lower, beneficiaries would be forced by financial incentives to move into employment (Kelsey, 1995).

By 1995-1996 the Government was again vocal about the increase in the numbers of people receiving the DPB. When focusing on the growing DPB numbers, DPB recipients were identified as 'dependent' on welfare. Placing this label on beneficiaries was new, and implied that they were work-shy and had made a decision to stay on the benefit long-term. It was apparent that the Government was contemplating further policy measures to get lone mothers into paid work.

In early 1997 the Department of Social Welfare sponsored the *Beyond Dependency* Conference aimed at softening public opinion towards increasing the work-expectation requirement of beneficiaries. From April 1 1997 recipients of a DPB who have a youngest child aged 14 or over have been required to seek part-time employment, training or education (hereafter referred

to as the work/education test). In June 1998 the Government announced that from 1 February 1999 this part-time test would apply to DPB recipients with a child aged seven or over, and those with a child aged 14 or over would now face a full-time test.

The Government's policy on lone parent workforce participation seems to ignore two main issues. Firstly, there are many barriers and constraints preventing lone mothers from moving into employment. The Levine, Wyn and Asiasga (1993) survey found, among other things, that low qualification levels, lack of jobs, the demands of being a parent, lack of affordable childcare, and the abatement regulations were all significant barriers to lone mothers' workforce participation.

Also missing from the government discourse was another fundamental consideration - what would life be like for lone mothers and their children if they were forced to survive off low paid work with little support from the state? Lone mothers in poverty and in paid work will not have the time and money to get the rest, exercise and nutrition they need. They will not have time to give quality parenting to their child/ren. Who will look after the child/ren after school and when they are sick? The children will also miss out on books, toys and out of school activities, such as sports clubs. Not only is this unfair to lone mother families, it is not in the interests of the state. The state needs citizens who have good health and educational qualifications, who are not a burden on its services and who can afford to pay taxes.

These two concerns I have expressed above do not mean that I do not support facilitating lone mothers into the workforce. Feminists have long supported women's right to be in paid work. For paid work brings many financial and social rewards, such as a sense of personal fulfillment and economic independence. It also 'provides access to the public sphere from which they

[women] were previously excluded' (Grace, 1996:5). Non participation in the workforce, as well as having the immediate impact of lowering income is also likely to lead to a lifetime economic disadvantage because of the depreciation of skills, a restricted labour market for older women and having in many cases to recommence a career from the bottom. My concern with the Government's policy on DPB recipients is that the Government is forcing them into the workforce without providing them with the support they need to combine quality care for child/ren with paid work, and the poverty associated with the wages they are able to earn.

1.2 Policy on Lone Mothers – Wider Implications

Society's policies towards lone mother families are important not only because all citizens and future citizens deserve equity, but also because lone mothers and their children are a big section of society. In 1997, 20% of all children in New Zealand under 17 years old were the children of DPB recipients (Goodger, 1997:16). The DPB was introduced in 1973 to minimise the income and opportunities gap between children of lone parents and children from homes with two parents (McClure, 1998). Yet today many lone parents and their children live in poverty (Waldegrave, 1997). What does the future hold for these children if poverty among lone parents is not addressed?

The future is particularly bleak for children from Maori lone parent families (Waldegrave, 1997), and as many as 43% of Maori children live in lone parent families (Durie, 1998). Consequently, any DPB policy changes have a huge impact on Maori society, a section of society already under considerable stress. The outcomes of policy on Maori lone parents are explored in subsequent chapters.

1.3 New Zealand Research on Lone Mothers and Employment

There has been little substantial recent research in New Zealand on this topic.

The main studies were done by Wylie in 1980, Dominick, Rochford, and Robb in 1988, Rochford in 1993 and Levine, Wyn, and Asiasga, also in 1993.

Wylie's (1980) findings stressed the importance of qualifications for lone women wanting to enter the workforce. This report led to the introduction of the Training Incentive Allowance (TIA). Rochford's work (1993) involved a comprehensive analysis of the 1991 Census data on lone parents. These reports have been very useful in highlighting the differences between lone mothers in paid work and those on a benefit, and the differences between lone and two parent families. Rochford's analysis also emphasised the importance of qualifications to lone mothers and found that lone mothers were far more likely to be in paid work than on a benefit if their youngest child was eight or over. A similarly thorough analysis of the 1996 census data is now needed.

The Levine et al. study (1993) involved a small-scale survey of lone parents both in paid work and on the benefit. It has been drawn on extensively in this thesis because it is the only substantial research on lone mothers and paid work undertaken in New Zealand in the 1990s. This study also confirmed the importance of qualifications for lone parents and their need for affordable childcare/out of school care (Levine, Wyn, and Asiasga, 1993). In addition, the study stressed: the need to reduce the fear and anxiety experienced by lone parents; the extremely limited availability of employment; the way the abatement regime acts as a disincentive to part-time work; lone parents concerns over their ability to cope with the transition from the benefit to employment, and the need for a childcare/training/job facilitation package (Levine et al., 1993). The last recommendation was influential in the development of the Compass programme, which is a voluntary case management programme for DPB recipients.

1.4 Developments Since 1993

There have been significant changes in New Zealand affecting lone parents since the Levine et al. report was published in 1993. The casualisation of the labour market has continued at an accelerated pace (Taylor, 1998). Female unemployment rates declined from June 1991 until June 1995, but have been rising ever since (Goodger, 1998b). The gap between women's wages and men's has widened (Gardiner, 1997). In recent years there have been several significant government initiatives aiming to facilitate and force lone mothers into paid work, such as: Compass, the relaxing of the DPB abatement rules, the mandatory interviews and the 1997 work-tests. The 1997/8 Review of the DPB resulted in a significant intensification of the work/education requirement policy. From February 1999 lone mothers whose children are over 13 years will be required to work or be in training full-time, and those whose youngest child is over six years face a part-time work/education test.

2. This Study

2.1 The Research Questions

This thesis set out to examine a number of key questions.

1. What assists/impedes paid work for lone mothers?
2. How and why has the welfare state changed its attitude to lone mothers' employment?
3. What policies has the state pursued to facilitate and push women into the workforce, and how successful have these measures been?
4. Are the Government's policies based on a sound knowledge of the lives of women on the DPB?
5. What assumptions lie behind the policies developed by the Government?
6. What are the actual outcomes of the policies the Government has taken?

7. Is there anything to be learnt from overseas approaches to lone parents' workforce participation?
8. What policies would make paid work a viable option for lone mothers in low paid employment?

2.2 The Timeframe of the Study

This study focuses on the period from the 1991 benefit cuts to the 1998 work/education-testing policy. Policy prior to 1991 is discussed briefly in the theory chapter. (For a more detailed discussion of the history of the DPB see Goodger, 1998c). Data was not collected beyond October 1 1998. This means, for instance that the changes to the Training Incentive Allowance announced in November 1998 are not included in this study.

2.3 Lone Mothers and the Changing State

The assumptions that lie behind the state's policies towards lone mothers, and how and why have these policies changed over time are explored in Chapter 2. Feminist theories of the state have been employed in this thesis to analyse these assumptions and changes. Historically, the New Zealand welfare state has supported the male breadwinner family - with typically the husband in full-time employment and the wife as the care-giver who was financially dependent on her husband. Consequently, appropriate support for lone mothers has always been a problem for the welfare state (MacDonald, 1998).

2.4 Gender

This is a study of lone mothers only, not lone fathers. In all countries, over 80% of lone parents are mothers (Bryson, 1992:193). In New Zealand in 1997, 81% percent of DPB recipients were women (Goodger, 1997). I chose to study mothers because I wanted to make explicit the gendered nature of lone parenting. When the Government discusses policy issues it often ignores gender, implying what Else has termed the 'gender-level playing field' (Else,

1997b). If we address lone parents' participation in paid work, rather than lone mothers', we risk ignoring some of the important issues - women's low wages, the lack of value placed on childrearing, the low qualification levels of lone mothers, the socio-economic position of Maori women and society's expectations of mothers (Ministry of Women's Affairs, 1997a).

As DPB recipients are mainly women, policies aiming to increase the workforce participation of lone parents need to increase the paid employment of lone mothers. New Zealand society is so heavily gendered that we can not assume that policies, which might increase the workforce participation of lone fathers, will have the same impact on lone mothers. The difficulties lone mothers face when combining child-rearing and employment are similar to those faced by partnered mothers (MacDermott, Garnham, and Holtermann, 1996). As MacDermott et al. explain this indicates that the source of lone mothers' poverty is primarily an issue of gender rather than of family structure (1998:6). Thirty years after the beginning of the second wave of feminism, the world of paid work is still organised on the premise that workers have no caring responsibilities and that caring work is women's work. At the same time as the concept of a family wage for a man has vanished, most mothers still do not earn enough on their own to support a family. These issues create difficulties for many parents, but lone mothers in the workforce fare the worst because they have 'less room to manoeuvre' (MacDermott et al., 1998:6).

2.5 Research Methods

This thesis has utilised three different research methods.

1. A comparative study of New Zealand, the United States of America, the United Kingdom, Sweden and Australia on government policy towards lone mothers and their workforce participation.

2. A qualitative study of six women on the DPB all with school aged children.
3. Research of primary data produced by various New Zealand government departments on lone parents and paid work obtained under the Official Information Act.

Data gathered using the three different methods has been woven together to try and produce a rounded picture about what assists/impedes employment for lone mothers. Comparisons and similarities in the data from the three different sources have been highlighted. The research process is described in detail in the chapter on methodology.

2.5.1 Comparative Study

The thesis includes a comparative study of government policy on lone mothers in New Zealand, Australia, United Kingdom, United States of America and Sweden. I have chosen Australia as a comparator because it is a society similar to our own, the United Kingdom because much of our political and social system was based on the UK, and the United States of America because since 1984 our social security system has been heavily influenced by the American model. Sweden was chosen because it has a high labour force participation rate for lone mothers promoted by a generous social security system and active labour market policies aimed at assisting all parents' workforce participation.

The Government refers to policies from the United States of America and Sweden (Department of Social Welfare, 1996), but does not provide much detail or context to these policies making it difficult to evaluate them. While the New Zealand Government has recently introduced work/education-testing of DPB recipients, both Sweden and the United States of America have had work-testing for some time (OECD, 1993, and Bradshaw, Kennedy, Kilkey, Hutton, Corden, Eardley, Holmes, and Neale, 1996). The OECD reports that even though there is work-testing in Sweden, there is also discretion to pay a benefit

where the authorities believe it is warranted. Bradshaw et al., (1996), do not seem to recognise that work-testing exists in Sweden and seek to find the reason for Sweden's high lone mother workforce participation rate elsewhere. In fact in Sweden lone mothers, are generally required to be in employment unless they can not find a job, in which case they are eligible for 'social assistance', the Swedish unemployment benefit (Swedish Ministry of Health and Social Affairs, 1996).

The extent of work-testing in the United States of America varies from state to state. All States work-test lone mothers once their youngest child turns six, but many states have much younger cut-off points, with Wisconsin work-testing lone mothers once their youngest child turns 12 weeks old.

While both Sweden and the USA have work-testing, their policies and provisions for lone mothers are very divergent. Swedish family policy strives to:

- “-[E]qualise living conditions between families with and without children*
- give people sufficient economic conditions to have children, if they wish*
- to give support to all on equal terms*
- to give special support to families in vulnerable situations, e.g. when there are many dependents, when there are low incomes and high housing costs or when one parent only has custody”*

(Swedish Ministry of Health and Social Affairs, 1996).

In contrast to Sweden, children in the USA are considered a private cost to their parents and little help is provided to either partnered or lone parents (Bergmann, 1997). Both Sweden and the USA have a high workforce participation rate, but in the USA lone mothers in and out of employment live in poverty, while in Sweden lone mothers in and out of employment enjoy reasonable living standards (Sainsbury, 1996). The New Zealand Government claims to be moving beneficiaries from “welfare to well-being”, yet the example

of the USA shows that if lone mothers are forced off the benefit into low paid, insecure employment with little support their well-being will not improve (Baker, 1996).

The New Zealand Government rarely refers to Australian or United Kingdom policies on lone mothers even though we have had long close associations with both these nations. I was interested in whether there was anything New Zealand could learn from any of the policies on lone mothers in these two countries.

All comparative research is problematic because one runs the risk of taking one policy in isolation and missing the importance of both how it relates to other policies, and the particular economic and social context of that country. For example, New Zealand may seem generous compared to other countries in its provision of the Training Incentive Allowance. Few other countries have such an allowance to assist lone mothers to gain a qualification; however this may be misleading as other countries may have free or inexpensive tertiary education. I have tried to understand the context of the specific policies described in order to try to minimise this problem.

2.5.2 My Fieldwork

In July and August 1997 I interviewed six women who were on the DPB and had school-aged children. This research is described in detail in the chapter on methodology. My goal was to explore the obstacles and barriers to workforce participation which these women face given that they are free of their childcare responsibilities from Monday-Friday, 9am - 3pm during term time. Only women with school-aged children were interviewed because at the time it seemed likely that work/education-testing of this group of DPB recipients was imminent; indeed part-time work/education-testing of DPB recipients whose youngest child was six or over was announced by the Government in the June 1998 budget.

Feminist research methods were employed for this fieldwork. Feminist researchers see reality as socially constructed where each individual creates reality from their own social location, experiences and ideas about the world (Lather, 1988). Smith argues that rather than strive to be objective “the only way of knowing a socially constructed world is knowing it from within” (Smith, 1987:7). Accepting this perspective lone mothers were interviewed to try to know the world of lone motherhood on a benefit from their viewpoint.

2.5.3 Primary Research of Government Papers

My analysis of government departments’ policy advice for lone mothers has concentrated on the papers written regarding the change to the abatement regulations in 1997, and the papers written for the 1997-1998 DPB Review. Papers were supplied by the Ministry of Women’s Affairs, the Labour Department, the Social Welfare Department, and Treasury. The papers obtained under the Official Information Act sometimes provided facts about DPB recipients that are not available elsewhere. I hoped that using the Official Information Act would show why the Government chose the particular policies that it did.

3. Structure of the Thesis

Chapter 2 outlines feminist theories of the state’s treatment of women, and theories of the state’s changing attitude to lone mothers. This chapter attempts to understand why the New Zealand state was prepared to support lone mothers working at home in 1973 and why it is now trying to coerce them into the workforce. Chapter 3 describes the methods used in the research and the methodology of the fieldwork.

Chapters 4 to 9 draws on the three different data sources, the comparative study, the fieldwork, and the analysis of government documents. Chapter 4 brings together the material that is currently known about lone mothers and

women on the DPB in New Zealand, providing some of the context in which policy is currently being made. Some comparative data is also offered here. The data gathered for this chapter guided my decisions about which issues to discuss with the participants and also to focus on in subsequent chapters.

Chapter 5 concentrates on work and education/training. This chapter emphasises that lone mothers carry out the valuable work of nurturing the next generation. The world of paid work is also analysed. How does the way paid work is structured create barriers for lone mothers? How could paid work be changed to make it easier for lone mothers to combine employment with lone mothering? What is the relationship between lone mothers' educational levels and their workforce participation?

Chapter 6 looks at poverty, debt, childcare, and out of school care (OSCAR). Most women on the DPB are living in poverty (Waldegrave, 1997). Coping with poverty and debt takes time, resources, and energy. Lone mothers in poverty face additional barriers to workforce participation. The Government's policy on poverty and the measures designed to assist women on the DPB in poverty move off the benefit are discussed in this chapter. OSCAR refers to all formal care provided for school children when school is out - before school, after school, and during the school holidays. The need for both childcare and OSCAR as a prerequisite for lone mothers' workforce participation is widely recognised. Both of these services have been scarce in New Zealand in the past.

Chapter 7 looks at the impact of personal resources and support systems on lone mothers' workforce participation. A study from the United States of America found that only lone mothers with "private social safety nets" were able to take low paid work and keep it (Edin and Lein, 1997). The impact of other personal and socio-economic characteristics of lone mothers are also discussed in Chapter 7 - housing, car ownership, domestic violence, health and disability issues, and support from whanau, family, friends and neighbours.

Chapter 8 looks at income and benefits. Real DPB rates have dropped significantly since 1987. This chapter examines the idea that cutting benefits forces beneficiaries to move into employment. In-work benefits and the Child Support Act are both scrutinised here, so too are the 1996 changes to the abatement regulations designed to encourage part-time work amongst DPB recipients.

Chapter 9 focuses on specific government programmes introduced to facilitate and push DPB recipients to enter employment. Included in this chapter are the Training Incentive Allowance (TIA), Childcare Subsidy (CCS), OSCAR, Compass, work/education-testing and the DPB Review. The conclusion summarises and discusses the main findings of the thesis and briefly explores alternative policy options.

2: Lone Mothers and the Changing State

1. Introduction

Nearly 100,000 lone mothers in New Zealand are currently receiving the bulk of their income from the state (Social Policy Agency, 1997). An understanding of the welfare state and the role it plays in New Zealand society is central to a discussion of the Government's policy of pushing women on the DPB into the workforce. Why does the state provide social assistance to lone mothers? Why has it become increasingly reluctant to support them in recent years? Why is the state now emphasising workforce participation for lone mothers? Is it realistic to expect the state to support lone mothers in the future? Why do different welfare states have different (or similar) approaches to lone mothers?

1.1 Typologies of Welfare State Regimes

One tool that can be used to understand the welfare state is to look at typologies of welfare state regimes. Various theorists such as Titmus, Therborn, and Esping-Andersen have created typologies of welfare states (Esping-Andersen, 1990). A useful model is Esping-Andersen's who divided the welfare states into three types of regimes:

- | | |
|------------------------------------|---------------------------------------|
| 1. The liberal/residual | English-speaking welfare states |
| 2. The social democratic/universal | Scandinavian nations |
| 3. The corporatist/ conservative | Rest of the nations of Western Europe |
- (Esping-Andersen, 1990).

Four of the five comparator countries in this study belong to the liberal/residual welfare state - the United Kingdom, the United States of America, Australia and

New Zealand. Liberal/residual welfare states are “*dominated by the logic of the market. Benefits are modest, often means-tested and stigmatizing. The principle of ‘less eligibility’ requires that welfare should not undermine the propensity to work. The state encourages the private provision of market forms of welfare ...*” (Pierson, 1991:187).

The United Kingdom, United States of America, Australia and New Zealand fit clearly into this liberal/residual regime type. The variations between these countries (as well as being related to their different social, economic and political histories) is predominantly a question of to what extent the welfare state is dominated by the logic of the market. When one considers lone mothers, the United States of America is seen to provide the least support and has the strictest paid work requirement. New Zealand is currently following in the footsteps of the United States of America. Both Australia and the United Kingdom provide only modest assistance to lone mothers, but neither nation work-tests lone mothers.

Sweden is the only country in this study, which falls into the category of a social democratic welfare state. These states are “*characterised by universalism and the usurpation of the market. It is envisaged as ‘a welfare state that would promote an equality of the highest standards, rather than an equality of minimal needs’.* ... *It is of necessity, committed to full employment, since the ‘enormous costs of maintaining a solidaristic, universalistic and de-commodifying welfare state’ can be best and perhaps only achieved ‘with the most people working, and the fewest possible living off social transfers’*” (Pierson, 1991:187).

Following these principles lone mothers in Sweden, like partnered mothers, are expected to be in the workforce. Considerable assistance and services are provided to lone mothers in Sweden to enable them to combine child-rearing with paid work (OECD, 1993). While small cutbacks were made to the

Swedish welfare state in the mid-nineties, the services provided to lone mothers are still very extensive and their workforce participation rate remains high (Swedish Ministry of Health and Social Affairs, 1996).

Feminists have added the welfare state's attitude to women to Esping Andersen's model (MacDonald, 1998). The liberal/residual states tend to follow the 'male breadwinner model' where men are expected to earn sufficient to support their partner and children, mothers are the primary caregivers and are economically dependent on their male partners. However countries which follow the male breadwinner model can still differ in their treatment of lone mothers because lone mothers "defy the logic of the model" (MacDonald, 1998:13). Lone mothers do not have a man to depend on. In the United Kingdom and Australia, while workforce participation has been encouraged recently and policies developed to support this, it is still accepted that lone mothers have a right to social assistance from the state (MacDermott et al., 1998 and Department of Social Security, 1997). In the United States, and increasingly in New Zealand, social assistance is provided grudgingly and lone mothers are increasingly being forced into paid work.

Feminists have categorised Sweden's welfare state as belonging to a "universal breadwinner model" - where all citizens, women and men, are expected to be breadwinners (MacDonald, 1998). While women fare far better under this model than in the others, feminists claim that women in Sweden carry the double burden of care-giving and providing (MacDonald, 1998). It is argued that what is needed is a 'dual-carer' welfare model where care-giving is highly valued and policies promote equal sharing of the costs of family labour among men and women (MacDonald, 1998).

1.2 Feminists Debate the Nature of the Liberal/Residual State

Some feminists argue that the state works systematically and methodically against the interests of women. They see the state as being patriarchal in nature

and of working single-mindedly to preserve male privilege. In their view the state is monolithic, and all public spending is seen as reinforcing women's second-class status. MacKinnon expounds this view - "*The liberal state coercively and authoritatively constitutes the social order in the interests of men as a gender*" (MacKinnon, quoted in Eisenstein, 1985, p. 108).

Yet if MacKinnon's statement is accurate, lone parent benefits must work in the interests of men. However, feminists have argued that the opposite is true. The provision of lone parent benefits has enabled women to leave abusive or unsatisfactory relationships (Wilson, 1995). The DPB has allowed unpartnered women to keep their children rather than give them up for adoption (Shawyer, 1979). Graham has drawn attention to the control over their own financial situation (albeit parlous) gained by lone mothers on benefits relative to partnered mothers (Graham, 1984).

Gordon argues that the introduction of lone parent benefits advantage everyone, not only lone mothers, because they "helped create the possibility of women's independence" (Gordon, 1994:290). By providing mothers with an alternative to economic dependence on a man they increased mothers' bargaining power within relationships, thus encouraging the development of mutually respectful relationships (Gordon, 1994:290-1). Clearly not all the welfare state's actions are against the interests of women.

The introduction of poststructuralist themes into feminist thought has brought a re-examination of the state's attitude to women. Many of these writers point to the victories of the women's movement and ask the obvious question, "how could these have happened if the state is acting in a unified way to prevent these advances?"

Armstrong emphasises that "the welfare state is largely provided for and by women" (1992). Women, because they are poorer than men, live longer than

men, and generally have less access to market-provided services, are much more reliant on welfare provision. The welfare state provides employment for some women and thus “independence”, and for some women the welfare state has also provided career mobility. In spite of the welfare cuts of the 1980s and 1990s women still gain considerably from welfare spending, for example on, superannuation, health, education, family courts, and income support.

On the other hand, feminist criticisms of the welfare state are also valid. Traditionally the state has upheld the nuclear family, an authoritarian father/husband with a dependent wife and children. Other family forms are considered to be inferior to this ideal family. However in the 1960s and 1970s male authority within the family was weakened by legislation and social assistance - through divorce laws, the abolition of illegitimacy status, the DPB, the legal recognition of rape within marriage, laws against domestic violence, and custody laws supporting the child/ren's rather than the father's interests.

In spite of these advances, in some instances the New Zealand welfare state still supports the male breadwinner family. One way it does this is through defining the unit of social security assessment the couple, rather than the individual (Hyman, 1994). If a partnered heterosexual woman becomes unemployed she is not eligible for a benefit and must become financially dependent on her partner. The same situation now applies to partnered heterosexual men, but because of men's higher wages and greater attachment to the workforce the policy impacts more severely on women. Not only does this policy undermine women's economic autonomy but it is based on the false assumption that household income is always distributed fairly within the family (Fleming and Easting, 1994).

In addition to the social security regulations there are many other ways that the state supports the male breadwinner family and the gendered division of labour. Contemporary support by the welfare state for women's role as the primary

caregiver occurs largely through omission - by the services and provisions the state fails to support, for instance, the lack of state funds for childcare and after-school care centres, the lack of statutory paid domestic leave, pay equity legislation, and paid parental leave.

Given these contradictory aspects of the state, how then do we categorise the state's attitude to women? Bryson believes that we need to view the state's role as ambiguous (Bryson, 1992:191). On the one hand many of the state's actions reinforce women's dependence but on the other hand "it allows the possibility of gains, based on the principles of universal rights and equal treatments of citizens" (Bryson, 1992:191). Bryson (1992) points out the limitation of gains won based on these principles, when what is needed is radical reform. However gains have been achieved by women within the human rights framework, for example: married women's property rights, the right to education at all levels, increased rights over and improved control of fertility.

While the state is not neutral, it is also not monolithic (Franzway, Court, and Connell, 1989:42). It is made up of many different parts - the army, government departments, the police, parliament, and the cabinet. Parts of the state have a masculinised culture - the army, parliament, - while in other parts there is a degree of hegemony by women, for example, nursing, and early childhood education. Other divisions exist as well, for instance, during the process of policy making different government departments sometimes support different positions on a policy issue. Chapter 10 will show the vastly different policy approaches of the Treasury and the Ministry of Women's Affairs towards lone mothers during the DPB Review. The state is made up of different parts and within these different sections there will always be some degree of disunity.

All these various sites of disunity within the state provide opportunities for addressing gender inequalities (Pringle and Watson, 1992).

Women have always looked to the state for redress from a range of grievances (Eisenstein, 1985). The state and its policies are contested by all the many classes and interest groups in society (Pierson, 1991, pp. 49-58). We need to look at the diversity within the state and recognise that any particular state is a product of its own history. Pringle and Watson explain: "*The outcomes of particular policies will depend not purely on the limits placed by 'structures' but on the range of discursive struggles which define and constitute the state and specific interests from one moment to the next*" (Pringle and Watson, 1992, p.63). This explains not just the ambiguous role played by the state, but the differences between different welfare states. For instance while both Australia and the United States of America fit into the category of liberal/residual welfare state, subsequent chapters will demonstrate that lone mothers receive much more support from the state in Australia than in the USA.

The welfare state is contradictory. Some aspects of the welfare state act in women's interests while other aspects act against women's interests at the same time. Even when we focus on one single policy measure, the provision of a lone parent benefit, there are contradictory aspects to this policy. While the provision of this social assistance is predominantly in the interests of women, at the same time the DPB can be said to support the cult of domesticity for women, the idea that women's place is in the home raising children. In 1973 when the DPB was introduced it "*was made available to lone parents not because their ability to earn was hampered by the need to care for children (in which case free childcare facilities and some form of income supplement might have been a logical alternative), but because they did not have a*

breadwinner's wage to depend on financially while they provided full-time unpaid care for children" (Else, 1997b:17).

2. Family, Work and Race

Williams has developed a sophisticated analysis of British social policy which emphasises the way that normative ideas about family, work and nation/race influence social policy. Williams' analysis can be applied to New Zealand to show how "*These themes, Work, Family and Nation, which shape welfare policies, reflect the divisions of class, gender and race respectively*" (Williams, 1989:xiv).

Williams argues that the themes of work, family, and nation "have been central organising principles in the development of the welfare state" (Williams, 1989:xiv). She explains that "welfare policies have both appealed to and reinforced (and occasionally challenged)" normative ideas about what constitutes family life, what is work, and what constitutes national unity and British culture (Williams, 1989:xiv). Williams stresses that all three of these notions have changed over time. She identifies that social policy is both shaped by these structures and occasionally challenges these structures. The introduction of the DPB in 1973 is a good example of social policy that is both shaped by normative ideas and at the same time challenged the hegemony of the male-dominated nuclear family.

2.1 Family

The family ethic sees the family as the most important unit in society. This family unit is the traditional two-parent heterosexual family. Other family forms are considered to be inferior to this ideal family (Williams, 1989). The family is seen as being responsible for the well-being of its members. Else points out that being part of a nuclear family has been the way women have been expected to survive financially since the Industrial Revolution. Because child-rearing is

unpaid work the only way women could raise children without severe financial hardship was “by finding and keeping, a male breadwinner, so that he could keep her and his children” (Else, 1997b:46).

2.1.1 Patriarchal Reconstruction

As noted above the traditional nuclear family has come under considerable pressure since the 1950s and in some ways the state has been reformed to accommodate these social changes. However moralists are currently (re)promoting the nuclear family “within a wider project of ‘patriarchal reconstruction’” (Roseneil and Mann, 1996:191). This concept of patriarchal reconstruction dovetails with Faludi’s (1992) thesis - that the eighties and nineties have seen a concerted and virulent backlash against the gains made by the feminist movement in the sixties and seventies. Oakley argues that the backlash literature has two main aims: to prove that women are not disadvantaged, and to argue in favour of continuing to disadvantage women (Oakley, 1997:30). In order to achieve these contradictory aims the backlash literature has to ignore gender altogether (Oakley, 1997:30). *“This is because most of the backlash’s preposterous arguments can only be put by ignoring much of the evidence about how social processes ‘make’ men and women”* (Oakley, 1997:30).

2.1.2 The New Zealand Moral Right

Much of the moralists’ attack on the weakening male-dominated family has been aimed at lone mothers. In 1994 at a government conference to mark the International Year of the Family, Alan Gibbs, prominent millionaire member of the Business Round Table, blamed the welfare state for undermining the institution of marriage which *“had underpinned civilisation for thousands of years. We have swapped husbands for benefits. Today all the symptoms of poor families are the result of that huge social change. It is nothing to do with economics”*. (McLoughlin, 1995:54). The Herald one month before the 1996 election, reported the president of ACT, Roger Douglas, as saying that making

adoption easier and restricting the Domestic Purposes Benefit were two ways of stopping the social crisis caused by dysfunctional families (Smith and Grant, 1996).

In April 1996 the Herald commentator, Hames wrote: *"The biggest failure of the welfare state is the encouragement it has given to the breakdown of the traditional family unit. ... It is no exaggeration to call these trends a social disaster. There is a mountain of evidence that children from one-parent families do worse than those from two-parent families on almost every social statistic one cares to name - from crime to health status to education performance. Children who have never known a father do worst of all. Yet our DPB has been subsidising the formation of one parent families"* (Hames, 1996, Section 7:2).

An article acknowledging Father's Day in the Herald suggested that those entering marriage could choose to opt out of the no-fault divorce laws (Davies, 1997). Davies argues that those who refuse to do this should be denied the DPB if the relationship breaks down (Davies, 1997). Davies believes that these law reforms would mean "women would very soon be motivated to choose only men prepared to make and honour commitments" (Davies, 1997:A16). This reasoning implies that women making bad choices cause marriage break-ups.

Gibbs, Davies, Douglas and Hames voiced their opinions, unsubstantiated by any facts. However, a recent New Zealand study of competency in five-year olds found that their development was highly dependent on economics and unrelated to family type (Wylie, Thompson, and Hendricks, 1996). The study found that lone parenthood was not a factor in the development of competent five-year-olds, but as income levels rose so did the competency of the children (Wylie et al., 1996). Similarly, a British study by Ermisch and Francesconi found that children's educational attainments at age 16 was influenced much

more by their mother's level of education than by the type of family they were in (referred to in MacDermott et al., 1998:11).

Another recent New Zealand study (Selvarj, 1997) found that the style of parenting, rather than the type of family configuration contributed to the overall well-being of the family members. It should also be noted that drawing conclusions from comparisons between one group of children and another is fraught with difficulties. McIntosh suggests that the only suitable comparator group for children of lone parents is "children of unhappily married parents who have decided not to divorce" (1996:152).

2.1.3 Fatherless Families

Lamenting the growth in "fatherless families" is another component of the moralist's crusade against lone mothers. These crusaders present their case as if mothers were choosing to walk away from well-functioning nuclear families to live in poverty with their child/ren. The reality is that most lone mother families are the result of either an unplanned pregnancy or the break-up of an unsatisfactory relationship. Furthermore the father, unless he has a history of violent behaviour, is usually encouraged to continue to father his child/ren, but often chooses not to (Dann and du Plessis, 1992).

Those focused on fatherless families argue for the institution of marriage to be "affirmed, protected and upheld in all matters of legislation" (McQueen, 1997). McQueen (co-deputy leader of the Christian Heritage party at the time) argued that school sex education programmes should "uphold and honour marriage" and that the Matrimonial Property Act should remain applicable only to legally married couples, married couples should be allowed to split their income for tax purposes, and that New Zealand On Air should only fund programmes which are "family- friendly" meaning the heterosexual, two-parent family (McQueen, 1997). These attempts to stem the tide of children born outside marriage seem futile when two in five babies were born to unmarried mothers in the year to

June 1997 and the percentage of births out of wedlock rises every year (Dearnaley, 1997).

Else argues that given the high and rising number of children born out of wedlock, striving to re-stigmatise illegitimacy is unlikely to be successful (Else, 1997a). While the moral right campaigns for the traditional family most New Zealanders accept a variety of family forms. In the 1996 elections the Christian Heritage Party failed to get the necessary 5% of the vote needed to secure a seat in parliament. Indeed, a few of New Zealand's celebrities are lone mothers, for example Kim Hill and Susan Wood, and it is hard to imagine any New Zealander publicly criticising them for being lone mothers. However these women are in paid work. Today, it is lone mothers on the benefit who are the targets of government criticism.

While the government is usually concerned about the work ethic when criticising women on the DPB, it does sometimes employ the family ethic. For instance, in 1991, while promoting their policy of cutting the DPB for those under 18 the Government tried to focus on this group as if they were a significant proportion of DPB recipients. At the time never-married "recipients of the DPB under the age of 18 accounted for only **one** per cent of such payments" (their emphasis) (Black, Harrop, and Hughes, 1995:A/525). In reality "the typical DPB customer is a woman in the 25 to 34 age group" (DSW, 1996:32). The government's focus on teenage mothers "provided a politically convenient justification for broader benefit cuts and the assault on the welfare state" (Kelsey, 1993:282).

3. Work

The normative definition of work is prescribed by the market economy. Activity is only work if it is rewarded financially by the market. All working-age adults are supposed to embrace the "work ethic" - every adult is individually responsible for her or his own well-being. Well-being is found

through engaging in paid work. This definition of “work” as being only paid work, militates against the interests of women who do the bulk of unpaid work including caring for children and housework (Waring, 1988). Furthermore it is the welfare state’s support for the work ethic which feeds its current obsession with reducing the number of people on benefits, including the DPB. Beneficiaries are accused of being work-shy and of having developed a debilitating dependence on the welfare state (Campbell, 1997a, and O’Brien, 1997).

3.1 A History of the State’s Treatment of Lone Mothers

Looking at a history of the New Zealand state’s treatment of lone mothers illustrates the state’s changing attitude to the family and work ethics, and the impact of these changes in attitude on the state’s policy towards lone mothers.

In the late nineteenth and early twentieth centuries, in stark contrast to the post-World War Two period, unmarried mothers were expected to keep their babies. There was little demand for illegitimate babies for they were seen as “‘tainted’ by the circumstances of their birth” (Kedgley, 1996:23). Being forced to keep their babies was seen as a way of punishing unmarried mothers for their ‘sin’ (Kedgley, 1996).

During this period unmarried mothers were expected to support themselves through paid employment (Kedgley, 1996) just as they are again today. Several commentators have noted how the so-called new welfare reforms of recent times are in fact trying to turn the clock back to pre-welfare state times (Kelsey, 1997; Cheyne, O’Brien and Belgrave, 1997, and Hyman, 1995). In order to join the workforce most left their children with relatives, and some had their child fostered out in destitute families who earned money by caring for them (Kedgley, 1996). Others had no choice but to put their child into an orphanage (Kedgley, 1996).

The first state provision for lone mothers in New Zealand, the Destitute Persons Act 1910, shaped by conservative morality, provided a very small income only to those previously married lone mothers who had obtained a maintenance order (Goodger, 1998b). The Widows Benefit introduced in 1911 was confined to widows and excluded all other lone mothers (Beaglehole, 1993:24). Widows were seen as deserving of state support, while divorced and unmarried mothers were seen as the authors of their own misfortune (Beaglehole, 1993:240). Apart from any maintenance or possible family support some might have received, most lone mothers who were not widows lived in poverty with little assistance from the state. Unmarried mothers, and even deserted and divorced mothers suffered "strong social disapproval and ostracism" (Kedgley, 1996:26). A small amount of stigmatising help was grudgingly provided by charities (Kedgley, 1996:26).

In the 1940s and 1950s the stigma and social opprobrium faced by lone mothers (except widows) remained, but in contrast to earlier times a demand for babies arose and unmarried mothers were expected to have their babies adopted (Coney, 1993). In this post-war period, characterised by the idealising of the nuclear family, few resisted the pressure to give up their babies (Kedgley, 1996). Those that did faced extraordinary difficulties with no support from the welfare state (Kedgley, 1996).

3.2 The Introduction of the DPB

A number of factors led to the introduction of the Domestic Purposes Benefit in 1973 including: changing social attitudes towards ex-nuptial sex, marriage and divorce, a growth in the number of unmarried mothers deciding to keep their babies, the birth of the second wave of feminism in the late sixties, and the election of the Labour Government in 1972. Compared to the 1980s and 1990s the years leading up to 1973 were a time of relative prosperity for the New Zealand Government. In the 1960s and early 1970s negative attitudes to

benefits were not widespread, partly because, at the time few people were receiving social welfare benefits (with the exception of the retirement pension).

The 1972 Royal Commission on Social Policy report stated that every individual should receive enough state support to allow them 'to belong and participate' in the community (McClure, 1998). Concerned about poverty amongst lone parents' families, especially that the children in these families should not be disadvantaged, the report recommended the introduction of a benefit for single parents (McClure, 1998). The National Government deferred action on the proposal until after the then imminent election (McClure, 1998).

After over twenty years of National rule (except for the period between 1957 and 1960), the Labour Government was elected in late 1972 on a platform of increased social spending and introduced the DPB in the following year (O'Brien, 1993:10). This move was a very significant step forward for women for it increased their opportunities to be economically independent from men. It also represented state support for women who were outside the nuclear family.

The Royal Commission had also recommended that the Widows Benefit be abolished and that widows be eligible for the DPB, but the Government did not pick up this suggestion. Goodger comments that this "suggests that attitudes and beliefs about fault were still an important influence of policy" (Goodger, 1998b:134).

Ever since the DPB was introduced it has been under attack from conservative sections of society. In 1975 the new Minister of Social Welfare, Bert Walker, maintained that the DPB "facilitates marriage breakdown, and encourages mothers of children born outside of wedlock to keep their children" (Coney, 1993:78). Walker instructed welfare officers to cancel benefits where there was an alleged relationship with a man and to search for male clothing in wardrobes and inspect sleeping arrangements (Coney, 1993).

In 1976 the re-elected National Government ordered a review of the DPB promoted by the rapid rise in the number of domestic purpose benefits (Goodger, 1998b). The review, using incorrect and misleading statistics reported that the DPB was encouraging couples to separate and unmarried mothers to keep their babies (Goodger, 1998b). The review recommended a reduced rate of benefit up to six months and this was implemented by the Government (Goodger, 1998b).

Through surveillance of DPB recipients the state has attempted to control lone mother's sexuality. She lives with the threat that if she forms a sexual relationship with a man, her benefit will be withdrawn. Wilson writes "*women on the DPB often live with the fear of an investigation by the Income Support Service for being in a relationship 'in the nature of marriage' as a consequence of information received by the Department from 'responsible citizens' many of whom are resentful ex-partners. This is a well-founded fear as these investigations take place regularly and many result in prosecutions against women for benefit fraud*" (Wilson, 1995:2).

3.3 New Right Economics

Since 1984 New Zealand has been following New Right, or neo-classical, economics (Kelsey, 1997) and this has strengthened the state's commitment to the work ethic. New Right economics are antagonistic to women's interests and so many of the state's new initiatives over the last 15 years have been against the interests of women (Hyman, 1994). Neo-classical theory, inter alia, supports drastically reducing the role of the state often arguing that the state's only legitimate role is defence and law and order (Cheyne et al. 1997). Women, like men, are supposed to meet all their needs through engaging in the market place. Yet there is much of social value that the market refuses to finance, in particular - parenting. As we will see in subsequent chapters this is particularly difficult for lone mothers. In a pure neo-classical economy there would be no

lone parent benefit, no state support for childcare/OSCAR, parental leave (paid or unpaid), domestic leave, education and training.

Many of the significant improvements in New Zealand for women were won in the 1960s and 1970s when state spending was expanding. In the last two decades state spending has been cut, as New Right theory has gained dominance fuelled partly by the economic recessions of the 1980s and early 1990s (Kelsey, 1997). Over this period women have had fewer gains, conservative forces, like the Christian Coalition, have organised against women, and there have been some big losses for women caused by cuts to state spending, as in the 1991 benefit cuts (Kelsey, 1997).

In this cost cutting period some gains have still been made by women, but they have been predominantly measures which do not require significant increases in government spending; for example, the 1995 Domestic Protection Act which aims to deny men who have been violent to their partners, access to their children. Reforms that cost money, such as paid parental leave have not been supported by Parliament. At the same time general measures which have reduced the living standards of the low paid and beneficiaries, such as GST, and health and education charges have not only hit women hardest but also reinforced a traditional role for women, as the family (i.e. women) is made increasingly responsible for the well-being of its members.

3.4 A Change in Policy - Lone Mothers Become Subject to the Work Ethic

The mid-1980s saw a change in the state's policy towards lone mothers. When the DPB was introduced in 1973 it was seen as a means of replacing the support of the male breadwinner (Else, 1997b). From 1973 to 1986 there was no pressure on lone mothers to join the workforce. Negative discourses around lone mothers prior to 1986 were mainly around the family ethic. Did they have a partner that they were not declaring who should be supporting them instead of the state doing so? (Coney, 1993). Ironically, lone mothers in the workforce in

the 1970s were accused of neglecting their children (Coney, 1993). While today moralists sometimes still raise this argument, the welfare state only criticises lone mothers who are on a benefit.

New Right economics strongly supports the work ethic. The Labour Government elected in 1984, despite its working class origins, adopted New Right policies (Kelsey, 1997). Against a background of rising unemployment and a consequent rise in beneficiary numbers the recommendations of the 1986 Ministerial Task Force on Income Maintenance emphasised moving beneficiaries into paid work, including, for the first time, lone mothers (O'Brien, 1993:20-21). This change of policy was underlined in 1991 by the benefit cuts designed to revive the work ethic (McClure, 1998). McClure explains: *"At the heart of the social security changes of the 1990s was the economic and political principle that work must receive a different reward from non-work, and that non-workers should not be entitled to the same quality of life as workers"* (McClure, 1998:234).

This change in government policy to pushing DPB recipients into the workforce is significant as it marks a move away from the once dominant ideology that mothers should not be in employment but should stay at home with their children. While this change has been driven by the New Right desire to cut state spending and an associated re-emphasis on the work ethic, it has also been fed by the dramatic increase in the workforce participation of partnered mothers (Else, 1998). It is argued that if partnered mothers can manage employment, then lone mothers should be able to as well (Else, 1998). Else points out that the fact that some lone mothers now earn high salaries has also fed the idea that if some lone mothers can manage full-time work, then all lone mothers should be able to do so (Else, 1998).

Ironically the policy change is also a reflection of the impact of the women's liberation movement. Mothers have long argued for the right to engage in paid

work and that this work builds their self-esteem and self-reliance. These same words are now used against women on the DPB as they are urged to enter the workforce without the support necessary for a mother to raise a family alone and to be in the workforce simultaneously.

3.5 The 'Crime' of Dependency

Today those who are on income support are perceived as not embracing the work ethic and labeled as 'dependent'. The term 'welfare dependency' is the 1990s equivalent of the Victorian label 'pauperism' (Briar, 1997a). Welfare dependents are today's undeserving poor. For instance the term 'dependent' has seldom been used in reference to the Widows Benefit or superannuation recipients (O'Brien, 1997:1).

'Welfare dependents' are seen as members of the underclass. The central feature of the underclass is that they are isolated from mainstream society by both their values and their behaviour (Taylor-Gooby, 1991:42). The left and right wing view the underclass and its solutions very differently. The right see human behaviour as solely motivated by economic self interest. Thus state support for single mothers encourages family break up. Furthermore, state support has a moral impact on the "disreputable poor" undermining their belief in the work ethic. The three characteristics of the underclass are - high illegitimacy rates, work-shyness, and criminality (Taylor-Gooby, 1991:44). The receipt of welfare benefits supposedly causes these characteristics. Policies arising from this perspective include work-testing and the reciprocal obligations approach which will be discussed in Chapter 10.

DPB recipients are castigated for supposedly developing a dependent mentality and passing on these attitudes to their children. Somehow lone mothers' dependence on a benefit is seen as negative, while other types of dependence are good, for example those in paid work who are dependent on Family Support, and women's dependence on a male partner (O'Brien, 1997:2). Other

forms of dependence are ignored by the New Right: *"Employees depend on a wage or salary, and increasingly also on the earnings of a partner. Shareholders depend on dividends generated by the work that others do. Because of recent work intensification in full time jobs, career workers rely increasingly on women's unpaid work"* (Briar, 1997a:56). In reality, of course, the independent human being is a myth (Briar, 1997a). At some time in our life we are all dependent, particularly; when we are children, when we are unwell, and when we are elderly and frail

Lone mothers are one of the main targets of the New Right attitude to the underclass. The New Right ideologue, Murray writes: *"Illegitimacy is the single most important social problem of our time - more important than crime, drugs, poverty, illiteracy, welfare or homelessness because it drives everything else"* [my emphasis] (Murray, quoted in Sandfort and Hill, 1996:311).

In New Zealand in 1992 the then Minister of Social Welfare, Jenny Shipley, stated *"the Welfare State itself through its mechanisms, produces young illiterates, juvenile delinquents, alcoholics, substance abusers, drug addicts and rejected people at an accelerating speed"* (Shipley quoted in Peters, 1996:8). Last year, Margaret Bazley, Director-General of the Social Welfare Department, "linked lone parenting to 'at risk' children" (Campbell, 1997a:35). However, as Campbell points out, a study by Bazley's own Department found that only 6% of the children of all beneficiaries (not just lone parent beneficiaries) come to the notice of the Children, Young Persons, and their Families Service (Campbell, 1997a).

Margaret Bazley has also gone on public record claiming that 5% of New Zealand families would experience welfare dependency transmitted across generations (Campbell, 1997b). Roger Douglas repeated this same claim on the TV programme *"Fraser"* in August 1997. Campbell points out that this claim

is based on a single study headed by Dr David Ferguson (Campbell, 1997b). When Campbell questioned a spokesperson for this study on the welfare dependency thesis, the spokesperson indicated that welfare was not seen as the cause of the anti-social behaviour identified in between 3-5% of the children in their study (Campbell, 1997b).

The moral panic over welfare dependents is a case of the victims being blamed for the problem (Else, 1997a). Else explains "The victims of New Right policies are being made the scapegoats for the failure of these policies to deliver the general prosperity they promised" (Else, 1997a:51).

Debunking the myth that provision of the DPB encourages the incidence of lone parent families, Wylie points out that the rise in the rate of lone parent families in New Zealand pre-dates the introduction of the DPB by about five years (Wylie, 1980:14).

The left and feminists see the underclass as a far smaller group - the "excluded poor" (Taylor-Gooby, 1991:42). They see the mechanism of exclusion as socio-structural - unemployment, poverty, racism, gender inequities, and social spending cuts. The most notable study on welfare dependency, Rank and Cheng, 1995, found the "problem underlying welfare dependency is lack of opportunity, not bad attitudes" (cited in Campbell, 1997b:38).

Those who see welfare dependency as the problem, support punitive measures for DPB recipients believing that these will force a change in beneficiaries' attitude. Preston believes that benefit rates must always be below wages so that "most people will then fairly quickly solve their own problems and exit from the benefit system" (Preston, 1996:89). Preston does not consider how a lone mother, with little money and the responsibility for child/ren is going to "fairly quickly" find affordable childcare, secure marketable qualifications, and a suitable breadwinner's job.

With regard to the probability of a lone mother being in paid work the findings of an extensive United States of America study refutes the myth that "bad" attitudes keep lone mothers on welfare. The Spalter-Roth, Burr, Hartmann, and Shaw (1995:2-3) study found that: *"average state benefit levels, the amount of time spent looking for work, the mother's age and the mother's welfare history were insignificant in distinguishing between those mothers who engage in paid employment and those who do not"*.

A documentary on the welfare debate in New Zealand by Communicado "Timebomb" screened in August 1997 reinforced the dependency argument. Gordon Campbell replied with an incisive review in the NZ Listener (Campbell, 1997b). The documentary was funded by New Zealand On Air (\$300,000) with cheap facilities provided by state broadcaster TVNZ (Campbell, 1997b). The programme interviewed several beneficiaries but because little information was given about their circumstances, it was impossible to put their comments or experiences in context. As Campbell pointed out many commentators calling for cuts in social welfare spending were interviewed while few with an alternative point of view were interviewed (Campbell, 1997b). The documentary focused on teenage DPB recipients thereby perpetuating the myth that these women are a significant proportion of the DPB population (Campbell, 1997b). While we were bombarded with statistics about increased spending on Social Welfare (delivered by a supposedly menacing actor) in total the documentary was extraordinarily uninformative. However the message from the documentary came through loud and clear - welfare spending needed to be cut.

4. Nation/Race

New Zealand as a nation was established by the seizure of land which was the basis of Maori society. The nineteenth century state was an agent of Pakeha¹ settlement assisting the settlers to acquire the land of the Maori (Oliver, 1993:18). Few Maori gained from the first welfare measures of the state. Maori were not specifically excluded from the 1899 Old Age Pension Act, but the monocultural nature of the eligibility tests meant that few Maori benefited (O'Brien and Wilkes, 1993:49). A property clause disqualified many Maori, and some Maori were ineligible because they could not prove their age.

Prior to colonisation Maori social and economic health was based on collective ownership and use of land. *"After a century and a half of legal, military, political and economic repression, a mere 3 million of the country's 66 million acres remain in Maori hands"* (Kelsey and O'Brien, 1995:8). Since defeat in the 1860s land wars Maori have been forced to survive in an alien economy, political system, and culture. The rights guaranteed to Maori in the 1840 Treaty of Waitangi *"have been overridden and treated with contempt. With the backing of the Government and the Courts, white settlers built their wealth and power on the economic, political, cultural and spiritual dispossession of the Maori"* (Kelsey and O'Brien, 1995:7).

Coming from a collectivist land-based economy and being forced to survive in a market economy today Maori are concentrated in the lowest income group and many have been forced into reliance on social security (Statistics New Zealand, 1994). The Women's Studies Association identifies some of the characteristics of monocultural New Zealand that Maori must face - *"The free market principles of competition, user pays, consumerism, the sovereignty of the individual and labour market flexibility are all based on Pakeha values"* (Women's Studies Association, 1987:1).

4.1 The Legacy of Colonisation

The combination of having lost their economic base, cultural alienation, institutional racism and monoculturalism has meant that Maori incomes are considerably lower than those of non-Maori. Non-Maori lone-parent households had a median income almost one-third higher than Maori lone parent households (Statistics New Zealand, 1994:22). This has worrying implications for the future as children raised in a poor household have narrowed life prospects (Wylie, 1997).

4.2 Maori Women and Colonisation

Ideology at the time of colonisation saw Maori women as inferior to Pakeha men, Maori men and Pakeha women (Johnston and Pihama, 1994). Examining the legacy of this ideology these authors write *"We have been denied access to the credentials and qualifications that would provide Maori women with options other than those of domestic and service workers. We have been denied full participation and input into the wider society. We have been denied access to full participation in policy formation and key decision making for our own people. Colonial formation has operated on the whole effectively to lock Maori women out of crucial positions - positions which impact on our day to day lives and the lives of our people"* (Johnston and Pihama, 1994). The over-representation of Maori on the DPB is one of the outcomes of the marginalisation of Maori women.

Maori and Pacific Islands women as Black women in a White nation *"experience oppression through race, sex and class simultaneously and this combination transforms the experience"* (Bryson, 1992:51). Black motherhood *"is more likely to be cast by dominant groups in a negative light, as dangerous and linked with notions of promiscuity and welfare-scrounging"* (Bryson, 1992:51).

¹ I have replaced the terms New Zealand European, European/Pakeha and European (where referring to New Zealanders) with the term Pakeha.

4.3 Te Tiriti o Waitangi

Durie argues that, among other things, Te Tiriti o Waitangi, especially Article Three, was intended to ensure Maori well-being. Durie sees several precursors to achieving well-being for Maori: autonomy, empowerment, cultural integrity, and access to society's resources (Durie, 1994:298). Lone mothers are the poorest group in our society (Stephens, Waldegrave, Frater, 1995) and Maori lone mothers are the poorest of the poor (Waldegrave, 1997). The demographic and fertility profile of Maori women make them more likely to be on the DPB than non-Maori, and racism makes it more difficult for them to extract themselves from both the DPB and poverty. The poverty experienced by Maori women on the DPB and their lack of real opportunities to improve their financial situation is a breach of Te Tiriti.

There is little material written about Maori women on the DPB, with the exception of the much-publicised fact that they are over-represented in relation to the lone mother population as a whole. This fact is presented as a huge problem by government agencies in the context of their concern about "welfare dependency" (Preston, 1996), but with no analysis about how this situation has arisen.

Further contributing factors to the high incidence of lone motherhood amongst Maori may be found in the United States of America literature (Meucci, 1992). The high incidence of lone parenthood amongst Afro-Americans is partially a reflection of the disproportionately high rates of mortality, unemployment, poverty and incarceration of Afro-American men, resulting in their being unable to afford to raise a family (Meucci, 1992). While I know of no research on this issue in New Zealand it is possible that these are factors in this country because Maori men have a far higher chance of being unemployed than non-Maori men. In 1993 twenty four percent of Maori men and 8.7 percent of non Maori men were unemployed. (Statistics New Zealand, 1994:43). Furthermore Maori men

have significantly lower median incomes than all men in New Zealand. In 1996 Maori men had a median income of \$16,000, while all men had a median income of \$22,000 (Statistics New Zealand, 1998e). Maori men also have higher mortality and incarceration rates than non-Maori men (Statistics New Zealand, 1998h).

4.4 Maori Women and Poverty

In the United States of America the rise in lone mother families amongst the racial minorities has received a good deal of attention. Amott raises an issue I have not seen explored in the New Zealand literature, that these women were poor **before** they became lone mothers (Amott, 1990:282-98). If the same applies to Maori and Pacific Islands women, as I suspect it does, (for instance Maori women had a median income of only \$11,200 in 1996 when the commensurate figure for all women was \$12,600 Statistics New Zealand, 1998e), then policy with regard to lone mothers needs to focus on the causes of poverty for all Maori and Pacific Islands women, rather than on lone motherhood or “welfare dependency”.

4.5 Racism and Welfare Provision

Unlike New Zealand much has been written about racism and welfare in the United States of America. A recent USA study found that racial attitudes are the single most important influence on Whites’ welfare views (Gilens, 1996). Gilens found *“that the perception that blacks are lazy has a larger effect on white Americans’ welfare policy preferences than does economic self interest, beliefs about individualism or views about the poor in general”* (Gilens, 1996:596).

In New Zealand while Maori are over-represented amongst the DPB population, what is often forgotten is that the vast majority of DPB recipients are Pakeha. Why then do government departments usually depict DPB recipients as Maori in its television advertisements and publicity leaflets?

Perhaps they or their advertisers unconsciously perceive most DPB recipients as Maori. Possibly government departments believe it is harder for them to reach Maori and by using Maori actors and models they make their information more accessible to Maori. What ever the reason, the effect of always using Maori people in their publicity campaigns may be to reinforce Pakeha linking welfare and Maori, thus strengthening the Government's ability to reduce expenditure on welfare.

5. Conclusion

Williams's (1989) theory of the welfare state is instructive when analysing the relationship between lone mothers and the welfare state. Williams (1989) emphasises the way that normative ideas about family, work and nation/race influence social policy. The New Zealand state is shaped by the dominant ideology on these three crucial topics and these ideas have changed over time. Current thinking is moulded by New Right ideas about the family, work and race/nation, particularly work. Proponents of New Right policies focus more on forcing lone mothers into the workforce, than re-promoting the nuclear family. This reflects the re-promotion of traditional ideas around paid work as the means through which all individuals' needs should be met. Those on the benefit are seen as dependents, who lack the back-bone to stand on their own two feet. The constraints and obstacles faced by lone mothers seeking to re-enter the workforce are either played down or ignored.

The moralistic right lambastes lone mothers for destroying the traditional family, while to some extent the public and the welfare state reluctantly accept lone parenthood. It is not lone parents per se, but lone parents who need state support, who are the main targets of criticism.

Maori lone mothers, in a breach of Te Tiriti, are the poorest group in our society. An examination of Maori lone mothers highlights the poverty and lack

of real choices faced by most Maori women and the urgent need for these issues to be constructively addressed.

The contradictory nature of the welfare state's attitude to women has been emphasised here. The current predominance of New Right ideas in government has strengthened the anti-women aspects of the state. However women will always look to the welfare state for support. The only alternative to the state, the market, will continue to support only profit-generating activities. Women will continue to press the welfare state to support unpaid work and to assist them to both minimise the affects of, and dismantle, the gendered division of labour.

The task here is to examine the impact this new policy of expecting lone mothers to be in the workforce is having on lone mothers. The following chapter describes the three methods used to explore lone mothers' workforce participation, and the methodology of the fieldwork undertaken.

3: Methodology

1. Introduction

1.1 New Zealand Research on Lone Mothers and Employment

Recent years have seen much discussion in New Zealand regarding lone parents' workforce participation but little substantial research has been completed recently on this topic. Wylie in 1980, Dominick, Rochford and Robb in 1988, Rochford in 1993 and Levine et al. did the main studies, also in 1993. Wylie's (1980) findings stressed the importance of qualifications for lone women wanting to enter the workforce. Rochford's work (1993) involved comprehensive analysis of the 1991 census data. These reports have been very useful in highlighting the differences between lone mothers in and out of the workforce and the differences between lone and two parent families. Rochford's analysis again emphasised the importance of qualifications to lone mothers' workforce participation rates. He also found that lone mothers were far more likely to be in paid work than on a benefit if their youngest child was eight or over. A similarly thorough analysis of the 1996 census data is now needed.

The Levine et al. study (1993) is the only survey undertaken in the 1990s that specifically focuses on lone parents and paid work. It involved a small-scale survey of lone parents both in paid work and on the benefit. This study also confirmed the importance of qualifications and childcare/out of school care for lone parents (Levine et al., 1993). In addition the study stressed; the need to reduce the fear and anxiety experienced by lone parents, the extremely limited availability of employment, the way the abatement regime acts as a disincentive to part-time work, lone parents concerns over their ability to cope with the transition from the benefit to employment, and the need for a childcare/training/job facilitation package (Levine et al., 1993). The last

recommendation was influential in the development of the Compass programme. A voluntary programme for lone parents informing them of training, childcare and employment options,

One of the aims of my study is to explore any developments that have occurred since the publication of the Levine et al. 1993 report. There have been significant changes affecting lone parents since 1993. The casualisation of the labour market has continued at an accelerated pace (Taylor, 1998). Female unemployment rates declined from June 1991 until June 1995, but have been rising ever since (Goodger, 1998b). The gap between women's wages and men's has widened (Gardiner, 1997). In recent years there have been significant government initiatives aiming to facilitate and force lone mothers into paid work; Compass, the relaxing of the DPB abatement rules, the mandatory interviews and the 1997 work-tests. A review of the DPB, part of the Coalition Government's agreement, resulted in a significant intensification of policy. From February 1999 lone mothers whose children are over 13 will be required to work or be in training full-time, and part-time for those whose youngest child is over six years.

2. Thesis Methods

Three different methods were chosen to evaluate the Government's policy towards lone mothers and paid work; a comparative study, an examination of internal government papers, and a qualitative study of DPB recipients. The findings from these three methods have been interwoven into the development and argument of the thesis.

2.1 The Comparative Study

The comparative study of government policy on lone mothers includes: New Zealand, Australia, United Kingdom, United States and Sweden. These are interesting countries to compare and contrast with New Zealand. As outlined in

the previous discussion of the state the first four of the aforementioned countries are liberal/residual welfare states and it is revealing to compare them to Sweden a social democratic welfare state. In addition within the four liberal/residual states chosen there are significant differences in their policy approaches to lone mothers and paid work.

2.2 An Examination of Papers Obtained Under the Official Information Act

The second method was to seek data under the Official Information Act in order to access and analyse material that is not currently available in the published literature. This was done to gain further insight into the Government's attitudes and policy direction with regard to lone mothers and their participation in the workforce. My analysis of government departments' policy advice for lone mothers has concentrated on the papers written regarding the change to the abatement regulations in 1997, and the papers written for the 1997-1998 DPB review. Papers were supplied by the Ministry of Women's Affairs, the Labour Department, Te Puni Kokiri, the Social Welfare Department and Treasury.

Analysing papers obtained under the Official Information Act is not always straight forward. Often I was given a paper that analyses an earlier paper that I did not have access to, and did not know the title of, making it impossible to request. Sometimes proposals were outlined and I did not have the paper that explained what happened to those particular proposals at the end of the debate.

2.3 The Fieldwork

The third method that I have employed was to document by way of case histories, the experience of workplace participation of a small sample of lone mothers. Six women all with school age children were interviewed and the data obtained used to develop scenarios that illustrated the number of the issues that they had to confront.

3. Research Issues

3.1 Gender

In all countries, over 80% of lone parents are mothers (Bryson, 1992:193). In New Zealand 88% of DPB recipients were women in 1997 (Goodger, 1997). International studies of lone parents find that lone fathers have far higher work force participation rates than lone mothers (Bradshaw et al., 1996, OECD, 1993). In New Zealand, while lone fathers have a higher workforce participation rate than lone mothers, it should be noted that the changes in lone fathers' workforce participation rate have paralleled that of lone mothers. Lone fathers' participation rate declined significantly from 89% in 1976 to 49% in 1991 (Martin, 1995). From 1991 to 1996 this rate rose to 53% (Statistics New Zealand, 1998g).

The difficulties lone mothers face when combining childrearing and employment are similar to those faced by partnered mothers (MacDermott et al., 1996). As MacDermott et al. explain this indicates that the source of lone mothers' poverty is an issue of gender rather than family structure (1998:6). Thirty years after the beginning of the second wave of feminism the world of paid work is still organised on the premise that workers have no caring responsibilities and caring work is women's work. At the same time as the concept of a family wage for a man has vanished, most mothers still do not earn enough on their own to support a family. These issues create difficulties for many parents, but lone mothers in the workforce fare the worst because they have "less room to manoeuvre" (MacDermott et al., 1998:6).

As DPB recipients are mainly women, policies aiming to increase the workforce participation of lone parents need to increase the paid employment of lone mothers. New Zealand society is so heavily gendered that we can not assume

that policies that might increase the workforce participation of lone fathers will have the same impact on lone mothers.

I also chose to study mothers because I wanted to make the gendered nature of lone parenting explicit. When the Government discusses policy issues it often ignores gender implying what Else has termed the “gender-level playing field” (Else, 1997b). If we address lone parents’ participation in paid work, rather than lone mothers’, we risk ignoring some of the important issues - women’s low wages, the low qualification levels of lone mothers, the socio-economic position of Maori women, society’s expectations of mothers and so on (Ministry of Women’s Affairs, 1997a).

3.2 Widows

Recipients of the Widows Benefit share many characteristics with lone mothers on the DPB. However the Widows Benefit does not attract the same public criticism as the DPB. Widows are seen as having become lone mothers through no fault of their own, whereas those on the DPB are blamed for being without male support. MP Richard Prebble claims that it is usually women who instigate divorce believing they would be financially better off “once they’d kicked the old goat out” and qualified for the DPB (Prebble, quoted in Campbell, 1997a:35).

Another reason the Widows Benefit is not highlighted by politicians as a problem is the long term decline in the uptake of this benefit in contrast to the growth in the number of people receiving the DPB. Furthermore many widows are not lone mothers. A small group has never had children and the majority has children who are now over 16 years of age. In 1996, only 2.3% of lone parents on a benefit were widows (DSW, 1996, Briefing Papers). In the DSW

briefing papers, the analysis of the characteristics of lone parents refers only to DPB recipients (DSW, 1996:81-83).

In spite of the fact that those on Widows Benefit attract little public criticism, the Government has included widows in the work-tests. The inclusion of widows in the work-testing reflects the fact that the Government's policy is currently driven by their belief that every adult should be in the workforce, rather than by a desire to punish those not conforming to a traditional sexual morality.

3.3 Including Maori

Maori researchers have questioned the appropriateness, and raised the problems associated with Pakeha carrying out research amongst Maori (Stokes, 1985, and Tuhiwai Smith, 1986). Tuhiwai Smith asks "*Are Pakeha notions of research and associated methodologies of research capable of taking full account of Maori cultural perspectives?*" (Tuhiwai Smith, 1986). While I accept these concerns, I decided to include Maori in this study. Maori are over-represented amongst the lone mother population and so to exclude them would give an incomplete picture of lone motherhood in New Zealand. There is a tendency in policy analysis to ignore sub-population realities, therefore masking disparities created by structured relations of gender and ethnicity. An extraordinary high percentage of Maori women are on the DPB. I am concerned that poverty is already widespread in the Maori population and fear that any harsh policy decisions regarding lone parents will hit Maori hardest.

The welfare debate in New Zealand contains elements of racism, (for example MP John Carter's unemployed "Hone"), and so I felt to leave out Maori was to ignore a significant aspect of the issue. I wanted to explore any demographic, socio-economic, behavioural or attitudinal differences between Pakeha and

Maori that might explain why Maori lone mothers are less likely to be in employment than Pakeha, and that could throw light on possible successful policies. My field research involves only six participants, consequently the literature was the main source for this comparison between Maori and Pakeha on the DPB and the barriers they face to employment.

I was mindful of the power imbalance when a Pakeha researcher interviews a Maori respondent. I hoped that what I had learnt from working for the last twenty years with Maori in various community groups, and the unemployed and union movement would minimise any harm caused by this imbalance. One of my thesis supervisors is Maori and provided some guidance on culturally appropriate interviewing.

The two women I interviewed who I describe as Maori, identify themselves as Maori. While the father of one of the children is not Maori, I have categorised both these lone mother families with Maori mothers as Maori lone families. Jackson and Pool (1996) discuss the method of categorising families and children by ethnicity and are concerned that the use of mutually exclusive categories may exaggerate the number of Maori children. However in this case as our focus is on lone mothers, it seems to follow that the lone mother family should take its main identity from the only present parent. There are also issues here about whether people are more likely to identify with the culture that is the most disadvantaged in that society, and also in New Zealand, there is probably a tendency for those with some Maori heritage to identify with Maori as the *Tangata Whenua* of New Zealand. Jackson and Pool (1996:151) point out that "where a Maori parent is absent and the sole custodial parent is Pakeha this might exaggerate the numbers of Maori children". In my study none of the non-Maori women had had children by Maori fathers.

3.4 Validity

While feminist researchers deny that any research is truly objective, they still argue against “rampant subjectivity - where one finds only what one is predisposed to look for” (Lather, 1986:439). Lather argues that the researcher must offer grounds for accepting a particular description or analysis as valid (Lather, 1986:439). She suggests four strategies to establish “data-trustworthiness”:

1. Triangulation - the use of “...multiple data sources, methods and theoretical schemes”. (Lather, 1986:450). Three different research methods were used; the comparative study, primary research of documents obtained under the Official Information Act, and qualitative interviews of six lone mothers providing primary data from lone mothers’ perspectives. The findings from all three sources have been compared and contrasted to test its validity.

2. Systematised reflexivity - the researcher explaining their thoughts about the subject matter prior to the research and the ways the research modified their thinking (Lather, 1986:451). While my general thesis is that the Government underestimates the constraints facing lone mothers in the workforce, many aspects of the topic have been highlighted for me by my research. Prior to my research I saw the most important issues as childcare (including out of school care), the lack of jobs, the low educational attainment of lone mothers and the lack of government support for parents in the workforce (for example, paid domestic leave). Having completed the research I would add to this list: the importance of lone mothers understanding of what constitutes “good mothering”, the significance of the low rate of ‘women’s wages’ and the health of the lone mother, particularly where this has been affected by a history of domestic violence.

3. Face validity - presenting participants with emerging data and interpretations for their scrutiny (Lather, 1986:452). I returned a draft to the participants for their comment.

4. Catalytic validity - this is the extent to which the research process acted as a catalyst bringing the participants greater knowledge about the topic and determination to change the situation (Lather, 1986:452). It would not be accurate to say that this occurred to a significant degree for the participants in my study. However all the participants commented that they had gained by reflecting on their personal situation, and that some of the questions I raised drew their attention to issues they had not thought through before.

4. The Methodology of the Fieldwork

Essentially this is a feminist case study. Feminist researchers see reality as socially constructed where each individual creates reality from their own social location, experiences and ideas about the world (Lather, 1988). Smith argues that rather than strive to be objective "the only way of knowing a socially constructed world is knowing it from within" (Smith, 1987:7). Accepting this perspective, lone mothers were interviewed to try to know the world of lone motherhood on a benefit from within.

4.1 Qualitative Research

Feminist researchers often utilise qualitative research methods. Qualitative research is not concerned with reducing factors to amounts that can be counted but rather focuses on unearthing qualitative data (Sarantakos, 1993).

Qualitative research provided the best match with my research questions and method. It allows for the complexity of the issue under study to be understood and it paints a human picture that can be hidden when relying solely on quantitative research. The interviews are designed to provide contextualized explanations of the data from the literature. Sarantakos writes that many critics

of quantitative methodology find that it “cannot capture the real meaning of social behaviour” (Sarantakos 1993:42). Only six women were invited to participate so that the interviews could be in-depth in order to explore their decisions in the context of their lives. Including case studies ensured that the women’s voices could be heard, for in the welfare debate it is rare for the opinions of women on the DPB to be included

4.2 Refining the Fieldwork Research Question

The study was restricted to women on the DPB who were not in training and whose youngest child was five or over. The reasons for these restrictions are explained in the following section.

4.3 Who is a Lone Mother?

I define a lone mother as a woman who is not living with a life partner and has the main responsibility for a child/ren. I felt however that if a mother had a partner that she was not living with, that would not necessarily exclude her from the category of lone mother as she would be unlikely to be receiving significant financial or practical help with the child/ren.

In my study I also decided to include DPB recipients who were living with other adults. One of the lone mothers I interviewed, was living with her parents, and her sister’s husband and children. The basis of my decision was that like the DPB recipient who is partnered but not living with her partner, I postulated that the ultimate responsibility for the child lay with her. My decision may also have been influenced by the fact that I knew that this woman and her daughter had previously lived many years away from their extended family. Not long after I interviewed her she shifted out of her parents’ home again and now flats with another lone mother and her child. She is a New Zealand born Niuean and receives considerable help such as childcare and emotional support from her extended family. It is possible that this support may

mean that she may not feel the urgency to secure her future financially, that a Pakeha lone mother of her age (28) might feel.

Jackson and Poole suggest that the "parent plus others" household type should be recognised as a "quasi-family structure" (1996:170). Rochford replies that, although it is important to recognise that lone parents living with other adults may have more support than lone parents who are the only adults in the household, we cannot assume that this is universally the case (1996:177). This will also be affected by the nature of the relationship between the adults (Rochford, 1996:178). The other adult may be a boarder or flatmate providing little assistance to the lone parent. (Rochford, 1996:178). Rochford argues persuasively that while we should take account of other adults living in the household with a lone parent, this living arrangement should not disqualify the lone parent from being recognised as a lone parent (1996:178).

Lone parents who live with other adults have a higher workforce participation rate than other lone parents (Rochford, 1993). This is likely to be because the other adult provides some informal childcare to the lone mother (Rochford, 1993). It may also be that by sharing expenses the lone parent has more disposable income and is not so weighed down by financial burdens that s/he does not have the resources to secure a job. I have not investigated the issue of lone mothers' living arrangements in my study as it would be difficult for the Government to formulate policy that encouraged lone mothers to live with other adults.

When I was seeking participants a friend suggested I interview a lesbian woman who is living with her partner and on the DPB. This situation is legal because the Social Security Act 1963 covers only men and women who are either married, or in a relationship in the nature of a marriage. Nevertheless I decided not to interview anybody in this situation feeling that they were likely to be

receiving financial, (even if indirect), emotional, and practical support from their partner with the child rearing and that the responsibility for the child/ren is more likely to be shared.

4.4 Age of the Participants' Children

Only lone mothers with school-age children were interviewed for two reasons. In both the overseas and New Zealand literature numerous studies have found that affordable childcare is a prerequisite to workforce involvement for lone mothers of young children (Levine et al., 1993, OECD, 1993, and Bradshaw et al., 1996). Child care is very expensive in New Zealand and, furthermore, the Government acknowledges this (Department of Social Welfare, 1996b:77). I felt that if I interviewed lone mothers of young children much of the focus of my findings would be on the already established need for affordable childcare. I would not be adding to our knowledge of lone mothers' relationship with the workforce. I was also wanting to explore the transition to work, which is more likely to be experienced by lone mothers with older children.

Secondly lone mothers with school-age children are the focus of the debate around workforce participation for lone mothers in New Zealand. In 1991, the Government considered a 20-hour a week work-test on DPB recipients restricting the benefit based on the age of the youngest child (Richardson, 1995:214). The age they were looking at was seven years, presumably the child is seen as having settled into school by this age. This proposal was withdrawn after opposition from within Cabinet (Richardson, 1995:214). The mandatory interviews for DPB recipients introduced in April 1997 start when the recipient's youngest child turns seven. The Compass programme is not available to lone mothers whose child/ren are under five.

My goal was to explore the obstacles and barriers to workforce participation lone mothers with school-age children face given that they are free of their

childcare responsibilities from Monday-Friday, 9-3 during term time. At the time that I was planning the field work it seemed likely that work-testing of this group of DPB recipients was imminent. Indeed part-time work-testing of DPB recipients whose youngest child was six or over was announced by the Government in the June 1998 budget.

4.5 Educational Attainment

I also wanted the women to be “typical” of women on the DPB in terms of their qualifications. One of the most important characteristics of women on the DPB is their tendency to have few qualifications (Rochford, 1993, Levine et al., 1993). This was the main area where I took pains to ensure that my participants were similar to the general DPB population. Qualifications make a huge difference to the choices available to women on the DPB (Levine et al. 1993). I did not want to produce a false picture by interviewing mainly women with qualifications. Two of the six women I interviewed had University Entrance. One of these women had a tertiary qualification. The other four women had three years secondary school or less.

4.6 Participation in Training

I decided to interview only women who were not currently training to explore any barriers faced by lone mothers to gaining qualifications while on the DPB. Gaining qualifications is seen by the Government as the best route into the workforce for DPB recipients (Department of Social Welfare, 1996b). Again, government policy is currently focused on lone parents who are not in paid work or training. Lone parents whose youngest child is six or over are exempt from the work-testing if they are in training.

4.7 Representativeness

While obviously my six participants are not a representative sample of the DPB population and are not intended to be, I decided that it would be appropriate for my participants to roughly mirror the DPB population. My sample therefore

included two women who identified as Maori, one who identified as a New Zealand born Pacific Islands woman, and three who identified as Pakeha.

4.8 Geographical Location

Only women who live in the Greater Auckland Area were interviewed.

Coincidentally, three lived in Waitakere City and three lived in Manukau City.

Both Waitakere City and Manukau City have high concentrations of lone mothers (Social Policy Agency, 1997). Twelve percent of all lone mothers in New Zealand live in Manukau City, whereas only 7% live in Central Auckland (Social Policy Agency, 1997).

Both Manukau City and Waitakere City have high levels of unemployment.

Both childcare and after school care are likely to be less available in these areas than in Auckland Central as these services, partly because of their expense, tend to be concentrated in middle class suburbs. House prices and rents, while cheaper in Manukau City and Waitakere City than Auckland Central and the North Shore are still generally more expensive than the rest of New Zealand.

5. Ethics and Politics of the Fieldwork

5.1 Confidentiality and Anonymity

All the data I collected is confidential to me and the participants are anonymous. I gave each woman a pseudonym and removed any data that may identify the women. All the women wanted the tapes either returned to them or destroyed.

5.2 Undeclared Income

I explained to the participants prior to each interview that my topic did not include examining undeclared income (commonly referred to as money earned by working under-the-table) and should they report any such income I will tell them that I do not need this information for the research. I explained that because under-the-table work is

illegal, I did not want to put any of my participants in a difficult position. Despite this, three of the participants did disclose their involvement in under-the-table work. When I explained that I did not need that information, they persuasively disagreed with me, viewing it as integral to my topic, because of the inadequacy of the DPB and the high abatement of the benefit when legal part-time work is undertaken.

6. The Fieldwork Participants

6.1 Finding the Participants

My research sample is not a random sample, instead I purposefully selected information- rich participants (Patton, 1990). I selected only women on the DPB with school age children who were not currently in training because it seemed likely they would provide a considerable amount of information on lone mothers attitudes to workforce participation. While I deliberately chose these participants, rather than accepting participants at random, I did not have any prior knowledge of the attitudes or of any barriers they had to joining the workforce. I did not intend the sample to be random, and consequently no generalisations can be made from the analysis of this research data. As Patton explains "The sample is illustrative not definitive" (Patton, 1990:173).

I decided to find the participants by networking - asking friends and family, and the staff at voluntary welfare agencies, one where I had previously worked, the other where I was currently still working as a volunteer. The potential participants were asked by the people with whom I networked, if they were interested in the research and if they would consent to their name and phone number being passed on to me.

6.2 Contacting the Participants

I was introduced to Lorna by a family member who met her when they trained together as volunteers with the Citizens Advice Bureau. Vera and Christine I were introduced to me by people at a social service agency where I had previously worked. Vera was currently a volunteer at the agency and Christine

had been. Joan was already an acquaintance of mine. Lois was introduced to me by a staff member of a voluntary welfare agency where I am currently volunteering and Denise was introduced to me by one of my thesis supervisors. Before I interviewed the women I had no knowledge of the specific barriers they faced in undertaking training or full-time employment.

Using networking as a method of locating my participants has meant that four out of the six women have done a considerable amount of volunteer work. In this respect my participants may not be typical of women on the DPB. The Levine et al. study (1993) found that many of their participants were or had been volunteering in the community, but the study did not indicate the extent of volunteering amongst lone mothers. It is likely that the four women in this study undertook more volunteer work in the community than the “typical” lone mother. It is difficult to know what impact, if any, this would have on the findings. However when participants are found by networking it is expected that they will not necessarily be typical or representative of all lone mothers.

6.3 Response Rate

My initial approach to all the participants was over the phone. I introduced myself, outlined the research, and asked them if they were interested in being part of the study. I explained to them the implications of granting consent and informed them of their right to withdraw from the research at any stage of the project. All of those contacted agreed to be participants. When I met the women I gave them an information sheet about the thesis to read.² Each woman then signed a consent form.³

² Attached as Appendix A.

³ Attached as Appendix B.

6.4 The Interviews

I conducted in-depth, semi-structured interviews with six DPB recipients. The purpose of the interviews was to provide case studies of DPB recipients' experience of their relationship with the workforce and their perceptions of the main barriers to their workforce participation. The interviews were semi-structured to allow the possibility of modifying my line of inquiry. I used an interview sheet - a list of topics that needed to be covered,⁴ but had "*no restrictions in the wording of the questions, the order of the questions or the interview schedule*" (Sarantakos, 1993:178). Unstandardised interviews, where the respondents do not choose between given replies, allowed the interviewees to formulate their own responses (Sarantakos, 1993:179). Each interview took between one-and-a-half to two hours. The interviews took place in July and August 1997. Questions were asked about: their employment history, current employment status, attitudes to employment, attempts (if any) to find childcare and employment, future plans regarding training or employment, any obstacles to workforce participation that they identify, their knowledge and opinion of specific government social policies and any alternative policies they would like to see adopted. The interviews were taped with the participants' consent. Most of the interviews took place in the women's homes while their children were at school. Lois chose to be interviewed at my home.

6.5 The Relationship Between Researcher and Respondent

An influential discussion on the relationship between researcher and participants in feminist research is Oakley's (1981) article *Interviewing women: a contradiction in terms*. Oakley's (1981) article was inspired by her intensive research with women about pregnancy, childbirth and motherhood. Initially Oakley approached her research participant with accepted research methodology in mind summed up by her as "be friendly, but not too friendly" (Oakley, 1981:33). On the one hand, the interviewer had to be friendly for

⁴ Attached as Appendix C.

otherwise the participants would feel they were not being listened to sympathetically and might not participate, or participate, but without making an effort. On the other hand, the interviewer was warned not to develop too much rapport as this might bias the interview (Oakley, 1981:36). Oakley argues that information is more freely given and richer data produced when the interviewer invests her own personality in the interview, and strives to create reciprocity and a non-hierarchical relationship in the interview (1981:41)

Mies (1984) points out that when there is a hierarchical relationship between the researcher and the researched this may cause the respondent to distrust the researcher. Sometimes this results in “expected behaviour” where the respondent describes what they think the researcher is expecting to hear, rather than actual behaviour (Mies, 1984:124).

6.6 Engaging with the Participants

Where people were unaware of their benefit entitlements or a government social programme, such as Compass and the Guaranteed Minimum Family Income, I explained it to them. On one occasion I was unsure of Denise’s benefit entitlement so I found the relevant information for her. This approach also reflects feminist theory. The practice of not being distant from participants but engaging with them (Oakley, 1981). Traditional research required that interviewers do not answer any questions from interviewees. One textbook suggested the interviewer “*should laugh off the request with the remark that his (sic) job at the moment is to get opinions not to have them*” (Selltiz et al., 1965 quoted in Oakley, 1981:35). Oakley describes in some detail her experience as a mother interviewing pregnant women and being asked for advice, information, and opinions. It would have been extremely patronising of her to have laughed off these requests. As a middle class woman, and a mother, it is likely that Oakley had ideas that were useful to her participants. Probably by answering these requests she empowered the participants. To have refused

to share her ideas, would amount to refusing to share some of her middle class privilege.

Finch, like Oakley, sees the tremendous advantages of a woman researcher interviewing female participants, "because both parties share a subordinate structural position by virtue of their gender" (Finch, 1984:76).

At the same time that I strove to create an equal relationship in the interview I was mindful that equality can not be created simply on the basis of sisterhood (Vanderpyl, 1994:13). "Differences in class, race, age or that of academic researcher have an important influence on what gets said and in what way" (Vanderpyl, 1994:13-14). While I was aware of the differences between the participants and myself, the fact that I was a woman on the DPB certainly provided a basis for developing rapport in the interviews.

6.7 Analysis of the Data

An issue in transcribing the tapes was the difference between the spoken and written word. The women interviewed did not speak in complete sentences and sometimes changed topic in mid-sentence. For ease of reading I have put what the women said in complete sentences where I felt it was necessary, and this did not detract from the intended meaning. I was concerned that by this process I may have unintentionally put my own ideas into the transcripts (Sarantakos, 1993:199). To guard against this I returned the transcripts to the participants for them to check that they had not been misinterpreted. In fact I had made an error. One respondent had identified a number of issues that influenced her decision to leave the workforce and I had incorrectly emphasised one of the factors.

All the interview data was then grouped into topics using the categories that had emerged from the literature review. The interview data was then compared to the data from the literature drawing out interpretations and findings.

7. Summaries of the Participants' Work Histories

Summaries of the participants' work histories are included here in order that the quotes from the participants used in subsequent chapters can be understood in their context.

Vera

Vera (aged 35) is living with her children aged 19,16,13,12 and 8 in a state rental house. Her eldest child has a 5 month old baby who also lives with them. They identify as a Maori family. Vera left school at 15 when she went to live with her elder sister in a different town in order to shift away from problems at home. Vera worked in a variety of temporary low paid jobs, quitting when she became pregnant to her partner at 16 years. She has been on the DPB since she fled with her children to a women's refuge 10 years ago on discovering that her partner was sexually abusing their four daughters. Her partner went to prison. Four years later, just as the family was coming to terms with the sexual abuse, Vera's ex-partner died causing further stress on the family. In 1995 Vera began working part-time as a budgeter, initially as a volunteer, then as a paid worker receiving \$42 net per week. She was made redundant from the paid job, and remained as a volunteer. She did not receive any redundancy pay. As a volunteer she receives approximately \$25 per week for travel expenses. She is not currently looking for paid work partly because she believes she would not be able to provide enough support for her 8-year-old if she was in full-time work and partly because she wishes to gain more qualifications first. Nevertheless, Vera said that in the unlikely event that she was offered a full-time living-wage job as a budgeter she would take it.

Denise

Denise (aged 35) is living with her 7-year-old son, and her friend Tessa, and Tessa's two year old son. Denise identifies as Maori and she identifies her son as both Maori and Korean (his father's ethnicity). They are renting privately. Denise has been on the benefit since she became pregnant. Denise has never

lived with her son's father. Denise's relationship with her son's father broke-down when her son was eight months old. Denise had to leave school with no qualifications when she left home to escape sexual abuse. Before becoming pregnant she had had a variety of low paid jobs - nurse aid, factory work, managing a take-away bar. Since her son's birth she had one spell working full-time but had to resign because her informal childcare arrangement broke down. She is currently looking for paid work, either full-time or part-time. She has approached a number of employers with no luck to date. Denise's cousin has offered to look after her son after school and during the school holidays.

Joan

Joan (28) lives with her daughter (5 years), her parents, her brother, his wife and two children, and her sister. Joan is a New Zealand born Niuean and her daughter's father is Pakeha. Joan's parents own the home. Joan went to University for 2 years straight from school. She feels she did not do well there because she had no specific career in mind. She went to university not knowing what else to do and because her friends were going there. She then worked as a room attendant in a big tourist hotel for two years, leaving when she was eight months pregnant to her partner (whom she broke up with shortly after giving birth). Joan lived with friends until her daughter was two when, finding she could not make ends meet, she moved in with her parents. Joan did not want paid work while her daughter was a preschooler believing her daughter would suffer. When her daughter was four Joan trained for 5 months from 9am - 3pm as a preschool teacher on a TOPs course. Her family assisted with child care. When Joan's daughter started school Joan registered with New Zealand Employment Service (NZES) hoping to find a part-time job. NZES put Joan on Community TaskForce working 24 hours per week as a teacher aid. Joan enjoys the work but feels it is unfair that it is unpaid. She is hoping to work part-time as a teacher aid when the CTF is finished. Joan does not want to work full-time until her daughter is about ten because she believes it is

important that she is available to her daughter after school and during the school holidays.

Lorna

Lorna (35) was born part Rarotongan, Pakeha and Tahitian, but was fostered by a Pakeha family and identifies as Pakeha. She has a fifteen-year-old daughter whose father is Chinese and an eight-year-old son whose father is Tongan. Lorna's son's Attention Deficit Hyperactive Disability was not diagnosed until he was five years old. Lorna is renting from Housing NZ.

Lorna is very angry about her childhood because she was fostered by people who made her feel bad about her Pacific Islands heritage, and she was sexually abused in two different foster homes. Lorna believes that she had very low self esteem as a result of the abuse and consequently made bad decisions regarding her choice of partners. After gaining two School Certificate papers Lorna left school to get away from a foster home where she was unhappy. Lorna worked as a nurse-aid until she became pregnant with her daughter. She then married and resigned from work. Four years later Lorna left her abusive husband. She was working at the time in a rest-home as deputy matron. Her daughter attended work with her. When she left her husband Lorna and her daughter were able to live-in at the rest-home in return for working long hours. Six years later Lorna became pregnant to another man she wanted to marry. On hearing she was pregnant her boyfriend left her and her employer sacked her saying the rest-home residents would not tolerate an unmarried pregnant woman working in the home. Lorna went on the DPB. Two years later she left the DPB on starting a new relationship. Lorna fled that relationship to a women's refuge. On returning to the DPB Lorna started training to be a nurse. She successfully completed one year with her daughter helping by babysitting her son. Lorna could not continue her training (which now demanded shift work) because of financial, childcare, and transport pressures. Last year her daughter ran away from home to live with her school friend and her parents, partly because she felt

she was expected to do too much childcare while Lorna was doing her nursing training. Currently Lorna is using the time granted to her as respite care because of her son's disability to work part-time at a Women's Refuge. In addition Lorna works as a volunteer at the Citizen's Advice Bureau. She would love to work full-time if she could find a job that pays enough, and if she had support for her disabled son. Lorna is planning to do more training in the future.

Lois

Lois (38) lives with her 12 year old daughter. They are a Pakeha family. Lois left school with Sixth Form Certificate in five subjects and worked full-time in a variety of jobs that paid above average wage rates for women. Lois went on the DPB when her partner left her when their baby was five months old. As soon as Lois could get her daughter into childcare that she could afford (once her daughter turned two) Lois began working part-time. She was paying more money on childcare and transport than she was earning and her benefit was abated so she could not afford to keep her job. The same employer "re-hired" her under-the-table. Lois desperately wanted her own home to ensure some security for herself and her daughter. In order to receive an additional amount under Housing New Zealand's "applicant builder" scheme Lois decided to build her own house. With no carpentry experience, little money, single parenting and working part-time, successfully completing the house was a considerable achievement.

Lois continued to work part-time under-the-table until 1989 when she left the DPB to take up full-time employment. This change did not result in a rise in her income. Two years later Lois was made redundant and returned to the DPB. The following year Lois undertook a full-time year long course in interior decorating passing with honours. Lois tried working as a self-employed interior decorator but found it was too exhausting to combine with childrearing, especially as she had many problems finding suitable after school, evening and

holiday care. After another spell on the benefit and working part-time under-the-table for two and half years, Lois secured a job for 24 hours a week with a social service agency. It paid less than the benefit and she was required to do many additional unpaid hours work. Thirteen months later, broke, exhausted and worried about the stress on her daughter caused by Lois's long working hours she resigned and returned to the DPB. Next year Lois's daughter starts secondary school and Lois is hoping her daughter can be a boarder during the week, securing a good education for her and giving Lois the opportunity to work full-time without childcare difficulties.

Christine

Christine (39) lives with her 15 year old daughter and her 24 year old adopted son who boards with them. They are a Pakeha family. Christine owns her own home with a mortgage. Christine's eldest daughter is 21 and left home a few years ago. Christine left school when she was fifteen with no qualifications and worked in a series of low paid jobs. Christine first went on the DPB when she was 18 and was pregnant with her eldest daughter. The pregnancy was the result of rape. When Christine's daughter was four Christine married off the benefit. Three and a half years later Christine left her husband who was physically and emotionally abusing the children. For the last 14 years Christine has been on the DPB. Christine has done a good deal of volunteer work both with community agencies, her children's schools, and helping friends and neighbours with their children. Christine feels very strongly that her children are her first priority and does not support lone mothers' involvement in the full-time workforce. About eight years ago Christine started training to be a counsellor. However she found she had to withdraw from the course because her eldest daughter, then thirteen, was getting into trouble. Currently Christine's youngest daughter is at correspondence school because she was subject to serious on-going verbal and physical bullying at her local secondary school. Because her daughter is 15, Christine is subject to the part-time work-testing. The Employment Service is currently looking for a part-time job for

Christine which a) allows her to take her daughter with her so that she can supervise her daughter's studies, b) is not too stressful for her heart complaint, and c) is not too physical because she has chronic fatigue syndrome and fibrous mialgia.

8. Conclusion

Many policy initiatives have been made in the last five years to facilitate and push lone mothers into paid work, but little research has been undertaken to assess the impact of these policies. This study has used three different methods to examine lone mothers and paid work. Feminist research methods were employed to produce qualitative data that has been woven through a comparative study of lone mothers in five countries and findings from my analysis of papers obtained under the Official Information Act. Findings from these three sources have been compared and contrasted to try and produce a comprehensive understanding of the relationship between policy and lone mothers' workforce participation. The next chapter, the first to look at the available data on lone mothers, is an attempt to understand the realities lone mothers face. This chapter includes information on both lone mothers' demographic characteristics and their socio-economic characteristics.

4: What is Known About Women on the Domestic Purposes Benefit

1. Introduction

Before analysing the Government's policy of moving women on the DPB into the workforce we need to know the characteristics of this group of women and the factors which are linked with workforce participation for lone mothers. This thesis makes generalisations about women's experiences on the DPB, however it is important to recognise that there is considerable diversity in the experiences of both lone mothers and women on the DPB

As well as masking the diversity in the lives of lone mothers on the DPB, a study such as this thesis can give the impression that lone motherhood is a permanent state. Lone motherhood is a transient state usually ended through repartnering or sometimes when the children leave home. We do not know how many mothers from any one birth cohort have experienced lone motherhood at some stage of their parenting. There is no information on this in the literature, but looking at the issue from a child's perspective, the American Research Council estimated in 1989 that by the time they reach eighteen, at least 50% of American children will have spent some time in a lone parent home (Silva, 1996). The transient nature of lone motherhood gives additional importance to the topic for while policy may be irrelevant to a certain individual today, tomorrow government policy towards women on the DPB may have a huge impact on their lives.

1.1 Data Sources

The Department of Social Welfare is, of course, the main source of information regarding DPB recipients. Two particularly useful monographs obtained under the Official Information Act are *Trends in Benefit Receipt* (1997) by Kay Goodger, and *A profile of sole parents, women alone and carers in receipt of Social Welfare Benefits* by the Social Policy Agency (SPA) in the same year. However, the Department's information is limited, particularly with regard to ethnicity, educational background and work history. Goodger explains that the data on ethnicity is of limited use because it has only recently been collected and consequently only recorded for 79% of current recipients (Goodger, 1997).

Information is also provided in this chapter about all lone mothers in New Zealand in order to compare and contrast their situation with lone mothers on the DPB. Rochford's (1993) analysis of the 1991 census is very comprehensive and has been drawn on extensively throughout the thesis. Where information from the 1996 census has been available this has been also been used. Levine et al.'s (1993) small scale survey of lone parents has also been extremely useful for this chapter and indeed throughout the thesis.

Data that has been disaggregated by gender is not always available, in which case I have used the data for both genders combined. Where the information is only about lone mothers or women on the DPB this has been stated.

The international material that is incorporated in this chapter has been drawn from a wide range of sources. Recent, useful comparative studies are Bradshaw et al. 1996, Whiteford, 1996 and the 1993 Organisation for Economic Cooperation and Development (OECD) survey *Breadwinners and Child rearers*. The OECD updated this survey in 1996 in *Lone Parents: New Challenges and Policy Issues* on the basis of replies to a questionnaire sent to

all member countries. I have obtained a copy of the Swedish Government's reply to this questionnaire, which provides interesting recent material regarding Sweden. Unfortunately neither New Zealand nor Australia replied to the OECD questionnaire (OECD, 1996b:2). This does not undermine the significance of the findings of the questionnaire for seventeen member countries did reply (OECD, 1996b:2).

1.2 Increase in the Number of Lone Parent Families in New Zealand

The growth in the numbers of people receiving the DPB is largely as a result of the dramatic rise in the number of one parent families in New Zealand in the last twenty years. Currently lone parents make up 27% of all families with dependent children (Goodger, 1998b). A number of interrelated factors have contributed to this increase including: a dramatic rise in the divorce rate which has now stabilised at 25 percent of all marriages, an increase in de facto marriage relationships, and society's changed attitude to adoption (Ministry of Women's Affairs, 1997).

It is important to note that while there was a dramatic increase in lone parenthood from 1976 -1991 from 10% of families with dependent children to 24% (Rochford, 1993), over the last five years this increase has slowed considerably, increasing only from 24% to 27% (Statistics New Zealand, 1998a).

Table 4.1: Lone Parent Families as a Percentage of all Families with Dependent Children

| <i>Year</i> | <i>%</i> |
|-------------|----------|
| 1976 | 10 |
| 1981 | 13 |
| 1986 | 18 |
| 1991 | 24 |
| 1996 | 27 |

Source: Goodger 1998b.p.1.

Demographic factors have also impacted on the sheer numbers of lone parents' families. In New Zealand since the 1970s there has been a 45% increase of women of childbearing age (Department of Social Welfare, 1996b). This is a contributing factor to the increase in the numbers of lone parents and the numbers on the DPB, but, of course, it does not explain the increase in the percentage of families with dependent children headed by lone mothers.

1.3 Lone Parents in the Developed Nations

Of the OECD countries only Japan has not experienced a significant increase in the number of lone parent families over the past fifteen years (OECD, 1996b:3). The country with the largest percentage of lone parent families (29% of all families with children) is the United States (Bradshaw et al., 1996). This figure is not much higher than the latest figure for New Zealand at 27% in 1996 (Goodger, 1998b), but the USA figure is from 1991 and may have risen since. The percentage of lone parent families in the United Kingdom is 22%, and Australia and Sweden have around 18% (Bradshaw et al., 1996). Again, these figures are slightly more dated than the New Zealand figure and may have risen

since. However just as the rate of growth of lone parent families has slowed considerably in New Zealand over the last five years this may well be the case for the four other countries in this study.

Table 4.2: The Comparator Countries - Lone Parents as a Percentage of all Families with Dependent Children

| <i>Country</i> | <i>%</i> |
|--------------------|----------|
| Australia (1994) | 18% |
| New Zealand (1996) | 27% |
| Sweden (1990) | 18% |
| UK (1992) | 21% |
| USA (1991) | 29% |

Source: Bradshaw et al., 1996.p.5. The NZ figure is from Goodger, 1998b.p.1.

1.4 Gender

The OECD reports that across countries: "lone parent families are increasing and are increasingly headed almost exclusively by women" (OECD, 1996b:3). In New Zealand lone parent families are overwhelmingly headed by women, 85% in 1996 (Statistics New Zealand, 1998b). As can be seen by the Table 4.3 despite the women's liberation movement and the gains made by women in some areas, the gendered responsibility for children has remained fairly stable. However the percentage of those on the DPB who are male, although still relatively small, increased from 1.5 % of DPB recipients in 1975 to 12% in 1993 (Goodger, 1997). Since 1993, the percentage of DPB recipients who are male has remained constant (Goodger, 1997).

Table 4.3: Gender Distribution of Lone Parents

| | <i>Female</i> | <i>Male</i> |
|------|---------------|-------------|
| 1976 | 84 | 16 |
| 1981 | 86 | 14 |
| 1986 | 87 | 13 |
| 1991 | 84 | 16 |
| 1996 | 85 | 15 |

Source: Goodger, 1998b.p.1.

1.5 Lone Parents, Gender and Employment

When Rochford carried out his comprehensive study of lone parents in 1993, he concluded that lone parents in New Zealand who had a greater chance of being in the workforce were: male, well qualified, and have a youngest child over eight (Rochford, 1993:31-33). While qualifications and age of youngest child remain important, today lone fathers are nearly as likely to be on a benefit as are lone mothers. Fifteen percent of the lone parent population is male compared to 12% of the DPB population (Goodger, 1997). Australia also experienced an increase in the proportion of lone parent beneficiaries who are male from 2% in 1980 to 6% by June 1996 (Department of Social Security, 1997:7).

2. The DPB

2.1 Eligibility for the DPB

Lone parents are not the only group eligible for the DPB. Unpartnered women and men caring for people who would otherwise be hospitalised are also eligible, as are some unpartnered women without dependents who have spent

most of their adult lives out of the workforce raising children. In some cases disaggregated figures are not available and so figures for the entire DPB population have been used. However 96% of DPB recipients are lone parents (SPA, 1997b:2), and where disaggregated figures are available these have been utilised.

2.2 Lone Mothers on Other Benefits

Some lone mothers are in receipt of benefits other than the DPB - such as - Invalids Benefit, Sickness Benefit, Training Benefit or the Unemployment Benefit. I have not included these women in my study as detailed data is not always available for them. In 1997 just over 9,000 lone mothers were on benefits other than the DPB (including Widows Benefit) as compared to 101,551 women who were on the DPB at that time (SPA, 1997b:3).

2.3 The Growth in the Number of People Receiving the DPB

The numbers on the DPB grew by about 10 % each year from the 1970s until the December 1990 cuts were announced (Rochford, 1993:10). The period when the rate of growth was the fastest was from 1986 to 1989 when "the number of DPBs in force increased by 37 percent" (Goodger, 1997). Despite a slowing in growth associated with the benefit cuts and tightened eligibility in the early 1990s, the numbers have increased again since the mid-nineties, but these increases were not nearly as large as the increases of the 1970s and 1980s (see Table 4.4).

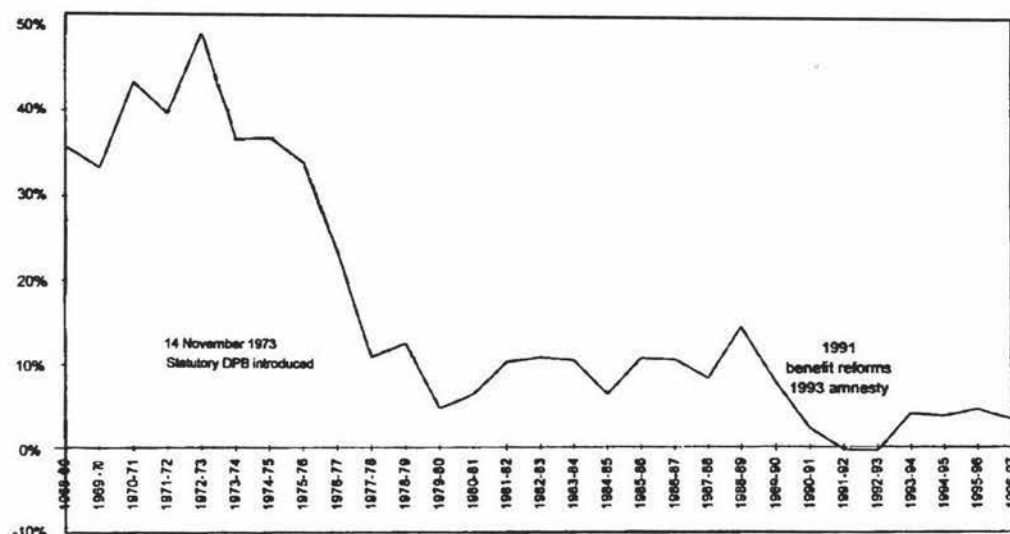
Table 4.4: Numbers in Receipt of the DPB 1975-97, Women and Men Combined

| <i>Financial year</i> | <i>Numbers on DPB</i> |
|-----------------------|-----------------------|
| 1975 | 17,231 |
| 1980 | 37,040 |
| 1985 | 56,548 |
| 1990 | 94,823 |
| 1991 | 97,000 |
| 1992 | 96,722 |
| 1993 | 96,335 |
| 1994 | 100,256 |
| 1995 | 104,027 |
| 1996 | 108,800 |
| 1997 | 112,307 |

Sources: DSW 1996 Statistical Information; *The New Zealand Herald*, 3.9.96; and Goodger, 1997:3.

In November 1996 the Chief Executive of the Department of Social Welfare, Margaret Bazley expressed her “alarm” at the increased rate of DPB recipients despite the fact that the rate of increase has slowed considerably (Baskett, 1996:A17). In fact while the numbers had increased this largely reflected both population growth overall and the growth in women of childbearing years as a portion of the total population (Statistics New Zealand, 1996 Census, Incomes). Between 1991 and 1996 there was little change in the proportion of New Zealanders receiving the DPB (Statistics New Zealand, 1996 Census, Incomes). Work by Goodger (1997) reproduced in the table below shows the changes in the likelihood of women of childbearing age receiving the DPB between 1976 and 1996.

Table 4.5: Percentage Change in Number of Domestic Purposes Benefits in Force 1968 to 1997



Source: Goodger, 1997, Figure 1.

Table 4.6: Ratio of Lone Mothers on the DPB to all Female Population Aged 15-59, 1976-1996

| | 1976 | 1981 | 1986 | 1991 | 1996 |
|-------------------------|------|------|------|------|------|
| lone mothers on the DPB | 2.4% | 3.9% | 5.7% | 8.1% | 8.4% |

Source: Goodger, 1997, Table 1, p5.

Table 4.7: Five-Yearly Percentage Change in Ratio

| | 1976-81 | 1981-86 | 1986-1991 | 1991-96 |
|-------------------------|---------|---------|-----------|---------|
| lone mothers on the DPB | 62% | 47% | 43% | 4% |

Source: Goodger, 1997, Table 1, p5.

In February 1998, Roger Sowry, the Minister of Social Welfare acknowledged publicly for the first time that growth in the DPB had slowed significantly in

recent years (Herbert, 1998:A5). Mr Sowry cited the introduction of the new abatement rates and the extension of the Compass programme as reasons for the declining growth in DPB numbers (Herbert, 1998:A5). The dramatic slow-down in the increase in the ratio of women on the DPB to the female population aged 15-59 has never been acknowledged by the Government publicly in spite of this change being first documented by its own officials.

2.4 The Percentage of Lone Parents Who are on a Benefit (DPB and WB Combined)

The increase in numbers on the DPB is not solely explained by the increase in lone parenthood, as from 1976-1991 there was also a significant increase in the percentage of lone parents who are on a benefit. However, as can be seen from the graph below, there has been a slight decrease in the percentage of lone parents on a benefit from 1991-96.

Table 4.8 Percentage of Lone Parents on a Benefit - (DPB and WB Combined)

| <i>Year</i> | <i>%</i> |
|-------------|----------|
| 1976 | 60% |
| 1981 | 69% |
| 1986 | 77% |
| 1991 | 89% |
| 1996 | 84% |

Sources: Figures 1976-91 from Rochford, 1993:43, Table 2b. The 1996 figure is from Goodger, 1998b.p1.

3. Workforce Participation Rates

3.1 The Years Between 1991 and 1996

Work by Goodger shows that the total workforce participation rate for lone mothers rose from 28% to 36% between 1991-1996 (Goodger, 1998a).

However, as Goodger points out, this employment was mainly part-time which is compatible with receiving the DPB (1998a:93) so lone mothers' increased workforce participation may be overlooked in the welfare debate. The full-time work participation rate rose from 17% to 20%, and the part-time rate rose from 11% to 16% (Goodger, 1998a). While the Maori lone mother workforce participation rate still lags behind the non- Maori rate, the percentage increases between 1991 - 1996 for Maori and non-Maori were similar.

Table 4.9: Percentage of Lone Mothers Employed, 1976 - 1996

| | 1976 | 1981 | 1986 | 1991 | 1996 |
|------------------|------|------|------|------|------|
| All | | | | | |
| Full-time | 25 | 22 | 22 | 17 | 20 |
| Part-time | 15 | 13 | 11 | 11 | 16 |
| Total | 40 | 35 | 33 | 28 | 36 |
| Maori | | | | | |
| Full-time | | | 13 | 9 | 14 |
| Part-time | | | 5 | 5 | 11 |
| Total | | | 19 | 15 | 25 |
| Non-Maori | | | | | |
| Full-time | | | 26 | 20 | 23 |
| Part-time | | | 12 | 13 | 18 |
| Total | | | 38 | 33 | 41 |

Source: Goodger, 1998a:94, Table 1.p94.

Prior to the release of data from the 1996 census, which showed the above increase in workforce participation of lone mothers, the Government was very vociferous about the decline in their workforce participation from 1976-1991. Since the new figures have been released there has been no comment from the Government on this change.

3.2 Comparing the Workforce Participation Rates of Lone and Partnered Mothers

There has been continued rapid increase in the workforce participation rate of partnered mothers in New Zealand (Goodger, 1997). This fact has been used to demand higher workforce participation of lone mothers. This is rather like comparing apples with pears. Partnered mothers share with lone mothers the problem of combining paid work with raising children, but partnered mothers do not have to earn a family wage and can receive assistance with childcare and home-making from their partners.

Table 4.10: Employment of Lone mothers and Partnered Mothers 1976 to 1996

| <i>Mothers</i> | <i>1976</i> | <i>1981</i> | <i>1986</i> | <i>1991</i> | <i>1996</i> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Lone | 40 | 35 | 32 | 27 | 36 |
| Partnered | 39 | 49 | 57 | 58 | 65 |

Source: Goodger, 1998c, Table 1, p144.

Table 4.11: The Comparator Countries - Workforce Participation Rates of Lone and Partnered Mothers in Percentages

| | LONE MOTHERS | | | | PARTNERED MOTHERS | | | |
|----------|--------------|-----------|------------|---|-------------------|-----------|------------|---|
| | <i>FT</i> | <i>PT</i> | <i>ALL</i> | <i>% of employed who are FT</i> | <i>FT</i> | <i>PT</i> | <i>ALL</i> | <i>% of employed who are FT</i> |
| AUS 1994 | 23 | 20 | 43 | 53 | 24 | 32 | 56 | 43 |
| NZ 1996 | 20 | 16 | 36 | 55 | 31 | 27 | 58 | 53 |
| SWN 1994 | 41 | 29 | 70 | 59 | 42 | 38 | 80 | 53 |
| UK 1990 | 17 | 24 | 41 | 41 | 21 | 41 | 62 | 34 |
| US 1992 | 47 | 13 | 60 | 78 | 45 | 19 | 64 | 70 |

Sources: Bradshaw et al., 1996:8, Table 1.3. The New Zealand information in this table for lone mothers is more recent than that of the other countries and is from Goodger, 1998a: 93.

Notable in the above table is that in New Zealand and the United Kingdom, unlike the other countries, the labour force participation rates for lone mothers differs markedly from that of partnered mothers. In both Sweden and the USA lone mother participation rates are high, in part, because eligibility to social assistance is restricted (Bradshaw et al., 1996 and Swedish Ministry of Health and Social Affairs, 1996). The fact that workforce participation rates of lone mothers are similar to partnered mothers in Australia may be influenced, in part, by the fact that in Australia, female wages are 82% of males, whereas in both New Zealand and the United Kingdom they are a low 68% (Bradshaw et al., 1996:65). Lone mothers in paid work need to earn a “breadwinner’s wage” in

order to provide for their family. Information about female wage rates, and their significance are discussed in detail in Chapter 5.

3.3 Lone Mothers' Participation in Part-time Work

Before the 1996 census information was available, the Department of Social Welfare stressed that New Zealand lone mothers have a very low workforce participation rate (Department of Social Welfare, 1996b), but as can be seen in Table 4.11, New Zealand's full-time participation rate is similar to that of Australia and the United Kingdom, countries which are very like our own. However, our part-time participation rate was low in 1991 at 11% and was significantly lower than Australia's and the United Kingdom's. Our part-time rate rose from 11% in 1991 to 16% in 1996 (Statistics New Zealand, 1998a) but this is still a fairly low rate comparatively. Table 4.11 shows that Sweden has a comparatively high part-time participation rate for lone mothers. [This is discussed in the piece about part-time work in Chapter 4.]

New Zealand's low part-time workforce participation rate for lone mothers is likely to be influenced by the extraordinarily high effective marginal tax rates for beneficiaries working part-time. An OECD report *Making Work Pay: A Thematic Review of Taxes, Benefits, Employment and Unemployment* "identified lone parent families as the group most affected by high marginal effective tax rates" (OECD, 1996a:3). The changes to the abatement rate for DPB effective from July 1st 1996 has improved this situation slightly, but not significantly. These changes will be analysed in Chapter 8 on incomes and benefits. Part-time work has been found to be a popular future option DPB recipients. The 1990 survey of the Stepping Out Programme which aimed to encourage lone mothers into paid work found that part-time work was the preferred option of 50% of the women respondents (Rochford and Pawakapan, 1990:30).

3.4 Changes in the Workforce Participation Rates in the Comparator Countries

The decrease in the percentage of lone mothers in paid work in New Zealand during the 1980s is paralleled in the United Kingdom where the percentage in paid work fell from 25% in 1981 to 16% in 1990 (Land, 1994:112). In both the US and Australia the full-time participation rate of lone mothers dropped slightly between 1980 and 1985 and then rose again between 1985 and 1990 (OECD, 1993:13). In the 1990s Australia's rate dropped until 1993, rose until 1995 and then dropped slightly (Whiteford, 1996:28). Workforce participation rates for lone mothers in the USA are high partly because eligibility to a lone parent benefit is strictly limited. Their participation rate seems to have been stable through the 1990s (Whiteford, 1996:28).

In contrast, the full-time participation rate of lone mothers in Sweden rose slightly from 1980 to 1985 and significantly from 1985 to 1990 (OECD, 1993:13). However, in Sweden in the early 1990s the participation rates (part-time and full-time combined) of lone mothers dropped (Swedish Ministry of Health and Social Affairs, 1996), but it remains very high when compared to New Zealand. The participation rate of lone mothers with children under seven years in Sweden, fell from 83 % in 1988 to 74% in 1995 (Swedish Ministry of Health and Social Affairs, 1996). The rate for lone mothers with children aged seven and older fell from 91.4% in 1988 to 85.4% in (Swedish Ministry of Health and Social Affairs, 1996).

Partnered mothers in Sweden have also decreased their labour force participation rate throughout these years, but to a lesser extent than for lone mothers (Swedish Ministry of Health and Social Affairs, 1996). This is in contrast to the other four countries in this study where partnered mothers'

participation rates have increased (OECD, 1996:13-14). Sweden has extensive welfare programmes designed to assist all mothers combine mothering with workforce participation. The Swedish Ministry of Health and Social Affairs believes the recent decrease in mothers' workforce participation is a result of some cut-backs in these social programmes and the rise in the unemployment rate (Swedish Ministry of Health and Social Affairs, 1996). This association between unemployment rates and lone mothers' workforce participation will be explored further in the following chapter.

4. Ethnicity

4.1 Maori Lone Mothers

Any discussion of lone mothers in New Zealand has to incorporate a focus on Maori lone mothers for there has been a phenomenal increase in both Maori lone motherhood and Maori women receiving the DPB over the last twenty years, especially from 1981-1986. There is considerable discussion about the over-representation of Maori. While Maori are over-represented in the lone mother population, it is important to recognise that Maori are more likely to be parents than non-Maori and this explains part of the over-representation. In 1991 nineteen percent of all parents were Maori (DSW, 1996b). When we look at the fact that 31% of the lone parent population are Maori we always need to compare this figure with the percentage of the total parent population who are Maori, rather than the 14.5% of the total population who are Maori.

Table 4.12 Ethnicity of Lone parents in Percentages

| | <i>Pakeha</i> | <i>Maori</i> | <i>Pacific Is.</i> | <i>Other</i> | <i>Total</i> |
|------|---------------|--------------|--------------------|--------------|--------------|
| 1976 | 76 | 19 | 3 | 2 | 100 |
| 1981 | 73 | 20 | 5 | 2 | 100 |
| 1986 | 67 | 26 | 5 | 2 | 100 |
| 1991 | 62 | 29 | 7 | 2 | 100 |
| 1996 | 58 | 31 | 8 | 3 | 100 |

Source: Goodger, 1998b.p.1.

We do not know exactly why Maori have higher lone parent rates than non-Maori. Maori have lower marriage rates than non-Maori and higher separation and divorce rates (McPherson, 1995). One of the reasons for the higher separation and divorce rates is likely to be the financial pressures that many Maori families are under. Poverty and financial worries are strongly linked to couples separating (McPherson, 1995).

As mentioned in the previous chapter the high incidence of lone parenthood amongst Maori may also be a reflection of the disproportionately high rates of mortality, unemployment, and incarceration amongst Maori men resulting in either their absence or their being unable to afford to raise a family. In 1993 twenty four percent of Maori men and 8.7 percent of non Maori men were unemployed. (Statistics New Zealand, 1994:43). Both Maori male mortality and incarceration rates are higher than male non-Maori rates (Statistics New Zealand, 1998g).

Furthermore, there is a strong link between disadvantaged ethnic groups and high rates of lone parenthood in all the developed countries. In all four comparator countries of this study, ethnic minorities are over-represented

amongst the sole-parent population. In Australia 37 % of aboriginal families with children are lone parent families, compared to 13% of all families (Whiteford, 1996:36). In the United Kingdom 49 % of West Indian and 30% of African families with children are lone parent families compared to a general rate of 15% (Whiteford, 1996:36). In the United States 49% of Black American and 30% of Hispanic families with children are lone parent families compared to a general rate of 25% (Whiteford, 1996:36).

4.2 Maori on the DPB

The Department of Social Welfare does not know what percentage of those currently on the DPB are Maori (SPA, 1997b). As at 31 May 1997 the Department only has ethnic affiliation recorded for 79% of DPB recipients (SPA, 1997b). As the SPA explains the ethnicity breakdown of this 79% of DPB recipients cannot be assumed to be the same as a break-down of 100% of recipients, as *“the percentages of all DPB recipients in each ethnic group could be several percentage points higher or lower if those for whom ethnicity is not yet recorded fall disproportionately into one or other of the ethnic groups”* (SPA, 1997:2). We do know that of those taking up the DPB for the year to 30 June 1996 30% were Maori (Department of Social Welfare, 1996b:82). We also know that Maori for whom ethnicity is recorded are over-represented among those on benefit for more than five years, and so it is possible that the available ethnicity data understates the proportion of the DPB population who are Maori (SPA, 1997b).

The difference in workforce participation rates between Pakeha and non-Pakeha lone mothers can largely be explained by the low qualification levels of the non-Pakeha population and the fact that Maori and Pacific Islands lone mothers tend to have younger children than Pakeha (Rochford, 1993). *“When age of youngest child and education were also taken into account, ... , the differences*

in employment rates between the ethnic groups were not as great”...
(Rochford:1993:32).

Jackson and Pool (1996) have also examined how demographic factors influence the over-representation of Maori on the DPB. The Maori population is structurally younger than the Pakeha, and its families are compositionally younger (Jackson and Pool, 1996). Consequently Maori have a greater risk than Pakeha of lone parenting at younger ages (Jackson and Pool, 1996). As described above Maori are also more likely to be lone parents than non-Maori. In New Zealand the younger one is the more likely one is to be unemployed (Jackson and Pool, 1996). Furthermore Maori rates of unemployment are far higher than non-Maori (Jackson and Pool, 1996). The net effect of all these factors combined is that Maori lone mothers have an increased likelihood of being on the DPB than non-Maori (Jackson and Pool, 1996).

Table 4.13: Ethnicity (of the 79% of DPB Recipients whose Ethnicity is Known) of Lone Mothers on the DPB

| <i>Ethnicity</i> | <i>%</i> |
|------------------|----------|
| Pakeha | 48 |
| NZ Maori | 38 |
| Pacific Islands | 9 |
| Other | 5 |

Source: SPA, 1997:3.

Over 20% of all Maori women received the DPB at some time during 1991 compared to 5% of all non-Maori women (Statistics New Zealand, 1993:116). While this figure for Maori women seems impossibly high it partly reflects the lower life expectancy of Maori. The low life expectancy of Maori means that a

higher percentage of Maori than non- Maori are in the childbearing age group. For instance in 1991 twenty-three percent of all Pakeha women received superannuation, while the comparative figure for Maori women was only 7% (Statistics New Zealand, 1993:116). The high rate of receipt of the DPB amongst Maori women is important because it means that any changes to the DPB regulations and rate has a massive impact on the Maori community. When the Government cut the DPB in 1991 it was reducing the income of nearly one fifth of Maori women, a group who were already under considerable financial pressure prior to the cuts (Rochford, 1993).

As can be seen in Table 4.12 between 1981 -1986 there was a considerable increase in the percentage of lone parents who were Maori (from 20% to 26%). Since 1986, while the percentage has continued to increase the pace of the increase slowed from 1986-1991 and then slowed further from 1991-1996. These rises will be slightly less significant than they appear because the proportion of the total population who identified as Maori rose at the same time. From 1991 to 1996 the proportion of the population who identified as Maori rose from 12.4 % to 14.5% (Statistics New Zealand, 1998).

4.3 Pacific Islands Lone Mothers

Seven percent of all lone mothers were Pacific Islands peoples in 1991 (Rochford, 1993:34). Between 1986 and 1991 the population of Pacific Islands lone parents grew faster than did any other ethnic group (Rochford, 1993:34). By 1996 26% of Pacific Islands families with children were one-parent families (Statistics New Zealand, 1998b). In the six months to 30 June 1996 nine percent of DPB grants were made to Pacific Islands peoples (Department of Social Welfare, 1996b:82), while at that time Pacific Islands peoples made up 4.8% of the total population (Statistics New Zealand, 1998). The 1996 Census

found that 12% of all Pacific Islands women were receiving the DPB (Statistics New Zealand, 1998).

5. Other Demographic Characteristics

5.1 Marital Status

The Department emphasises that there has been an increase in the number of DPBs classifying themselves as single (Department of Social Welfare, 1996b). This may however simply reflect a growing preference for cohabitation rather than marriage (Dearnaley, 1997). Rochford found that never-married lone mothers had a lower workforce participation rate than did divorced or separated mothers (Rochford 1993). Again this information is not very useful because we cannot be sure whether these never-married mothers were unpartnered when their child/ren were born or whether they went on the DPB when their de facto relationship ended. The data has become even more confused in recent years. Goodger explains: *"There is some evidence that, since the introduction of SWIFT, (the Department of Social Welfare's data base) at the end of 1991 the "single" category benefit statistics does not mean the same as the "unmarried" category in earlier statistics and may now include some people formerly living in de facto relationships. For example even male lone parents DPB coded as "single" now outnumber males coded as "separated from de facto" (1997:11).*

There is no reason why single lone mothers would be more likely to be on social assistance than once married or formerly cohabiting lone mothers. This is backed up by the data from Sweden where 46% of lone mothers are classified as single, compared to 38 % in New Zealand, (Bradshaw et al., 1996:17) yet Sweden has a high workforce participation rate. Where single lone mothers do have a lower workforce participation rate than once-partnered mothers this might be linked to other factors associated with unplanned pregnancy such as lack of formal education.

5.2 The Average Age of DPB Recipients

There is a myth that most women on the DPB are teenagers. This is not the case. The average woman on the DPB is about 30 years (Department of Social Welfare, 1996b). The DPB population is aging (Department of Social Welfare, 1996b). In 1981 52% of the DPB population were thirty years or older but by 1997 this percentage had risen to 57% (Social Policy Agency, 1997b). The aging of the population reflects both changes in the age-structure of the population as a whole and a tendency to delay childbirth (Department of Social Welfare, 1996b). This change is also occurring in the other developed countries. In the United Kingdom the median age of all lone mothers is 32 years old (MacDermott et al., 1998).

Goodger observes that the peak age for receipt of the DPB for men *“has shifted from 30-34 in 1991 to 35-39 in 1996, possibly reflecting the aging of a cohort who came onto the benefit during the period of high unemployment which began in the late 1980s”* (1997:7). This link between unemployment rates and DPB receipt will be examined later.

Table 4.14: Age by Ethnicity - Lone Mothers on the DPB

| Age group | Pakeha | Maori | Pacific Is | All |
|-----------|--------|-------|------------|-----|
| | % | % | % | % |
| Under 20 | 3 | 7 | 5 | 4 |
| 20-29 | 38 | 49 | 45 | 39 |
| 30-39 | 39 | 33 | 35 | 38 |
| 40-49 | 15 | 9 | 12 | 14 |
| 50+ | 5 | 2 | 3 | 5 |

Source: SPA, 1997, Table 5, p4.

As can be seen in Table 4.14 Maori and Pacific Islands women on the DPB are younger than Pakeha. Maori women begin child-bearing at a much younger age than non-Maori (Jackson and Pool, 1996). In 1995 the median age at childbearing was 25 for Maori and 29 for non-Maori (Statistics New Zealand, 1998g). The tendency for Pakeha women to delay childbirth is significant when looking at lone mothers' workforce participation (Jackson and Pool, 1996 and Goodwin, 1996). Pakeha women have a higher labour force participation rate than do Maori between the ages of 20-24 partly because of Pakeha delayed childbearing (Goodwin, 1996:45). During this time Pakeha women in the workforce gain work experience, skills, qualifications and seniority which greatly increases both their chances of re-entering the workforce after childbearing and their earning capacity (Goodwin, 1996:45).

Goodger's work shows that it is lone mothers in their twenties and late forties who have shown the greatest increase in employment among non-Maori lone mothers from 1991 to 1996 (1998a:94). Goodger suggest three possible reasons for this: younger women may feel more comfortable about using childcare, they may be more likely to be living with other adults who assist with the child care and they may be part of the growing trend for poor mothers with young children providing childcare in their own home (Goodger, 1998a:94). As Goodger proposes, more research is needed to understand this change (Goodger, 1998a). Maori lone mothers have not paralleled the behaviour of non-Maori (Goodger, 1998a:94). For Maori lone mothers the increase in workforce participation has been across all ages (Goodger, 1998a:94).

5.3 Teenage Lone Mothers

Both a *Listener* article (8.3.97) and the Department of Social Welfare 1996 briefing to the incoming government emphasised that: *"In the five years to March 1996, the number of teenage women on the DPB dropped from 4,230 to*

3,901, a decline of 8 percent" (Department of Social Welfare, 1996b:83).

While this data is correct Goodger explains that this decrease reflects "*the increase in the age of eligibility from 16 to 18 in August 1991 and the smaller birth cohorts now in these ages*" (1997:9).

Emphasising the decline in the number of teenage women on the DPB masks the fact that our teenage fertility rate is still very high, especially when compared to countries of the European Union. At 35 births per thousand teenage girls it is the second highest in the developed world behind the United States (Baragwanath, (1997:98). It is considerably higher than the rates in the European Union of 15 births per thousand (Baragwanath, 1997) and the Australian rate of 21 births per thousand (Department of Social Security, 1997:5). While teenage pregnancy rates are dropping in the European Union, New Zealand's teenage pregnancy rate has increased since 1994, with the Maori rate about 6,000 higher per 100,000 population than among non- Maori (Dearnaley, 1997).

While the DPB population is aging the fact remains that lone mothers are still three times more likely to be aged under twenty five years than are partnered mothers (Statistics New Zealand, 1998a). Although the DPB ethnicity data is incomplete, of those for whom ethnicity is recorded "*at time of granting benefit, 10% of Pakeha, 21 % of Maori and 13% of Pacific Islands people are aged under 20*" (Ministry of Women's Affairs, 1997d:1).

There is no New Zealand data regarding the employment patterns of lone mothers who had their first child while still teenagers, 'once teenage mothers', but a recent British study found that these mothers "*were not significantly different from their older counterparts in their chances of leaving Income Support, and were no more likely to be long-term reliant on Income Support*" (<http://www.jrf.org.uk/social policy>, 1998:1). These finding seem to contradict

Jackson and Pool's and Goodwin's concerns above regarding early childbearing among Maori. However, it could be that the lower socio-economic status of Maori, coupled with racism mean that Maori teenage pregnancies are more of a barrier to workforce participation than teenage pregnancies as a whole. Little research has been done in this area. Longitudinal research is needed to fully understand the relationship between younger childbearing and workforce participation rates among lone mothers.

5.4 The Number of Dependent Children

In all five countries being examined here the most common lone parent family consists of only one child (Bradshaw, 1996:19-20). The more children a lone mother has the higher her chances of being on social assistance (Bradshaw, 1996). The more children a female DPB recipient has the longer she is likely to stay on the DPB (SPA, 1997b).

Table 4.15: Number of Children by Ethnicity for Female DPB Recipients

| <i>Number of Children</i> | <i>Pakeha %</i> | <i>Maori %</i> | <i>Pacific Islands %</i> | <i>All %</i> |
|-------------------------------|-----------------|--------------------|------------------------------|------------------|
| 1 | 52 | 48 | 44 | 49 |
| 2 | 32 | 30 | 29 | 32 |
| 3 | 12 | 14 | 16 | 13 |
| 4 plus | 4 | 7 | 11 | 6 |
| All known % | 100 | 100 | 100 | 100 |

Source: SPA, 1997, Table 18, p9.

In New Zealand in 1987 fifty-two percent of DPB recipients had just one child (Goodger, 1997:15). By 1997 this had declined to 48% (Goodger, 1997:15). This could be a reflection of the increase in the percentage of the DPB population over this time who are Maori or Pacific Islands peoples.

5.5 The Age of the Children of DPB Recipients

In New Zealand it is illegal to leave children under the age of 14 unsupervised by an adult. The vast majority of the children of DPB recipients are under 14 (92 %) and so it is illegal for these children to be alone while their parents are at work (Department of Social Welfare, 1996:82). Lone parents with children under seven make up 66% of the DPB population (Department of Social Welfare, 1996:82). These figures highlight the importance of the provision of childcare, out of school care, and school holiday programmes as part of any policy facilitating DPB recipients into the workforce.

Table 4.16: The Comparator Countries - Percentage of Lone Parents with Children Aged Under 5 or 6 years

| Country | % |
|-------------|-----|
| Australia | 34% |
| New Zealand | 41% |
| Sweden | 39% |
| UK | 46% |
| US | 42% |

Source: The New Zealand figure is from Goodger, 1998b:1, and the figures for the comparator countries are from Bradshaw et al., 1996:19.

5.6 The Age of the Youngest Child of Lone Parents

The workforce participation rate of lone mothers is strongly linked to the age of their youngest child. The older the youngest child the more likely the mother is to be in the workforce (Rochford, 1991:31). In New Zealand one third of DPB recipients had a youngest child aged two or under, half had a youngest child aged 5 or under, and two-thirds had a youngest child aged under seven (SPA, 1997b). In Australia, the United Kingdom, and New Zealand full-time employment rates for lone mothers double when the youngest child turns school age, and for partnered mothers they increase by between two thirds and three-

quarters (Whiteford, 1996:31). Consequently, it is very significant that the recent increase in workforce participation of lone mothers in New Zealand has been strongest amongst those with young children (Goodger, 1998a:95). All mothers with pre-school children have increased their workforce participation in recent years (Goodger, 1998a:95). As Goodger suggests this change is likely to be influenced by the growing social acceptability of combining mothering young children and paid work (Goodger, 1998a:95).

Nevertheless the link between the age of the youngest child and workforce participation for lone mothers remains strong. The trend identified in Table 4.17 of an increase in the percentage of lone parents whose youngest child is under five between 1981 and 1991 is likely to have been part of the reason for the decrease in workforce participation amongst lone parents during this same period. As can be seen this trend reversed slightly between 1991 and 1996.

Table 4.17: Percentage of Lone Parents Whose Youngest Child is Between 0-4 Years Old

| <i>Year</i> | <i>%</i> |
|-------------|----------|
| 1976 | 33% |
| 1981 | 32% |
| 1986 | 35% |
| 1991 | 42% |
| 1996 | 41% |

Sources: The source for the 1976-1991 figures is Rochford, 1993, Table 6 and the source for 1996 is Goodger, 1998b.

I have not been able to find international data regarding whether this trend of a decrease in the age of the youngest child of lone parents is occurring elsewhere. In New Zealand this trend is likely to be a reflection of the declining fertility rate across all ethnic groups. The increase in the percentage of children to lone

parents who were pre-school age between 1981 and 1991 is likely to reflect the increase in the percentage of lone parents who are either Maori or Pacific Islands peoples because, as can be seen in the table below, the average age of the youngest child of Maori and Pacific Islands peoples is significantly lower than Pakeha recipients (Rochford, 1993).

The fact that Maori and Pacific Islands lone parents have younger children than Pakeha contributes considerably to the lower workforce participation rate of Maori and Pacific Islands lone parents (Rochford, 1993).

Table 4.18: Age of the Youngest Child by Ethnic Group of Lone Parents 1996

| | Pakeha | Maori | P.I. | Other | Total |
|---------|--------|--------|-------|-------|---------|
| | % | % | % | % | % |
| 0-4 yrs | 35 | 51 | 52 | 25 | 41 |
| 5-8 yrs | 25 | 22 | 21 | 19 | 23 |
| 9-12 | 19 | 14 | 13 | 21 | 17 |
| 13-15 | 12 | 14 | 9 | 9 | 20 |
| 16+ yrs | 9 | 4 | 5 | 16 | 7 |
| n | 71,727 | 38,649 | 9,900 | 4,284 | 126,585 |

Source: Goodger, 1998b.p.1.

5.7 Average Duration on the DPB

Goodger explains that it is difficult to accurately analyse the average amount of time spent on benefits: *"In earlier years, the department published figures on the average duration of benefits which had ceased and, more recently, the average duration of benefits which are still current. Neither measure can accurately represent total completed durations or expected durations for those*

who are beginning a period of benefit receipt. They do not show the length of time that people typically remain on benefit. These measures are no longer published" (1997:17).

The Treasury and SPA are currently working on a longitudinal study of benefit duration entitled "the benefit dynamics project" (Ministry of Women's Affairs, 1997). This project studied benefit use over a three year period by people granted the DPB in the September 1992 quarter and found that 40% had ended their initial spell but returned to a benefit at least once within the three years (Goodger, 1997). Twenty-nine percent of those granted the DPB in that quarter left the benefit and did not return within the three years (Goodger, 1997). Thirty one percent of those who moved on to the DPB in that quarter received it continuously over the following three years (Goodger, 1997).

Of those beneficiaries who returned to a benefit within the three years it would be extremely useful to know how many of them had left because they had repartnered and how many had moved into employment. While in the US it is quite common for lone mothers to move frequently from welfare to employment and back again (Ministry of Women's Affairs, 1997) we can only guess that this is less common in New Zealand, based on Levine et al.'s (1993) findings that only 17% of their participants had left the benefit to take up paid work. However the Levine et al. study (1993) is now six years old and workforce participation has increased slightly over this period so those leaving the DPB to enter employment may have increased slightly from this extraordinary low figure of 17%.

In 1994 Nixon and McCulloch reported: "*the longer a beneficiary remains on a benefit, the longer they could be expected to remain on the benefit in the future*" (1994:64), but the Benefit Dynamics Project's work shows that "*the probability of remaining on the Domestic Purposes Benefit declines with*

increasing time spent on benefit" (Goodger, 1997:19). This finding is supported by a study in the United Kingdom, which states: "*there appears to be no evidence of duration dependence for lone mothers. That is, being on Income Support does not in itself lead to longer Income Support spells*" (Shaw, Walker, Ashworth, Jenkins, and Middleton, 1996:141).

DPB recipients stay on income support for shorter periods than do Invalid Beneficiaries and Widows Beneficiaries. The benefit dynamics project shows: "*that after 3 years and 8 months, the proportion of those granted DPB in the September quarter of 1992 who were still on the same benefit spell had declined to 25 percent. In comparison, 53 percent of those granted Invalids Benefit and 39 percent of those granted Widows Benefit in the third quarter of 1992 were still on benefit*" (Goodger, 1997:18). As Else notes "the DPB is far from becoming a way of life: 80% cease receiving it within six years (Else, 1997:21).

In the United Kingdom lone parents spend on average about six years on Income Support (MacDermott et al., 1998). A recent British study by Noble, Smith and Cheung, (1998) found that there was a significant amount of movement on and off benefits. When these were disregarded, only 43% of the lone mothers who were on Income Support at the beginning of the observation period were still there four years later (referred to at <http://www.jrf.org.uk/social policy>, 1998).

5.8 Reason for Leaving the DPB

Levine et al.'s 1993 research found that almost half of those ceasing the benefit for the year ended March 1993 did so because of "change in marital circumstance", while only 17% did so because they were "placed in work" (Levine et al, 1993). Goodger reports that while Income Support records the

reason people leave the DPB there are approximately 400 different classifications(!) and only one is coded, and so the data is not very useful (1997:20). However, it is notable from this data that those canceling to take up employment increased from 1993 to June 1997 with a very small decrease from 1995 to 1996 (Goodger, 1997:20). In the first half of 1997, eleven percent of DPB cancellations were prompted by people transferring to another benefit and 29% were because they had reconciled with a former partner or re-partnered (Goodger, 1997:20).

A US study found that lone mothers who exited the benefit due to work had a far greater chance of returning to the benefit than exits provoked by other factors (Harris, 1996). More than half of those exiting due to work in the US return to welfare because of work instability (Harris, 1996). This highlights the problem that most lone mothers have few qualifications and therefore can only find work in the secondary labour market, probably with less job security. This study found that repeated spells on the benefit is associated with: social isolation, childcare responsibilities, human capital, and family economic status (Harris, 1996). Similarly, another US study found that those mothers most vulnerable to repeated spells had the least work experience and education (Edin and Lein, 1996).). One US study found that a staggering 75% of those who left welfare eventually returned (McKenzie, 1997:103).

In New Zealand the evaluation of the national Compass pilot (outlined in Chapter 9 on government programmes) found that factors which reduced chances of leaving employment and returning to the DPB included: being male, having worked part-time while receiving the benefit, and receiving the Child Care Subsidy (Colmar-Brunton, 1997:27).

6. Socio-economic Characteristics

6.1 Percentage of DPB Recipients Who Receive the Accommodation Supplement

In New Zealand the Accommodation Supplement (AS) is means-tested and only paid to those on very low incomes, who have to pay accommodation costs above a certain threshold. The vast majority of female DPB beneficiaries (86%) received the AS in the year to June 1997 (SPA 1997). In the year after the 1991 benefit cuts receipt of an additional benefit to assist with housing costs leapt from 38% of DPB recipients to 73% (Goodger, 1997:25).

The high percentage of DPB recipients receiving the Accommodation Supplement highlights the difficulty of raising a family on one income. DPB recipients make up 32.3 % of all recipients of the Accommodation Supplement (DSW, 1997b, Table 52). DPB recipients also receive a higher average weekly AS payment at \$57.87, compared to the total average weekly AS payment of \$41.59 (DSW, 1997b).

In the United States and the United Kingdom lone mothers on social assistance lose their housing subsidies if they enter employment (Bradshaw et al., 1996, and Albelda and Tilly, 1997). In this way housing costs act as a disincentive to workforce participation for lone mothers.

In New Zealand even though those in paid work are eligible for the Accommodation Supplement (AS), receipt of the AS also decreases the financial incentive to take up full-time employment and move off social assistance. The SPA explains: *"Because AS abatement is suspended until the benefit fully abates, people in employment and not on benefit can get much less AS than people who are on a benefit and working part-time, even if they have the same income (abating AS from the first dollar of income up to \$80 per*

week reduces the difference). As a result those who receive AS also have a smaller financial incentive than those who do not to move into full-time work and completely off benefit” (SPA, 1997:19).

6.2 Percentage of DPB Recipients Who Receive the Special Benefit

One indication of the fact that DPB recipients are amongst the poorest group in New Zealand is the high percentage who receive the Special Benefit relative to other low income groupings (DSW, 1996). Special Benefit is heavily means-tested and paid only to those who have “ongoing expenses related to special or unusual circumstances or financial commitments” (DSW, 1996:62). To be eligible for a special benefit applicants must prove that their essential expenses are at least \$10 greater than their income. Benefit Rights groups have found that it is difficult to convince Income Support to grant the Special Benefit. The percentage of DPB recipients receiving a Special Benefit declined from 18% in June 1995 to 10% in June 1997 (Goodger, 1997). This was reported to be “primarily due to a more careful application of the special benefit regulations” (DSW, 1997:71).

The highest recipients of Special Benefit are lone mothers on the DPB, 11 % as at 31 May 1997 compared to 8% of lone fathers (SPA, 1997:21). Rates of receipt were higher than average for Pacific Islands female DPB recipients at 16%. This is not surprising given the high levels of poverty amongst the Pacific Islands community. Unexpected though, is the lower rates of receipt for Maori, female DPB recipients at 8% (see Table 4.19).

Table 4.19: Lone Mothers on the DPB Receipt of Special Benefit by Ethnicity

| <i>Ethnicity</i> | <i>%</i> |
|------------------|----------|
| Pakeha | 12% |
| Maori | 8% |
| Pacific Islands | 16% |
| All | 11% |

Source: SPA, 1997:21, Table 46.

6.3 Disability Allowance

DPB recipients can receive Disability Allowance (DA) either on account of their own health/disability issue or their child/ren's. It is paid to cover the costs of medical fees, telephone costs, prescription charges and personal health-related transport costs.

Like the Accommodation Supplement there was also a leap in the percentage of DPB recipients receiving the DA in the years following the 1991 benefit cuts (Goodger, 1997). Following the benefit cuts many DPB recipients found it hard to make ends meet. Those that were eligible for the DA, but not receiving it, are likely to have taken it up at this time. Now that the basic benefit is so meagre it is likely that most of those who are eligible are receiving the benefit. Consequently, receipt of DA amongst beneficiaries can be taken as a rough indicator of the number of beneficiaries who are barred from employment due to ill-health/disability. This stated, it is important to note that this is a very imprecise indicator which may under - or overstate the case (SPA, 1997b). The Social Policy Agency suggests that a more accurate indicator will be the number of currently work-tested DPB recipients who have been granted exemptions (1997). This information was not available at the time of writing.

Table 4.20: Percentage of DPB Recipients Receiving the Disability Allowance

| <i>Year</i> | <i>%</i> |
|-------------|----------|
| 1989 | 3% |
| 1990 | 5% |
| 1991 | 6% |
| 1992 | 9% |
| 1993 | 15% |
| 1994 | 17% |
| 1995 | 18% |
| 1996 | 21% |
| 1997 | 22% |

Source, Goodger, 1997:25, Table 8.

Table 4.21: Lone Mothers on the DPB Receipt of Disability Allowance by Criteria

| Criteria | % |
|-------------------|-----|
| For self | 10% |
| For child | 11% |
| For self or child | 17% |

Source: SPA, 1997:17, Table 38.

Of those for whom ethnicity data is coded, Pakeha recipients were far more likely to receive DA than either Maori or Pacific Islands recipients (see Table 4.22). This is an unexpected finding given that Maori and Pacific Islands health is worse, and their incomes are lower, than Pakeha (Durie, 1998), and would

seem to suggest that Maori and Pacific Islands women are not receiving much-needed income to which they are entitled. We do not know whether this is because they are not aware of their entitlement (Levine et al.'s 1993 study found that Pacific Islands lone parents had less awareness of their entitlements than did other ethnic groups) or whether Income Support staff are assessing their entitlement more stringently than that of Pakeha. Alternatively, there may be greater use of disability and health services among Pakeha than among Maori and Pacific Islands lone mothers.

Table 4.22: Female DPB Recipients Receipt of Disability Allowance by Ethnicity

| <i>Ethnicity</i> | <i>%</i> |
|------------------|----------|
| Pakeha | 20 |
| Maori | 13 |
| Pacific Islands | 10 |

Source: SPA, 1997, p18, Table 42.

Work by SPA also found that: *"For all ethnic groups, the likelihood of receiving DA in respect of a child tends to be lower for those with a child in an older age group. In contrast, the likelihood of receiving DA in respect of the recipient's own health or disability is higher for those with a youngest child in an older age group. For example, just under one in five Pakeha women with a youngest child aged 14 or over receive DA on account of their own illness or disability compared to just over one in 10 Pakeha women with a youngest child aged 7"* (SPA, 1997:18). The Social Policy Agency does not investigate why this might be so. It could be related to the fact that those with children in a older age group are likely themselves to be older and to have been on the benefit for longer. The older one is the more likely one is to have ill-health or a disability.

6.4 Educational Qualifications

DPB recipients have very low formal educational levels. *“Approximately 52 percent of all domestic purpose beneficiaries have no qualifications and a further 16 percent have school certificate only. Of women currently employed only 26 percent have no qualifications and a further 16 percent have school certificate only”* (Nixon and McCulloch 1994:64). Sixty six percent of Maori lone parents had no educational qualifications as compared to 59 % for Pacific Islands and 40 % for Pakeha (Cabinet ETE:1995:6). The lack of formal qualifications of lone mothers in New Zealand plays a large role in the high percentage of lone mothers who are on a benefit. This will be explored in full in the chapter on work.

6.5 Location

Maori and Pacific Islands DPB recipients are concentrated in certain regions and these regions are distinguished by high unemployment rates (SPA, 1997b). Over half of Maori DPB recipients lived in Northland, South Auckland, the Bay of Plenty, and the Hawkes Bay and East Coast regions (SPA, 1997b). Pacific Islands recipients are concentrated in the Auckland and Wellington metropolitan areas (SPA, 1997b). In contrast, Pakeha women are much more likely to live in Canterbury, Otago and Southland than do Maori or Pacific Islands recipients (SPA, 1997b). The geographical distribution was not affected significantly by length of time on a benefit or age of the youngest child (SPA, 1997b).

Table 4.23: Location of Female DPB Recipients by Ethnicity in Percentages.

| <i>Location</i> | <i>Pakeha</i> | <i>Maori</i> | <i>Pacific Islands</i> | <i>All</i> |
|---------------------------|---------------|--------------|------------------------|------------|
| Northland | 4 | 10 | 1 | 5 |
| N/W Akld | 12 | 6 | 13 | 10 |
| Central Akld | 6 | 4 | 18 | 7 |
| Sth Akld | 5 | 15 | 43 | 12 |
| Waikato | 8 | 9 | 1 | 8 |
| Bay of Plenty | 9 | 18 | 4 | 11 |
| Taranaki/ Wanganui | 6 | 7 | 0 | 6 |
| Hawkes Bay/ East Coast | 6 | 11 | 2 | 7 |
| Lower Nth Is | 9 | 6 | 2 | 7 |
| Wellington | 7 | 7 | 13 | 8 |
| West Cst/ Upper Sth Is | 6 | 2 | 0 | 4 |
| Canterbury | 12 | 3 | 2 | 9 |
| Otago/Sthld | 10 | 3 | 1 | 7 |

Source: SPA 1997b:27 Table 65.

7. Factors Associated with Lone Parents' Employment

The Bradshaw et al., (1996) report emphasises that demographic characteristics are not the sole determinants of lone mothers' employment participation rates. They cite France, Sweden and possibly Belgium as countries "*which succeed in 'bucking' the characteristics of their lone mother families and have higher employment rates than might be expected*" (Bradshaw et al., 1996:23).

Subsequent chapters explore other issues that also have an impact such as labour demand, female wage rates, the socio-cultural background, and government programmes.

In countries which do not have extensive programmes designed to assist parents combine parenting with paid work qualification levels and the age of the youngest child are closely associated to lone mothers' workforce participation. Furthermore, the OECD report found that lone mothers were "*more likely to participate in the labour force if they are already employed when they become lone mothers*" (OECD, 1993:64). From this they conclude that Governments which are seeking to increase the participation rate of lone mothers should introduce measures designed to increase the rate of all mothers (OECD, 1993:64).

While the Levine et al. study does not comment on whether their participants in paid work had been in paid work when they became lone parents, they did find that all the participants they interviewed who were in work had had "substantial experience in paid work before becoming lone parents" (Levine et al., 1993:11). Levine et al. believe that these lone parents undertook paid work because they were individuals "embedded, so to speak, in the world of paid work" (1993:12). This may indeed be true. However, having strong attachment to the workforce may also be a result of having a high earning potential. In the Levine study one of the characteristics that distinguishes those in paid work from those that are not, is their much higher earning capacity (Levine et al., 1993:12). Consequently, it could be that lone mothers in New Zealand are more likely to be in paid work if they have a relatively high earning capacity, rather than because of their sense of belonging in paid work. Or that having a high earning capacity has a huge impact on whether lone mothers have a sense of belonging in paid work. Further research is needed on these issues.

8. The Characteristics of the Fieldwork Participants

Table 4.24 summaries the main characteristics of the participants whom I interviewed. Remembering that only women on the DPB with school-age children were interviewed whereas the previous information refers to all women

on the DPB, these women seem a fairly typical cross section of this group. As a group they have few qualifications and all have high accommodation costs. Most of the women have only one child, with the noticeable exception being Vera, a Maori woman with 4 dependent children. Both of the Maori participants have no formal qualifications. As stated above this is a significant factor in the low workforce participation rate of Maori lone mothers. The participants' work, education, financial, and mothering histories will be discussed in more depth in later chapters.

Table 4.24: Demographic Characteristics of the Participants

| | <i>Age</i> | <i>Formal Quals.</i> | <i>Ethnicity</i> | <i>length of this spell on the DPB</i> | <i>Age of youngest child</i> | <i>no. of dependent children</i> | <i>married/ de facto when child born</i> | <i>Previous spells on DPB</i> |
|-----------|------------|--------------------------|------------------|--|--------------------------------------|--|--|---------------------------------------|
| Lorna | 35 | SC | Pakeha | 8 yrs | 7 | 2 | yes | yes |
| Vera | 35 | nil | Maori | 10 yrs | 8 | 4 | yes | no |
| Denise | 35 | nil | Maori | 7 yrs | 7 | 1 | no | no |
| Lois | 38 | dip. | Pakeha | 2 yrs | 12 | 1 | yes | yes |
| Christine | 39 | nil | Pakeha | 14 yrs | 15 | 1 | yes | yes |
| Joan | 28 | UE | PI | 5 yrs | 5 | 1 | no | no |

Table 4.24: Characteristics of the Participants - Continued

| | <i>DA</i> | <i>AS</i> | <i>SB</i> | <i>Location</i> | <i>Housing</i> | <i>part-time work</i> | <i>looking for a job</i> |
|-----------|-----------|-----------|-----------|-----------------|----------------|---------------------------|--------------------------|
| Lorna | yes | yes | no | WstAk | renting | yes | no |
| Vera | no | yes | no | SthAk | renting | no | no |
| Denise | no | yes | yes | SthAk | renting | no | yes |
| Lois | no | yes | no | WstAk | mortgage | no | yes |
| Christine | yes | yes | no | SthAk | mortgage | no | no |
| Joan | no | yes | no | WA | renting | no | no |

9. Key Findings

- New Zealand, Australia and the United Kingdom all have a similarly low full-time workforce participation rate for lone mothers. New Zealand's part-time participation rate for lone mothers, while currently rising, is particularly low in relation to the comparator countries.
- Workforce participation amongst lone mothers increased in New Zealand between 1991 and 1996, particularly part-time participation.
- There has been a dramatic decrease in the rising rate of lone parenthood in New Zealand since 1991 and this has contributed to a slowing in the increasing number of people on the DPB.
- While the small percentage of lone parents who are male has changed little from 1976 to 1996, there has been a significant decrease in lone fathers' workforce participation rate.
- There has been a rapid increase in the workforce participation of partnered mothers in New Zealand over the last twenty years.
- In all five countries studied here the labour force participation of lone mothers has declined at various times throughout the 1980s and 1990s, usually in line with rises in the unemployment rate.
- Maori and Pacific Islands people are over-represented amongst both the lone parent population and the DPB population, however education and the age

of the youngest child accounts for much of their lower workforce participation rates.

- In all four comparator countries ethnic minorities are over-represented amongst the lone parent and the lone parent benefit population. This is likely to be mainly caused by higher levels of poverty and lower qualification levels amongst these populations.
- The average age of a DPB recipient is 30 years and the DPB population is aging.
- While teenage pregnancy rates have been dropping in most OECD countries, the Maori teenage pregnancy rate has been rising since 1994
- Most DPB recipients have only one or two children.
- Two-thirds of the DPB population have children who are under seven years old.
- Most female DPB recipients receive the Accommodation Supplement.
- The highest recipients of the Special Benefit are lone mothers, an indication of the poverty they experience.
- Twenty-two percent of all DPB recipients receive the Disability Allowance. Receipt of DA is significantly lower amongst Maori and Pacific Islands recipients.
- DPB recipients, especially Maori and Pacific Islands recipients, have very low formal qualifications.
- Maori and Pacific Islands recipients are concentrated in certain locations and these are distinguished by high rates of unemployment.
- In terms of the characteristics examined here, the women I interviewed were typical of DPB recipients with school-aged children.

10. Conclusion

This chapter summarising the demographic and socio-economic characteristics of DPB recipients highlights the many areas that need to be addressed when we

look at lone mothers and paid work. All the topics raised above are explored in more depth in subsequent chapters.

In addition to the slow down in the growth rate of lone parenthood, there was also an increase in workforce participation by lone parents from 1991 to 1996. Workforce participation rose amongst both Maori and non-Maori lone mothers. This increase was most marked when looking at lone mothers' participation in part-time work, which increased from 11% to 16% (Goodger, 1998a). While the Government was very vocal about the previous decrease in lone mothers' workforce participation, little has been said about this recent increase and its implications.

While much is made by the Government and the press about New Zealand's low lone mother participation rate, our full-time rate is much the same as Australia's and the United Kingdoms, countries very similar to our own. However our part-time rate, although currently rising, is low. Research and policy consideration should focus on why New Zealand's part-time rate is low and why it is lower than the United Kingdom's and Australia's to produce effective policy proposals.

The decline in the lone mothers' workforce participation rate in the 1980s paralleled an increase in the unemployment rate. Maori and Pacific Islands lone mothers were particularly affected. The Government chooses to ignore the relationship between unemployment and lone mothers' participation rates. Unemployment is discussed in detail in the following chapter. Partnered mothers' workforce participation was also affected by the rise in unemployment during the 1980s, but not as significantly as lone mothers'. Throughout the thesis the shared needs and the different needs of lone mothers and partnered mothers are discussed.

The typical DPB recipient is a woman in the 25 to 34 age group who has one child. Maori, and to a lesser extent, Pacific Islanders are over-represented amongst DPB recipients. Most female DPB recipients, particularly Maori and Pacific Islands women, have few educational qualifications. Lone mothers need high qualification levels to be able to earn high wages that can sustain a family on one income. Female wage rates are a crucial issue that is discussed fully in the next chapter.

Lone mothers are the main users of the Special Benefit because they are the poorest social grouping in our society (Waldegrave, 1997). The implications of poverty on lone mothers' workforce participation are discussed in Chapter 6. The Government's policy of keeping benefits at a low rate in order to force lone mothers into employment is discussed in Chapter 8.

Receipt of DA is significantly lower amongst Maori and Pacific Islands DPB recipients, and suggests that these women are not receiving much-needed income that they are entitled to.

Two-thirds of lone mothers on the DPB have a child/ren under seven and 93% of DPB recipients have a child(ren) 14 years old or younger. Maori and Pacific Islands female DPB recipients have younger children than Pakeha. The older the youngest child of a lone mother, the more likely the lone mother will be in paid work (Rochford, 1993). Thus the provision of quality, affordable childcare and OSCAR are crucial policy interventions to enable lone mothers to be in employment. Lone mothers' childcare/OSCAR needs are discussed in Chapter 7, and policy on these issues is outlined in Chapter 9.

The implications of the high housing costs faced by most female DPB recipients are discussed in Chapter 7. Both housing costs and health and disability issues

have received little attention in New Zealand when lone mothers' workforce participation is discussed. However the discussion on work-testing in the DPB Review saw disability and health amongst DPB recipients explored for the first time, and those with these issues are exempt from the work/education-testing.

The six women interviewed for this study are, as a group, typical of women with school-age children on the DPB. The demographic characteristics of lone mothers in the comparator countries are remarkably similar to New Zealand. However, it is important to note that Bradshaw et al.'s (1996:23) comparative study found that demographic characteristics are not the sole determinants of lone mothers' employment.

The above examination of the characteristics of lone mothers indicates areas where policy needs to focus if lone mothers are to obtain living-wage jobs. Policy needs to focus on raising the qualification levels of lone mothers, job creation, closing the gap between Maori and Pakeha outcomes, support for parents, housing, eradicating poverty and so forth. These issues are examined further in the following chapters. The next chapter looks at the nature of the paid work that is available to lone mothers and the importance of educational qualifications to lone mothers' workforce participation rate.

5: Work and Education/Training

1. Introduction

The world of paid work is organised on the assumption that there is somebody at home doing the unpaid work, raising the children, doing the housework, and running the home (Else, 1996). This is not the case for many paid workers and by definition does not apply to lone mothers. This chapter discusses work in its broadest sense, both paid and unpaid. What work is involved in raising a child/ren today? In the past mothers in employment were publicly criticised for neglecting their children (Kedgley, 1996). It is rare to see that view expressed today. Lone mothers themselves have very divergent views on whether children suffer when lone mothers are in paid work. Their attitudes towards appropriate lone mothering have a strong impact on their workforce participation rates.

For lone mothers to survive in the workforce they need secure, well-paid jobs in order that they can raise a family on one income. Many lone mothers do not have the necessary qualifications to receive well-paid jobs. Access to training, employable qualifications and high pay rates are crucial issues impacting on the workforce participation rate of lone mothers.

Lone mothers' workforce participation tends to decrease as unemployment increases (Goodger, 1998b). This chapter explores the nature of the paid work, full-time and part-time that is available to lone mothers.

2. The Female Labour Market

2.1 Occupational Gender Segregation

In New Zealand women are concentrated in a small range of occupations that mainly attract low pay rates (Statistics New Zealand, 1993). In 1996 just under half of all employed Pacific Islands women worked in sales or service (Statistics New Zealand, 1998b). The participants in my study had all worked in typical

female jobs and received low pay. The one exception was Lois who had worked as a builder's labourer in Australia prior to becoming a lone mother.

Lois has worked as - a key punch operator, a bank officer, a builder's labourer, a cleaner, a 'girl Friday', a receptionist, a kitchen hand, a community magazine editor, and a community worker. Lorna has worked as a nurse-aid, a cleaner, and a women's refuge worker. Vera has worked as a cleaner, car valet and a budgeter. Denise has worked in a fish factory, as a worker then a manager in a take-away bar, and Christine has worked as a factory hand, a shop assistant and an advocate. Joan has worked as a room attendant, and a pre-school teacher aide.

2.2 Earning 'Women's Wages'

For a lone mother to afford to be in the workforce she needs to receive high wages. Three quarters of the lone parents in paid work interviewed by Levine et al. were in "relatively well paid and relatively secure employment" in professional jobs (Levine et al., 1993:56). The remainder of their participants in paid work "anticipated the possibility of going back on the benefit because their income was so marginal" (Levine et al., 1993:56). Of the beneficiaries the researchers interviewed, long-term beneficiaries were most likely to have substantial experience of only low skilled and unskilled employment (Levine et al., 1993:56).

An American study found that only those lone mothers who had "*unusually low expenses and/or received regular and substantial cash help from people in their personal networks*" were able to sustain their families while working at low wage jobs (Edin and Lein, 1996:254). Not only do most lone mothers have no qualifications but "women's" jobs tend to pay less than "men's" jobs even when the worker is highly qualified and experienced, such as an experienced,

qualified childcare worker, primary school teacher, or nurse (Hyman, 1994). In the United States of America in 1990 the median earnings of lone mothers working full-time were only 63 % of those of partnered fathers (OECD, 1993:28).

Many women in New Zealand earn low wages. While data on wage rates is not available, if we look at median annual income in 1996 women had a median income of only \$12,600, Maori women received an even lower \$11,200, while men received \$22,000 (Department of Statistics, 1998e). Of those who had incomes below \$10,000 just over 62% were women (Department of Statistics, 1998e).

All of the participants in my study were paid less than \$10 an hour in their last job. Denise was employed at Coastal Fisheries in 1996, where she was paid \$8.50 per hour. Lorna's last job was as a nurse aide and she was paid \$9 per hour. Lois's last job was for an honorarium that worked out to be a disappointingly low hourly rate because of the amount of time involved. Joan's last job was for \$8.50 per hour as a room attendant. Christine's last job was as a home-aid for \$9.30 per hour.

Lois explains her view on wage rates: *"lone mothers need good wages, because that is the only income that is coming into the house. I'm talking about \$30,000 - \$35,000 per year. That sort of job is very hard for a woman to secure unless she has really high qualifications in a given field. I was offered \$300 per week in the hand for a full-time retail job and I turned it down. I tried to explain to them (the retail employer) that \$300 per week is not enough for me and Ruth to live on. My mortgage alone is \$650 per month. Then you have to count all the extra costs of working."*

In 1993/94 in New Zealand women's average gross annual earnings were 68 % of men's (Bradshaw, 1996:65). Interestingly, both the UK and the USA had the same gender pay gap as New Zealand (Bradshaw, 1996:65). In contrast, in Sweden, where the workforce participation rate of lone mothers is high, women's average gross earnings were 89% of men's in 1994 (Bradshaw, 1996:65).

Table 5.1: Average Gross Female Earnings in Sterling Per Month, May 1994, and Female Earnings as % of Male Earnings

| | <i>value in sterling</i> | <i>female earnings as % of male earnings</i> |
|-------------|--------------------------|--|
| Australia | 1,091 | 82% |
| New Zealand | 816 | 68% |
| Sweden* | 855 | 89% |
| UK | 844 | 68% |
| US | 1,040 | 68% |

Source: Bradshaw et al., 1996:65, Table 6.1.

* Sweden has lower earnings than might be expected because of the substantial 'social wage' delivered via employer social security contributions (Bradshaw et al., 1996:64).

The gap between women's and men's wages is currently widening (Gardiner, 1997). In 1990 women's average hourly pay rates were 82 % of men's and by 1997 this figure had fallen to 80 % (Gardiner, 1997). In fact it is likely that the gap is actually wider than this because at present the only way to measure it is by using the Quarterly Employment Survey that includes only full-time jobs. Part-time jobs tend to be paid at a lower rate and so the actual gap between men's and women's wages is likely to be much bigger (Bunkle, 1996:44).

Many factors contribute to this pay gap. Historically, the gender pay gap is rooted in the concept of the family wage (Woodley, 1993:2). Men were paid a wage that was high enough to enable them to support a family. In 1936 this included a wife and three children (Woodley, 1993:2). The basic minimum wage for women was set in 1936 at 47 % of the male rate (Woodley, 1993:2). Today, the pay gender gap is seen as stemming from several sources: as a hangover from the male family wage, the fact that women tend to work in different occupations from men, fewer women are in managerial and high level positions, and the undervaluing of the characteristics of female dominated work (Hyman, 1994).

The deregulation of the labour market has increased the powerlessness of women in the workforce and consequently the gender pay gap. A study of the impact of the Employment Contracts Act found that for both male and female workers wage movements had been extremely low, but for those employment contracts that covered mainly women, the wage increases had been even smaller than those that covered mainly men or roughly equal numbers of both sexes (Hammond and Harbridge, 1993:7-8). Another study found that the real median hourly earnings of women working part-time fell 6.5% from 1984-1994 (referred to in Ministry of Women's Affairs, 1996:66). Women's wages have declined by five percent relative to men's since the introduction of the Employment Contract Act in 1991 (Harre, 1997).

A study by Cook and Briggs (1997) concludes that the gender gap will continue to widen over the next five years (cited by Else, 1997:19). The only way to tackle this problem effectively is to (re)introduce pay equity legislation where pay rates are set by determining the real value of the work instead of by the market. The New Zealand Government was chastised by the United Nations committee on elimination of discrimination against women for not taking action on the gender pay gap (NZ Herald, 1998a).

In addition to pay equity legislation lone mothers need to be assisted into the higher paying male-dominated skill and craft jobs. Most of the job training in the USA for lone mothers consists of training them for low paid jobs, thus perpetuating their poverty (Bergmann, 1997:91). Schein cites an example of a programme in Chicago that trains lone mothers on benefits in housing renovation skills such as plumbing and plastering. *"With the cooperation of local trade unions, the Chicago Housing Authority hires and trains people to renovate and repair vacant public housing"* (Schein, 1995:128). These lone mothers are paid reasonably well while receiving on-the-job training, and once their training is completed they earn approximately USA \$19 per hour (Schein, 1995:128).

Lone mothers' average wage rates are even lower than those of women as a whole (OECD, 1993:38). There are no studies published in New Zealand comparing the wage rates of partnered mothers with lone mothers. However the census data on income reveals that lone mothers generally have very low incomes (Statistics New Zealand, 1998f). However, the Census data that has been published at the time of writing does not allow us to compare lone mothers' wage rates with partnered mothers' wage rates (Statistics New Zealand, 1998f).

American lone mothers work in jobs that are low paid, have low-prestige and are often precarious (OECD, 1996b:4). The situation is similar for lone mothers in Britain (MacDermott, 1998). In New Zealand the Levine et al. study (1993) found that lone mothers' wages were lower than lone fathers' even when lone mothers had the same qualification levels as the lone fathers.

In the USA lone mothers whether they are in work or on welfare “run a strong risk of being poor” (Sainsbury, 1996:83). Lone mothers in paid employment in the States had a higher poverty rate than mothers on welfare in the UK and the Netherlands (Sainsbury, 1996:83). Ironically, because of the poverty of lone mothers in the USA in paid work many are still eligible for some forms of welfare. Consequently, the policy of reducing the numbers on welfare has failed (Bergmann, 1997:91).

An in-depth study of lone mothers and employment in the United States of America found that because of the limited opportunities for work among this low qualified population, combined with the instability and low pay of a service economy, most lone mothers could not survive solely on earnings from employment (Spalter-Roth et al., 1995). Consequently two main survival strategies emerged from their study, “cyclers” who cycled on and off Aid to Families with Dependent Children (sometimes quitting work to be eligible for Medicaid) and “combiners” who simultaneously combined AFDC with income from employment (Spalter-Roth et al., 1995).

Women’s low wages (and the lack of jobs) is at the heart of the issue of lone mothers’ low workforce participation rates. Albelda and Tilly (1997:107) when discussing the United States of America go as far as to say “women’s wages are simply not enough to support a family”. In New Zealand a study of both partnered and lone mothers found that those out of the workforce were dissuaded from seeking employment because of low pay, transport costs and benefit abatement levels (Duncan, Kerekere, and Malaulau, 1996:4). Yet our Government refuses to acknowledge the relationship between women’s low wages and the low workforce participation rates of lone mothers. The Ministry of Women’s Affairs tried to get the issue of low wages for women included in the 1998 budget briefing papers but was unsuccessful (Ministry of Women’s Affairs, 1997d:4).

By ignoring the impact of women's low wages on lone mothers' workforce participation, policy-makers are perpetuating the myth (discussed in Chapter 2) that women on the DPB have a dependent mentality. From a lone mothers point of view it is better to be in poverty and on the benefit, than be in employment and still be in poverty. Lone mothers who join the 'working poor' not only have to work long hours (when paid and unpaid work are combined) they also still have the stress caused by not having enough money to pay the bills, plus they have little chance of quality time with their child/ren.

2.3 The Nature of Part-time Work

Despite the recent loss of part-time jobs there has been a rapid growth in the number of part-time jobs available over the last ten years: "Part-time jobs grew by 76 percent between February 1987 and August 1995" (Else, 1996:63). However there is concern about the nature of part-time work: "*Part time work is commonly perceived as problematic because it is associated with comparatively low rates of pay, minimum employment conditions, and little employment security. Part time workers generally command fewer benefits, have less opportunities for further training or advancement, and are less likely to be members of a trade union (and hence less likely to receive support of any collective action when poorly paid or unfairly dismissed)*" (Davidson and Bray, 1994:90). Part-time work is largely women's work, with seventy percent of part-timers in 1996 being women (Statistics New Zealand, 1998c). Thirty-seven percent of all jobs held by women were part-time jobs (Ministry of Women's Affairs, 1997:5 Panui).

Part-time work is often not unionised. A USA study found that only 7% of those who were combining part-time work with the AFDC had jobs covered by union contracts (Spalter-Roth et al., 1995:3). "*For those who do, union coverage (with other factors such as occupation, industry, and hours of work*

held constant) increases the chances of an AFDC recipient having high enough income to bring her family out of poverty by three and one half times, to 39 percent from 11 percent' (Spalter-Roth et al., 1995:3).

In spite of the second-class nature of part-time work there has been a rapid increase in the participation of partnered mothers in this type of work (Goodger, 1998c). Often, while the mother works a part-time shift in the weekend, or evening, the father will be responsible for the child/ren (Else, 1996). This childcare option is not usually available to lone mothers.

The Levine et al. (1993) study found that part-time work leads to full-time work. However little detail was given of this finding. A British study found that lone mothers with higher educational qualifications are more able to move from part-time work to full-time work than the typical lone mother with little formal education (MacDermott et al., 1998). Part-time work is discussed again in the section on the abatement regulations in Chapter 9.

In contrast to New Zealand's low part-time workforce participation rate for lone mothers Sweden's rate is quite high (Bradshaw et al., 1996). Part-time work amongst lone mothers is encouraged by the right in Swedish law for one of the child's parents to be able to reduce their hours to six hours a day after the baby is born (Sainsbury, 1996). Furthermore, a lone mother in part-time work in Sweden will receive a substantial non-means tested Child Support payment from the state, a non-means-tested Parental Allowance, a non-means tested Child Allowance, and a generous Housing Allowance which is only lightly means-tested (Sainsbury, 1996). In addition to these specific measures, there are many other provisions in Sweden designed to allow parents to combine parenting with employment, such as low cost childcare (Sainsbury, 1996). The combination of part-time work and non-means-tested allowances is a successful means of increasing workforce participation amongst lone mothers.

In New Zealand the means-testing of all benefits makes surviving on part-time work very difficult, unless it is highly paid work. Lois's story illustrates this point. Three years ago Lois secured a job for twenty-four hours per week. She explains: *"I was thrilled to get a job and get off the benefit, but I was getting very little money per week. I went to Income Support to see if they could help. I was told that I would still keep my Accommodation Benefit but I would lose my Special Benefit. I was furious about losing my Special Benefit because not only was I getting less money in my hand but I had the costs of working - after-school care, petrol, parking and things like that. I asked about the Transition to Work Allowance and she said I didn't qualify for that either. Then she said that my Accommodation Benefit was going to be reduced, and I would have to re-apply for it, and I would get a two-week stand-down!."*

2.4 Casualisation

Casual work is a growing phenomenon in New Zealand (Taylor, 1998). With casual work the employee does not have a set number of hours per week, or even a guarantee of any hours at all (Else 1996). Casual workers wait for a phone call saying they are needed (Taylor, 1998). Sometimes casual workers get as little as one hour's notice of a work offer (Taylor, 1998). Many casual workers want guaranteed part-time work, but casual work is more readily available (Taylor, 1998). For employers casual work is cheaper because they only have to pay casual employees during their business peaks (Taylor, 1998).

Casual work contains many difficulties for DPB recipients. Their income can vary from week to week depending on the availability of work making budgeting very difficult. A variable income also impacts on the abatement of the DPB. Beneficiaries have to declare a fixed amount of earnings every week so the benefit and supplementary benefits can be abated accordingly. If the

beneficiary's earnings varied week to week they could end up owing Income Support money.

Another problem is the short hours of part-time shifts. Some workplaces, such as McDonalds, have mainly two and a half hour shifts to avoid the obligation in their employment contract to provide a paid break in a shift of three hours or longer. The worker may spend half-an-hour each way getting to and from work only to be paid for two and a half hours at a low hourly rate.

2.5 Hours of Work

For women on the DPB to take advantage of the growth in part-time work they need to be free of their care responsibilities. Part-time care in a childcare centre is usually more expensive per hour than full time. Many childcare centres do not provide part-time care because to be economically viable, they must keep their rolls full every hour that they are open. While some DPB recipients will be able to leave their child/ren in the care of a family member, usually their mother, while they work, we cannot assume that there is somebody able and willing to provide this service.

The fact that it is illegal in New Zealand for parents to leave a child under fourteen unattended, plus the lack of childcare options suggests that most DPB recipients looking for part-time work would be hoping to work while their child/ren are at school. However the part-time job growth has largely been in the service industry in jobs like waiting, nurse-aid, bartender, kitchen hand, rest home worker, retail worker etc. Most of these jobs involve working over the dinner period, in the evening, or weekend, times when according to society's ideas of 'good mothering' lone mothers should be with their children, and childcare is not available. A United States of America study showed that only

19% of all part-time jobs fell completely within the hours of 9am - 3pm, Monday to Friday (cited in Ministry of Women's Affairs, 1998d).

Denise comments on part-time work: *"I would love to work just while Rangi is at school, but finding a job during school hours is really difficult. I want a job close to home 'cause petrol is so expensive."* Lorna feels it would be unfair on her son to put him in after school care because he has Attention Deficit Hyperactivity Disorder. This means she could only work while he is at school. Lorna comments *"How can women find jobs, you know, that are going to suit? Arriving at work after 9am and finishing at 2.30. And then that's not enough money to pay the high rents when you are on your own"*.

2.6 The Lack of 'Friendly to Family' Workplaces

Lone mothers in paid work need to know that their children can contact them if they need to, and that they can be with their children during work hours if necessary. However, most workplaces in New Zealand have a firm unwritten policy that employees' family problems are their own and these problems must not be brought to work. Many low paid workers (for example McDonalds' staff) are not even allowed personal calls at work, let alone time off to care for a sick child. Well-paid workers are often expected to work between fifty - sixty hours per week (Else, 1996). This is difficult for all parents and reinforces traditional patterns of fathers having little involvement in raising children. For lone mothers, being employed fifty - sixty hours per week is totally unrealistic.

The 1991 Employment Contracts Act provides for five paid days leave per year eligible after completion of six months in the same job. These five days must cover all domestic leave (to care for sick dependents), sick, and bereavement leave for the year. Prior to the Employment Contracts Act most Industrial Awards provided ten paid days sick leave per year that could be used for

domestic leave at the employee's discretion in addition to three paid days for bereavement leave. Arising out of the recent DPB Review, the Government introduced an interim income support programme to provide access to funding in the first six months of employment for those who have just left the DPB in the event of lack of paid sick leave (Cabinet, 1998b). This policy is typical of the policy approach of recent Governments. It is very narrowly targeted. All parents in the workforce need paid domestic leave but this policy only provides for those who have recently left the DPB. Furthermore, recent DPB recipients need a domestic leave entitlement that lasts a lot longer than six months. Once six months has passed the lone mother only has access to the inadequate leave provisions of the Employment Contract Act. After six months in one job if a lone mother then leaves and takes up another job, she will have no paid leave entitlements for the first six months of her second job. Take-up of this provision will require the DPB recipient to be both aware of its existence and to have the time and resources to access it. If statutory paid domestic leave was a universal policy it would become known to all parents and employers and they would be aware of how to access it. The short-comings of this new policy highlight the problems associated with the targeting of social policy.

The domestic leave provision for recent DPB recipients was announced after I conducted my fieldwork so I do not know the participants' views of it. However domestic leave was an extremely important concern to the participants. Vera, who has four dependent children, comments on domestic leave: *"If my children are sick, would a company that hires me accept me taking time out? At the Budgeting Advice Bureau (where Vera is a volunteer) the bosses stress to us that our children come first. That makes it great for us as mums"*.

In the UK, the USA and Australia there is also no statutory provision of domestic leave (Bradshaw, 1996: 36, Table 4.1.) In Sweden, in addition to

subsidised health care and childcare services, single mothers are entitled to: paid parental leave for one year, five weeks paid holiday leave per year, the right to work six hours a day until the child reaches eight years old, and up to 60 days paid sick leave per year to care for an ill child (Sainsbury, 1996).

In New Zealand working conditions have deteriorated for low paid workers over the last 10 years, and so workplaces have become even less tolerant of employees' family responsibilities (Davidson and Bray, 1994). However, a very small percentage of the total workforce is employed by the fifty-two organisations still participating in the "Work and Family Directions" project (Else, 1996:137). Supported by the Government, this successful project aims: "to bring in a range of practical policies which would make it easier for all staff - not women only - to balance the demands of job and family" (Else, 1996:137). The project emphasises the advantages of retaining skilled staff who may otherwise have to leave to meet responsibilities to their family. Staff who know their family is secure, and that they can assist their family if their family needs them, are more productive workers (Else, 1996:134-143).

Analysis of private work-family policy in the United States of America emphasises that these policies currently have a limited potential to assist lone mothers as compared to public policies (Lundgren-Gaveras, 1996). The structure and provisions of private corporations policies tend to exclude lower skilled populations where the majority of lone mothers are concentrated (Lundgren-Gaveras, 1996). Furthermore women, in contrast to men, are more likely to work in small and middle-sized companies that do not have 'friendly to family policies' (Lundgren-Gaveras, 1996). The limitations of private work family policies do not mean that they should not be supported, for some families will benefit. However, it highlights the importance of public policies that have the potential to assist all families.

2.7 The Participants' Experience of Employer Attitudes to Lone Mothers Childcare Responsibilities

Christine worked part-time for the Cerebral Palsy Association assisting clients in their homes. Christine managed child care by taking her daughter with her before school started in the morning to do her first visit, then taking her daughter to school before doing the next home visit. Christine explains what happened when she got a new boss: *"He laid out new rules and regulations, like no children allowed on the premises. What was I supposed to do with my daughter first thing in the morning? I had to leave the job"*.

Lorna also experienced unsympathetic employers when she was working as assistant matron in a rest home in a live-in position with her daughter. When she got pregnant with her son her boss sacked her saying that having an unmarried pregnant woman on the staff would upset the rest-home residents. *"I had been working there for a couple of years. And I used to work around the clock because I loved my job and I was trying to make things better for the oldies. When the boss sacked me I didn't want to fight it. I knew people in the union, but I felt bad about being single and pregnant and I hadn't expected to be sacked because the boss was really nice. Now I look back and think how I was naive, a doormat. I used to work around the clock and not be paid for a lot of it"*.

Denise outlines her positive experience: *"When I had to cut down my hours of work because I had no more before-and-after-school care for my son, at first my boss didn't like the idea. Then I said to him 'my son is more important to me than the job. My son is my whole world. I'd do anything I could for him'. They said okay fine, and let me reduce my hours."*

2.8 Paid Parental Leave

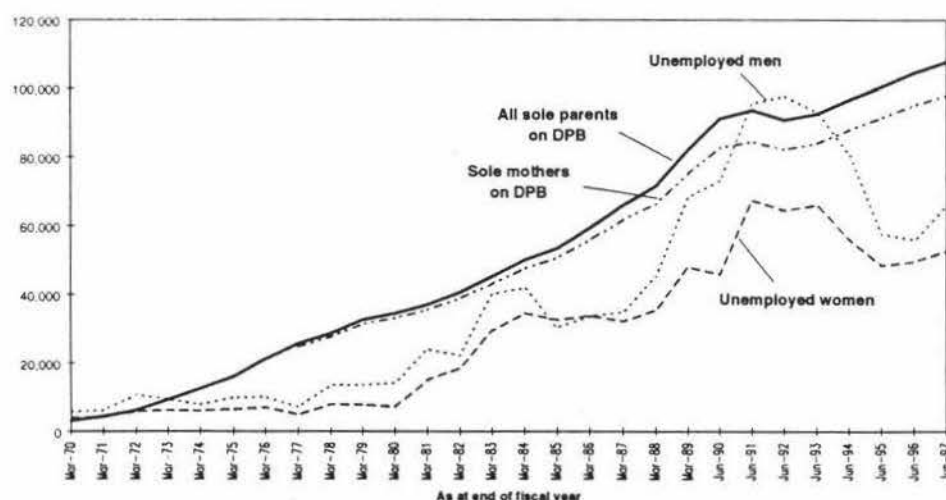
Women's employment patterns are characterised by broken spells as they leave the workforce to have children (Davey and Callister, 1994). This pattern of employment has many repercussions for mothers including: loss of income, loss of seniority, loss of continuity of service, losing touch with changes in the workplace, and problems returning to work (Twelve Weeks Paid Parental Leave Campaign, 1997). Many countries to try and minimise the impact of having children on women's employment have introduced paid parental leave. As Bradshaw et al. (1996) point out paid parental leave only applies at the birth (or adoption) of a child and therefore is not relevant to once partnered mothers in relation to their status as lone mothers. However, paid parental leave is relevant to mothers who are single when their child is born, and furthermore, its *"quality is indicative of the degree of support for the attachment to the labour market of mothers in general"* (Bradshaw et al., 1996:35).

Attention has been focused on New Zealand's weak parental leave scheme recently by a Private Members Bill for paid leave. While over 100 countries around the world provide some paid parental leave, New Zealand's leave is totally unpaid. The New Zealand Government was chastised by the United Nations Committee on the Elimination of Discrimination Against Women, for not taking action on this issue (NZ Herald, 1998a). The UK provides six paid weeks at 90% of last earnings, Sweden provides fifteen months paid leave at 80% of last earnings, and both the USA and Australia have no paid leave (Twelve Weeks Paid Parental Leave Campaign, 1997). One of the many advantages of paid leave is that it has been found to encourage mothers back to employment and therefore would be a positive part of a reform package promoting paid work for lone mothers (Twelve Weeks Paid Parental Leave Campaign, 1997).

3. Unemployment and Redundancies

The decrease in labour force participation rates for lone mothers from 1976 to 1991 paralleled an increase in unemployment. While unemployment was relatively low in 1976, by December 1985 it was 3.8%, rising to 7.7 % by October 1990 and peaking at 11.1 % by March 1992 (Kelsey, 1995). That the high unemployment rate is likely to be a factor in the decreasing participation rate of lone mothers is reinforced by the fact that the upward trend for partnered mothers virtually stalled when unemployment was at its peak in the late 1980s (Goodger, 1998a:92). A study conducted in the United States of America found that lone mothers who lived in states where jobs were available increased the likelihood of working by nearly half (Spalter-Roth et al. 1995).

Table 5.2: Number of Women and Men Unemployed and Number of Lone Parents on DPB 1970-1997



Source: Goodger, 1998b, p.144.

In New Zealand the much publicised growth in jobs from 1992 to September 1996 has seen many additional jobs in the economy going largely to people other than beneficiaries: partnered mothers, new labour force entrants, immigrants, older people staying on in jobs, and students working part-time

(Preston, 1996:87). The deregulation of the labour market has led to lower wages and poorer working conditions (Hammond and Harbridge, 1993). Much of the job growth over the last ten years has been in part-time work that is insecure and/or outside school hours (Else, 1997).

The unemployment rate has been rising steadily since September 1996 reaching 7.1% at the end of March this year as measured by the Household Labour Force Survey (Herbert, 1998b). As usual, ethnicity is a strong factor in the latest figures, especially with regard to women. For women the Pakeha unemployment rate is 5.6% against 20% for Maori, 15.1 % for Pacific Islands women, and 12.6% for other ethnic groups (Statistics New Zealand, 1998b). The Reserve Bank predicts that unemployment will continue to grow throughout this year and into next year (Herbert, 1998b). At a time when the Government has announced its intention to force some lone mothers into part-time work, seven thousand part-time jobs were lost over the March quarter (Herbert, 1998b).

3.1 Maori and Pacific Islands Women and Unemployment

Part of the reason for the over-representation of Maori and Pacific Islands women on the DPB is likely to be the loss of mainly Maori and Pacific Islands female jobs through the restructuring of the 1980s, for as well as being gendered, the labour market is highly racialised. Maori women were concentrated in the mining, agriculture, manufacturing, construction and transport sectors. Pacific Islands women were concentrated only in the manufacturing and transport sectors. Between 1987 and 1996 in the manufacturing sector full-time jobs for women fell by 23.8% and by 10.7% for men (Ministry of Women's Affairs, 1996:61). Maori women were also hit hard by some of the redundancies generated by the state sector reforms, for instance in the Post Office (Te Puni Kokiri, 1998). Pakeha women have been located in

the industries where there has been job growth: the service sector, business services sector, finance sector and the wholesale sector (Davis and Jackson, 1993:138).

Women made redundant from the manufacturing sector have low educational qualifications, and have not acquired the skills from that work to take advantage of the expansion in the finance sector. Moreover, *“Maori women are still concentrated heavily in the manufacturing sector, and thus vulnerable to further contraction of this sector”* (Davis and Jackson, 1993:137). The progressive reduction in tariffs, announced in the Government’s 1998 budget is predicted to bring further redundancies in the manufacturing sector.

Deregulation and restructuring have totally changed the ethnic pattern of workforce participation of women in New Zealand. In 1976 Pacific Islands women had the highest participation rates in full-time employment. Up to age 30 Pakeha participation rates were higher than Maori, whereas between ages 30-45 Maori were more likely to be in the full-time labour force than were Pakeha (Davies with Jackson, 1993). By 1991 there had been “a significant turn around in the relative position of the three groups” (Davies with Jackson, 1993:80). Pakeha women now have the highest rates of participation in full-time employment, followed by Pacific Islands women, then Maori. In particular, participation rates for Pacific Islands and Maori women aged 20-24 years have fallen dramatically between 1976 and 1991 (Davies with Jackson, 1993).

The disproportional impact of unemployment on Maori and Pacific Islands women, compared to Pakeha is seen in the changing participation of all mothers in the workforce. From 1981 to 1986 mothers of children under five increased their workforce participation but from 1986 to 1991 while Pakeha mothers with children under five continued to increase their workforce participation, for both

Maori and Pacific Islands mothers with children under five participation decreased (Podmore, 1994:3).

3.2 Government Policy on Unemployment

True to its neo-classical ideology, the Government does not see it as its role to directly create jobs. The Government claims to be creating the economic climate for the market to create jobs. This policy has been in place since 1984 (Kelsey, 1997). It does not seem to have been very successful when we consider that the official unemployment rate for Maori women is currently 20% (Statistics New Zealand, 1998b).

In spite of the fact that the link between rising unemployment rates and lone mothers decreasing workforce participation has been established many times, (see Chapter 4 for more data on the international experience) government policy papers such as *Strategic Directions* (1996) make no mention of unemployment or job opportunities. Instead of acknowledging the tight job market, the Government focuses on the supposed inadequacies of the DPB recipient as if they were to blame. Yet if every beneficiary was able to take the Government's advice and become more 'employable' there still would not be nearly enough jobs to go around.

By ignoring this link between unemployment and lone mothers' workforce participation, the Government implies that there are plenty of jobs available for lone parents and again reinforces the myth that lone mothers are work-shy, and that having been on the benefit they now lack the motivation to look for work. The findings from my study demonstrate the fallacy of these myths.

3.3 The Participants' Experience of Redundancy and Unemployment

Even though collectively the women in my study had spent little time in the workforce, half of them had experienced redundancy. Denise: *"Last year I was made redundant from Coastal Fisheries"*. Lois worked for a community group for eighteen months and was made redundant in 1992 when it ran out of money.

Vera was happily employed in a part-time job until she was made redundant:

"My job was from 10am-2pm three days a week. Great hours. I could take the children to school and know they would be okay and then I would be home in the afternoon before they walked in the door. I was made redundant when the social agency I was employed by lost its government funding. There was no problem with our agency. We were receiving seeding funding and we're now supposed to be self-reliant".

Two of the six women in my study were actively looking for employment. The other four women were not looking for paid work at that time because they did not believe they could successfully meet their child/rens' needs if they were in paid work. Denise, on the other hand could rely on her cousin to care for her son after school and was desperately job hunting. Denise explains: *"I don't care what I am paid so long as I can get extra income 'cause the benefit is not enough to pay my bills. I have just started looking for work. I've got my name down at Plaza, K-Mart and Foodtown, but there are a helluva lot of names on their books. I have been looking in the Herald and the Courier. There is no work there for me so far"*.

4. Lack of Qualifications

Lack of qualifications was found to be a major barrier to workforce participation for DPB recipients in all the relevant research undertaken in New Zealand (Wylie, 1980; Dominick et al., 1988; Levine et al., 1993, and Rochford, 1993). In 1991 thirty-one percent of lone mothers with tertiary qualifications were employed full-time, compared with 9% of lone mothers with no

qualifications (Rochford, 1993:31). Similarly, international studies have found a strong link between lone mothers' labour force participation and educational attainment (OECD, 1993:38). This link is strong for all mothers, but particularly so for lone mothers (Staat and Wagenhals, 1996). In the United States of America only 30% of lone mothers with a basic secondary school education participate in the workforce, compared to 93% of lone mothers with a university degree (Staat and Wagenhals, 1996). For married mothers the relevant figures are 47% compared to 73% (Staat and Wagenhals, 1996).

4.1 Comparing Partnered and Lone Mothers Qualifications

Table 5.3 shows that there is a wide gap between the educational levels of lone mothers and partnered mothers in four of the countries under study (I do not have complete data for the US). The USA has a relatively high proportion of lone mothers with a post-school qualification. This may be a factor in their high workforce participation rate. Surprisingly, Table 5.3 shows that Swedish lone mothers have few qualifications.

Table 5.3: Education Level of Lone Parents and Partnered Mothers, Percentage with a Post-school Qualification

| | <i>Lone mothers</i> | <i>partnered mothers</i> |
|-----|---------------------|--------------------------|
| AUS | 22 | 34 |
| NZ | 27 | 38 |
| SWN | 22 | 31 |
| UK | 21 | 32 |
| US | 38 | unknown |

Source: Bradshaw et al. 1996, Table 2.6. p.21.

The gap between the educational level of partnered mothers and lone mothers is very significant because, generally, women can only earn a high wage if they are well qualified. Furthermore lone mothers in low paid jobs who are not well

qualified usually are not offered a career path and these jobs rarely attract significant service pay (Albelda and Tilly, 1997). This means that a woman who is currently paid \$9.50 per hour who is in the same job ten years later is unlikely to be paid much more. Without the other social supports that assist parents combine parenting and paid work, such as affordable childcare, paid domestic leave, etc, it is very difficult for a lone mother to survive in the workforce without a reasonably high wage.

4.2 Women and Education/Training

The educational levels of lone mothers cannot be seen separately from the educational level of women in general. There has been a tremendous increase in participation in post-compulsory education by women over the last ten years. However, some characteristics of female education have remained unchanged. Girls still specialise *"in 'traditionally female' subjects which continues to restrict the types of further education and occupations that young women are able to proceed on to. Moreover young women who do not take subjects like science, foreclose later options"* (Davies with Jackson, 1993:143).

The National Qualifications Framework now accepts 'Recognition of Prior Learning' (RPL) - that skills have been gained from volunteer work, on the job, self-education and non-formal learning, such as community courses. *"Notably, however, the skills obtained while caring for children are still not recognised as prior learning under the framework"* (Davis and Jackson, 1993:146). Davis and Jackson are also critical of Skill New Zealand, the Government's plan to encourage the development of a learning workforce, for *"not producing strategies that ensure that education and industry which is driven by industry and enterprise is as accessible to women as to men"* (1993:152).

While many DPB recipients are unqualified, increasingly the labour market is demanding higher and higher qualifications. *"People without qualifications comprised 34% of the labour force in 1986 falling to 24% in 1992. Analysis of recent market trends shows increasing employment opportunities for qualified individuals and markedly falling opportunities for those with low qualifications"* (Nixon and McCulloch, 1994:64).

4.3 Maori and Pacific Islands Girls' Education

Subject specialisation is even more pronounced for Maori and Pacific Islands girls than Pakeha girls (Davies with Jackson, 1993:144). A study, *Maori Girls and Career Choice*, found that the most popular choice of career was professional or technical-related occupations, but the girls were not aware of what qualifications or subjects were needed to enter their chosen profession (cited in Davies with Jackson, 1993). Over half of the sixth formers, and a quarter of the seventh formers in this study had never seen a vocational guidance counsellor (Davies with Jackson, 1993:144).

The poor educational outcomes for Maori women (see Davies and Nicholl, 1993) are of particular concern viewed in the light of both their Tangata Whenua status and as an impediment to workforce participation for Maori DPB recipients. Maori educationalists have concluded that only Maori control over Maori educational initiatives will seriously address the inequities in outcomes between Maori and non-Maori: *"For Maori underachievement to be adequately dealt with, the basic structure of the new education system has to change to accommodate Maori initiatives and interest. Maori representation needs to be present at each level of Ministerial, National and Regional agencies. Where a particular group is involved in policy initiatives for Maori with regard to education, the representation of these groups has to be either all or predominantly Maori"* (Johnston, 1992:17).

Davis and Jackson (1993) have identified *“an urgent need for education and training programmes which facilitate the movement of women out of the “at risk” industries and into the growth sectors of the economy. ... “Recognition must also be given to the young Maori and Pacific Islands women of the 1980s who left school with few qualifications and who have to date had little opportunity of gaining long-term employment since leaving school”* (Davis and Jackson, 1993:146).

There is a negative association for lone mothers between having no or few formal qualifications and workforce participation. In the United States of America a high school diploma increases the likelihood of a lone mother being in employment from 20% to 28% (Spalter-Roth et al., 1995). However it is important to recognise that qualifications alone are not the answer. The Spalter-Roth study (1995) found that work experience is even more important. Four years of work experience increases the probability of working from 20% to 37% (Spalter-Roth et al., 1995). The Levine et al. (1993) study also found that the lone parents they interviewed who were in paid work had more experience of paid work prior to becoming lone mothers than had the lone parent beneficiaries. Furthermore, the experience of Sweden where lone mothers have low qualification levels but high workforce participation indicates that the extensive support provided by the state to all parents in the workforce is even more important than qualification levels.

Another factor to bear in mind is that the employment rate of lone mothers is generally below those of partnered mothers with similar qualifications due to the other obstacles which lone mothers face (MacDermott et al., 1998). An evaluation of four job training schemes training women in traditional ‘women’s’ skills in the United States of America found that not only did the scheme result in very low earnings payoffs, but also that the lone mothers returned to welfare

just as quickly as the control group who had not been trained (Albelda and Tilly, 1997). Qualifications alone are not going to facilitate lone mothers into paid work without measures that make it easier to combine parenting and employment, and higher wage for women.

4.4 The Participants' Experience of Education and Training

Vera, Denise and Christine all left school without sitting School Certificate and have gained no formal qualifications since. Lorna successfully completed one year of a three year nursing course while on the DPB. Joan gained University Entrance before leaving school and while on the DPB completed a five month TOPs course as a pre-school teacher. Lois left school with five six form certificate subjects and completed one year of a two-year diploma in Textile Design before becoming a mother. While on the DPB Lois completed a year long course in Interior Design passing with Honours.

Vera and Christine have certificates with the New Zealand Budgeting Association as budgeters, and Vera was about to commence a three-year, part-time course in accountancy. Denise has no formal or community qualifications and Christine has trained with a community group as an advocate and completed courses with the parenting group Tough Love and the Cerebral Palsy Society. Christine had started a polytech course in counselling but withdrew when she felt her eldest daughter needed more support from her.

Denise comments: *"I regret leaving school. I was having a lot of problems. The only way for me to get away from the sexual abuse at home was for me to leave home. I could only leave home if I left school and got a job".*

Lorna passed two subjects in school certificate at school. Lorna comments: *"I am really angry with my childhood because I believe I could have done much better at school. But it was my childhood - ending up in foster care and then*

being shifted from one place to another. I have all this anger inside. Some people have attitudes to people on benefits but they don't know your circumstances. I was brought up in a racist family. It was terrible. My adopted parents were Pakeha and I had a Pacific Islands heritage and my parents would say to me 'don't play with them' [Pacific Islands children]. And I would go to play in a Pakeha home and think 'oh God they don't want me here'. That really affected me a lot".

5. Lone Mothers' Participation in Work/Training

5.1 The 'Triple' Burden - Being Mum, Dad and Breadwinner

One of the main problems with the Government's policy of encouraging lone mothers into the workforce is that the Government does not fully recognise that lone mothers are already working - nurturing the next generation. Society cannot function without this work being done. Childrearing is work, but it is not work that either the market or the state is willing to pay for (Waring, 1988). Lone mothers are the sole provider, only homemaker, and the only parent responsible for care and discipline of children, child education and support. Sociologists have termed this phenomenon, 'role overload' (Sarantakos, 1996). Mitchell and Goody point out that lone mothers not only have to bear all the practical demands of domestic maintenance and childcare on their own but all the anxieties as well (Mitchell and Goody, 1997:210). This can lead to stress particularly when they are employed full-time (Sarantakos, 1996).

Lois found that working as a self-employed interior decorator involved working very long hours. Combining these long hours with lone mothering was impossible. Lois explains: *"I had to drive Ruth [Lois's daughter] miles out of my way to school because the local school had no after school care and then I'd get myself to this job. At the end of the day I'd scream off to pick Ruth up by five thirty and rush home, and maybe do a bit of shopping on the way. Then*

I'd cook dinner and maybe have Ruth in bed by about 8.30-9pm. Then I'd start doing my drawing up and I'd work through until about 1.30-2 am. Then I'd get up in the morning and the day would start again. Three months of this, I was exhausted. It was no quality of life for Ruth. I was stressed to the max, it was 'Be quiet, eat your food, get into bed, come on, come on, let's go, come on'. I just thought -something has to give. Both of these responsibilities require my full-time attention and I can't give that at the moment so I chose to opt for my parenting, if you look at it that way. I decided to wait until Ruth is at High School, which is next year, before I become a self-employed interior decorator. At the moment I am desperately, and desperate is the word, to get Ruth into a boarding situation, where she could board during the week while I work all hours and then she could be at home for the weekend".

Joan trained as a pre-school teacher for five months in a Training Opportunities Programme (TOP) when her daughter, Jo was four. She comments on this experience: *"It was really hard. It was just too full on. I used to come home really grumpy. Then it would be really hard for me to look after Joe properly".*

Caring for children is particularly demanding unpaid work. Else (1996:27) explains the nature of caring for children *"For at least fourteen years - the legal age at which a child can be left alone - parenting is a full-time job. ... As a parent you have to be there, ready to swing into action at a moment's notice. And if you want to go somewhere else, you must either take the children along or find someone you trust to take your place. Unlike much housework children cannot be juggled around or speeded up. ... You can't predict what children will do or need from one minute to the next. It's this combination of unending responsibility, round-the-clock availability and hour-by-hour unpredictability which makes caring for children so demanding"*

Christine, who had left school with no qualifications started training to be a counsellor about eight years ago. However when her eldest daughter, a 13 year old at the time, started to get into trouble Christine quit the course in order to *"put all my time into her"*.

Lorna also found combining training with lone mothering difficult. *"Once you finish for the day you have to go and pick your children up. It's late and it's cold and it's raining. I used to feel really bad. Sometimes it used to be six or seven pm when I was studying. We used to walk, we'd be walking home late at night, me and my son and daughter. And that's not fair on the kids. The Government should help us with transport"*.

Else (1996) also draws attention to the changed nature of parenting. Those who have not had the bulk of the responsibility for a child in recent times may think childrearing has become easier with new products like disposable nappies and children's videos. However, Else argues that mothering is more demanding now. Children need to learn more, have a higher literacy level and be able to cope with more than they did 30 years ago (Else, 1996:34-36). Lone mothers' time is absorbed *"helping your children find their way through the education maze, coping with the health system, taking your turn on everything from Kohanga Reo to school camps to the Board of Trustees, dealing with innumerable outside agencies on your child's behalf - for close on 20 years. Today young people leave school later and are more likely to then enter further training than start employment"* (Else, 1996:35). Twenty years ago primary school aged children played unsupervised in their immediate neighbourhood, visiting friends and exploring their environment. Today's parents, familiar with news stories of bullying by older children, child abuse, abduction, and murder, and wary of traffic dangers, are unlikely to feel comfortable with this unsupervised play until the child is much older.

Grace emphasises a point never mentioned by those calling on lone mothers to enter the workforce - that much of the work involved in childrearing "does not disappear if children attend childcare during working hours" (Grace, 1996:4).

I asked Christine if she had considered training in recent years prior to her youngest daughter taking up correspondence school. She replied: *"I had thought of it. The only thing, well the main thing that stopped me getting work before or doing a full-time training course is - your kids get sick and what do you do? Plus for most of my years being a mum at home I've been on call for four or five other kids as well, while their parents worked. And I sort of felt I didn't want to let them down. But the other thing is, what if my kids needed me and I couldn't get there? I mean I've watched my sister go through it. She was determined not to be on the benefit when she left her husband, so she went out to work. It has been hard for her, really hard. I used to look after her children. She's on ACC now with Occupational Overuse Syndrome"*.

5.2 Lone Mothers' Attitudes to Combining Motherhood with Paid Work

The importance of the lone mother's beliefs about "good" mothering when deciding whether to participate in paid work is emphasised by Edwards and Duncan (1996). They argue persuasively that the discourses about increasing workforce participation amongst lone mothers assume that the lone mother makes decisions as if she was a "rational economic man". That is, when she is weighing up workforce participation her decision is based solely on financial calculations. This idea of Edwards and Duncan's (1996) dovetails with my contention (argued in Chapter 2) that the New Zealand state is increasingly applying the work ethic to lone mothers.

Edwards and Duncan argue persuasively that in reality each individual lone mother has her own set of "gendered moral rationalities" (1996:116). Some

lone mothers may believe that it is morally better for them to care for their child/ren themselves, others "may see financial provision through employment as one part of their moral responsibility to their children" (Edwards and Duncan, 1996:120).

Edward and Duncan's (1996) theory supports Gilligan's thesis that women's thinking tends to be guided by an "overriding concern with relationships and responsibilities" (Gilligan, 1997:67). A British study supports Edwards and Duncan's (1996) argument that lone mothers are not making a simple financial analysis when they decide whether or not to participate in the workforce (Edwards, 1994). Researchers surveyed lone mothers who were using a pilot scheme which provided heavily subsidised childcare available only to lone mothers in part-time work (Edwards, 1994). Much to their surprise, the researchers found that rather than taking advantage of the childcare so they could earn additional income, the lone mothers were using the childcare believing that it would provide quality social and educational experiences for their children (Edwards, 1994). The lone mothers were not financially advantaged by working, as this income was absorbed by the benefit abatements, childcare costs, transport, and work clothes (Edwards, 1994). This finding reinforces Schein's view that regardless of lone mothers' beliefs about what constitutes "good" mothering "underlying almost all of their choices and how they live their lives is that the women are *mothers first*" (Schein, 1995:121). Policy makers need to appreciate that lone mothers "view the provider role through the lens of motherhood, not vice versa" (Schein, 1995:121).

Over the last thirty years it has gradually become more socially acceptable to combine mothering with paid work, consequently there is a tendency for older mothers who may have been raised with more traditional attitudes to disapprove of mothers' workforce participation. A study of older lone mothers in Australia found that in spite of the fact that they were about to lose their entitlement to

the benefit they continued to construct themselves as “‘mother/homemaker’ and not ‘worker’ or even ‘mother/worker’” (McHugh and Millar, 1996:30).

Bradshaw et al.’s (1996) study compares the prevailing expectations concerning mothers’ employment across twenty countries. Table 5.4 shows how this study defined the different categories created.

Table 5.4: Expectations Concerning Mothers’ Employment: Three Categorisations

| | <i>strong support</i> | <i>medium support</i> | <i>weak support</i> |
|---------------------------------|-----------------------|-----------------------|------------------------------|
| Youngest child below school age | Full-time | At home/Part-time | At home |
| Youngest child at school | Full-time | Part-time/Full-time | At home/Part-time |
| Youngest child ‘independent’ | Full-time | Full-time | At home/Part-time/ Full-time |

Source: Bradshaw et al., 1996:31.

The national informants for Bradshaw et al. (1996) study categorised their country into one of the groupings identified in Table 5.4. “*In most cases, they used national social attitude surveys as an indication of the socio-cultural background in relation to mothers’ work outside the home*” (Bradshaw et al., 1996:30). Table 5.5 shows how the countries studied here were categorised.

Table 5.5: Socio-cultural Attitudes to Mothers' Workforce Participation Compared to Lone Mothers' Workforce Participation Rate in the Comparator Countries

| <i>Country</i> | <i>Socio-cultural attitude</i> | <i>Lone mothers' workforce participation rate</i> |
|----------------|--------------------------------|---|
| Australia | medium | low |
| New Zealand | medium | low |
| Sweden | strong | high |
| United Kingdom | medium | low |
| United States | medium | middle |

Source: Bradshaw et al. 1996:32. The source for Australia is McHugh and Millar, 1996:29.

Table 5.5 shows there is a relationship between society's attitudes to childrearing and the workforce participation of lone mothers. While the relationship is not strong, none of the countries under examination here had workforce participation rates that were seriously at odds with cultural beliefs in that country about appropriate mothering. However, it is impossible to explain the variations in lone mothers' workforce participation with reference to one factor alone, for every lone mother's particular circumstances and needs are different. For instance, while Lorna believes it is appropriate for a lone mother to utilise full-time childcare once her child has reached one year old, she is not currently looking for full-time paid work, believing her son with Attention Deficit Hyperactive Disorder (ADHD) can only receive affordable high quality care after school if she looks after him herself.

New Zealand research on lone mothers lends weight to the argument that mothers' beliefs about appropriate workforce participation for mothers are an important factor in their participation rates. Davey's research has found that lone mothers have a low work force participation rate because "caring for their children was usually their first priority" (Davey quoted in the New Zealand Herald, 3.9.96). Similarly, a Government evaluation of the Stepping Out programme of 1987 designed to encourage DPB recipients into paid work found that three quarters of the beneficiaries surveyed did not want paid work at that point in time for fear that their children would suffer (Rochford, 1990).

The Levine et al. study found that "approximately half of the lone parent beneficiaries preferred to remain at home to care for their children themselves" (1993:24). Consequently, the study recommended that any policy aiming to increase the workforce participation rate of lone parents in New Zealand will need to take account of "the value many parents place on being able to care for their children themselves" (Levine et al., 1993:25). A recent study (Lorimer, 1996) of Pakeha lone mothers on the DPB living in Birkdale/Beachhaven, a working class suburb of Auckland, found that the participants did not want to enter paid work until their youngest child was five years old because they felt it was important to the development and happiness of their children that they be at home with them, and also because of the costs of childcare.

5.3 The Participants' Views of Lone Mothers' Workforce Participation

The six women I interviewed had a wide range of views regarding how old a child should be before a lone mother was in the workforce full-time. Two of the women thought a lone mother could work full-time with a baby, three others felt the child should be about 10 years old before the mother re-enters the workforce, and one woman was totally opposed to mothers' full-time workforce participation until the child was 'independent'.

Christine is strongly opposed to mothers working full-time until the child leaves school. *"I disagree with it. I'm anti solo mothers or other mothers working, unless the father is going to be home with the kids. As far as I'm concerned putting kids in daycare should be illegal. Even if the kids are at school I think the mother should only work if she can take time off work whenever their children need them. I don't think most mothers have the emotional strength and stamina to go to work and then come home and still give their children what they need. Somebody misses out and it is usually the children. I may be a bit old fashioned but I think the man goes out to work, the woman stays home. You cock up and marry the wrong man - you get to sit and suffer on the DPB".*

For some lone mothers not being in full-time work is a way of trying to compensate the child for the fact that the child lives with only one of their parents. Denise was looking for full-time work because she was desperate to improve her finances and her cousin was prepared to look after her only son (aged 8) after school. However, given a choice, she would prefer to remain out of the workforce. Denise: *"I would like to wait until he was ten because I think they have a better perspective at that age. For my son, all his life there has been only me and him. If I am not there for him, it might upset him".* Like Denise, both Vera and Joan chose ten as the age where a lone mother could work full-time without her child being disadvantaged.

Joan explains her attitude: *"When I was a child my Mum used to work full-time. From when I was five I had to walk home from school by myself, go into an empty house and be alone until Mum came home about 4.30 pm, and sometimes she was late. I don't want my daughter to experience any of that and anyway it is so much more dangerous now - people are just too scared to let their children walk home by themselves. I think it is important that I am with Jo (a six-year-old) as much as possible, like during the school holidays.*

To me, it's like I'm getting money to do a really important job - raising Judy. There is no way she will ever get into any trouble because she's gotten all the grounding from me and the rest of my family. She knows what's right and wrong".

Lorna and Lois do not have any problems with lone mothers being in full-time, paid work. Lorna comments: *"I suppose it would be okay to put a one-year-old in a childcare centre so long as they were getting all this quality care and education"*. For Lois, as long as it was a good quality creche she would be happy to use childcare soon after the child is born. In spite of Lorna and Lois beliefs they are not currently employed full-time. There have been many obstacles and constraints in their way. One of them is the type of work available to lone mothers and the financial reward received for these jobs.

5.4 The Participants' Current Employment Status

Joan was on a Community Taskforce (CTF) scheme working 24 hours per week when I interviewed her. Joan had gone to the then Employment Service looking for part-time work and they had put her on the CTF scheme. This work is not paid. Working as a teacher aid, Joan finishes at 2.30pm every day and does not work during the school holidays. Joan comments: *"I am only paid \$19.95 per week on top of my benefit. That is supposed to pay my transport costs. I do not think it is fair that I am working and not getting paid, but I do like the job, so it suits me for now"*.

Lorna was working one weekend per month at a women's refuge, and weekly as a house cleaner under-the-table. Vera works 19 hours per week as a volunteer at a community agency. Christine had done a considerable amount of volunteer work but was not undertaking either paid, or regular, volunteer work at the time of the interview. Lois and Denise were not employed but were

actively looking for paid work. Lois wanted well-paid full-time work to dramatically increase her family's standard of living and secure their financial future. Denise was looking for either part-time or full-time work, whichever she could get because she desperately needed more money. Both these women had only one school-age child. Lois's daughter, Ruth, was starting secondary school and Lois was apprehensive about her being on her own after school, but job hunting anyway and hoping things would work out. Denise had an arrangement with her cousin that if she secured a job her cousin would look after her child after school for a small payment.

5.5 Issues Affecting the Decision to Seek Full-time Paid Work

Four of the women felt they were not currently in a position to work full-time believing that their children would suffer if they did. The other two women, Denise and Lois, are currently hunting for full-time work. Lois is looking for a job that pays a good wage whereas Denise does not care what the wage rate is. Lois explains: *"I'm desperate now for a job with decent wages. I'm getting close to forty, which is marginal for women. I don't have a partner. Who will provide for me in my old age? I have to make provision for that, myself, while at the same time raising my daughter on my own and trying to provide her with a good future"*.

The other four women are not planning to leave the DPB immediately.

Joan said: *"I don't want to be on the benefit and working part-time forever, but I don't know what I want to do long term work wise. I'll figure out something when Jo gets a little bit older. When she's about ten, maybe"*.

Whilst Christine reported: *"I honestly don't know what the hell I am going to do. Once upon a time I had started training to make the most of what I had. Now, I still do a bit of advocacy work, but there is no way I can handle the stress of doing that full-time"*. When Lorna's disabled son is older she would

like to train to be a social worker. Vera is undertaking training in 1998 in accountancy and hopes to find full-time work when that course finishes a year later.

5.6 Working Under-the-Table

Many beneficiaries take under-the-table work to supplement their income without being faced with high EMTRs. Not all lone mothers have access to under-the-table jobs. While it is illegal and lone mothers feel the stress of the possibility that they may be caught, under-the-table work does provide some lone mothers with some relief from poverty. Little work has been done in New Zealand on how widespread the practice is, partly because beneficiaries are unlikely to be forthcoming about their involvement in an illegal activity. The Levine et al.(1993) study, makes no mention of under-the-table work.

I did not ask my participants if they had ever worked under-the-table. However, Lois and Lorna volunteered the following information. Lois stated: *"I have always seen that I have a responsibility to provide for my child, and I think 'provide' is not Nike's and Gameboys and things like that, but its at least a decent meal and a pair of shoes, a reasonably satisfactory form of housing and clothing and things like that. The benefit does not provide for that. I am determined to make sure that my child is not disadvantaged, for example, I'm paying extra money at the moment for her to get assistance from SPELD [Specific Learning Disabilities]. I need to work under-the-table to pay for SPELD and other educational extras for Ruth. My defence is that I was providing for my child, I was doing what I had to do. Women who play by the rules end up in abject poverty and misery. Well, I'm not prepared for my child to live like that, so it means I have to be dishonest.*

Lorna has a similar view: *"It is impossible to live okay on the benefit. On what I am entitled to, I would not be able to have the heater on in winter and we*

would freeze and get sick. That's how I justify cleaning other people's houses [under-the table] so that I can have the heater on so we don't go cold".

6. Key Findings

- While childrearing is important work, neither the market nor the state will pay for it.
- Childrearing is particularly demanding work, and lone mothers are on-call 24 hours a day, seven days per week.
- Lone mothers in paid work have to juggle many jobs at once - sole responsibility for the care of their child/ren, breadwinner and homemaker.
- Lone mothers' beliefs about what constitutes "good mothering" influences their decision about whether or not to look for paid work.
- In New Zealand, Australia, the United Kingdom and the United States of America, the prevailing ideology is that mothers with pre-school children should not work full-time, whereas Swedish society sanctions full-time work for mothers of pre-schoolers.
- Three of the six participants in my study thought their child should be about ten years old before they work full-time, while one woman was strongly opposed to all mothers' employment.
- There is a separate labour market for women distinguished by low pay, a narrow range of occupations, and part-time and casual work.
- Lone mothers have low qualification levels in all the countries examined in this study, except for in the United States of America.
- There is an urgent need for policy that supports vocational training for lone mothers (particularly Maori and Pacific Islands lone mothers) in sectors that will lead to well-paid work.

- Three of the six participants in my study had left school without sitting School Certificate. Two of these three were the only Maori lone mothers in my study.
- Ignoring all the evidence, policy-makers refuse to acknowledge that unemployment impacts on lone mothers' workforce participation rates.
- On-going deregulation and restructuring since 1984 has destroyed many unskilled and semi-skilled jobs. Many of these jobs were held by Maori and Pacific Islands women and these populations have tended not to benefit from the job growth in the service and finance sectors.
- There has been a growth in the number of part-time jobs available since 1976 but low pay, minimum employment conditions, non-union labour, and job insecurity distinguish these jobs.
- Many of the part-time jobs available are in the evening or week-end when childcare is not available to lone mothers. Some partnered mothers work during these times while their partner cares for the children. Only one of the participants in my study had a part-time job.
- Most New Zealand workplaces are unsympathetic to their staffs' needs as parents.
- In 1997 women's average hourly wage rates were only 80% of men's. This gender pay gap is widening. Of the comparator countries Sweden is the only country with a significantly narrower gap.
- Most DPB recipients do not currently have the earning potential to secure a "breadwinner's wage". The New Zealand Government refuses to acknowledge the relationship between women's low wages and the lone mothers' low workforce participation rate.
- Most lone mothers in paid work in the United States of America are poor; in contrast, lone mothers in paid work in Sweden enjoy a reasonable standard of living.

- It is possible that many women on the DPB, especially those with school-aged children, work under-the-table to increase their family income and avoid the high EMTRs paid on part-time work.

7. Conclusion

Lone mothers weighing up the benefits of workforce participation ask themselves whether their child/ren's needs can still be met if their child/ren's only available parent is in full-time work. This question will produce a range of answers depending on different attitudes as well as different situations. Those few lone mothers on high incomes can afford help with housework, gardening, home maintenance, convenience foods and so forth, to allow parent and child/ren to continue to spend time together. Those contemplating work for low wages will not only be working very long hours when paid and unpaid work are combined, they will also still have the stress of not having enough money to make ends meet, and furthermore they will have little time to meet their child/ren's emotional needs. There is likely to be little support from their employers for their parenting.

What employment options are available to lone mothers looking for full-time work? If they are well qualified, they may be able to secure a well-paid job and pay for the assistance they need to care for their child/ren and make a home. If they are not well qualified, they will have great difficulties finding a living wage job, particularly now with the unemployment rate rising once again.

The disappearance of many of the jobs held by Maori and Pacific Islands women in the 1980s has had a huge impact on the workforce participation rate of Maori and Pacific Islands lone mothers. Little effort has been made by policy-makers to ensure that new jobs are available for Maori and Pacific Islands women.

Since September 1996 unemployment has been growing again. It is too early to ascertain what impact this has had on lone mothers' workforce participation.

If lone mothers want a part-time job, it is likely to be low paid and have poor working conditions. It will be very hard for them to find any part-time job with hours of work that allow them to meet their childcare responsibilities themselves. If they remain on the DPB while working part-time, any pay they receive over \$80 gross per week will mean that their benefit and supplementaries will be substantially reduced.

Given these difficulties it is not surprising that many lone mothers remain on the DPB, and some (where they are able to) take under-the-table work. With under-the-table work they are able to keep all the money they have earned. By staying on the DPB lone mothers ensure that they have a steady reliable income and the time they need to meet their children's needs.

By ignoring many of the realities lone mothers face when contemplating employment such as, the high rate of unemployment, women's low wages and the lack of 'friendly to family' workplaces, the Government reinforces the myth that lone mothers are lazy and are bludging of the state.

Instead of criticism, lone mothers need support to enter paid work. At a minimum, pay equity laws are needed to narrow the gender pay gap and domestic leave should be available to all parents, as is the case in Sweden. Job creation programmes and vocational training are needed which aim to assist lone mothers into well-paid employment.

The nature of the workplace, the need for marketable qualifications, and the need for childcare/OSCAR are the main issues recognised as relevant to workforce participation for lone mothers. The childcare/OSCAR needs of lone mothers are discussed in the next chapter. Also discussed in the next chapter is a topic not recognised by the Government as relevant to workforce participation, poverty.

6: External Constraints

1. Introduction

This chapter looks at three external constraints to workforce participation for lone mothers: poverty, the lack of affordable childcare, and the lack of out of school care services. While the adequacy of the benefit level was not a main focus of the Levine et al. (1993) study, it found: *“The key issue that emerged from the discussion of options [to facilitate workforce participation] was the difficulty that most lone parents faced in making ends meet on the benefit, which resulted in the near impossibility of taking on any other expenses beyond the costs of food and shelter”* (Levine et al, 1993:54). This conclusion was played down in the report, possibly because it was published by a government department, yet it is a very important issue.

All the research reports cited in this study found that the lack of quality, affordable childcare is a major obstacle to workforce participation for lone mothers. The Department of Social Welfare recognises that: *“Lack of high quality, low cost child care and low educational qualifications are two of the significant barriers to self-reliance for lone parents with dependent children”* (Department of Social Welfare, 1996b:77).

Formal out of school care (OSCAR) is a relatively new service in New Zealand. The Levine et al. study (1993) found that few used out of school care, but many expressed a need for it. Looking at all parents a 1990 Ministry of Education survey *“found 25 percent of parents of school-age children said a household member had been unable to take on any sort of job or training because they needed to be at home to mind primary school-age children”* (Ministry of Women’s Affairs, 1996:23). Out of school care has been found to facilitate mothers into paid work. *“Ten percent of new users of UK government-initiated*

after-school care programmes said they would not have returned to work without the care it provided" (Ministry of Women's Affairs, 1996:23).

The first issue this chapter addresses is poverty. Lone mothers coping with the sole responsibility for child/ren and whose total energy is expended trying unsuccessfully to making ends meet, do not have the time or money needed to enter the workforce. This issue is becoming increasingly important as the percentage of lone mothers living in poverty has grown (Waldegrave, 1997).

1.1 Poverty Levels

One of the reasons the DPB was introduced in 1972 was because of the Royal Commission on Social Policy's concern that every individual have the capacity to "belong and participate" in New Zealand society (McClure, 1998). Today many lone mothers no longer have that opportunity. One study found that using a focus-group-determined poverty level of 60% of median equivalent household disposable income, and by making a standard adjustment for housing costs, 73% of lone parents were poor in 1993 (Waldegrave, 1997:172). It was also found that lone parents made up 21% of those who were poor (Waldegrave, 1997:172). The incidence of poverty was more than two times greater among Maori, and more than three times greater among Pacific Islands families, than it was among Pakeha families (Waldegrave, 1997:172). More information about the financial situation of lone mothers is in Chapter 8, which discusses incomes and benefits.

The only other substantial survey of DPB recipients (1992) carried out this decade confirms the findings of the Levine et al. report. Dann and du Plessis (1992) carried out in-depth interviews with 22 women and one man. The study paints a picture of parents and children in poverty. Even before the benefit cuts the participants had to struggle to make ends meet. The cuts delivered a big

financial and morale blow to these families. One of the points that Dann and du Plessis make is that because of their poverty DPB recipients spend all their time meeting their families' immediate needs. Setting aside all the other obstacles to finding paid work, they cannot stop caring for their children and juggling their finances long enough to explore possible childcare and work options.

In 1993 the Social Policy Agency noted the poverty faced by lone parents in its report to the incoming Government: *In the year to March 1992, 78% of one-adult households with children were in the lowest quintile group compared with 15% in the year to March 1988* (Social Policy Agency, quoted in Cheyne et al., 1997:186). In contrast, the Department of Social Welfare's briefing to the incoming government in 1996 did not report on the financial situation of lone parents (Department of Social Welfare, 1996b). Similarly, the final papers of the DPB review ignored the issue of poverty.

1.2 The DPB Review Comments on Poverty Amongst DPB Recipients

One of the first reports written for the DPB Review by the Social Policy Agency (Social Policy Agency, 1997a) refers to the poverty experienced by many on the DPB. It suggests that poverty is a barrier to workforce participation, and that a possible policy response is to raise the level of the benefit: *"... there are a number of reasons why a low level of benefit income can present a barrier to sole parents seeking paid employment. These include an inability to cover the costs of education and training that might be required, and an inability to meet the high costs associated with working arising from childcare and transport, particularly in the period of transition. The situation is exacerbated for those who live in low income housing areas which are a considerable distance from employment opportunities, and those seeking work in unskilled, low paying jobs. In addition, a prolonged period on benefit may mean that any 'income buffer' that the sole parent has is run down. As a result, sole parents may be unwilling or unable to withstand the*

risk to their income stream that may be associated with moving into work or into a new relationship.

Potential options for change

Options for changing the level of assistance include

- *increasing the level of assistance; and*
- *changing the benefit rates for those with children to better reflect the costs of caring for older children"*

Social Policy Agency, 1997:11).

Similarly, a paper by the Ministry of Women's Affairs for the DPB Review quotes an international study which *"found that hardship has a strong negative impact on whether a lone mother finds employment and suggests that the exhaustion of living under these circumstances leaves women with no money for job search"* (Bryson et al., 1997, referred to in Ministry of Women's Affairs, 1998a:27).

The previous references to financial hardship are the only time it is mentioned in the DPB Review papers, and the proposals in the Social Policy Agency paper above are not discussed in any subsequent papers of the DPB Review.

Nevertheless lack of money is a major obstacle to leaving the benefit: *"Low benefit levels also prevent beneficiaries from moving into employment because they cannot save enough to cover work-related expenses, bridge the gap between last benefit payment and receipt of the first pay packet, or save money to see them through a stand-down period if the job does not work out"* (New Zealand Council of Christian Social Services, 1996:8). Almost one in five lone parents have no telephone (Colmar Brunton, 1995:24). This figure is likely to be higher for DPB recipients because they are poorer than other lone parents.

Not having a phone is a severe impediment to job hunting and sourcing possible childcare.

1.3 The Social Welfare Department's Attitude to Benefit Levels

In March 1997 when the Director-General of Social Welfare, Margaret Bazley was asked if her Department was doing any work on whether benefits are adequate to live on, she replied: "No. We're not doing any work on that. The work we're doing is focussed on getting people off benefits" (McLoughlin, 1997:119). The Government, by ignoring the poverty faced by DPB recipients while at the same time coercing them into paid work is implying that their poverty is their own fault caused by their 'refusal' to enter the workforce. This is not a strategy that is likely to succeed in increasing the workforce participation rate of lone mothers. Setting aside all the many obstacles facing women on the DPB who are seeking employment, there is a danger that lone mothers on the DPB will become so overwhelmed by their financial problems that they no longer have the good health necessary to secure employment.

1.4 Poverty and Ill-health

Poverty has been found to be one of the main causes of ill-health (National Health Committee, 1998). In particular, poverty has been found to be strongly related to the likelihood of developing depression (Brown and Moran, 1997). Ill-health amongst lone mothers and its relationship to workforce participation is discussed in detail in the following chapter. Women on the DPB who suffer from depression, or any other form of ill-health are going to be less able to leave the benefit than those in good health.

1.5 The Participants and Poverty

For the women interviewed, their housing situation played a big part in determining their ability to make ends meet. Those women who were able to

have another adult in the home and thus share some bills tended to be financially better off. Vera and Christine both had boarders, and Joan was living with her parents. Neither Lorna, who was in a small Housing New Zealand home, nor Lois, who lived in her own small home, had room for other adults to board with them and were both in financial difficulties. Denise and another lone mother were renting privately together and thus sharing bills. Despite sharing, Denise did not have enough money to live on, perhaps because the other adult was another lone mother who also had few financial resources or social capital. Denise comments on her finances: *"I am forever in debt. Especially with my power and phone. So I ended up getting a six hundred dollar loan from a finance company to try and help me get some bills out of my face. I can not afford to buy my son any luxuries. You know I would love to shout him out to the pictures. I'd like to go to a shop and buy him some new clothes but I can't 'cause I haven't the money. I always make sure I have food for my son. They say you are supposed to be able to stretch your benefit - well, they should try living on it. Everything is so expensive. I'm paying 17% interest on my loan"*.

Vera discusses her financial situation *"My eldest daughter pays for all our food (for two adults and five children), that is the way she pays her board to me. I manage on the benefit. It can be a struggle now and again. The rent increase is a big problem. I have only used a Foodbank once, about two years ago at Christmas time"*. Christine comments on the rate of the benefit: *"Basically the benefit is not enough to live on. You know, you've got to really really shop around. I shop in lots of op shops [second hand shops run by charities]. I tend to buy my daughter clothes only when she really needs them from the shops, and everything for me from op shops"*.

As mentioned in Chapter 2, an American writer Amott (1990) points out that Black lone mothers in the States were poor before they became lone mothers. Their poverty stems from being both black and female, more than from their

lone motherhood. Similarly, in this study all the women except for Lois (who is Pakeha) were living on low incomes before they became lone mothers. However only Christine had experienced severe financial difficulties before she became a lone mother. All of the women are in much worse financial circumstances now than before they were lone mothers.

1.6 Debt

Those living in poverty for any length of time are likely to get into debt, see Table 6.1. Lone parents are large users of benefit loans - the advance payment of benefit provisions (Department of Social Welfare, 1996b:85). Yet if they get a job they have to repay these loans at a higher recovery rate than when they were beneficiaries. This "places an additional strain on limited finances and in itself provides a disincentive to move off benefit" (Department of Social Welfare, 1996b:85). Arising out of the recent DPB Review the Government agreed to: *"keep the rate of benefit debt repayment when sole parent beneficiaries first move into employment at its pre-benefit level for the first 91 days after cancellation of benefit"* (Cabinet, 1998a:5). This will be some small assistance to lone mothers who move into employment.

Sixty-eight percent of lone mothers on the DPB received a Special Needs Grant (SNG) or advance in the 12 months to 31 May 1997 (Social Policy Agency, 1997b). Maori and Pacific Islands lone mothers were more likely than Pakeha recipients to have received a SNG (Social Policy Agency, 1997b). The research by the Social Policy Agency found that those on benefit for longer periods and those with older children were less likely to have received assistance (Social Policy Agency, 1997b). However, the agency suggests that: *"this maybe associated with customised service which has tended to increase use of supplementary assistance and has not yet rolled out to all longer-term benefit recipients"* (Social Policy Agency, 1997:23).

Table 6.1: Levels of Debt of Lone Mothers on the DPB by Ethnicity in Percentages

| | <i>all</i> | <i>Pakeha</i> | <i>Maori</i> | <i>Pacific Is</i> |
|-----------|------------|---------------|--------------|-------------------|
| none | 52 | 55 | 45 | 46 |
| \$1-499 | 27 | 26 | 30 | 27 |
| \$500-999 | 12 | 11 | 15 | 14 |
| \$1000+ | 9 | 8 | 10 | 14 |

Source: Social Policy Agency, 1997b:26, Table 63.

For Pakeha lone mothers on the DPB the likelihood of being indebted was lower among those with children in older age groups, whereas for Maori and Pacific Islands the likelihood of indebtedness was much greater (Social Policy Agency, 1997b). This is worrying, as it suggests that Maori and Pacific Islands lone mothers on the DPB have little ability to reduce their debt over time.

1.7 The Participants' Debt Levels

Christine owed her 24 year old son \$500. Denise has a \$600 loan, referred to earlier. Lois commented that: *"At the moment I owe \$800 in rates, I've just paid \$200 on a bad debt I have to Unitech to stop Baycorp from taking me to court. I have got a huge car bill. I pay everything on the 'This is the final demand' situation. I have come very close to reneging on my mortgage a couple of times. I am proud to say I've always managed to cover that and that is only because of the bits and pieces of undeclared work I've done"*.

Joan has had debts in the past but said: *"Now that I am living with my parents I'm not in debt to anyone, because we share all the costs"*.

Lorna reported: *"I don't have any debt with Income Support because that is a real trap. You are always in debt with them. My only debt is for the stereo. I got that job up the road and I thought - yay! - thinking of my daughter, trying*

to make her happy. I could never afford a car payment but at least she can have a decent sound system". Vera who works as a budgeter is not in debt.

Vera, whose finances are greatly assisted by living with her adult daughter, said that as she works as a budgeter she could not bear to get into debt.

1.8 Comparative Social Assistance

In Australia the Government provides more support to lone mothers than in New Zealand with their Sole Parent Pension being at the same rate as the Age Pension (Department of Social Security, 1997). In addition lone mothers also receive: Family Payment, Guardian Allowance, and Family Tax Payment (Department of Social Security, 1997). In January 1997, the financial assistance received by a lone mother with two children aged four and seven, no private income, who did not receive Rent Assistance was \$A616 a fortnight (Department of Social Security, 1997:15). The commensurate figure for New Zealand in 1997 was NZ\$526.18. Lone parents in Australia receive free dental treatment and hearing aids; discounted health care, prescriptions, transport, electricity, telephone charges, rates, and car registration (Department of Social Security, 1997). Free counselling is also available to lone parents for: personal problems, accommodation assistance, legal services, financial issues, and vocational guidance (McHugh and Millar, 1996:21). In Sweden a wide range of services is available to all children and families: free medical services, and dental care, school meals, day care services, home help for families, family education and counselling (Sainsbury, 1996:85).

In the United Kingdom all beneficiaries still receive very substantial rent and council tax subsidies, and a range of free goods and services, free pharmaceuticals and health care, free school meals and free welfare milk (Parker, 1995:43). However, in recent years lone parents have been the target of welfare cut backs (MacDermott et al., 1998). The Conservative government froze the lone parent family benefit in March 1996 (MacDermott et al., 1998).

The Labour Government was widely expected to remedy this cut but did not (The Guardian, 1998). In April 1998 the lone parent rate of the family premium was abolished and in June 1998 the lone parent rate of child benefit for new claimants was scrapped but this may be off-set by a considerable increase in the universal child benefit (MacDermott et al., 1998). Lone parent benefits will not, however, be uprated in line with inflation in 1998 and 1999 (MacDermott et al., 1998).

The aim of the USA welfare system regarding lone mothers is to prevent destitution, which it does, but it does not prevent poverty (Bergmann, 1997). In the USA lone mothers whether they are in work or on welfare “run a strong risk of being poor” (Sainsbury, 1996:83). Lone mothers in paid employment in the United States had a higher poverty rate than did mothers on welfare in the UK and the Netherlands (Sainsbury, 1996:83). Ironically while the United States Government is aiming to reduce the number of beneficiaries, because of the poverty of lone mothers in the USA in paid work many are still eligible for some forms of welfare payments (Bergmann, 1997:91). Policy analysts in the USA have estimated that the recent cuts in welfare provision will push another 1.1 million more children into poverty (Bergmann, 1997:85). If lone mothers in New Zealand are coerced into paid work, we may see in New Zealand the USA phenomenon described previously, with a large percentage of lone mothers in paid work but still in poverty.

1.9 The Level of the DPB Needs to be Raised

DPB levels in New Zealand need to be increased, at least back to their real value in 1987. Some conservatives argue that raising the rate of the DPB would lead to an increase in lone motherhood. Jencks provides a convincing rebuttal to this claim (Jencks cited in Edin and Lein, 1997b). He argues that if this was the case then in countries where lone parents ran a high risk of being poor, a smaller percentage of mothers would be lone mothers (Jencks cited in Edin and Lein, 1997b). Jencks shows that the opposite is true. Countries

where the relative odds that a lone mother would be poor such as the United States of America, and Britain (and New Zealand) had high rates of lone motherhood. Countries, which provide extensive and varied assistance to lone mothers such as Sweden and Denmark, had lower rates.

Having examined the data Jencks states “*Pakehapean rates of single motherhood seem to be more influenced by proximity to the North Sea than by the risk that becoming a single mother will make you poor*” (Jencks, quoted in Edin and Lein, 1997b:xxv). Jencks concludes that the decision to become a lone mother is not influenced by economic cost (Jencks cited in Edin and Lein, 1997). It appears that raising the DPB rate would not cause a rise in the number of DPB recipients.

2. Childcare

The first task of a lone mother on the DPB with a child/ren under five who is seeking employment is to find affordable childcare of a quality she is satisfied with. The following section discusses the issues this quest might raise.

The Household Labour Force Survey for the year ended March 1995 found that: “more than 15 percent of women available for but not seeking work in 1994-95 were not seeking it because they could not find suitable childcare (Ministry of Women’s Affairs, 1996:15). A 1993 OECD report found that “*countries with affordable, good quality childcare with operating hours geared to the needs of employed mothers have a correspondingly high rate of female labour market participation*” (cited in Ministry of Women’s Affairs, 1996:15). Similarly, Bradshaw et al.’s extensive research on factors which assist lone parents’ labour force participation found: “*...probably the most important factor of all is the availability of good quality, flexible and affordable childcare. Childcare alone is not enough, but without it, other measures will prove fruitless*” (1996:79).

Further information on the adequacy of childcare arrangements for enabling care-givers of pre-school and school age children who are in, or seeking to join, the workforce will be available once the childcare supplement to the Household Labour Force Survey, September 1998 has been analysed (Fitzgerald, 1997). At the time of writing this analysis was not available.

2.1 Maori Use of Formal Childcare

The high cost of childcare affects Maori families in particular, because they have fewer financial resources than non-Maori. An extremely low proportion of Maori children (42 percent) participates in early childhood services of any kind (Ministry of Women's Affairs, 1996:58). A 1995 report into the causes of this low usage found that access and affordability were the main constraints, even concerning usage of Nga Kohanga Reo (referred to in Ministry of Women's Affairs, 1996:24).

2.2 The Participants' Experience of Childcare

Lorna is only in paid employment one weekend per month because this is the only time when she has quality, affordable, childcare. Lorna stated: *Because of Jack's disability I'm entitled to 28 days per year respite care and so I use that. That is saying something, that I use that to do paid work when I am supposed to be using that to have a rest. I can't have a break. Because I need more money. He gets good care there and he is happy. That is why I can only work 10-20 hours per month because I can't afford childcare. I'd love to be out there working if it was worthwhile".*

After Lois had completed one year of the Diploma in Textile Design she had the opportunity to travel so took a year of absence from her course. While travelling overseas with her partner she became pregnant. She returned to New

Zealand planning to resume her studies. Lois explains: *"My course was to start in February and Ruth was due in April. I had spoken to my tutors and they were supportive of me returning. The Polytech was trying to get a creche going but unfortunately that didn't happen until the following year. This was a big disappointment"*. With no childcare facilities available to her Lois decided not to return to her studies until her child was older.

2.3 Informal Childcare

In the Levine et al. (1993) study family/whanau (usually the child's maternal grandmother) were the main providers of childcare of those lone parents who were in paid work. Relying on the unpaid caring work of other women is an affordable option for lone mothers, but it may not be a reliable one, as the unpaid carer will not be able to provide care when unwell and may not be available at some time in the future. Denise had to quit full-time work because her informal childcare arrangement became unsatisfactory. Denise stated: *"I worked at Coastal Seafood's. My boarders were looking after my son so I was working from 6am till sometimes 6pm. My boarders were a couple, the woman is his God-mother, but they started fighting in front of my son. I don't like violence in front of my son, so I told them they would have to leave. I have been brought up around violence and I don't want my son brought up around violence. I had to cut my hours to part-time and go back on the benefit."*

Lorna's fifteen-year-old-daughter recently left home saying she resented looking after her brother while her mother was training. Lorna explains: *"It was really hard for my daughter, I used to say to her 'I can't stand being on a benefit. I desperately want to get some qualifications, but I can't afford childcare ... can you please mind him?' I also used to ask the neighbours to keep an eye on the house. I felt bad about it and I worried that they were okay. That was real pressure. I don't know how I managed to complete the first year of my nursing training. The second year you had to work late afternoons and*

evening and it was impossible. Not only did I have childcare problems but I had big transport problems as well. I can't afford a car. I had to quit the course".

2.4 Opening Hours

The hours that childcare centres tend to be open for are another issue for lone mothers. Participants in the Levine et al. study (1993) noted that childcare centres are not open early in the morning or in the evening to cover shift work. Some lone mothers were also frustrated that the training courses they wanted to undertake were in the evening when no childcare is available (Levine et al., 1993). After successfully completing her first year of nursing training Lorna had to quit because the second year required shift work in the nights and evenings and she could not find childcare for her son who was six years old at the time.

2.6 Attitude to Childcare Centres

Some lone mothers will not use childcare, not because of the cost, but because they are worried about the possibility of neglect or abuse (Levine et al., 1993:24). Both Vera (whose four daughters were sexually abused by their father) and Denise (who herself was sexually abused as a child) said they would never use a childcare centre fearing that their children might be abused or treated badly. Vera said: *"I'm worried about the safety of childcare centres. You read about it in the papers"*. While there have been cases of abuse in childcare centres in New Zealand, these are infrequent and generally standards (and the quality required by law) are very high.

2.7 Childcare Policy

The Government does not provide any childcare services in New Zealand.

Consistent with its market philosophy, rather than providing services it provides subsidies to childcare providers, and a heavily means-tested and inadequate fees subsidy to users (discussed later in Chapter 9 on government programmes).

Quality childcare is very expensive to provide but the subsidy to employers is not generous. Childcare providers face what is has been termed the “trilemma of childcare”: how to reconcile the need for quality care, equal accessibility and appropriate pay and conditions for staff (Edwards, 1994). The non-profit community creche attended by my child, in addition to receiving the government subsidies and a heavily subsidised rent from local Government, was forced to charge parents \$135 per week in order to break even. These fees put childcare beyond the reach of most families, particularly lone mother families. Even the Social Welfare Department recognises that the Child Care Subsidy is not generous enough (Social Welfare Department, 1996b:85). The low subsidy to employers, high costs, and inadequate subsidy to the low paid means that childcare is not an attractive business proposition. Community childcare relies on considerable *“community support and resources to establish and continue to operate. This is particularly difficult in poorly resources areas and means that services may not be readily available near to areas of high need”* (Ministry of Women’s Affairs, 1997a:3). Consequently few affordable childcare places are available to large numbers of New Zealand parents.

In March 1997 when Margaret Bazley, Director-General of Social Welfare, was asked if the Government would provide more childcare, she replied: *“We’ve been trialing what we call the Compass Programme. A feature of that is forming small networks of lone parents who work together to support each other, sharing things like childcare and transport”* (McLoughlin, 1997:119). A group of lone parents sharing childcare is not likely to provide enough childcare to allow the parents involved to move off the benefit. Furthermore,

the two evaluation reports of the Compass programme did not mention lone parents sharing either childcare or transport (Colmar- Brunton 1996 and 1997).

2.8 Comparative Studies

In Sweden childcare is available for all pre-school children. "On average parents pay about 10 percent of the cost of providing the service" (OECD, 1993:110). Lone mothers in Sweden are given priority of access to childcare (OECD, 1993:68). Childcare is far more extensive in Australia than New Zealand, while not as comprehensive as Sweden. In Australia in recent years childcare has expanded rapidly, and now *"meets about two-thirds of the demand for work-related care (with a government commitment to meeting all such demand by 2001)"* (McHugh and Millar, 1996:16). The Australian Labour Government (defeated in late 1996) accepted the argument that child care is not a simple increase in government expenditure but can lead to increased taxation revenue and reductions in sole parent benefits (Brennan, 1994:207). In Australia fee relief subsidies are provided to low and middle income families for childcare (OECD, 1993:35). Lone parents are given priority in government funded services, particularly if they are working or looking for work (OECD, 1993:35).

The Australian Government that was elected in 1996 is more market-orientated than the previous government and some cuts in social welfare spending have been made in the last two years. Nevertheless lone mothers in Australia have not been targeted for criticism as they have been in New Zealand. In 1997 the Australian Department of Social Security published a booklet titled *"Some common questions about lone parents answered"* that explained and justified spending on lone parent families to the public.

In the UK there is minimal public childcare assistance (OECD, 1993:68) and a British study found that “49% of all lone parents wanted more, free, or cheap child-care provision” (Shaw et al., 1996:154). The British Labour Government has recently committed itself to developing a “National Childcare Strategy” (MacDermott et al., 1998). However no extra funding for childcare will be available until April 1999 (MacDermott et al., 1998).

In France, in contrast to NZ and the UK, every child is guaranteed a free place in a creche from the age of three (Parker, 1995:43). Bergmann sees two main reasons for the French attitude to childcare (Bergmann, 1997). One is the belief that French children socialised collectively in French culture will ensure the preservation and development of the culture (there are parallels here with the Kohanga Reo Movement). The other is the French attitude to children. Children are viewed as the nation’s future and this is backed up by family policies which “work to insure the soundness and well-being of the nation’s future adult population” (Bergmann, 1997:86).

3. Out of School Care and Recreation (OSCAR)

3.1 Availability

Out of school care is not widely available in New Zealand. The Out of School Care (OSCAR) Survey 1996-7 found that there were 910 Out of School Care Providers. Of 910 services, only 36% provided after school care, 46% provided holiday care, 10% before school and 8% of programmes provided weekend care and camps (Thompson, 1997). Prior to the June 1998 Budget, funding from the Government for out of school care was only available in very limited circumstances from the OSCAR Development Assistance Programme, which will be described later in this Chapter. The OSCAR survey identified 528 community groups who had considered establishing programmes; 56% identified establishment funding as a major obstacle, followed by recruitment

and retention of suitable staff (Thompson, 1997). Lack of ongoing funding was identified as an obstacle by 42% of the programmes, family affordability by 34% and lack of facilities by 38% (Thompson, 1997). Most of the out of school care that is available is provided by schools (Thompson, 1997). However, schools are already under funded and over worked and often the Principal and the Board of Trustees genuinely do not have time for yet another responsibility.

3.2 Cost

The national average cost of after school care is \$44.30 per week (Thompson, 1997). This is a lot of money for a lone mother to pay out of a typical female wage of about \$350 net per week. Participants in Levine et al.'s study (1993) suggested that the Child Care Subsidy should be broadened to cover out of school care. This suggestion was finally taken up by the Government in the 1998 budget. The resulting OSCAR subsidy is discussed in Chapter 9 on government programmes.

3.3 School Holiday Programmes

In addition to after school care lone mothers need their children cared for during the school holidays. I phoned several school holiday programmes to check their availability and cost. In central Auckland availability is not a problem, although this is unlikely to be the case outside of the main metropolitan centres. However the cost is extraordinarily high. Prices range from one non-profit programme that charged \$130 per week to the most expensive programme at \$160 per week. A further problem for lone mothers entering or in the workforce is that: *"60% of holiday programmes run for less than 8 hours and finish before or at 3.30 pm indicating that they are for recreational purposes rather than catering for working families"* (Thompson, 1997:11).

3.4 The OSCAR Development Assistance Programme Pilot

The 1996 budget allocated money to out of school care for the first time by establishing the OSCAR Development Assistance Programme (DAP) pilot. The results of an evaluation of the OSCAR DAP pilot appear to be influential in persuading the Government that government funds need to be spent on OSCAR. The evaluation found that programmes have been established in communities of need, but not all communities of need have programmes (Saville-Smith, Parata-Baine, and Mainey, 1997). The majority of programmes were set up in Auckland, Wellington and New Plymouth. Northland and Otago/Southland are poorly serviced (Saville-Smith et al., 1997). Maori and Pacific Islands families are slightly over-represented (Saville-Smith et al., 1997). Over half of parents were in families earning less than \$30,000 per year (Saville-Smith et al., 1997). There is strong parent demand for programmes (Saville-Smith et al., 1997). Most programmes are not sustained by parent fees and once the pilot funding is withdrawn most programmes will not have alternative funding for their programmes, with 58 percent of programmes indicated that poor access to on-going funding might mean closure (Saville-Smith et al., 1997).

One half of all parents interviewed said OSCAR enabled them to stay in paid work and one third reported that they were able to extend their work hours (Saville-Smith et al., 1997). Parents said the programme provided their children with increased experiential opportunities, improved their safety and security, increased educational performance, and social integration (Saville-Smith et al., 1997).

Providers were not convinced that the populations targeted by the OSCAR DAP funded programmes can afford to pay the fees likely to be associated with the on-going provision of the services (Saville-Smith et al., 1997). The researchers concluded that the desire to target populations in need, and for the programmes to be self-sustaining is inherently incompatible (Saville-Smith et

al., 1997). The Government appears to have accepted this conclusion and provided new funding for OSCAR in the 1998 Budget. This OSCAR funding is discussed in Chapter 9 on government programmes.

3.5 The Participants' Experience of OSCAR

Of the six women, only Lois had ever used an after school care programme.

However, once Lois's daughter started intermediate school Lois was stuck because most intermediates do not have after school care. *"I was working long hours [for a voluntary welfare agency] during Ruth's first year at intermediate. Ruth's new school did not have any after school care available. But I didn't think it was okay to leave Ruth on her own especially as I often had to work until 7pm. So I had many ad hoc arrangements with friends and family members. Ruth never knew where she was going to be from one day to the next. Sometimes the first thing she would say to me in the morning was 'where am I going to be tonight?'"* Joan recently considered taking a course at Teachers College to train as a teacher aide: *"But it finished after 3pm and after school care would have been \$35 per week, and I couldn't afford that."*

4. Key Findings

4.1 Poverty

- The Levine et al. 1993 survey found that most DPB recipients had financial difficulties and that this was a significant barrier to their workforce participation.
- All research on poverty in New Zealand has found that a large proportion of lone parents are poor, especially Maori and Pacific Islands lone parents.
- The Government ignores poverty amongst lone mothers and despite recommendations from some of its officials, does not acknowledge that it is a constraint on lone mothers' workforce participation.

- All of the women I interviewed were experiencing financial difficulties. Prior to becoming a lone mother only one of the women had experienced serious money worries.
- Nearly half of all lone mothers on the DPB are in debt to WINZ. Five out of six of the participants in my study were in debt. Their debt was not to WINZ but to family members, loan companies and in the form of hire-purchase repayments.
- Lone mothers in Australia, the United Kingdom and Sweden receive more free or discounted goods and services than in New Zealand or the United States.
- Many lone mothers in the United States who are in employment are in poverty. If New Zealand policy continues in its current direction there will be a huge increase in the number of lone mothers here who are in employment and in poverty.

4.2 Childcare

- Childcare has been found to be a prerequisite to lone mothers' workforce participation.
- Few affordable childcare places are available in New Zealand and the United Kingdom. Australia and the United Kingdom are currently investing more resources in childcare. Lone mothers in Sweden have priority access to affordable, quality childcare. Childcare is provided in the United States to lone mothers on workfare, but much of it is of a very low standard.
- None of the participants in my study had used a childcare centre usually because of affordability or availability issues. However, two of the participants did not feel that childcare centres were safe. One of whom had experienced sexual abuse, and the other's children had experienced sexual abuse.
- Rather than directly funding childcare centres the Government provides an inadequate and heavily means-tested CCS - discussed in detail in Chapter 9.

- Increasingly poor mothers are caring for others' children in their own homes. Research is needed to ascertain the impact of this growing phenomenon on the mothers and children involved.

4.3 OSCAR

- The availability of OSCAR has been found to increase the workforce participation of lone mothers, but there are currently few places available in OSCAR programmes through out New Zealand.
- The after school care that is available is too expensive for lone mothers.
- An evaluation of the OSCAR DAP pilot found that there is a growing demand for OSCAR services, that the pilot enabled parents to stay in paid work and expand their work hours, and that on-going funding of OSCAR was necessary for the service's survival.

5. Conclusion

The New Zealand Government refuses to acknowledge that poverty exists in this country. However several studies have shown that poverty is a real and growing problem and that lone mothers are particularly affected. There are many ways in which poverty is a barrier to workforce participation; for instance not being able to afford a phone to search for work, not being able to pay the bills between the last benefit payment and the first wage packet, and not being able to afford suitable clothes for a job interview. The Government's officials acknowledge that poverty is a problem for lone mothers and a constraint on their workforce participation (Social Policy Agency, 1997), but Government still chooses to try to force lone mothers into employment by work-testing them rather than by addressing the inadequacy of the level of benefit assistance.

Most studies of lone mothers see quality, affordable childcare as a prerequisite for their workforce participation (Levine et al., 1993, OECD, 1993, Bradshaw et al., 1996). Nevertheless, the Government seems resolute in its determination

not to allocate more resources to childcare for the under fives. Goodger's work shows that it is lone mothers in their twenties and late forties who have shown the greatest increase in employment among lone mothers from 1991 to 1996 (1998a:94). Lone mothers in their twenties are likely to have pre-school children. This raises the questions - who cares for their children while they are at work? Are these children receiving quality childcare? Goodger suggests they may be living with other adults who assist with the child care or they may be part of the growing trend for poor mothers with young children to provide childcare in their own home (Goodger, 1998:94). As Goodger proposes, more research is needed to understand this change.

Sometimes the Government presents its policy of pushing lone mothers into paid work as being driven by both fiscal pressures and a concern for the well-being of lone parents and their children (Department of Social Welfare, 1996). Yet it ignores the contribution formal quality childcare can make to meeting children's needs. The Ministry of Women's Affairs spells out these benefits: "[It] relates to welfare, education, socialisation and cultural/language outcomes. American research suggests that good quality childcare can militate against detrimental long term poverty" (1997c:2). Greater government resourcing of childcare would both facilitate lone mothers (and partnered mothers) into paid work and enhance outcomes for children.

The Government shows no signs of supporting an increase in the provision of childcare centres. Should the Government wish in the future to include lone mothers with pre-schoolers in work-testing, it would be difficult for them to do this without more childcare being made available. Given the Government's approach of trying to increase lone mothers' workforce participation without investing many resources in the area, one suspects that some policy-makers would like to follow the United States and reduce the standard of care required in childcare centres. The early childhood education constituency would resist

any attempt to lower standards of staff training or adult/child ratios which have been hard won over recent years to maintain quality services for children (Morris, 1998).

The Government provided funding for OSCAR recently because it felt obliged to if it was going to compel DPB recipients with a youngest child six or over to work part-time. Yet childcare funding can be seen in a different light. It can be seen as investing quality nurturing and education in society's future citizens at a crucial time in their lives. Furthermore, funding childcare can be seen as a prerequisite to ensuring that women have the right to be in paid work. These issues are discussed in more detail in Chapter 9 on government programmes.

The next chapter discusses internal constraints to workforce participation faced by lone mothers - car ownership, health and disability issues, housing, and so forth. These internal constraints can still be affected by policy interventions. Some of these personal issues, for instance domestic violence, have been given little emphasis by researchers discussing lone mothers' workforce participation. However my fieldwork, a recent study of domestic violence in New Zealand, and overseas research all indicate the need for these issues to be given greater consideration.

7: Personal Resources and Support Systems

1. Introduction

Personal resources and support systems are often overlooked in studies of lone mothers' workforce participation. This chapter identifies personal considerations - financial support from family, home and car ownership, a history of domestic violence - issues that may affect a lone mother's opportunity to take up employment. Some of these issues, such as how much assistance a lone mother receives from her family, are totally outside the policy arena. Other concerns such as domestic violence may need more attention from policy-makers who plan to increase workforce participation.

2. Private Social Safety Networks

A recent American study concluded that the range of survival strategies available to lone mothers is shaped by the social-structural characteristics of the cities they live in and by the quality of their "private social safety nets" (Edin and Lein, 1997a:253). They argued that some survival strategies are more compatible with work than are others. Edin and Lein's study found: *"that those mothers that managed to sustain their families while working at low-wage jobs had unusually low expenses and/or received regular and substantial cash help from people in their personal networks"* (1997a:254). There is no information regarding this in the literature for the other countries in this study, including New Zealand. Having unusually low expenses and/or receiving regular and substantial cash help is not discussed in either Rochford, (1993) or Levine et al., (1993). For instance, owning a freehold home as well as providing secure housing provides unusually low accommodation costs. However, the aforementioned research did not investigate whether or not there is an

association between owning a freehold house and workforce participation for lone mothers.

None of the women I interviewed had unusually low expenses, nor did they receive regular cash help from anyone. However, of the two women who owned their own homes (with mortgages) one of them could only do so because she was able to borrow the deposit from her step-father. This woman is the only one of those I interviewed in 1997 who has recently moved into full-time work. Her ability to hold down a job will be enhanced by having secure housing.

3. Support From Other Adults

3.1 Support From the Child's Father

Some fathers of child/ren living in lone mother families care for their child/ren on a regular on-going basis, such as one or two evenings a week. Where this occurs it provides some small relief to the mother's budget and gives her extra time for housework, house maintenance, leisure, and lightens the burden of combining working full-time and raising child/ren alone. There is nothing in the New Zealand literature regarding the extent of the practical assistance lone mothers receive from their children's fathers. There is an urgent need for both research into this area and the development of policy that fosters ways that fathers can play a meaningful part in their children's lives.

3.2 The Fieldwork - Absent Dads

Of the ten children in this study only Joan's child sees her father (one night a fortnight). The father of Vera's children has died. The fathers of both Denise's and Lois's children are overseas. Lorna's two children have different fathers, one of whom is overseas and the other, like the father of Christine's children has said he does not ever want to see his children again. Christine comments: "*The*

last time he had contact with me over the kids was vile. He didn't want anything to do with them and they weren't to use his name again".

That only one child out of the ten in my study ever sees her father is a very sad incitement on New Zealand society. While absent fathers see little of their children, fathers who live with their children also spend very little time with them (Kedgley, 1996). While there have been no studies undertaken in New Zealand, one American study found that on average fathers spend seven minutes a day relating to each of their children (Kedgley, 1996). Government policy has contributed to the belief that children are women's concern and childrearing is not important. The lack of childcare services, paid parental leave, and domestic leave, and the low rate of the Domestic Purpose Benefit, all reinforce the concept that childrearing is the mother's responsibility and of little value.

The neo-classical view adopted by governments since 1984 that children are a private good, rather than a social responsibility reinforces a non-existent or minor role for absent parents. Once the child no longer lives with the father he often takes the view that he no longer has any responsibilities towards the child. Talk of fatherless families only makes lone mothers feel guilty that their children are missing out. The "fatherless families" discourse (discussed in Chapter 2) has not inspired fathers to spend time and/or money on their children. The blaming fathers approach that talks of 'making father pay' does nothing to build the child's relationship with their father or lighten the lone mothers' load, perhaps making paid work feasible. What is needed is a vision of children as our shared blessing and collective responsibility. Policies that support fathers spending time and money on their children, such as the 35 hour week for full-time pay, have received scant interest or support from successive New Zealand Governments.

3.3 Whanau Support – Maori Women

I interviewed two Maori women, Vera and Denise. Vera was unaware of her tribal affiliations and has no contact with her whanau except for her immediate family. Denise only visits her marae, which is about six hours drive from her home, for big family hui. There is nobody from her whanau who regularly baby-sits for her. Davey (1993) believes that this is not as unusual as policy makers may think. Only one third of Maori lone parent families are closely linked to whanau (Davey, 1993:13).

There is no information in the literature on whether there is an association between Maori lone mothers who are closely involved with their whanau and participation in paid work. However, given that the majority of lone mothers in employment have their children cared for by a family/whanau member it seems likely that there is a positive association (Levine et al., 1993). My study reinforces this speculation. I sought out two Maori lone mothers who were not in the paid workforce and found that neither of them had close links with their whanau.

3.4 Support From Friends, Neighbours, and Family

The extent of support received by lone mothers from their friends, neighbours, and family can assist their ability to reconcile full-time paid work with lone parenting. There is little information on this topic in either the New Zealand or overseas literature.

All of the women I interviewed, except for Joan, said they were reluctant to ask family, friends or neighbours to help, but all also said they each had one good female friend whom they felt comfortable to ask to baby sit if absolutely necessary. Whilst Joan received considerable support from her extended family with childcare. This may reflect a different cultural practice as Joan is a New

Zealand-born Niuean. She was living with her extended family at the time of our interview.

4. Domestic Violence

4.1 The Incidence of Domestic Violence in the Fieldwork

I did not ask my participants about domestic violence and sexual abuse because at the time I saw these topics as outside my area of study. Nevertheless, in the course of the interview three of the six women disclosed incidents of domestic abuse. It is possible that some of the other three women were abused as well but not having been asked, chose not to talk about it. The three women who talked of their abuse explained how it had impacted on their self-esteem and their life opportunities. Denise had to leave school at fifteen in order to be able to leave her home where she was being sexually abused. Leaving school at fifteen has had a severe impact on her employment opportunities.

Few studies have tried to understand how psychosocial factors such as domestic violence, relate to the employment of lone mothers. The Levine et al. study (1993) which had not asked questions about domestic violence also found that this information was volunteered by some of their participants. Their study found that domestic violence was reported disproportionately by those beneficiaries with experience of only low-skilled and unskilled employment (Levine et al., 1993:17). However the study notes that: *"it is impossible to be sure of how closely these volunteered accounts reflect the true prevalence of domestic violence in the experience of the lone parents in the study"* (Levine et al., 1993:17).

4.2 How Prevalent is Domestic Violence Amongst New Zealand DPB Recipients?

There is nothing in the New Zealand literature on how widespread a history of domestic violence is in the lives of lone mothers on the DPB, nor, where it is present, exactly what its impact is. The Women's Safety Survey explored violence by male partners in New Zealand against currently partnered and recently partnered women, that is, currently single women who had lived with a male partner within the last two years (Morris, 1997). The survey found that New Zealand women experience a high level of violence from their male partners (Morris, 1997). Maori women are significantly more likely to suffer from this violence than non-Maori (Morris, 1997).

The survey did not identify how many of the participants were lone mothers (Morris, 1997). However, it is likely that many of the recently partnered women are lone mothers. The survey found that 73% of women with recent partners had experienced at least one act of physical or sexual violence by their partner (Morris, 1997). The commensurate figure for Maori was an even higher 90% (Morris, 1997). An alarming proportion of this violence was extreme. When the women with recent partners were asked if they were afraid that their partner might kill them, 24% of the total, and 44% of the Maori women with recent partners replied in the affirmative (Morris, 1997). Eight percent of all the women with recent partners (and 19% of the Maori women with recent partners) had been treated or admitted to hospital as a result of their partners' violence (Morris, 1997). Many men continue to behave violently towards their partners after they have separated (Morris, 1997). Fifty-one percent of women with recent partners reported that they had experienced some threatening behaviour by their partners after they had separated (Morris, 1997).

4.3 Domestic Violence in the International Literature

Most of the international studies on lone mothers and paid work do not mention domestic violence (Bradshaw et al., 1996: OECD, 1993). However, one US source found that domestic violence was extremely high amongst Aid to Families with Dependent Children recipients (AFDC was the benefit paid to lone parents at the time of the research) (Albelda and Tilly, 1997). *"A representative sample of one state's AFDC population found that two thirds of all adult recipients had been subject to domestic violence at the hands of a former or current husband or boyfriend"* (Albelda and Tilly, 1997:117). Similarly, a survey in Washington found that 60% of AFDC recipients had suffered sexual or physical abuse, compared to 35% of a random sample of women from poor neighbourhoods (Albelda and Tilly, 1997:117).

4.4 The Impact of Domestic Violence on Lone Mothers' Workforce Participation Rates

Given what is known about the detrimental effects of domestic violence on self-esteem and the disruption to family life it is highly likely that the presence of domestic violence impacts negatively on workforce participation. The Levine et al. study reported that the community agencies they spoke to *"pointed out that where this (domestic violence) was part of lone parents' histories it tended to badly damage their self-confidence and their ability to take steps towards independence from the benefit, such as training and job search"* (Levine et al., 1993:17). The only countries the Women's Safety Survey compared our incidence of domestic violence to were Australia and Canada. They had a lower incidence of domestic violence than New Zealand (Morris, 1997).

As the incidence of domestic violence appears to be higher amongst Maori women than non-Maori women (Morris, 1997) this may contribute to the low Maori lone mother workforce participation rates relative to non-Maori. Any policy measures that reduce violence in the home (for example self-defence classes for girls, anger management course, etc) as well as having obvious

intrinsic value can be seen as impacting positively on the workforce participation of lone mothers.

5. Transport

Eighty two percent of New Zealanders drive by car or motorbike to get to work (Statistics New Zealand, 1998d). New Zealand has a severely underdeveloped public transport system. Lone mothers not only have to transport themselves to and from work, they also have to ensure their child/ren arrive and are collected from their school, creche, after school care, or holiday programme. With the limited availability of childcare centres and out of school care in New Zealand the chance of these services being located close to the lone mother's home or workplace is slight. Neither the Levine et al. (1993) study, nor Rochford's (1993) research has information regarding the availability of transport for lone parents.

In 1991 ninety percent of all children were in families where at least one car was available for use by a resident in that family's dwelling (Statistics New Zealand, 1995a), yet two out of the six women in my fieldwork did not own a car. Car ownership is strongly associated with both low income and ethnicity (Statistics New Zealand, 1995a). Twenty one percent of Maori children and 27% of Pacific Islands children lived in a household without access to a car (Statistics New Zealand, 1995a). The commensurate figure for Pakeha is 5% (Statistics New Zealand, 1995a). Not owning a car is a clear indication of poverty in New Zealand.

Most of the international literature on lone mothers ignores transportation (Bradshaw et al., 1996; OECD, 1993; Albelda and Tilly, 1997 and MacDermott and al., 1998). One American study of lone mothers found that a quarter of their sample needed transportation to find a job (Brooks and

Buchner, 1996). It is likely that transportation is not as important to lone mothers in other countries than it is in New Zealand because some countries have extensive public transport systems.

5.1 Car Ownership Amongst the Participants

Of the women I interviewed, three of the four lone mothers who had cars, complained that their cars were unreliable. Vera bought her first car recently at 35 years old. Her comments demonstrate how a car can be related to mixing with people and feeling like part of the community, a prerequisite for successful job hunting. *"When the children were young I never went anywhere. I was quite lonely. Later, when I started to go out I found it hard to communicate with people"*.

Buying, maintaining and using a car is very expensive. Denise shifted flats so that she could share accommodation with another lone mother and hopefully cut down her expenses. However her son was very upset at the prospect of changing schools so she bought a car with her flatmate to transport him to his old school. They are both struggling to pay the car off at \$25 each per week. Lorna has never been able to afford to buy a car. While living with her four year old daughter in the rest-home where she worked Lorna had saved \$5,000 for a deposit on a car. She was about to buy the car when she discovered she was pregnant and was sacked, so her savings for the car disappeared on living expenses.

6. Health and Disability Issues

Until recently the welfare debate in New Zealand has ignored the question of how many women on the DPB either have a disability or health issue themselves, or have a child with poor health or a disability. There is no information on this in the published New Zealand literature. Disability and

illness were not explored by either Levine et al. (1993) or Rochford (1993) in their research. Fortunately, in spite of the lack of research, lone parents with (or whose child has) a disability or long-term illness are exempt from the work/education tests introduced in 1997 and extended recently.

Two recent substantial American studies by Spalter Roth et al., (1995) and Edin and Lein (1997b) have probably played a part in alerting New Zealand government officials to the significance of this phenomenon. Spalter-Roth et al. (1995) found that being disabled decreased the likelihood of employment for lone mothers from 20% to 3%. A 1986 American study estimated that 20% of the welfare case load have a work-prohibiting disability (Ellwood, 1986 referred to in Edin and Lein, 1997b). In a British study 40% of lone parents reported a long term health problem or disability (Shaw et al., 1996:5). One in four British lone parents were not able to be in employment because their child had a long term illness or disability (MacDermott et al., 1998). In the United States of America the strict work-testing of lone mothers allows the states to exempt 20% of their average monthly case-load from work requirements (Edin and Lein, 1997b). Edin and Lein (1997b) see most of this 20% quota as being filled by mothers with disabilities. This US figure is close to 22% of DPB recipients currently receiving the Disability Allowance in New Zealand (Goodger, 1997).

The National Health Committee (1998) report, *The Social, Cultural and Economic Determinants of Health in New Zealand*, identified income as the single most important determinant of health. Lone mothers on the DPB, because they run a higher risk of being in poverty, are likely to also run a high risk of experiencing health problems. A study of the relationship between marital status, poverty and depression found that risk of onset of depression was twice as prevalent amongst lone mothers compared with partnered mothers (Brown and Moran, 1997). Onset of depression was associated independently

with both financial hardship and employment (Brown and Moran, 1997). The link between financial hardship, employment and the onset of depression was through their association with humiliating or entrapping severe life events. Single parents were at a much higher risk of experiencing these events (Brown and Moran, 1997). The onset of depression was also much more likely to follow such an event when women had poor self-esteem and lack of support, both of which were more common among single mothers (Brown and Moran, 1997).

Financial hardship was also related to the risk of having a chronic episode of depression (defined in this study as an episode of depression lasting at least a year) of which lone mothers were also at greater risk (Brown and Moran, 1997). The majority of chronic episodes among lone mothers had their origins in prior marital difficulties and rates of chronicity reduced with the length of time spent in single parenthood (Brown and Moran, 1997).

6.1 The Participants' Health and Disability Issues

When I interviewed Christine she had a number of health issues that restricted the type of work she could do. Six months later the Employment Service had unofficially defined her as exempt from the work/education testing because of her health. Vera, Denise, Lois, Lorna and Joan all had good health. However Lorna has extra difficulties in combining paid work with child raising because her son has Attention Deficit Hyperactivity Disorder (ADHD). Lorna explains: *"My son was not diagnosed with ADHD until he started school. Before he was diagnosed I used to go to the Doctors and say 'there is something wrong with my son, I think he has a psychiatric problem or something'. I used to be really fearful he was going to end up in jail"*. Lorna does not believe it would be fair to her son to put him in an after school programme because of his disability.

Furthermore, Lorna herself was suffering from mild depression when I interviewed her. She had recently been traumatised by her fifteen-year-old

running away from home and preferring to live with her friend's family. Lorna saw this as contributing to her decision not to undertake training immediately. Lorna explained: *"It has been really hard for me emotionally. So this year I'm trying to concentrate on getting myself together, as in whole, with the help of my counselling, so that I can move on. I just have not got the energy at the moment to study with no support for me for my disabled son"*.

7. Housing

The cost of housing has been described as the major cause of poverty in New Zealand (Kelsey, 1997). From July 1991 to July 1997 average rent for a three bedroom state house increased by 182% (Milne, 1998:288). Private rentals are even higher than state rentals (Milne, 1998:289). Lone mothers are hit particularly hard by the high cost of housing as they try to pay accommodation costs for a family from one income. Lone mothers are far less likely than others to be owner-occupiers of their homes (Rochford, 1993) and lone parents are the largest household type living in state housing (Sell, 1997).

Sixty four percent of families living in state houses were found to be in poverty in 1993 (Waldegrave, 1997:172). The change from income related rents to market rents in state housing in 1992 has had a huge negative impact on the living standards of lone parents (Krishnan, 1995). Maori women in particular face severe housing difficulties - discrimination, substandard housing, affordability and overcrowding (Parata, 1991). Fifty-eight percent of the New Zealand Council of Christian Social Services' foodbank users in 1996 spent more than half of their income on accommodation (Kelsey, 1997). In 1996 housing charities reported that average stays in emergency houses had increased from 12 weeks to 32 weeks as families tried to save the bond (Kelsey, 1997). In contrast to New Zealand, in the United Kingdom and Sweden lone mothers on social assistance pay nil rent or have all the cost of their rent added to their social assistance payments (Bradshaw et al., 1996).

7.1 The Participants' Housing Situation

All of the women I interviewed received the Accommodation Supplement. This may be partly a reflection of the fact that all my fieldwork was carried out in Auckland where house prices and rentals are particularly high (Milne, 1998). Nevertheless affordable housing is a problem for most female DPB recipients throughout the country, 86% of whom receive the Accommodation Supplement (Social Policy Agency, 1997). Lorna, and Vera are Housing New Zealand tenants. They were both horrified and dismayed by their rent increases in July 1997. All of Lorna's entitlements from Income Support are paid to a budgeting service. They pay her bills and then give her \$50 per week to pay for everything else her family needs - food, transport, clothing, medical expenses, etc. In return for agreeing to this Lorna receives a food parcel once a month. When I spoke to Lorna her rent was about to be increased from \$195 to \$250 per week. She was planning to ring the budgeting service that day to see how much her \$50 per week would be reduced by because of her rent increase. While state tenants like Lorna are struggling to pay their rent, the July 1997 state rental increases earned the Government an extra \$17 million to the end of May 1998 (Smith and Perry, 1998).

Only two of the women I interviewed owned their own homes, and both of them are Pakeha. Joan is living with her parents in the home they own and Denise and a female friend are renting privately. Denise explains her situation: *"We thought flatting together would make it a lot easier money-wise for both of us, but it hasn't. We pay \$250 per week for the flat. It is quite good here, but it is not very private, it is too noisy, we are disturbed by the people in the downstairs flat. We had to shift here because the flats we had been in were too small for both families to live together"*.

Lois was so determined to have a home of her own for herself and her daughter that she decided to build a house herself. By doing the work herself she was eligible for an additional loan from the then Housing Corporation. Despite the fact that Housing Corporation loans were designed for low income families Lois was supposed to save for her own deposit. She was unable to do this on the DPB, so she borrowed \$10,000 from her step-father for the deposit and told the Housing Corporation she had saved the money herself.

Prior to the housing reforms the Housing Corporation's mortgages were closely targeted to those in serious housing need and 30% of those borrowing money for house purchase were lone mothers (Milne, 1998:231). Housing New Zealand no longer provides low interest loans for low income earners (Milne, 1998). The abolition of low interest loans means that lone mothers on low incomes or the DPB who are currently renting are unlikely to ever own their own homes, unless this is achieved through re-partnering (Milne, 1998).

Table 7.1 shows the particularly bleak housing situation faced by Maori and Pacific Islands lone mothers on social assistance.

Table 7.1: The Type of AS Received (Whether it is for Mortgage, Rent or Board Costs) by Female DPB Recipients by Ethnicity

| | <i>All ethnicities</i> | <i>Pakeha</i> | <i>Maori</i> | <i>Pacific Islands</i> |
|-----------------------|------------------------|---------------|--------------|------------------------|
| Received for rent | 60% | 59% | 61% | 62% |
| Received for board | 10% | 6% | 16% | 23% |
| Received for mortgage | 16% | 20% | 9% | 5% |
| All receiving AS | 86% | 86% | 85% | 90% |

Source: Social Policy Agency, 1997b:19, Table 42.

Both the Levine et al. study (1993) and the Rochford research (1993) do not discuss any connection between housing and employment. Yet the Australian National Housing Strategy found that there is a direct positive relationship between secure, affordable housing and employment (Milne, 1998). Similarly a recent British study of lone mothers from 1993-1997 found that “*owner-occupiers were much more likely to leave Income Support than those living in other accommodation*” (jrf.org.uk/social policy, 1998:1). Lone mothers in New Zealand who are renting privately are likely to be shifting frequently, either searching for cheaper accommodation or having been evicted, for there is no stability in private rental accommodation (Milne, 1998).

In 1996 Bradshaw et al. reported that Australian sole parent beneficiaries receive a housing subsidy that covers at least half the costs of their rent. However Australia is currently changing its housing policy along the same lines as the New Zealand housing reforms (Masters, 1997b:A18). Instead of providing public housing, Australia is going to pay individuals a housing subsidy and charge market rents for public housing (Masters, 1997b:A18). Pat McClure, Chief Executive of Mission Australia, predicts the new housing policy will “wreak increased havoc among beneficiaries and low income workers” (McClure quoted in Masters, 1997b:A18).

8. Key Findings

- An American study found that only lone mothers with “private social safety nets” managed to sustain their families while working at low-wage jobs (Edin and Lein, 1997). There is no data available on this topic regarding New Zealand.
- No research has been undertaken in New Zealand concerning the role absent fathers play in their child/ren’s lives. Where fathers care for their child/ren on a regular basis this may assist employment for lone mothers. In my study only one of the ten children involved ever saw her father.

- The Government's overarching policy on children - viewing them as a private good - reinforces a small or non-existent role for absent fathers.
- Research needs to be done on whether Maori lone mothers who have close links with their whanau are more likely to be in employment than those who do not. In my fieldwork the Pacific Islands participant was the only woman who received considerable support from her extended family.
- Domestic violence is widespread amongst women on the AFDC in the United States of America. Studies of the rate of domestic violence amongst DPB recipients have not been undertaken, however we do know that New Zealand's rate of domestic violence amongst all women is high.
- The Levine et al. (1993) study found that where lone mothers on the DPB had a history of domestic violence, it badly damaged their self-confidence and their ability to move off the benefit.
- Maori women have a higher incidence of domestic violence than non-Maori and this may be part of the reason they have a higher lone mother and DPB rate than non-Maori.
- While the car is the main means of transport to work for New Zealanders, women on the DPB often do not have the use of a reliable car. Only four of the six women I interviewed had cars and three of these women described their cars as unreliable.
- Overseas studies have found that lone mothers are twice as likely as partnered mothers to suffer from depression. Studies of the incidence of disability and ill-health amongst lone mothers and/or their child/ren have not been carried out in New Zealand, but 22% of DPB recipients currently receive the Disability Allowance.
- An Australian study found that lone mothers in secure, affordable housing were more likely to be in the workforce. The adoption of market rentals for state housing has had a huge negative impact on the living standards of lone parents in New Zealand. Most DPB recipients pay rents they can not afford for their housing. Private rental housing provides no security in New

Zealand so many DPB recipients are likely to be shifting frequently as their home is sold from under them.

- In contrast to New Zealand, in both Sweden and the United Kingdom lone mothers on a benefit either pay no rent, or have the cost of their entire rent added to their benefit payments.

9. Conclusion

There is a considerable amount that is not known regarding to what extent personal factors influence lone mothers' workforce participation. We do not know to what extent: transport difficulties, insecure tenancy, a history of domestic violence, or health and disability issues act as a barrier to lone mothers' employment in New Zealand. In particular, a history of domestic violence needs to be recognised as a possible factor in lone mothers' workforce participation rates. My study, where three of the six women volunteered information regarding domestic abuse indicates that there may be an association between lone mothers' workforce participation rates and domestic violence.

The findings of this chapter highlight the need for more research on lone parents covering a wider range of issues than in past studies. When we take a very broad view of the barriers to lone mothers' workforce participation we see that the Government's global approach to policy - user-pays, reduction in state services, promoting individual rather than collective responsibility, privatisation, and so forth, all impact negatively on lone mothers' workforce participation. For instance the abolition of low interest loans for low income families reduces the chances of a lone mother owning her own home and yet secure tenancy promotes lone mothers' workforce participation.

The following chapter examines the Government's approach to providing social assistance to lone mothers. All welfare payments and programmes that are available to lone mothers are narrowly targeted. This creates "welfare traps"

that, rather than facilitating workforce participation, make it more difficult for lone mothers to leave the DPB.

8: Incomes and Benefits

1. Introduction

Since 1984 Governments have supported the New Right economic theory that a gap between benefits and wages provides a financial incentive pushing beneficiaries into employment. The introduction of Family Support, the 1991 Benefit Cuts, the Independent Family Tax Credit, and the changes to the abatement regulations, all outlined below, were guided by this thinking. In-work benefits are also designed to make paid work more financially rewarding than welfare and thus increase workforce participation. The GMFI and the IFTC are in-work benefits that are examined in this chapter to see whether they have make paid work a viable option for lone mothers. When DPB recipients work part-time the abatement regulations operate so that the DPB becomes an in-work benefit that is abated once the beneficiary earns \$80 gross per week. This chapter analyses papers on the review of the abatement regulations in 1995-6 obtained under the Official Information Act. It looks at the impact of these changes on lone mothers' workforce participation.

The Child Support Act is also analysed in this chapter in terms of the impact the Act has on workplace participation for lone mothers.

2. Creating a Gap between Wages and Benefits

Successive Governments have taken many measures, including the introduction of Family Support, benefit cuts, the tax cuts and the Independent Family Tax Credit, to ensure that there is a gap between benefits and wages. This policy is based on the "*economic theory that a wide gap between income received on a benefit and income received in paid employment is necessary to give proper incentives for beneficiaries to seek and accept low paid employment*" (The Jobs Letter, 1996). However, the "*economic literature that has attempted to*

measure the size of this effect concludes that the effect is very small" (The Jobs Letter, 1996).

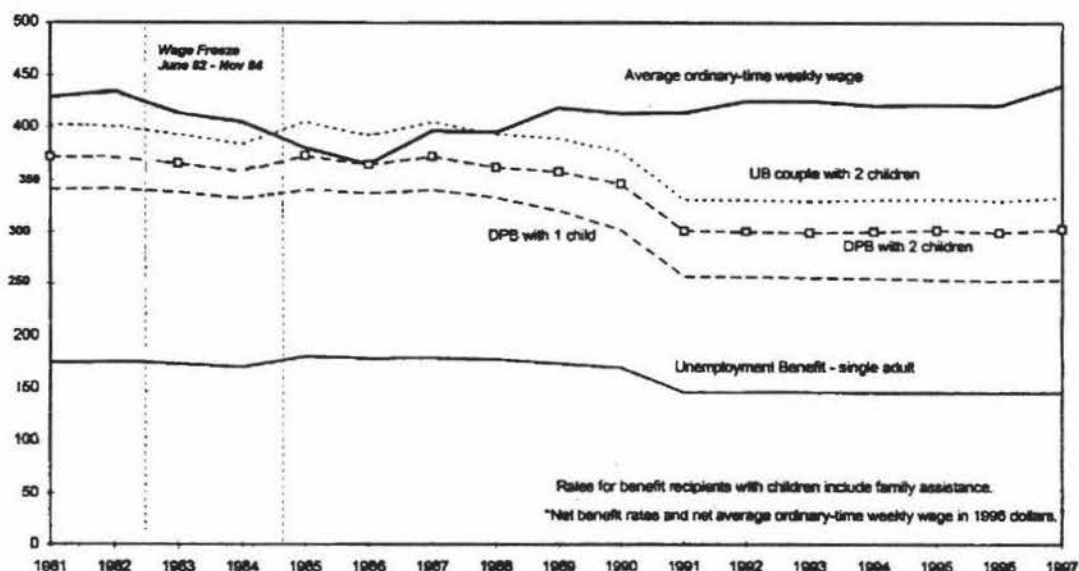
It is argued that a high level of assistance to lone mothers creates a disincentive to seek employment (OECD, 1996a:28). However the OECD report argues that this theory does not stand up for: *"Australia and the United Kingdom where lone mothers outside the labour force have incomes much lower than the APWW (net wage of an average production worker), nevertheless have sizeable numbers of lone mothers dependent on social assistance"* (OECD, 1996a:28).

2.1 The Widening Gap Between Real DPB Rates and Real Wages

Government policy has ensured that the gap between real wages and DPB rates has grown considerably since 1986 when real wages began to rise, and, from 1987, when benefit rates started to fall (Goodger, 1997). The initial decline in real DPB rates was caused by the introduction of Family Support which is not inflation-adjusted (Goodger, 1997). The growing gap between real wages and real DPB rates was then accentuated by the reductions in the DPB in 1991 (Goodger, 1997). By *"1997, the benefit rate for lone parents was 58% of the average ordinary-time weekly wage for those with one child and 69 percent for those with two children"* (Goodger, 1997:24). These figures demonstrate that the Government is prepared to force far lower incomes on lone mothers on benefits than is the case for employed people.

The introduction of Family Support and the 1991 benefit cuts mean that lone parents are expected to survive on considerably less today in real terms than ten years ago. *"In real dollar terms, a sole parent with one child received \$86 less per week in 1997 than in 1987; a sole parent with two children received \$70 less"* (Goodger, 1997:23).

Table 8.1: Real Net Average Wages and Real Net Benefit Rates Since 1981



Source: Goodger, 1997:23.

2.2 The 1991 Benefit Cuts

In April 1991 the Government cut the rate of most benefits. The DPB suffered the biggest cut. Twenty-six dollars were lopped from the basic rate and eligibility rules were tightened to send lone parents the sharp message that they needed to find a job. Krishnan has examined composition of households below the Benefit Datum Line (BDL) and the 1994 married couple Unemployment Benefit rate (Krishnan, 1995). The BDL “was proposed by the 1972 Royal Commission as a suitable level for a married couple on a benefit, and which is adjusted for inflation over the years” (Kelsey, 1995:274). “Between 1987-88 and 1992-93, the proportion of all households with incomes below the BDL increased from 9.8 percent to 19.5 percent” (Krishnan, 1995:87). Comparing all households to sole parent households she found that “representation of sole parent households amongst households below the BDL increased from 10 percent in 1987-88 to 21 percent by 1992-93” (Krishnan, 1995:87). Krishnan attributes the increased proportion of lone parents in poverty to the April 1991 benefit cuts.

Workforce participation continued to decline from 1987 to 1991. From 1991 workforce participation has increased but this is likely to be because of a more buoyant job market, and government programmes such as Compass and a greater use of the Training Incentive Allowance (discussed in the following chapter). The factors that do encourage movement from welfare to employment for lone mothers as outlined throughout this thesis are many and varied and centre on the mother's ability to secure a living-wage job and at the same time meet the needs of her child/ren. The policy of creating a gap between benefit rates and wages instead of encouraging paid work, punishes beneficiaries for not having employment. As discussed in Chapter 2, this is a case of the victims being blamed for the problem (Else, 1997a). The lack of living wage jobs, childcare, appropriate vocational training opportunities for Maori women, paid domestic leave, and so forth are the fault of successive Governments, not beneficiaries.

2.3 Experiencing the Benefit Cuts

Lois's experience of the benefit cuts: *"When the benefit cuts came in 1991, I said to friends 'thank God I'm not on the benefit any more.' Then I was made redundant and had to go back on the benefit. I got less on the DPB after the cuts than I had been getting two years previously and yet meanwhile all my costs had gone up"*.

3. In-work Benefits

3.1 The Tax Cuts and the Independent Family Tax Credit

In July 1996 and July 1998 the Government introduced big tax cuts for high income earners while denying any tax cut to beneficiaries (Dalziel, 1996). Furthermore, the policy provided extra assistance to families with children, through the Independent Family Tax Credit (IFTC), but beneficiaries were explicitly excluded from this assistance (Dalziel, 1996:13). This policy of

deliberately excluding beneficiaries from the tax cuts and the IFTC is a continuation of the policy of increasing the gap between wages and benefits. Dalziel's analysis of the 1996 measures shows that over 60% of the assistance from the tax cuts and introduction of the IFTC will go to households in the top 40% of New Zealand's income households, while only 7% of the programme's total benefits will be received by households in the lowest 20% of income households (Dalziel, 1996:10). The IFTC of \$15 per child per week is too low an amount to act as an incentive for lone parents to join the workforce. Instead the IFTC acts as a reward for families who are in employment, and as a punishment to families who are not.

3.2 The Guaranteed Minimum Family Income (GMFI)

The GMFI is an extra payment to families topping up their income if they earn less than \$275 net a week (Income Support Service, 1996). Partnered individuals have to work 30 paid hours per week before they are entitled to the GMFI, but lone parents only have to work 20 paid hours to qualify (Income Support Service, 1996) as an incentive for them to move from welfare to employment (Department of Social Welfare, 1996b). However the GMFI does not currently assist lone mothers into paid work probably because it is such a low rate once in-work expenses such as travel, clothing, and childcare have been taken into account.

GMFI is not recorded separately by the Government and for statistical purposes it is combined with Family Support (Fitzpatrick, 1998). Consequently there is no way of knowing how many lone mothers receive GMFI. Of the six women interviewed, only Lois had ever heard of the GMFI. Lois explains; *"When I was working 24 hours per week I was hoping I could get some help from the GMFI because it was so hard to make ends meet, so I rang Inland Revenue and they said I was earning just a little too much to qualify for it. Then my child support was cut because Ruth's father went overseas. We didn't have enough*

money and Ruth was not getting enough support from me because of my work commitments, so I went back on the benefit."

3.3.1 The Changes to the Abatement Rules

After strong opposition to the effective marginal tax rates (EMTRs) paid by beneficiaries who work part-time was expressed to the Employment Task Force, the Government changed the abatement rules for beneficiaries effective from 1 July 1996. The changes were minor for all beneficiaries except for lone parents. The ceiling on earnings before the benefit is abated has been raised to \$80 for all beneficiaries. However, unique to DPB and WB recipients, is the new abatement level on their benefit when they earn over \$80. This is at 30%, until they earn \$180 where it rises to 70%. Previously earnings between \$80 and \$180 also resulted in the benefit being abated at 70%.

A big problem with these changes that is glossed over in the Income Support publicity material (see Appendix D), is that while the basic benefit is not affected by earnings until the beneficiary earns \$80, the supplementary benefits are reduced as soon as any income is earned. This is significant because 86 % of lone mothers on the DPB receive the Accommodation Supplement (Social Policy Agency, 1997) which is reduced up to a maximum of \$20 per week. Special Benefit, Training Incentive Allowance and Family Support are also still abated from the first dollar earned. This means that DPB recipients who lose the most from working part-time are those with the highest costs and the least resources. Else writes: *"As soon as you earn just over the set limits for these add-ons (the supplementary benefits) you start losing them. Special benefit goes dollar for dollar. At 25 cents for each dollar earned, you soon lose your accommodation supplement. Family Support rapidly disappears too. So you quickly end up worse off than before. ... As an individual, you might decide that the value of having a job outweighs the immediate financial loss or tiny*

*gain. But when you have got children, you're faced with the cost to **them** as well as to you"* [original emphasis] (Else, 1996:110).

3.3.2 Official Information Act Papers on the Changes to the Abatement Regulations

One of the interesting aspects of the papers obtained under the Official Information Act regarding the changes to the abatement regime is the limited nature of the debate on the issues involved. For instance, the papers argue that it would not be good if DPB recipients could earn "too much" part-time, but it does not say what harm this would cause, or how they define "too much" (Department of Labour, 1995).

A Department of Labour paper included the option of easing the abatement of the accommodation supplement, as recommended by the Employment Task Force (Department of Labour, 1995). If this had gone ahead real incentives to work part-time would have been created. The OECD reports that: "*Increasing earnings disregards in assessing means tested benefits has become more widespread*" and has created a greater incentive to seek employment (OECD, 1996b:7).

Further evidence that not abating the benefit when the recipient is in paid work encourages workforce participation comes from the United Kingdom where earnings are not deducted from widows' benefits (Sainsbury, 1996:87). While the workforce participation rate of lone mothers generally has been decreasing in the United Kingdom: "widows with children had the highest rate of economic activity amongst lone mothers" (Sainsbury, 1996:87). Treating widows differently from other lone mothers is a reflection of the ideology that widows belong to the deserving poor, unlike other lone mothers who are seen as the authors of their own misfortune.

The Government, however, rejected the option of easing the abatement for Accommodation Supplement. They stated that it *“would be costly and would not greatly improve incentives for people to engage in sufficient part-time work. The Accommodation Supplement is only one of a number of supplements tightly targeted towards those in need of extra help. It is appropriate for such extra help to be withdrawn when other income is earned. In addition, the ability to earn income to supplement a benefit is not a good indicator of need for income. Only those who can earn extra income would be assisted by easing the AS abatement regime”* (Department of Social Welfare, 1995:8). This argument is unconvincing as the same logic can be applied to the easing of the DPB abatement regime, yet this measure has been promoted as the answer to DPB recipients’ prayers (see promotional letter attached, appendix D). Furthermore, low income families spend a higher proportion of their income on accommodation (Stephens, Waldegrave and Frater, 1995) so those in receipt of the Accommodation Supplement are likely to have a greater need than those who are not.

The Department of Labour while discussing the ‘risks’ of permitting a higher income for DPB recipients who are working part-time, identifies the ‘risk’ that *“a married woman in an unsatisfactory domestic situation might leave her partner and go on a benefit”* (Department of Labour, 1995:6). While the Government claims to be promoting ‘well-being’ rather than welfare, this quote expresses scant regard for the well-being of the married women to whom they refer.

Another ‘risk’ identified by assisting DPB recipients to work part-time is that they may have *“total incomes beyond what seems acceptable”* (Department of Labour, 1995:4). There is no discussion regarding what is an acceptable income for a beneficiary but comparisons are made between what a beneficiary

could earn if the abatements were substantially reduced and the net minimum wage which at the time was \$202 per week (Department of Labour, 1995:4).

The papers by the Ministry of Women's Affairs, not surprisingly, show a more realistic appreciation of the problems lone mothers face. One of their papers criticises a Department of Labour paper which, *"identifies individual motivation and a "dependence" mentality as the major problem and proactive "management" of the group as the solution"* (Ministry of Women's Affairs, 1995). The Ministry of Women's Affairs paper suggests adding the following to the Labour Department paper "a range of social and economic barriers inhibit participation in paid work, especially for those with caring responsibilities" (Ministry of Women's Affairs, 1995:2).

3.3.3 The Impact of the Changes to the Abatement Regulations

The changes to the abatement rules allowing DPBs to keep more of their part-time wages impacted on the labour force statistics immediately, with the September 1996 quarter's figures showing an increase in women working (Jobs Research Trust, 1997). However, this trend was reversed in the December quarter. Commenting on these trends, the Government Statistician, Len Cook, postulated that during the Christmas quarter, mothers with school age children could not work because of the school holidays (Jobs Research Trust, 1997). Cook also speculated that beneficiaries may have earned the allowed amount, \$4160, in the first three months and then left work because there was no financial gain in staying in employment (Jobs Research Trust, 1997).

Milne (1998) provides an example of the financial consequences of working part-time under the new abatement regulations. Her example is based on a DPB recipient with two dependent children who does not receive any of the supplementary benefits and earns \$180 per week gross. This is a conservative example because, as stated above, 86% of lone mothers on the DPB receive at

least the Accommodation Supplement. In this example the DPB recipient would be \$53.06 better off “for perhaps 14 hours work” (Milne, 1998:277). This \$53.06 will then be reduced by the costs of working: travel, work clothing, and childcare costs (Milne, 1998).

The participants in the Lorimer study (1996) concurred with the above analysis, one of whom stated that: *“The money that they allow you to earn, it’s a fallacy really. Because they say it won’t affect your benefit, which is fine if you are on the basic benefit but nobody is you know. ... So I think it is a bit stupid”* (Lorimer, 1996:80).

Income Support reports that in the first year following the changes to the abatement rules the number of DPB recipients earning extra income increased from 19.2% to 22.2% (Department of Social Welfare, 1997a). The percentage of lone parents in paid work had been increasing slowly since 1994, but this accelerated once the new abatement regime came into effect (Goodger, 1997). Of those on the DPB able to secure part-time work the abatement thresholds appear to have a strong impact on their behaviour. In July 1997 fifty-three percent of those in work earned less than \$80 per week and another 28% received between \$81 and \$180 (Goodger, 1997).

While 22% of all DPB recipients earn additional income, this figure is slightly misleading if we focus on lone mothers on a benefit, because it is inflated slightly by the number of ‘women alone’ who earn additional income, see Table 8.2. ‘Women alone’ on the DPB no longer have any dependent children, but they have spent most of their adult lives out of the workforce raising children. Given that these women now have no childcare responsibilities it is not surprising that they are in a better position to take-up employment than lone mothers on the DPB. Notable also from Table 8.2 is that even though they have no childcare responsibilities few ‘Women Alone’ on the DPB earn over \$80 per week gross when the abatements become extremely high and complex.

Table 8.2: Earned Income of Female DPB Recipients by Recipient Type (%)

| <i>Earned Income</i> | <i>Lone Mothers</i> | <i>Women Alone</i> |
|----------------------|---------------------|--------------------|
| none | 80% | 73% |
| \$1-\$80 | 10% | 16% |
| \$81-\$180 | 6% | 7% |
| \$180+ | 4% | 3% |

Source: Social Policy Agency, 1997, Table 26.

3.3.4 Part-time Work Participation by Ethnicity

Pakeha DPB recipients have benefited most from the 1996 relaxing of the abatement regulations (Goodger, 1997). *"The proportion of this group with additional income has grown from 22% percent February 1996 to 28 percent in July 1997. ... Maori DPB recipients were half as likely as their Pakeha counterparts to be earning extra income in July 1997, while Pacific Islands recipients were a third as likely to do so"* (Goodger, 1997:22). It is very unfortunate that the result of this government policy has been to increase the disparity in income between the dominant ethnic group and the Tangata Whenua and Pacific Islands recipients. Furthermore because Maori and Pacific Islands women are finding it harder to secure part-time work, the work/education testing introduced on 1 April 1997 will have a more punitive impact on Maori and Pacific Islanders than on Pakeha. This was identified as an issue by the Social Policy Agency: *"Even when the age of group of the youngest child is controlled for, Pakeha women were more likely than Maori and Pacific Islands women to be in receipt of income from earnings. Where 37% of Pakeha women with a youngest child aged 14 or more had income from earnings, for example, the proportions were 24% and 14% for Maori and Pacific Islands women respectively"* (Social Policy Agency, 1997:13). The Social Policy Agency believes the difference in part-time work participation rates for DPB recipients by ethnicity *"are likely to reflect the difference in*

employment opportunities for different groups (Maori and Pacific Islands DPB recipients tending to be concentrated in metropolitan and rural areas where unemployment is high ...) differences in caring demands (Maori and Pacific Islands DPB recipients tending to have more children) and educational backgrounds of different groups (Maori and Pacific Islands DPB recipients tending to have fewer formal educational qualifications than Pakeha)'' (Social Policy Agency, 1997).

The above statistics may also be influenced by the lower accommodation costs of Pakeha resulting in fewer abatements. If the Government removed the abatement on the Accommodation Supplement this would make the abatement regime fairer towards non-Pakeha recipients. As people often find jobs through their friends and family networks it may also be the case that Pakeha have networks that make it easier for them to find jobs. Pakeha people are likely to know more people who are in employment and to know more employers than non-Pakeha people.

The negative impact of the abatement would be less if the Social Welfare Department deducted employment related costs from gross earnings as the Social Security Appeal Authority has ruled many times that they should (New Zealand Council of Christian Social Services, 1996). The Department of Social Welfare has refused to amend their policy and apply the Social Security Appeal rulings generally (New Zealand Council of Christian Social Services, 1996). While employment related costs are recognised in many cases as preventing people from working, the Department of Social Welfare ***“refuse to use existing legislation which goes some way towards addressing this difficulty”*** [original emphasis] (New Zealand Council of Christian Social Services, 1996, Appendix 1:3).

The above has outlined why the abatement rules for DPB recipients are not generous enough. However, as part of the DPB Review, serious consideration was given to a proposal to increase the abatement to bring it in line with the regulations for the new Community Wage (Ministry of Women's Affairs, 1998b). This would have meant that DPB recipients, like Community Wage recipients would be have their benefit abated when they earned \$80 gross at 70%. Fortunately this proposal was rejected (Ministry of Women's Affairs, 1998b).

In the United States by February 1996 thirty-four states had reformed their welfare systems to allow lone mothers to keep some proportion of their earning and their benefit (Albelda and Tilly, 1997). An experiment in Illinois allows recipients to keep two thirds of their gross wages before counting earnings against their benefit (Albelda and Tilly, 1997). This has increased employment rates of lone mothers on the benefit from 6% to 18.6% (Albelda and Tilly, 1997). However, Albelda and Tilly (1997) are concerned that this experiment might be jeopardised by the sixty month limit on benefit receipt introduced as part of the 1996 welfare cuts in the USA.

Lois describes her experience of the abatement regulations: *"I declared that I was working part-time and Social Welfare cut my benefit and sent me an application form for the Special Benefit. I rang them up and asked them why they had sent me an application for the Special Benefit when I hadn't requested it. They said 'because your income doesn't cover your costs.' I thought 'how stupid, why cut my benefit in the first place?'"*

Denise comments: *"The more you earn, the more you lose. You can never help yourself. It's stupid and unfair."*

Vera in her work as a budgeter has worked with women on the DPB who have been affected by the abatement: *"From my observation people seem to be worse off since the abatement regulations have been relaxed. Income Support*

says they will get such and such, then there is a failure in the triangle - the client, income support and the job and somehow the client is not ending up better off like they should be".

Lorna was motivated by the adverts on TV regarding the relaxation of the abatement regulations to take up part-time work: *"I saw those ads on TV and I thought, 'oh I can get part-time work' I'm sure the first one [advertisement] said it didn't affect your benefit. And so that's when I got another job, just up the road, nurse aiding again. And then the boss said to me 'I better warn you, Income Support have rung up and you're under investigation'. I was furious. I was only working there 12 hours a week and that was around \$80 in the hand. I didn't know then anything about gross and all that sort of thing. I rang Income Support and said 'I wasn't getting all that money cause it was going into childcare and taxis for night time'. I was saying 'look, I'm not ripping the system off I'm only making a little bit of money and it's for my children'. In the end they said they were going to penalise me \$500 for not telling them I was working. I was really upset. I told them I didn't think it was fair and I would fight it. In the end, the Combined Beneficiaries Union fought for me and they got it squashed. I told them [Income Support] your ads are false, they are misleading".* Joan also thought the abatement was too severe. She is worried about how the abatement regulations will affect her when she works as a part-time teacher aide, especially because her hours will vary weekly.

3.4 Family Support

This is a heavily means-tested benefit paid to low income families with dependent children regardless of whether they are in paid work or not. Because it is means-tested Family Support can act as a disincentive for lone parents to join the workforce. If a DPB recipient is on the benefit for part of the year and in employment for some of the year, then income from both sources is added

together at the end of the year. If they have earned above the eligibility level for Family Support over the course of the year, they have to pay back the overpayment. If this is paid back in time payments the IRD charges a penalty on the money owed. Not only is Family Support reduced if income is earned but even child support, although it not taxed, is treated as income under the Family Support legislation and can result in a reduction in Family Support.

Lone mothers who are not on the DPB and are in low paid work can be caught in a poverty trap by Family Support because it is means-tested. If they earn additional income not only is their Family Support in jeopardy, but also their community services card (providing cheaper GP care and pharmaceuticals), their CCS, and so forth (St John, 1998). In the United Kingdom the child benefit, which is not means-tested alleviates poverty without resulting in disincentives to workforce participation, was substantially increased in the March 1998 budget (St John, 1998).

In the United Kingdom Family Credit works in the same way as Family Support and the IFTC works in New Zealand. In March 1992 the United Kingdom made lone parents eligible for Family Credit if they worked just 16 hours per week. In April 1992 they introduced a 15 pound disregard before maintenance payments count against in-work benefits such as Family Credit and Housing Benefit (McKay and Marsh, 1994:3). This maintenance disregard is in addition to the childcare disregard described previously. The British Family Credit has been widely criticised for creating a poverty trap (MacDermott et al., 1998). It subsidises families in low paid work, but it also keeps them in low paid work. Once they earn more than the allowable threshold they face marginal deduction rates of up to 93 pence per pound (MacDermott et al., 1998).

3.5 Secondary Tax

The taxation of benefits was introduced by the Labour Government in 1986 (Goodger, 1988b). This meant that any part-time wages earned were then taxed at the higher secondary tax rate of 33%. Having to pay secondary tax on any wages earned is one of the reasons that beneficiaries working part-time pay such high effective marginal tax rates.

I did not ask the participants their views on taxation. However Lois, volunteered the following ideas: *"The Government says they have made the workforce more flexible by introducing the Employment Contract Act. All that achieved was to make jobs less secure and wages lower. At one stage I had to work several small jobs at once, but if you are on the benefit and work more than 10 hours per week you are taxed at the higher secondary tax rates. Later when I was off the benefit I had three short hour jobs at once and as well as paying secondary rates for two of the jobs I had to pay more extra tax just for having three jobs at the same time"*.

4. Child Support

If lone mothers in paid work were guaranteed a reasonable amount of child support regularly every week this would help defray the high costs of working and facilitate lone mothers into the workforce. However, New Zealand fathers have a long history of not paying child support, or paying too little, and paying erratically (Trapski, Halsted, McCabe, and Walsh, 1994). While no studies have been carried out in New Zealand, international research has found that women experience a 30% decline in income in the first year after separation, while men experience a 10-15% increase (St John, 1995).

The Government has tried a number of schemes to force non-custodial parents to meet their financial obligations with limited success (Trapski et al., 1994).

The Child Support Act, effective from 1992, allows for child support to be automatically deducted from earnings by the Inland Revenue Department but only if the custodial parent is on the DPB or either party makes an application (Hyman, 1994). Hyman sees these changes as being: *“aimed more at reducing government expenditure and increasing enforcement than at improving the situation for the custodial parent and children”* (Hyman, 1994:69).

Where the custodial parent is not on a benefit the parents may come to their own agreement regarding child support, or if either party makes an application, the Child Support Agency will make a decision on their behalf. It is not compulsory for these liable parents to pay any child support. Perhaps the Government is not as interested in these payments because it does not benefit from them financially. Concern has been expressed that fathers are pressuring their ex-partners to accept little or no child support (Thomas, 1997). Overseas research has found: *“that voluntary levels of child support are likely to be lower than the level of income that would be shared with children within a marriage”* (Cancian and Meyer, 1996:620).

Where the custodial parent is on a benefit, or where one of the parties makes an application, the Child Support Agency sets the level of child support the liable parent must pay according to a formula established in law. The amount that liable parents are paying as a result of this formula has been criticised as being too low (Thomas, 1997). The average amount paid through the Child Support Agency is \$29 per week (Thomas, 1997). This figure seems low if we compare it to how much we might guess that a partnered father is likely to spend on his child every week.

The Trapski report found that the Child Support Act allows wealthy and self-employed liable parents to conceal their income through trusts and other devices thereby escaping liability for child support payments (cited in McLoughlin,

1995). The report recommended that when the Child Support Agency was looking at the liable parent's ability to pay it should look not only at taxable income, but also at earning capacity, property and financial resources. This recommendation has not been taken up. This is a very important issue. While unemployment and low wages are likely to be higher amongst the ex-partners of DPB recipients than the population in general, it is unlikely to be as high as 65% which is the percentage of liable parents who pay only \$10 per week to the Child Support Agency because they have declared a very low income (Krishnan, 1997).

Another problem with the legislation is that if a single liable parent enters a new relationship the legislation automatically assumes that the liable parent is financially responsible for their new partner and any children s/he may have, and the amount of child support they must pay is reduced (Price, 1994). This is blatantly inequitable and was criticised as such by the Trapski report, but remained in the new legislation (Price, 1994). This policy could result in a lone mother in employment receiving \$80 per week child support, enabling them to pay childcare costs, suddenly having her child support reduced to \$30 per week because the liable parent has re-partnered. This insecure nature of child support makes it an impediment, not a facilitator of lone mothers into the workforce. Thus commentators have said that the Child Support Act: "continues a state of female dependence" (Price, 1994:27).

At the same time that the Act is criticised for being unfair to custodial parents other aspects of the legislation are seen as being unfair to liable parents. An authority on the Child Support Act, Bill Atkin, believes that where the liable parent's new partner and step children are dependent on the liable parent, the child support payable is not sufficiently reduced (Price, 1994) and furthermore that the formula should consider the liable parent's outgoings as well as their income.

If the custodial parent is on the DPB the Government retains the child support money, unless the amount of child support payable exceeds the rate of the DPB. In these cases, which must be very rare given that the average amount paid is \$29 per week, the custodial parent receives the difference between the level of the DPB and the level of Child Support.

Because it is not compulsory for non-custodial parents whose partner is not a beneficiary to pay child support, little is known in New Zealand about how many of these parents are paying child support, and how much they are paying. No mention is made of child support in the Statistics New Zealand publications *Incomes* (1994), *New Zealand Now -Children* (1994), *New Zealand Now - Families* (1994), or in *All about women in New Zealand* (1993). The irrelevant nature of child support in New Zealand to the issue of facilitating lone parents into paid employment is underlined by the fact that it is not even discussed in the Levine et al. (1993) study.

4.1 Child Support Schemes in the Comparator Countries

In Australia, the custodial parent is always given a percentage of the money that is collected from the non-custodial parent. This measure was taken because the legislators believed it would create an incentive for the liable parent to pay as they could see their children benefiting from the payment. This was one of the many improvements made to child support legislation in Australia in 1988. As a result of these changes the proportion of sole parent beneficiaries receiving child support in Australia has increased from 26% in 1988 to just over 41% in 1994 (McHugh and Millar, 1996:22).

The only way to make child support payments fair to both parties, and a secure source of income to lone parents in employment is to adopt the system used in Belgium, Denmark, Germany, France, Luxembourg, Austria, Finland, Sweden

and Norway where the custodial parent is paid a standard amount unrelated to the ability to pay of the non-custodial parent (Bradshaw et al., 1996). This amount is paid by the state which then seeks to recoup as much as is possible from the absent parent based on their ability to pay (Bradshaw et al., 1996). This means that lone mothers in paid work receive a reasonable and constant sum each week regardless of the circumstances of the liable parent. If this system was introduced in New Zealand, women on the DPB would not be advantaged financially, however they could anticipate receipt of this stable income if they entered the workforce.

One of the Programme of Research into Low Income Families (PRILIF) studies (1996) in the United Kingdom found that receiving child support payments greatly increased a lone parent's likelihood of entering the workforce.

"Suddenly they have choices. They can go to work, if they want to; perhaps not now, but soon. The survey showed that the independent relationship between receiving maintenance payments and entry to work is a robust finding and it appears to be growing stronger. It helps lone parents overcome other serious barriers to work and does so most effectively, it seems, for those whose barriers are greatest, particularly the inexperienced workers and the poorly educated. ... Paid in amounts that properly meet the cost of caring for children, maintenance payments all but abolish the poverty trap" (Marsh, 1997:131). In this study: *"[L]one parents without qualifications were twice as likely to work, and three times as likely to work full-time, if they received regular maintenance payments than if they received none"* (McKay and Marsh, 1994:74).

The British study above is backed up by a study from the United States. The Splater-Roth et al. study found that receiving child support increased the probability of a lone mother being in employment from 20% to 32% (1995).

In the USA 75% of liable parents fail to pay any child support (Mitchell and Goody, 1997). Currently, many of the States in the USA are trying various measures to reduce this extraordinarily high figure. It is too early to tell which of the policies, if any, will prove to be more successful. Like New Zealand and the United Kingdom the policies are driven by a desire to cut the state welfare bill and presented in the context of "individual responsibility" rather than concern for the plight of lone mothers and their children.

4.2 The Participants Experience of Child Support

Of the ten children in this study child support is only being paid on behalf of two of them, Lois's child and one of Lorna's children. Christine and Joan expressed similar dismay at the Child Support Agencies lack of success at collecting child support payments. Christine comments: *"To my knowledge they [the Child Support Agency] still have not tracked him down, which is pretty weird. A person works, he pays taxes, you'd think they would be able to find him wouldn't you?"*

The father of Lorna's son pays the minimum payment of \$10 per month. Lorna comments *"He had a job at the time. You know how they pay about 10 measly dollars a week? Inland Revenue sent me a form. Ten dollars a week is a real insult. It was sickening"*. The father of Lorna's daughter left the country to avoid paying child support. *"When I went on the benefit that was a huge threat to my daughter's father. He said 'I'm not paying you know'. He said 'I'll leave the country' and so he did. Yeah, he left"*.

Lois's experience: *"When I went off the benefit because I started working 24 hours a week I started to receive \$60 per week child support which was a big help. Then Ruth's father went overseas and my child support was reduced to \$10 per week. Imagine how galling it was for me to have my money cut while receiving postcards from Bali and Thailand from him saying 'Having a wonderful time'. I rang the Child Support Agency and said 'Are you telling me that this is acceptable, while I'm struggling to support our child on a part-time*

wage, that he can go overseas and have his payments reduced?' The Agency said that he had given them reasons that they deemed to be satisfactory, but they would not tell me what those reasons were. My work was very stressful, they expected me to do a lot of extra unpaid hours. I thought 'what am I doing busting a gut here?' Ruth's schooling was suffering because I had so little time for her. I wasn't being paid a good wage. Because my child support had been reduced I was struggling to survive. It was the sort of job that was dragging me down. My doctor said you either slow down or you're going to have a nervous break down. I thought, this is not helping anybody, so I resigned from the job and went back on the benefit".

Even though the father of Denise's child pays no child support, Denise loses \$22 per week from her benefit because when their baby was registered his father was working at sea. *"When I applied for the DPB I told them I didn't know how to contact the father and so they wrote down father unknown. I said I do know him, but they said never mind, and I was naive. I didn't know it was going to affect my benefit. Twenty two dollars may not be much to them, but when you have got nothing \$22 is a lot of money".*

The Inland Revenue Department (IRD) wrote a paper for the 1998 DPB Review considering "ways in which the issue of liable parent avoiding their child support liability could be addressed" (IRD, 1998:1). This paper accepted the argument that the higher the Child Support payments, the greater the incentive for DPB recipients to move into work (IRD, 1998). However, the paper noted that Ministers have extensively considered the recommendation by the 1994 *"Trapski Review that taxable income should be modified and concluded that there was no solution that did not raise considerable difficulties in terms of effectiveness and compliance costs"* (IRD, 1998:5). Furthermore, the report emphasised that Cabinet has agreed that the Review of the Child Support Act in the Coalition Agreement was only to involve "reviewing and improving the

administration of the Child Support Act as the opportunity arises" (IRD, 1998:5).

However the paper did see two areas where the Act could possibly be improved. Family Trusts could be investigated to ascertain whether they had been formed to avoid child support liability and the definition of income could include a deemed rate of return on assets that do not produce a market return (IRD 1998:4). It appears that the Government has not picked up these two proposals. The Cabinet did decide to require Inland Revenue to inform all custodial parents the rate of child support paid on their child's behalf "so as to improve the financial incentives for sole parents to move into employment" (Cabinet Strategy Committee, 1998, 16 March, 11).

5. Key Findings

- Policy impacting on the income levels of DPB recipients has been guided by the belief that beneficiary incomes must be lower than wage levels to create a financial incentive for beneficiaries to move into work.
- Testing of this theory has found that the impact of low beneficiary rates on movement into employment is very small.
- The gap between real DPB rates and real wages has widened considerably since 1987.
- Real DPB rates have declined considerably since 1987.
- The 1991 benefit cuts significantly increased the number of DPB recipients in poverty.
- The IFTC punishes those families not in paid work, and rewards those who are.
- The GMFI is set at too low a level to act as an incentive to lone mothers to move into employment.

- The abatement regulations while liberalised in 1996, still mean that most DPB recipients lose most of their earnings if they work part-time.
- Since the regulations were liberalised there has been a small increase in part-time work amongst DPB recipients, but this has been more significant amongst Pakeha than Maori or Pacific Islands women. This may partly be because of the particularly difficult job market for these populations.
- When the Government reviewed the abatement regulations it was guided again by a determination to keep DPB incomes lower than incomes earned entirely by paid work.
- DPB recipients are generally cynical about the advantages of the abatement changes.
- Family Support is a heavily means-tested benefit paid to parents whether they are on a benefit or in the workforce. As a means-tested benefit it acts as a disincentive to working part-time for those on the DPB. Lone mothers who are not on the DPB are caught in a poverty trap by Family Support if they are on low wages.
- Beneficiaries have to pay secondary tax on any earned income, providing yet another disincentive to DPB recipients working part-time.
- The Child Support Act is a revenue collecting device that offers little benefit to lone mothers or their child/ren.
- Overseas studies have found that receipt of child support is an incentive to enter paid work where it is a reasonable amount of money, is regular and constant.
- Child support in New Zealand is irrelevant to lone mothers' ability to enter paid work because it is not a high enough sum, it is not regular, and it is not secure.
- Child Support was not mentioned in the Levine et al., (1993) study. In my research only two of the ten children were having Child Support paid on their behalf.

6. Conclusion

While the Government aims to increase the workforce participation of lone mothers, its policy decisions are hampered by its own ideology. Cutting benefits, utilising means-tested benefits, such as Family Support, and maintaining a tight abatement regime are all tools of New Right economics, but there is no evidence that they increase workforce participation for lone mothers. What these measures have done is increase poverty amongst lone mothers.

Policy has deliberately widened the gap between real DPB rates and real wage rates since 1987. This was undertaken in the belief that it would push DPB recipients into the workforce. Studies have found that this economic theory has little validity. Real DPB rates have fallen considerably since 1987 increasing the number of DPB recipients in poverty.

The slight relaxation of the abatement regulations has lead to a small increase in the percentage of DPB recipients working part-time. It is regrettable that the abatement regime was not liberalised to a greater extent for this has been found overseas to be an effective way of both increasing workforce participation and raising living standards. However government policy-making was again hindered by its ideological adherence to a concern that DPB recipients could earn "too much" and then supposedly lose the incentive to leave the DPB.

An examination of means-tested benefits shows the serious limitations of means-testing. Means-testing creates both benefit traps and poverty traps. For instance, Family Support acts as a disincentive for DPB recipients to work part-time (or part of the year) because it is abated when any income is earned. For lone mothers in low paid employment Family Support can trap them in poverty. Universal benefits, such as the Family Benefit, which was abolished in New Zealand in 1987, promote participation in paid work and alleviate poverty.

The Government's child support policy is shaped by its determination to recoup some of its spending on the DPB. Child support could be used as a way of facilitating workforce participation, as it is in Sweden, but in New Zealand the child support legislation does little to assist children of lone parent families and nothing to assist lone mothers into employment.

The following chapter looks at the government programmes specifically designed to facilitate and coerce lone mothers into the workforce.

9: Government Programmes

1. Introduction

Previous chapters have emphasised that many different issues impact on lone mothers workforce participation. This provides a wide scope for policy interventions to support combining lone mothering with employment. This chapter discusses the policies that are designed specifically for lone parents, such as Compass, the Training Incentive Allowance, and work/education testing.

These policies tend to fall into two categories, the 'stick' and the 'carrot' approaches. The 'carrot' approach involves policy that makes it more practical to combine lone mothering with paid work, while the 'stick' approach uses policy that penalises lone mothers for not being in employment. New Right politicians favour the 'carrot' approach. As will be shown below, the use of the 'stick' has intensified over the last two years with the introduction of work/education testing in 1997, which was extended in 1998.

2. The Child Care Subsidy (CCS)

The Ministry of Women's Affairs is very critical of the shortcomings of this provision (Ministry of Women's Affairs, 1995b). Their main concern is that it is very heavily means-tested so that few people are eligible for it. At the end of June 1996 only 23,336 parents (sole and partnered, regrettably the disaggregated figures are not available) accessed the subsidy (Department of Social Welfare, 1996). Furthermore the maximum amount paid is only \$69 per week, and the subsidy is only payable for up to 30 hours per week. Childcare is so expensive in New Zealand (on average \$150 per week) that the low maximum of \$69 per week precludes many low income parents from benefiting from the provision, especially lone parents who would need to make up the shortfall between the fees and the subsidy from one wage.

Parents are only eligible for the subsidy if their child is in either a registered childcare centre, Barnardos' Family Daycare or a chartered Kohanga Reo. Restricting the subsidy to children at these establishments excludes parents who are using either informal care, or unregistered childcare centres. This is a difficult issue to address as this restriction does assist in maintaining health, education and safety standards in the childcare sector.

Barnardos' Family Daycare involves a mother caring for other child/ren in her own home as well as her own child/ren. This form of childcare is cheaper than childcare centres or Kohanga Reo, partly because the care-giver is not paid a wage but instead receives 'expenses'. The less expensive fees of Family Daycare make it attractive to lone mothers but places are not always available. Also some lone mothers would rather place their child in a professional setting in a childcare centre, where at least some of the staff must be fully trained, than leave their child in the home of an untrained stranger. Safety concerns regarding home-based care have been accentuated recently after a 17-month-old baby died at the hands of a Barnardos Family Daycare worker (Taylor, 1998). In 1996 only 6,558 children of a total of 160,291 enrolled in early childhood services attended a home-based care service, although this is growing rapidly (Ministry of Women's Affairs, 1997e).

Originally, eligibility for CCS was established by a means-test only. In January 1994 the objectives of the programme were changed (Black et al., 1995). Previously the aim was to assist low income families to gain access to childcare. The new aim is to assist beneficiaries to move into the workforce. To this end the subsidy was restricted to those either in work or in training, or where the caregiver, the child or a sibling of the child is ill or disabled. This was a short sighted move as previously some mothers used the subsidy while engaged in voluntary work. Voluntary work has been shown to increase opportunities for paid work by increasing skills, workplace confidence, and employment contacts.

2.1 Take-up of the Child Care Subsidy

As at March 1997: *“for those with an ethnic affiliation coded, Maori DPB receiving CCS form roughly the same proportion of all CCS recipients as they form of all DPB, whereas Pakeha recipients tend to be a little over-represented and Pacific Islands recipients somewhat under-represented”* (Lovell, 1997).

The Social Policy Agency suggests that the low take-up of the CCS by Pacific Islands women “may partly reflect the fact that many Pacific Islands early childhood centres are not licensed” (1997:16).

CCS is also payable for up to nine hours of care a week on the grounds of low income. As Table 9.1 shows, while Pakeha DPB recipients are better-off than non-Pakeha, *“Pakehapan DPB recipients were more likely to claim CCS on the grounds of low income and employment but slightly less likely to claim the subsidy on the grounds of education and training”* (Social Policy Agency, 1997:16). The Agency suggests that the low take-up of the CCS on the grounds of low income by Maori and Pacific Islands recipients may “be indicative of differences in access to, and willingness to use formal childcare arrangements” (1997:15).

Table 9.1: Use of the Childcare Subsidy by Ethnicity of Female DPB Recipients with a Youngest Child Aged Under 5 Years (%)

| <i>Claimed CCS on grounds of:</i> | <i>Pakeha</i> | <i>Maori</i> | <i>Pacific Islands</i> | <i>All</i> |
|-----------------------------------|---------------|--------------|------------------------|------------|
| low income | 18% | 13% | 4% | 14% |
| employment | 5% | 3% | 1% | 4% |
| educ./training | 7% | 8% | 3% | 7% |
| ill/disabled | 1% | 1% | 0% | 1% |

Source: SPA, 1997:16, table 36.

In the Levine et al. study (1993) the majority found that childcare was too expensive. Some of their participants suggested that the CCS should be

extended to cover babysitters as well as formal care. However this raises questions about how a high standard of care would be assured. Two of the 67 DPB recipients in the Levine et al. (1993) study had left employment and gone on the benefit after finding that their children had been sexually abused by the family member caring for them while they were at work.

A Governmental review of the CCS begun in 1995 was suddenly halted. The Ministry of Women's Affairs notes: "*the halting of the Child Care Subsidy review will mean childcare costs incurred by low income women remain unchanged, thus resulting in no change to any disincentives [to enter the workforce] these pose*" (Ministry of Women's Affairs, 1995a:2).

The Social Welfare Department is well aware that there are significant shortcomings in the CCS, "*Child care difficulties are exacerbated by the relatively modest level of Child Care Subsidy and the lack of flexibility in the types of subsidised care available*" (Department of Social Welfare, 1996b:85).

2.2 The Participants' Use of the CCS

Of the six women interviewed Lorna, Denise, and Joan all had times when they had been lone mothers in training or full-time employment with a child under five, but none of them had used formal childcare that entitled them to the CCS. Lois is the only one of the six women who had been eligible but at the time, 1987, she was unaware of the subsidy.

2.3 The Quality of Childcare in Wisconsin

The extreme welfare programme in the State of Wisconsin, USA, which demands that lone parents be in either work or training once their youngest child reaches twelve weeks old has relied heavily on the provision of free childcare [my emphasis]. However the quality of this care is in serious doubt

(Masters, 1997:A11). In order to provide enough childcare to meet the demands of the workfare programme Wisconsin lowered the legal standards for childcare centres. Childcare workers do not have to be qualified and to be hired as childcare workers all they need is to have no criminal record! Many of the childcare workers in Wisconsin are beneficiaries working as childcare workers as a condition of their benefit receipt (Collins, 1996). Many of these unqualified, workfare, childcare workers are reluctant workers and consequently the quality of their care is unlikely to be high.

Professor Bruce Perry, a USA expert in neuroscience, has criticised Wisconsin childcare for its poor quality. In a veiled reference to the stated aim of workfare to foster independence in beneficiaries, Perry claimed Wisconsin childcare “robs children of the opportunities to develop the neuro-biology of independence” (Perry, quoted in Masters, 1997a:A11). Professor Perry supports: *“good day care with good pay for the caregivers, good training, flexible hours, encouraging people to work from home and work-site day care”* (Perry, quoted in Masters, 1997a:A11).

3. The Childcare Earnings Disregard

This provision allows a DPB recipient who is working part-time and paying for childcare at a registered childcare centre or approved day care, to disregard \$20 of her income before her benefit is abated. The current level of this allowance is too low relative to childcare costs to have a significant impact on workforce participation. The Childcare Earnings Disregard was introduced in 1979 at \$20 per week and has stayed at this rate ever since (Goodger, 1998b). Not one of the women I interviewed was aware of this policy. Raising this provision to a more realistic figure, as has been done recently in the United Kingdom, (MacDermott et al., 1998) would be a simple way of increasing the workforce participation of lone mothers.

3.1 The British Childcare Disregard

In October 1994 the British Government introduced a childcare disregard for all those receiving Family Credit (Parker, 1995:44). This allows the recipient to offset up to forty pounds off the childcare costs against their earnings when claiming Family Credit (Millar, 1996:54). To be eligible for Family Credit one has to be working a minimum of sixteen hours per week. Responding to considerable criticism of the low level of the disregard the Government has since rapidly increased its level (MacDermott et al., 1998). The latest increase in June 1998 brought the disregard provision up to the more realistic figure of 100 pounds per week (MacDermott et al., 1998).

4. Out of School Care

One of the many components of the Coalition Agreement was a review of the DPB (discussed later in this chapter). The DPB Review resulted in a significant increase in funding for out of school care and recreation (OSCAR). The Government decided to: *“extend the CCS to the 5-13 age group where care is required to enable the principal caregiver to participate in paid employment or to undertake training to satisfy the work test and the child attends an approved OSCAR programme, with only actual hours of care up to a maximum of 20 hours per week during the school term (30 hours during the holiday period) being eligible for the subsidy”* (Cabinet Strategy Committee, 1998). Eligibility for the subsidy is on the same basis as the CCS. The maximum rate payable is \$1.80 per hour. In addition to the OSCAR subsidy the Government allocated \$3 million dollars over the next two years for establishment of new OSCAR places.

Table 9.2: Income Eligibility Levels for OSCAR

| <i>Hourly subsidy rates</i> | <i>Number of children</i> | | |
|-----------------------------|---------------------------|-------------|-------------|
| | <i>1</i> | <i>2</i> | <i>3+</i> |
| \$1.80 | 0-\$520 | 0-\$640 | 0-\$750 |
| \$1.25 | \$521-570 | \$641-\$690 | \$751-\$800 |
| \$0.70 | \$571-\$620 | \$691-\$740 | \$801-\$850 |
| Nil | \$621 | \$741+ | \$851+ |

Source: National Association for OSCAR, 1998:1.

An issue that had not been decided before I finished collecting data for this thesis (1 October 1998), was the standards of quality that OSCAR services would have to meet before they would be eligible for funding. This is an important issue because lack of resources in the past has meant that some OSCAR services have not been of a satisfactory safety standard. If this continues lone mothers may be wary of using the services. The Government is aiming to have clear standards in place prior to 1 February 1999.

The funding for OSCAR is a positive policy approach that is likely to assist mothers into paid work. Women have campaigned for funding for OSCAR for many years seeing it as a prerequisite to mothers' right to work, should they choose to. The Government's funding of OSCAR, on the other hand, was not introduced to ensure mothers' right to work, but to reduce the number of lone mothers on the DPB. While some lone mothers will be assisted into paid work by OSCAR, it may not be assist others, given that there are also many other obstacles to lone mothers' workforce participation.

4.1 Treasury Opposition to OSCAR Funding

In the DPB Review Treasury argued against any government spending on OSCAR (Treasury, 1998b). They argued that the up-front costs were too high, and that the potential for unexpected costs was great (Treasury, 1998b). They were concerned that families already in paid work will receive a 'windfall', that the proposals provide assistance

for more hours than beneficiaries will be required to work, that the subsidy provides an incentive for some people to work less to be eligible for it, and that some people who are currently using informal after school care may switch to the more expensive formal care (Treasury, 1998b). Treasury also asserts that funding OSCAR is unnecessary because some lone parents' working hours may coincide with school hours. They provided no material to substantiate this claim.

Treasury argued that "most DPBs would not require childcare subsidies to make part-time work financially worthwhile" (Treasury, 1998b). They provided an example of a DPB recipient with two primary school children working zero to 40 hours at \$10 an hour and paying \$5 per day in transport costs (Treasury, 1998b). They would earn \$407 at no paid hours work, rising to \$463 at 15 hours work and then flattening off (Treasury, 1998b). Treasury argues that this person "could afford to spend up to \$56 per week on childcare, if required to work 15 hours" (Treasury, 1998b). However once childcare, travel and clothing costs have been paid the beneficiary would have no financial gain from their paid work, but Treasury did not see this as being a problem. Women living in poverty on the DPB may feel that rather than receiving no financial gain from employment, their time would be better spent improving their family's quality of life, for instance, by gardening, doing home maintenance, travelling to discount shops, mending clothes and broken toys and picking up library books for the child/ren.

Officials presented the Government with four proposals regarding the OSCAR subsidy (Treasury, 1998b). Treasury argued that if any money was spent on an OSCAR subsidy the maximum rate should be lower than the current CCS rates at \$1.50 per hour, instead of the proposed rate of \$2.30. The Government decided to set the rate at \$1.80. Treasury's proposal that the income thresholds for the OSCAR subsidy should be \$100 lower than the CCS was defeated (National Association for OSCAR, 1998).

4.2 Out of School Care in Britain

New Zealand is not the only country of the five countries in my study to increase its commitment to OSCAR in recent years. In the past little money has

been allocated by the British Government to after school care (MacDermott et al., 1998). However from April 1998 British funding for after school care was increased from four to ten million pounds (MacDermott et al., 1998).

5. Compass

5.1 The Initial Compass Pilot

Compass is a case management programme. DPB recipients who volunteer for the Compass programme are assigned a Compass Co-ordinator who informs them of local training, work, and childcare options, and if necessary helps them prepare for job/training interviews.

The Levine et al. (1993) study recommended a “childcare/training/job facilitation package along the lines of the JET scheme” (Levine et al., 1993:61). JET (Jobs, Employment and Training) is an Australian programme launched in 1988 by that government to offer practical support and direction to improve lone parents’ job skills and help them into the labour market (Bryson, 1992:199). While the Compass scheme is modeled on the JET scheme, JET itself is modeled on a Swedish scheme (Bryson, 1992). The Swedish Government has long had a policy of encouraging lone parents into the work force. However, its “policies are more generous and are integrated with a comprehensive family package which leaves workers with far fewer associated disadvantages” (Bryson, 1992:199).

To date Compass has been voluntary and supportive rather than putting pressure on the beneficiary to get a job. Initially, the Compass pilot was run from March 1994 to March 1995 within 4 small pilot districts involving 1,100 DPB and WB recipients who had been on the benefit for 12 months and whose youngest child was aged 5 or older. The Ministry of Women’s Affairs officials had argued strongly against the above targeting of Compass, believing that all

DPB recipients should have access to this resource (Ministry of Women's Affairs, 1995:3). This idea is also supported by Compass customers (Colmar-Brunton, 1997). However the Government has retained the targeting of Compass.

These differences of opinion reflect the targeting versus universal provision debate in social policy. The Government argues that targeting welfare assistance means that those most in need of help will receive it, and precious resources are not wasted on those who can provide for themselves (Cheyne et al., 1997). While this sounds fair, examinations of the impact of targeting have found that it has a number of drawbacks. Targeting is intrusive, it increases stigma, is expensive to administer, creates poverty traps, results in a complex and confusing system, causes a low take-up rate, and does nothing to alleviate poverty (St John, 1994; Peters, 1996, and Cheyne et al., 1997). If all DPB recipients had access to Compass, given the costs of childcare and the fact that many mothers with children under five prefer to look after them themselves, it is unlikely that Compass would be overwhelmed by DPB recipients with children under five. On the other hand, those that were interested would probably be highly motivated and may be in a position to use Compass to assist them off the benefit.

By the end of the Compass pilot 24 % of participants had moved into employment (either full-time or part-time, self employment or voluntary work) and an additional 50% had taken up the Training Incentive Allowance and moved into a variety of education and training areas. (DSW, Annual Report, 1995). The results indicate that *"being on Compass is increasing lone parents' odds of no longer being on any benefit by 1.57 times, and their odds of going into training (if not already on training) by 3.05 times in a given time period"* (Colmar Brunton, 1995:64).

The evaluation of the pilot found that the participants were generally positive about Compass. Sixty three percent of Compass volunteers expressed satisfaction with Compass as compared to 19 % who were dissatisfied (Colmar Brunton, 1995). Twenty eight percent of those who volunteered to participate were Maori which is not far from a representative figure (Colmar Brunton, 1995). Interestingly, a higher percentage of Maori than non Maori (76 % compared to 57 %) expressed satisfaction with the programme (Colmar Brunton, 1995). However a smaller percentage of Maori had left the benefit by the end of the pilot period (Colmar Brunton, 1995). Rochford points out that this should not reflect negatively on Compass because Maori are likely to have greater obstacles to employment than non-Maori such as younger children and fewer educational qualifications (Rochford, 1995:171). On the strength of this positive evaluation Cabinet decided to run a nationwide Compass pilot from 1 October 1995 to 30 June 1997, maintaining the same eligibility restrictions (McKenna, 1996).

5.2 The Nationwide Compass Pilot

An analysis of the nationwide pilot was undertaken from March 1994-February 1996. The findings were again positive and very similar to the evaluation of the initial pilot outlined above (Colmar Brunton, 1997:8). Compass participants were: 1.35 times more likely to leave benefit because of finding employment, 1.59 times more likely to earn income from part-time employment, and 3.2 times more likely to use the TIA, than other lone parents (Department of Social Welfare, 1997a). Moving from the DPB to paid work was associated with the following factors: being male, their youngest child being over 5 years old, being in receipt of the Child Care Subsidy and/or the Training Incentive Allowance, having worked part-time while on the benefit, and being aged between 25 and 40 years (Colmar Brunton, 1997:26-27).

The evaluation of the first Compass pilot found that Compass customers were reasonably representative of DPBs as a whole. However the evaluation of the Nationwide Compass Pilot does not address this question, so we do not know if some groups of DPBs are missing out on the benefits of Compass. The evaluation of the nationwide pilot found that the Compass participants were very supportive of Compass (Colmar Brunton, 1997:37). Below I have summarised the customers' perceptions of Compass. It would have been useful if the evaluation of the nationwide pilot had quantified these perceptions of the programme, as had the initial evaluation.

Overall customers felt they were getting a much improved service through having contact with a single officer. They saw Compass as friendlier and more helpful than the traditional front-line service and they appreciated the focus on goal setting and planning (Colmar-Brunton, 1997:6). Customers and staff identified the following ways services could be improved: fine-tuning of resources to support the scheme, more promotion amongst lone parents, and on-going training of staff to provide high service delivery (Colmar- Brunton, 1997:43). With a staff to customer ratio of 1:125 (Department of Social Welfare, 1996:27) some of the Compass participants felt that Compass was understaffed. The report also notes: *"Compass customers feel in order to maintain the quality of staff in the programme, staff must be 'empathetic' i.e. mature, have children, have life experience, and possibly have experience of living on the DPB"* (Colmar Brunton, 1997:43).

The only comment the evaluation makes on the participants' attitude towards workforce participation for lone mothers is: *"One negative perceived by some lone parents on Compass is that they feel it is not 'practical', i.e. they believe they earn more from the DPB than they would in a job. Also, some lone parents feel that it would be difficult for them to work because they feel they need to be with their children"* (Colmar-Brunton, 1997:41). My own research

supports this finding that some lone mothers feel they need to stay at home for the sake of their child/ren. Even the two women in my study who were job hunting were worried about the impact their employment would have in their children.

There are many areas where the Compass evaluation could have been more thorough. The Levine et al.'s study identified three groups of DPB recipients: young women with little paid work experience, women with substantial experience of low paid work, and women with substantial experience of relatively well paid work (1993:14-18). The same study identified the women in the second group as least likely to undertake training while on the DPB, and most likely to stay on the benefit for the longest period (1993:14-18). It would have been very useful if the Compass evaluation had explored to what extent these women are participating in Compass.

The first Compass pilot did not involve the Compass staff ensuring the participants were receiving their benefit entitlements. However for the National Compass Pilot it was decided to do this work with the customers to build rapport between the staff and customers (McKenna, 1997). This might raise the reputation of the programme amongst DPB recipients and lead to more beneficiaries volunteering for the programme.

The Australian JET programme is a far more extensive programme than Compass. Unlike Compass, JET involves providing childcare for lone mothers. JET also provides on-going financial assistance for a period into employment at the end of a training programme (Bradshaw et al., 1996:29). After JET was introduced there was a significant increase in lone mothers' workforce participation from 16 % in 1986 to 31% by 1990 (Rochford, 1993:12). However it is unclear as to how much of this increase was due to JET, and how

much can be attributed to the strong job growth at this time driven by economic policy (Cass, 1995).

JET has been criticised for a “tendency to provide training in ‘women’s jobs’” (McHugh and Millar, 1996:25). These jobs tend to be “*low status occupations characterised by predominantly part-time employment and a low level of income*” (McHugh and Millar, 1996:26). Employment in these jobs does not represent a step forward for lone mothers. Instead of being on a low but secure benefit income, they receive a low wage from an insecure job with all the costs associated with paid work. A survey by Zanetti (1994) found that one of the reasons JET clients: “*return to claiming Sole Parent Pension is that they face great difficulties in remaining in jobs that lack family-friendly work conditions, especially paid leave to care for sick children*” (Zanetti cited in McHugh and Millar, 1996:26).

There is no information available regarding the nature of the training that Compass promotes to its customers. However it would not be surprising if these courses also train women for ‘women’s jobs’ - that is the occupations where women have traditionally been concentrated. It would have been useful if the Compass Evaluation had contained information on the type of training taken up by Compass customers, the industries and occupations entered and the wage rates received. It is too early to tell whether Compass customers will leave the benefit and then return to it because of low wages and the unwillingness of employers to accommodate parents’ needs.

Some government advisers and politicians want to move away from the voluntary and supportive approach currently practiced by Compass. The Department’s post election briefing paper advocates what it calls ‘hassling’ beneficiaries: “*Experience from the WIN (Work Incentive Programme) in the United States shows that welfare offices with a strong expectation of work*

participation have more positive results in moving people off welfare benefits than offices where only the 'supportive environment' is fostered" (Department of Social Welfare, 1996:26).

The same paper notes that a focus on getting a beneficiary into some form of employment, rather than into training, is more effective in reducing their long-term dependency. It suggests that Compass could trial a "work only" option so that the results can be compared with the current training/employment option (Department of Social Welfare, 1996b:31). In April 1997 Margaret Bazley, the Director-General of Social Welfare, stated that she wanted Compass to become compulsory (McLoughlin, 1997:119).

5.3 Compass Continued with a Change in Focus

In July 1997 Cabinet approved the continuation of the Compass programme on a volunteer basis but shifted the focus of Compass "to a primary emphasis on participants obtaining paid employment" (Cooper, 1997). This change in focus is short-sighted because most women on the DPB are unqualified and if not given the opportunity to train are likely to spend the rest of their lives either in low paid jobs or on the benefit, or moving between the two. The Cabinet decision included expanding Compass to include the existing four control sites. The funding for the three years from 1997/98 is shown in the Table 9.3.

Table 9.3: Funding of Compass 1997/98 to 1999/00 (GST inclusive)

| <i>Year</i> | <i>Amount</i> |
|-------------|-----------------|
| 1997/8 | \$4.444 million |
| 1998/99 | \$4.106 million |
| 1999/00 | \$4.044 million |

Source: Cooper, 1997

As can be seen from Table 9.3 the Government plans to spend a little less on Compass each year for the next three years. Despite the continued increase in the number of people on the DPB, the success of Compass, and the lack of awareness of it amongst its potential clients, the Government obviously does not intend to publicise the programme more widely and expand its number of clients.

5.4 The Participants' Attitude to Compass

Of the women I interviewed only Vera was planning to go on the Compass Programme. Vera comments: *"Compass helped a friend of mine find a job and I'm hoping that when I'm ready they will find me one. Compass is a good support for women. The only problem is that there are not enough jobs out there!"*

Lorna learnt about Compass when she was training to be a Citizens Advice Bureau volunteer. She is very cynical about its advantages. *"It sounds good, but I think to myself about the realities of it all. Basically all they can offer you is some help to get motivated, but I am motivated, what I need is transport and childcare, they can't provide me with those things".*

Lois had very similar views: *"I think it [Compass] is really unfair. Compass sets women up to fail. They [Compass] get their esteem up, making them feel good because they have completed these courses, and they can go and conquer the world and then the women just keep hitting these brick walls all the time. It's not fair. If they want women to work they are going to have to provide us with real support - free after school care, decent wages, free training, - there is so much they could do to help".*

Denise, and Christine had never heard of Compass. Denise was pleased to hear about it and said she might contact them. *"If I could get myself into a course that would somehow get me into a career, that would be all the better for me and my son".* Joan had heard of it, but did not know what it was.

5.5 The British Case Management Programme

The recent British New Deal for lone parents has three main components: ensuring that childcare is available and affordable, ensuring that where possible, lone parents receive regular payments of maintenance, and providing active assistance to help lone parents to find work (MacDermott et al, 1998). The last part of the scheme is similar to New Zealand's Compass programme. Like Compass it will involve only lone parents whose youngest child is at least five (MacDermott et al., 1998). Unlike Compass it will be compulsory for all lone parents in this group, applying nationally by October 1998 (MacDermott et al., 1998).

6. Customer Service Officers (CSO)

Work and Income New Zealand have Customer Service Officers (CSO), each of whom is responsible for a number of beneficiaries with whom they work on a one-to-one basis to ensure continuity of service. Lois described a meeting she had with her CSO. *"When I had to go and have an interview I told the woman from Income Support that I did not think any of the courses they were offering would up-skill me in any way. She agreed. I told her that in my experience most women wanted to work but that it conflicted with their parenting responsibilities and she said 'yes, I know, doesn't it sicken you'. So nothing was decided at my interview"*.

Denise's experience: *"I used to have a customised service officer but she transferred to another office. Since then I have been seeing anyone I can. The workers there have a lot of power; they can either make you feel comfortable or uncomfortable. It depends on them"*.

7. The Transition to Work Payment and Special Needs Grants

DPB recipients are eligible for a Special Needs Grants (SNG) of up to \$250 to assist them with the start up costs of working provided they have not already had a SNG that year. Those DPBs who are registered with the Employment

Service are entitled to a transition to work grant of the same amount. Little data is available on the take-up or effectiveness of this benefit.

8. The Training Incentive Allowance

The Training Incentive Allowance (TIA) was established in 1983 in response to the Wylie report 1980, the first study in New Zealand of the factors affecting lone mothers' workforce participation (Nixon and McCulloch, 1994). The Wylie report found that those who left the DPB had either good qualifications or skills (Wylie, 1980). The TIA is available to widows and invalids beneficiaries as well as DPB recipients, but is predominantly accessed by Domestic Purpose Beneficiaries. The object of the programme is to provide financial assistance to these beneficiaries to undergo employment-related training (Black et al., 1995:A/2516). In spite of having some shortcomings, overall the TIA is a very positive programme as lack of qualifications is one of the main barriers to work for lone mothers, and without the financial assistance provided by the TIA few lone mothers could afford to undertake training. One evaluation of the TIA found that 74% of female TIA recipients stated that knowing about the TIA helped them decide to undertake a course, and 44% said they would not be doing the course without the allowance (Milne, 1998:266). Several studies of the TIA, including the Compass evaluations, have found that it increases the likelihood of a beneficiary moving into employment (Social Policy Agency, 1996:6).

The TIA has been criticised by the Social Security Appeal Authority because the maximum amount available does not always meet the full costs of undertaking the training (New Zealand Council of Christian Social Services, 1996). In addition to this criticism, a study by the Social Policy Agency of Customer Service Officers' perceptions of the TIA found that they felt *"that education and training is increasingly moving out of the reach of clients, even with TIA, because of continuing increases in both tertiary and non-tertiary fees"* (Social Policy Agency, 1996:6). The CSO's had a *"strong perception*

that the level of assistance with costs through both the TIA and Childcare Subsidy should be increased and that the shortfall between costs and assistance often place customers in a difficult financial position” (Social Policy Agency, 1996:6).

The training course chosen by the TIA recipient must either be approved by the New Zealand Qualifications Authority, or be a course that the Director General is satisfied is likely to enhance the beneficiary's employment opportunities (Black et al., 1995:A2516).

“As at 31 May 1997, 16% of all DPB recipients had received TIA in the last year. Just under 30% had received TIA at some stage in the last five years” (Social Policy Agency, 1997:14). The Levine et al. (1993) study found that a third of those in their sample were not aware of the availability of the Training Incentive Allowance. Similarly the Compass evaluation found *“while 90% of women joining the Compass programme to date have wanted to train, 42% have not known about the existence of TIA at their first Compass interview”* (Social Policy Agency, 1996:6).

An increased awareness of training possibilities and the existence of the TIA is one of the benefits of both the Compass and Customised Service Programmes. Consequently there has been a rapid growth in the number of TIA recipients in recent years from about 11,000 recipients in 1993 to nearly 21,500 in 1996. (Mowbray, 1997). The rapid expenditure growth on the TIA from 1991 to June 1996 slowed from 1 July 1996 when the abatement policy changed (DSW, 1997a). This may possibly be caused by an increase in the number of Domestic Purpose Beneficiaries choosing to enter part-time employment rather than training now that the changes to the abatement regulations allow DPB recipients to improve their family's standard of living slightly through part-time work.

8.1 TIA by Ethnicity

Take-up of the TIA is slightly lower amongst Maori than Pakeha, and significantly lower for Pacific Islands women, as Table 9.4 below shows.

Table 9.4: Use of TIA by Ethnicity of Female DPB Recipients (%)

| | All ethnicities | Pakeha | Pacific Islands | Maori |
|-----------------|-----------------|--------|-----------------|-------|
| in last year | 17% | 20% | 10% | 17% |
| in last 5 years | 31% | 34% | 18% | 31% |

Source: SPA 1997:15, Table 32

The Social Policy Agency notes: *"In contrast to the pattern of receipt of income from earnings across those with children in different age groups, the likelihood of having received TIA in the last year changed little with the increasing age of the youngest child. Aside from a lower take-up rate for those in their first 12 months of benefit, the pattern of receipt also appears to be little affected by duration on benefit"* (1997:15). It would seem that women on the DPB believe they can cope with training regardless of the age of their child/ren. This is likely to be because for most courses much of the study can be done at home. However we do not know whether drop-out rates are affected by the age of the child.

The TIA appears less effective at improving the employment prospects of both Maori and of people with no qualifications (Social Policy Agency, 1996:13). The report by the Social Policy Agency does not attempt to discuss why this is the case. It could be related both to the lack of confidence and experience of success in education of these groups and/or to financial factors. If Maori and Pacific Islands lone mothers on the DPB have less financial resources than

Pakeha and the TIA does not cover the costs of training, they are more likely to have to abandon their studies to hunt for a part-time job.

New Zealand is ahead of most other developed countries in its provision of the Training Incentive Allowance, although many OECD countries provide free or inexpensive tertiary education. In addition to New Zealand, only three other countries provide a small financial incentive to the non-employed to undertake training, Belgium, the United Kingdom and Australia (Bradshaw et al., 1996:29).

The Social Policy Agency evaluated the TIA in 1996 reaffirming its "important position within the current framework of support" and that "people who receive TIA are more likely to move off and remain off benefit" (Mowbray, 1997:3). The evaluation investigated possible changes to the TIA target group and eligibility criteria. However, none of the proposed changes: "proved satisfactory in terms of better targeting TIA or in terms of administrative feasibility" (Mowbray, 1997:3). Unfortunately the Government did not increase the maximum amount of the TIA in the 1997 or 1998 budgets, ignoring the considerable evidence and advice regarding the need for such an increase. The TIA was reviewed again by the Social Policy Agency in 1997-98 (Nicol, 1997). This review was not available before the cut-off date of my research, 1 October 1998.

Lone mothers as the sole breadwinner need to train in areas that lead to well-paying jobs. We do not know if the TIA promotes this type of training. The Social Policy Agency notes that the SWIFT data does not "allow robust examination of the level of training undertaken" (Social Policy Agency, 1997:14).

8.2 The Participants' Experience of the TIA

Lorna, Christine and Lois have been TIA recipients in the past. Joan did not receive the TIA while doing her TOPs course. The course was free but she did not realise at the time that she would have been eligible for some assistance with transport costs with which she struggled. The other three women have not undertaken training at a registered training institute. Neither of the two Maori women in my study had ever used the TIA. Both Lorna and Lois found the TIA inadequate. Lorna's experience: *"The TIA wasn't enough. We struggled, we really struggled. Because of my family commitments I didn't have the time to spend in the library. I had to do a lot of photocopying. It costs so much money"*.

Lois's experience: *"I enrolled in a full-time Interior Decorating course. Social Welfare told me I was eligible for the TIA and that it would cover my costs and if I went and got everything and presented them with my receipts they would reimburse me. So I borrowed the money, \$3,000 and when I presented them with the receipts they said 'oh no, we don't pay that much, no, no, we only give you this amount'. So it was like 'Oh God, thanks a lot guys'. I was about \$2,200 short!"*

Christine comments: *"I would not have been able to afford to start my counselling course without the TIA"*.

Vera, who has never undertaken any formal training, was about to undertake a three year part-time course in accountancy and was hoping the TIA would cover her costs.

9. Training Opportunities Programme (TOP)

TOP courses, run by the Labour Department, are designed to help unemployed people with low/no qualifications, or skills, into the workforce. Until recently DPBs were not eligible to attend TOPs courses until they had been on the benefit for four years (Ministry of Women's Affairs, 1996). This restriction has been reduced to one year and the quota of DPBs allowed to undertake the

TOPs courses have also been changed. Under the old criteria a 10% quota was applied to DPB recipients nationally, now the quota is a 10% limit for each provider (Baldwin, 1998). TOPs courses, unlike many other training courses, are free and they require no prior qualifications or job experience, so increasing this quota could assist DPB recipients into paid work.

There is no data regarding DPB recipients who undertake TOPs courses (Education and Training Support Agency, 1998). It is not known if DPB recipients who are TOPs graduates find employment, and if so, whether it is employment that provides a breadwinner's wage. Joan, from my research, has remained on the DPB after completing a five-month TOPs course as a childcare trainee. Looking at all TOPs trainees, 43% who left TOPs in 1997 went into employment and 11% went on to further education or training within two months of leaving the programme (Education and Training Support Agency, 1998).

10. Hikoi Ki Pae-rangi (New Horizons)

These are self-esteem and new direction seminars run by Work and Income New Zealand offered only to women on the DPB and it involves 10 mornings during school hours. The Ministry of Women's Affairs strongly supports this programme and favours its expansion (Ministry of Women's Affairs, 1995). Certainly half-day seminars for two weeks seems a very short amount of time to raise the confidence of a lone mother, brief her on the current job and education market, source affordable childcare/OSCAR, and discuss any barriers she may face to combining paid work and lone parenting.

11. Work/Education-testing

11.1 The 1997 Work/Education-tests and Mandatory Interviews

The Social Security Amendment Act 1996 introduced mandatory interviews from 1 April 1997 for DPB recipients when their youngest child reaches seven years of age in order to plan their re-entry into the workforce (Baskett, 1996). Part-time work/education-testing for DPB recipients whose youngest child is 14 years of age began from the same date (Jobs Research Trust, 1996). If these beneficiaries are not in employment/training for at least 15 hours per week they must be registered with NZ Employment Service and must accept a job if NZES can find them one (Income Support Leaflet, March 1997). There are some exemptions to these requirements: if it is less than six months after the death or separation from spouse, if caring for a special needs child, and if the DPB recipient has a disability or health problem (Income Support Leaflet, March 1997).

A system of graduated reductions and loss of benefit for 13 weeks for non-compliance is part of the work/education test and mandatory interviews. These penalties are severe and punitive. They amount to reducing family income thus putting the family under huge financial stress to punish the beneficiary for what is perceived by the Government as bad behaviour. Furthermore these measures are likely to be ineffective. In 1995, only 12,500 DPB recipients had no children under 14 (Department of Labour, 1995:11). The relaxing of the abatement rules from July 1, 1996 is likely to have led to some of these beneficiaries taking up part-time work. By 1 April, 1997 those not already in training or working at least 15 hours per week are probably held back by their lack of qualifications and the lack of part-time jobs available during school hours. It appears the work testing is about the Government repeating the message to DPB recipients that they should be in paid work, while at the same time the Government appears to be taking some action.

Beneficiary rights groups are concerned about the compulsory nature of the new measure (Turner, 1997). While some lone mothers may be able to find appropriate part-time work without their children being adversely affected, others may not. Fourteen years old is a notoriously difficult time for young people as many begin to experiment with crime, drugs, alcohol and truancy (Turner, 1997). One study of lone mothers found that one quarter reported that lone parenting became more difficult when children reached adolescence (Selvaraj, 1997:44). The legislation does not provide for any exemption where the young person has behavioural problems (Turner, 1997). It is especially hypocritical of the Government to ignore these issues when it is always telling parents to take more responsibility for the behaviour of their teenagers.

The Ministry of Women's Affairs was strongly opposed to the introduction of both the mandatory interviews and the work/education-tests (Ministry of Women's Affairs, 1996). It described these measures as stemming from the 'reciprocal obligations approach' used in the USA, whereas they support a 'voluntary approach'. They cite JET and Compass as successful examples of the voluntary approach. The voluntary approach *"starts from the premise that lone parents already have an important unpaid job and often have concerns about parenting which need to be alleviated before movement can occur. These issues are not 'assumed away' by a policy focusing on 'individuals' or categorised simply as an 'unwillingness to work' or sign of 'dependency'. Instead, the client's concerns are built into the policy approach, programme design and delivery"* (Ministry of Women's Affairs, 1996:3). The reciprocal obligations approach assumes that in return for the beneficiaries receiving a benefit they have an obligation to look for paid work or work for the benefit (known as workfare). This approach has many problems, particularly for lone mothers who may be able to find paid work but may not be able to undertake this work and meet their responsibilities to their child/ren at the same time.

11.2 Comparative Findings on Work-testing

11.2.1 Work-testing in Sweden

In Sweden to be eligible for social assistance a lone mother is obliged to prove that she is looking for work, although she may be exempt in certain circumstances (OECD, 1993). However when considering Swedish provision it is important to note that Sweden provides very extensive support for all parents particularly, for lone parents. From the data available to me it was not clear exactly how strict the work requirement is for lone mothers in Sweden. A Swedish Government document emphasised that while lone mothers are expected to be in paid work, a right for temporary assistance can exist, even if a person is judged to be able to support themselves by work (Swedish Ministry of Health and Social Affairs, 1996). Unlike the United States, there are no workfare programmes in Sweden (Swedish Ministry of Health and Social Affairs, 1996).

11.2.2 Work-testing in the USA

In the United States as early as the late 1960s and early 1970s work incentives and work requirements were included in the Aid to Families with Dependent Children (AFDC) programme (Sainsbury, 1996:81). Prior to 1988 lone parents were only exempted from paid work if the child was under six years. In 1988 the Job Opportunity and Basic Skills Training Program (JOBS) reduced that exemption to 3 years old (McKenzie, 1997).

Workfare programmes where lone mothers have to work as directed by the state are being introduced throughout the country (Campbell, 1997b). Impact studies of the US workfare programmes of the late 1980s and early 1990s found that these programmes had substantively small impacts on participation in paid work (Oliker, 1995). Oliker (1995) notes that this fact has not discredited workfare in the White House because workfare policies are driven by ideology not by analysis.

The Personal Responsibility and Work Opportunity Reconciliation Act was signed into law by President Clinton just prior to the 1996 election campaign in order to "*discourage illegitimacy and teen pregnancy by prohibiting welfare to teen mothers and denying*

increases in Aid to Families with Dependent Children (AFDC) for additional children while on welfare, cut spending for welfare programs, and enact a tough two-years-and-out provision for work requirements to promote individual responsibility" (Whiteford, 1996:3).

The Act replaced the AFDC programme *"with a 'block grant' to individual states who will be responsible for determining eligibility and delivery ending federal guarantee of help for the poor: requiring states to ensure that a greater proportion of welfare recipients are in work activities; and limiting the length of welfare receipt to two years in most cases, with a lifetime limit of five years; and strengthening childcare and child support enforcement provisions"* (McKenzie, 1997:98).

At the same time that the US Government was increasing the pressure on lone mothers to enter the workforce, the 1996 US Governmental report to the OECD on lone mothers noted *"the job market for skilled workers - and lone mothers are always less qualified - has shrunk to the point that there is virtually no alternative to existing social support"* (OECD, 1996b:5).

Alongside workfare the US government has, since 1990, guaranteed AFDC recipients access to government funded childcare (Brooks and Buchner, 1996). However these researchers point out that the demand for childcare has far exceeded the supply. *"Waiting lists exist in the majority of States; for example in Texas an estimated 40,000 children are waiting for child-care subsidies, while in the state of California the waiting list contains 255,000 children* (Brooks and Buchner, 1996).

Research in America showed that 64% of new AFDC recipients left welfare within two years and that work accounted for 45% of these exits. However a staggeringly high 75% of those who left welfare eventually returned (McKenzie, 1997:103). Policy analysts in the US have estimated that the recent cuts in welfare provision (euphemistically called reforms) will push another 1.1 million children into poverty (Bergmann, 1997:85).

11.2.3 Wisconsin Workfare

In New Zealand, at both the Department of Social Welfare's "Beyond Dependency" conference held in early 1997 and in the TV documentary "Time Bomb," much was made of the "success" of the Wisconsin approach to welfare. The key workfare scheme in Wisconsin, *Pay for Performance* began in March 1996 and requires lone parents to work or job hunt 35 hours per week or else lose all benefits, except \$10 in food stamps. Wisconsin 2 started in September 1997 and put all lone parents with children over 12 weeks old on workfare, even job search will not be compensated (Campbell, 1997b).

Campbell points out some of the facts avoided by "Time Bomb" and "Beyond Dependency". For instance currently Wisconsin has a buoyant economy and a scarcity of unskilled labour (Campbell, 1997b). Wisconsin workfare programmes have resulted in a dramatic increase in homelessness initially amongst single men, but now lone mothers with children are turning to night shelters (Campbell, 1997b).

Campbell shows that the less federal money individual states spend on welfare, the more of this money the state gets to keep, or where welfare has been privatised, the private company keeps! "*Under Bill Clinton's federal welfare reforms, bloc grants devolve to the states based on their (very high) 1994 caseloads. What each state saves by slashing its caseloads, it stands to keep. So do private firms like Maximus, involved in Wisconsin - it will pocket \$3.5 million if it can reduce caseloads by a third over the next 28 months. Essentially, welfare reform provides money incentives to administrators to drop from the rolls families who may need help*" (Campbell, 1997b:39). Campbell notes that no evaluation programmes have been established to monitor how families fare under Wisconsin welfare programmes.

Workfare for lone parents demands huge amounts of expenditure on childcare. In Wisconsin spending on childcare "has ballooned over 10 years from \$12 million to \$160 million, with an extra \$25 million added recently after activists showed that these sums were still inadequate" (Campbell, 1997b:39). To meet the demand for childcare Wisconsin has downgraded standards for childcare certification (Campbell, 1997b:39).

The new certificate requires no safety, education, health, care, or nutritional standards (Campbell, 1997b:39). The only safeguard is that a person with a criminal record may not hold a certificate (Campbell, 1997b:39). Yet if those lone mothers with no other childcare options do not place their children in these centres, they will lose their benefits.

When Jean Rodgers, the person responsible for developing and implementing the welfare reforms in Wisconsin, was told of a lone mother of eight children who failed to turn up to her first job search appointment, she *"raised the possibility that her children could be among the many who are expected to flood the foster care system as a result of the reforms"* (NZ Herald, 1997b, A15).

11.2.4 Work-testing in Other OECD Nations

Internal papers written by government officials in New Zealand emphasise that most developed countries work-test lone mothers. While this is accurate (Bradshaw et al., 1996) the work-testing regulations vary considerably, with the Netherlands beginning work-testing when the youngest child is over 12 years and Norway 10 years. There is no work-testing of lone mothers in Denmark, France, and Ireland until the child turns 16 years old (Bradshaw et al, 1996). In the New Zealand welfare debate while much mention has been made of the harsh regime in the United States, little attention is paid to the generous eligibility rules in Australia and the United Kingdom, countries with close relationships with New Zealand. There is no work-testing of Sole Parent Pensioners in Australia "in recognition of their child-rearing responsibilities" (Department of Social Security, 1997:8). The recent New Deal for lone mothers in the UK while focused on getting lone parents into employment, did not introduce work-testing (MacDermott et al., 1998).

12. The Participants' Views on Work/Education-testing

As my fieldwork was carried out in July and August 1997 the participants were not asked about the intensification of the work/education testing that was

announced in the June 1998 budget. However, the participants did comment on the 1996 legislation that introduced part-time work/education-testing of lone mothers when their youngest child turns 14. Of the six women only Christine had a youngest child who was over thirteen. Christine is strongly opposed to the work/education testing. She argues that fourteen is just the time when children often get into trouble and need their parents more than ever, especially when they can rely only on one parent. Christine's daughter left school and is studying at home by correspondence. Her daughter was being threatened, abused and bullied at school and desperately wanted to leave. Christine wanted her to continue her education so arranged for her to do it by correspondence. Christine has to be home most of the day to supervise her daughter's study.

Christine commented: *"Teenagers need constant supervision. The Tough Love Support Group taught me that. Working mothers come home from work exhausted - how can they then turn around and cope with a tantrumming teenager?"*

Vera has a contrary view based on the cooperation she enjoys from her teenage girls. *"I think the requirement to work part-time when the youngest turns 14 is okay. My girls aged 12, 13, and 16 are great. They understand what I am trying to do for them. All my children help with the housework, bar the eight year old. We budget together as a family."*

Denise comments: *"Hopefully before my son is fourteen I'll be working anyway and off this rubbish [the DPB]. It is a bit depressing at times. I think it is fair enough for sole mums of fourteen-year-olds to be in part-time work, because once they are fourteen they can look after themselves anyway. It could be a problem if a kid had a background like mine [Denise was sexually abused by a family member when she was a teenager]."*

Lois said: *"I don't agree with the work-testing. It is not safe for a fourteen-year-old girl to come home to a house on her own after school. Fourteen is such a vulnerable age for children - they are so susceptible to peer pressure at this age. Unsupervised they may get into drugs, alcohol, sex - who knows? I*

haven't put all this many years of my life into bringing up Ruth on my own to have her go off the rails at a time which I think is very vulnerable".

Joan was under the misapprehension that the work testing applies when the recipient's youngest child turns seven. She was unsure of her opinion: *"I do know about work-testing once Joe turns seven. I'm a bit divided about that, actually"*.

Lorna comments on the work/education testing *"They [Income Support] have brought in this other thing, this work-testing at 14. Who is to say that 14-year-olds don't need parenting as well? How can you leave your 14-year-old alone? That's what I've learnt from what I went through [referring to when her 14-year-old-daughter used to look after her 7-year-old-son]. Once Josh went missing because she was too busy on the phone"*.

13. TV Advertisements 'Encouraging' DPB Recipients to Join the Workforce

At the time that I conducted my fieldwork the then New Zealand Income Support Service (NZISS) was running TV advertisements calling on DPB recipients to join the workforce. I asked the participants for their opinion of the ads. Joan stated: *"Recently I did a self-confidence course for women on the DPB. All the women on my course hated those ads. They made them feel stink. They made them feel like real losers. The message of those ads is that if you're not getting work, it's because you're not trying"*.

Lois, Lorna, Christine and Denise had similar views to Joan. Christine added *"the women [in the TV ads] look pathetic. Well you know they are a bit overdone"*. Christine mimicked the ad with exaggerated gushing *'I just went down to' ... They are good for a giggle. If getting a job is going to turn me into one of those I'm not getting one"*.

Vera saw the TV adverts quite differently to the other women: *"The ad on TV is good, because it gives you more self-esteem and encourages you to get a job"*.

14. The 1997-1998 DPB Review

14.1 The Desired Outcomes for the DPB Review

The 1996 Coalition Agreement initiated a DPB Review. This review started in June 1997 and was completed by March 1998. The Government made a number of decisions based on this review that it announced in the June 1998 budget. One draft paper for the review contained a number of broad objectives including one that reads: *"... to develop policies and service delivery options that ... produce positive outcomes for children and caregivers"* (SPA, 1997a). All the proposed objectives in this paper were retained except the aforementioned one. This far-sighted goal was removed from the outcomes agreed to by the Cabinet. The final outcomes were:

- "1. improvement in the labour market participation of beneficiaries, with ultimate increases in sustained employment and hence income;*
- 2. a reduction in long-term benefit receipt;*
- 3. a reduction in the number of children of sole parents (and other beneficiaries) being brought up in long-term benefit-dependent families; and*
- 4. a reduction in costs over time"* (Cabinet, 97:1-2).

By refusing to look at positive outcomes for children and caregivers the Government ignores the possibility that work/education testing might be detrimental to some caregivers and their children. The Government seems determined not to consider the possibility that receiving a benefit, especially if it was at a realistic level, might be the best option for some lone mothers and their

children for a period of time. Also, the desired outcomes the Government has set for itself allow it to continue to ignore the plight of lone mothers and their children who are in paid work and yet still living in poverty.

14.2 The Narrow Focus of the Review

The DPB Review focussed very heavily on work/education testing DPB recipients. OSCAR was also a focus of the Review, but only because this was seen as a prerequisite to the introduction of work/education-testing. One of the first papers written for the DPB Review by the Social Policy Agency contained a wide variety of possible policy options to facilitate employment amongst DPB recipients, including: paid parental leave, increasing the rate of the benefit, increasing the level of the CCS, increasing state funding to childcare centres, amongst many others (Social Policy Agency, 1997, 25 June). However none of these policies appear in any subsequent Review papers.

Little else besides work/education-testing and OSCAR were discussed in depth as part of the Review. Even more disturbing is that the discussion on work/education-testing was not about whether work/education-testing is an appropriate and effective policy, instead this was taken as a given. The focus of the discussion and debate was on whom the work/education-testing should apply to, and the exact nature of the work-testing.

Work/education testing of DPB recipients will be intensified from February 1999 as a result of the recommendations of the Review. DPB recipients whose youngest child is fourteen or over will be required to work full-time and those whose child is six or over will be required to work 15 hours per week, those with younger children will be required to attend an annual mandatory interview (Cabinet, 1998a).

The Treasury papers which contributed to the DPB Review emphasise that 30% of lone mothers with children aged between 5-13 are already in employment (Treasury, 1997a). The implication seems to be that if these lone mothers can do it, than all lone mothers can, but this issue is not explored further.

Generally, little is known about lone mothers with school-age children who work part-time. They may have unusually low accommodation costs and thus not be subject to the abatement of the AS for working part-time. They may live with other adults who choose to assist them with childcare. They may live in areas where unemployment is not high. They may be highly qualified. If more information was known about lone mothers in New Zealand appropriate policies could be adopted. However none of the DPB Review papers noted this lack of information.

14.3 Debate Amongst Government Officials

The work-testing of lone mothers was the subject of intensive debate amongst government officials. Several aspects of the proposed work-testing were debated. What age the youngest child should reach before it was reasonable to expect the lone mother to be in paid work was one of the debates, and what sort of work-test should be used was another (Ministry of Women's Affairs, 1997f). Also disputed was the amount of funding allocated to facilitate DPB recipients into employment and how this facilitation should be prioritised. No government departments opposed work/education-testing in principle in the 1997-98 DPB Review, in spite of the fact that the Ministry of Women's Affairs had opposed the work/education-testing introduced in 1996.

14.4 Debating who Should be Work/Education-tested

The Ministry of Women's Affairs supported part-time work/education testing when the youngest child turned six, while Treasury supported 5 years. The main reasons advanced by the MWA were: the legal age for attending school is six, children often have difficulties settling in in the first year, and parents may

take a few months to re-orient themselves to paid work (Ministry of Women's Affairs, 1997f). The proposal by the Ministry of Women's Affairs was adopted.

Another debate that occurred as part of the DPB Benefit Review was to do with a proposal that lone mothers whose youngest child is under six who voluntarily access employment assistance should be subject to the part-time work/education testing (Ministry of Women's Affairs, 1998b). The Ministry of Women's Affairs argued against this proposal, mainly on the grounds that it may deter those affected from seeking assistance to enter paid work. The proposal was rejected.

14.5 The Full-time Work/Education-test of Lone Mothers with Children 14 and Over

The Ministry of Women's Affairs argued against this proposal (Ministry of Women's Affairs, 1997f). They argued that because only 7% of DPB recipients fall into this category, the policy is going to have minimal impact and will not be cost effective (Ministry of Women's Affairs, 1997f). Many of these 7% are likely to qualify for an exemption from the policy because they have "good and sufficient reason" not to be working full-time, for example because of their or their child's ill health (Ministry of Women's Affairs, 1997f). The Ministry of Women's Affairs also argued that those in this group *"that could be in paid work but 'choose' to prioritise being home for their children will include a declining group of older women for whom this is a significant part of their culture of parenting. MWA asserts that as the 'work expectation' message is introduced much earlier in case management of DPB there will be a progressive impact and this group will 'wither' without the full-time work requirement"* (Ministry of Women's Affairs, 1997f). In spite of these persuasive arguments the Government adopted the policy.

14.6 The Nature of the Work-test

The type of work-test that was suitable for DPB recipients was also debated. Should the work-test for DPB recipients be the Community Wage work-test or the current DPB work/education-test? (Cabinet Strategy Committee, 1998). The main difference between the two is that the Community Wage work-test does not recognise employment-related training as an alternative to job search. The Ministry of Women's Affairs argued against the Community Wage work-test for DPB recipients arguing the importance of education to DPB recipients and the amount of time they need to spend with their children (Ministry of Women's Affairs, 1998c). However, the Ad Hoc Ministerial Committee on Employment and Welfare Reform reasoned that the Community Wage work-test should be applied because it *"clearly signals a work expectation by promoting 'work first'. It signals the importance of preparing for employment before work testing takes effect to those on DPB/WB who are temporarily deferred from the work test and provides consistency in the treatment of this group and all other work tested sole parent and partnered people on benefit (some 7,000 sole parents receive UB)"* (Cabinet Strategy Committee, 1998 16 March: 7). This proposal was initially supported by the Government (Cabinet, 1998a).

14.7 Cabinet U-turn

However, on Monday 20 July the Cabinet reversed the decision to apply the Community Wage work-test to DPB recipients claiming it was influenced by public submissions on the proposed legislation (Laxon, 1998). At the same time the Cabinet also did a u-turn on apply the Community Wage abatement regime to DPB recipients and softened (slightly) the sanctions applying to those who do not meet the new requirements.

An Alliance MP, Rod Donald, alleged that the Government did not have enough support in the house to pass the proposals in their intended form, after

MP Christine Fletcher had spoken out publicly against it (Laxon, 1998), and MP Neil Kirton had privately expressed his opposition to Employment Minister, Peter McCardle (NZ Herald, 1998b, A1).

14.7.1 Community Wage Abatement Regime for Full-time Work/Education-tested Recipients Rescinded by Cabinet

The Government initially decided to apply the community wage abatement regime to DPB recipients who are full-time work/education tested, that is all DPB recipients whose youngest child is 14 or over (Cabinet, 1998a). Under the Community Wage abatement regime the benefit is reduced at a rate of \$0.70 (instead of \$0.30) in the dollar for every dollar of gross income earned above \$80. The Ad Hoc Ministerial Committee argued that this approach *"increases incentives for people on DPB/WB who are full-time work tested to move from part-time work to full-time work"* (Cabinet Strategy Committee, 1998:7). The Committee noted that under this proposal *"an estimated 4,646 people on DPB/WB would lose on average \$26 per week in abated benefit"*. The Cabinet Strategy Committee noted: *"This approach has generated savings which have been used to off-set other elements of the Ad Hoc Committee's preferred package"* (1998:7).

This is a very punitive proposal. This group of DPB recipients is required by law to be in full-time work/training. If they are working part-time they will be subject to the sanctions that involve reducing their benefit. This proposal would involve punishing them twice for not having a full-time job. This proposal was also opposed by the MWA, and also rescinded by the Cabinet on Monday 20 July (Laxon, 1998).

14.7.2 The Sanctions

Initially the Government endorsed extremely harsh penalties for any DPB recipient who fails a work/education test or does not turn up to mandatory interviews (Laxon, 1998). At the same time as the Cabinet reversed its policy

on subjecting work/education tested DPB recipients to the Community Wage it also watered down the sanctions slightly. Those who do not comply with the work/education testing could lose up to half their benefit instead of all of it (Laxon, 1998). Those who fail to comply with the mandatory interviews could lose up to 20% of the benefit, instead of the whole benefit (Laxon, 1998). These penalties are still very harsh.

14.8 The Likely Outcomes of Work/Education-testing

The difficulties of combining DPB receipt with working part-time have been outlined in the chapter on work. Making part-time work compulsory will not make these difficulties disappear. A DPB recipient who has the opportunity to work part-time is likely to already be doing so because it raises their inadequate income, albeit only slightly. Forcing lone mothers on to the deregulated labour market when the unemployment rate is high will lead to downward pressure on part-time wage rates for wages at the lower end of the market, disadvantaging all who seek part-time work, be they partnered or lone mothers, students, or others.

Those lone mothers who are currently working 'under-the-table' will try and legalise this work. Those who are successful at legalising the work will suffer a decrease in their weekly income as tax is deducted for the first time. Those who can not persuade their "employer" to formalise the work will probably not have the time to continue to work both 'under-the-table' and legitimately, and meet the needs of their child/ren. They will be forced to drop their 'under-the-table' job causing a cut in their weekly income.

A good percentage of the 36,094 DPB recipients who have children between the ages of six and 13 will be able to gain an exemption from the work/education testing, many because they are sick or disabled themselves or have sick or disabled children.

The work/education testing of lone mothers will hit hardest those with the least resources. Those with resources can afford to undertake training, whereas those without will not have this option and will be forced to find employment, probably at low wages. It is known that lone mothers increased their part-time work rate from 11% to 17% from 1991 to 1996 (Goodger, 1998a) prior to the introduction of work-testing. The DPB Review did not attempt an analysis of factors that might have influenced this increase. If the cause of this change was understood policy makers could make policy that continues to support this change. Given that lone mothers have voluntarily increased their workforce participation in recent years, the work/education testing can be seen as unnecessary, as well as punitive.

14.9 Facilitative Measures

According to the Cabinet Strategic Committee the increased work/education-testing of DPB recipients from 1 February 1999 is expected to enlarge the new Income and Work Agency's job seeker register by 16% (1998, 16 March). Money has been allocated by the Government to facilitate these beneficiaries into paid work. The Ministry of Women's Affairs was concerned about the amount of money allocated. The amount initially proposed was "one quarter of the average cost of the programme assistance given to other job seekers on the NZES register" (Ministry of Women's Affairs, 1998c:5). The Ministry of Women's Affairs argued against spending so much less on lone mothers when studies *"show that older women and sole parents are the only groups for whom active labour market policies are cost effective. Further, these studies do not show that low cost assistance is necessarily more effective than higher cost assistance. In addition, a number of evaluations of welfare-to-work programmes in the US such as GAIN, have shown that while low cost programmes are effective in producing fiscal savings in the short-term, they do not lead to sustainable employment for most sole parents in the medium-to-*

long term” (Ministry of Women’s Affairs, 1998c:5). The Ministry of Women’s Affairs also contended that if little money was spent on the programmes then lone mothers were not likely to be trained for well-paid jobs which is the type of job they need to gain economic independence. Lone mothers are currently under-represented in the type of training that leads to well-paid jobs. For instance in many industries less than 2% of trainees are women (Ministry of Women’s Affairs, 1998c:5).

The outcome of this debate is not clear from the papers supplied to me under the Official Information Act. While I received papers detailing the final costing of the facilitation package I do not know the amount that was initially proposed that the Ministry of Women’s Affairs judged to be inadequate. This type of problem arises from time to time when examining papers obtained under the Official Information Act. Given the Government’s emphasis on reducing public expenditure it seems likely that the amount of money initially proposed was agreed to.

14.9.1 Prioritising Facilitative Assistance

As a result of the DPB Review the 1998 Budget allocated an “*extra \$43 million for case management, employment services and training to help those receiving the DPB to find work and keep it*” (Peters, 1998). The DPB review debated how this money should be prioritised. The Social Welfare Department proposed that the criteria for prioritising assistance were: cost effectiveness, the degree of reciprocal obligations faced, and liable parent status (Ministry of Women’s Affairs, 1998c). The MWA argued against these priorities. They believed that because the time period over which the cost-effectiveness was to be determined was not stated there was “*a high risk the Regional Employment Commissioners facing annual funding arrangement will require short-term immediate results. This can be expected to disadvantage sole parents many of whom require assistance over a longer period before they are work ready*” (Ministry of Women’s Affairs, 1998c:5).

Regarding the second priority, the MWA reasoned that linking assistance to reciprocal obligations could mean that people were put off seeking assistance because they equated it with punitive measures (Ministry of Women's Affairs, 1998c). The final priority group, liable parents, was also opposed by the MWA. They argued that prioritising DPB recipients for assistance on the basis that they are liable parents would disadvantage women as most DPB recipients who are also liable parents are men (Ministry of Women's Affairs, 1998c). In the final event the Government did not find any of the MWA's concerns regarding the prioritising of assistance persuasive and directed that the development of facilitative measures must "take account of the following factors ... cost-effectiveness, degree of reciprocal obligations faced; and liable parent status" (Cabinet, 1998a:5).

14.10 Exemptions from the Work/Education-test

The DPB Review discussed different ways of assessing whether a work/education tested DPB recipient could be exempt from paid work. The exemptions formulated for the part-time work/education testing introduced in 1996 were agreed as relevant, but officials were concerned that additional provisions were needed. Officials were concerned in particular that lone mothers' childcare costs may be so high that their disposable income was lower in paid work than on a benefit (Cabinet Strategy Committee, 1998). The Government agreed that a lower disposable income may be reasonable grounds for an exemption. The Treasury argued against this provision claiming that a reduction in household income may not necessarily mean that less money is spent on the children (Treasury, 1997b:2). This is not a strong argument for while in some cases it may be true, in others less household income will mean that less money is spent on the children. Furthermore, Governments are charged with the welfare of all citizens not just children. Without citing any evidence, the Treasury Department felt confident that a lowered disposable income would be a short term problem arguing that "for most people earnings

increase with time in the workforce" (Treasury, 1997b:2). No references were cited to support this claim. It is likely that this is not the case for many lone mothers working in low-paid, insecure, part-time, jobs. Treasury's final concern was: *"Moreover even if we assume that child outcomes are affected by reduced household income, the government should be just as concerned about the number of children in two parent households where the income is less than that of a DPB working part-time"* (Treasury, 1997b:2). Treasury did not suggest that anything be done to assist two parent households, it simply used their plight to argue against assisting those on the DPB.

Concern was also expressed about teenagers who may need supervision. It was agreed to "ensure a case by case assessment of the supervisory needs of the teenagers ... based on a test of reasonableness" (Cabinet, 1998a: 2).

14.11 The Participants' View of the Government's Attitude to DPB Recipients

As part of my fieldwork each respondent was asked what she thought the Government's attitude was to DPB recipients. The comments below were made prior to the Government introducing any work/education testing for DPB recipients. Joan: *"I think they'd like to get us all off the benefit. I think they feel we are just a drain on their resources. Some people say these things to me. I just say to them 'you better watch out, one day you might need a benefit'. To me, it's like I'm getting money to do a really important job, raising Jo. There is no way she is going to get into trouble simply because she has gotten all the grounding, support from her family. She knows what's right and wrong"*.

Lois: *"We're blamed for everything, from the state of the economy to the hole in the ozone layer. I think they are really scathing. When you have Ministers, like Katherine O'Regan who said she could easily live on it [a benefit], then*

she pulled out because one of her children got sick. Oh, the luxury to say, 'oh I don't want to do this while my children are sick!'"

Lorna: *"They just penalise people on the benefit. They should let people earn more"*.

Denise: *"Their attitude is unjustified. Like my situation, they think what they are giving us is sufficient to spread over every little aspect of financial life. The cost of living is too expensive. Most beneficiaries do not have cars to go around to the cheapest places to buy things. It is not good enough"*.

Vera: *"They think we should be working, but we have to put our kids first"*.

Christine: *"The government thinks we are lazy bludgers. I believe I'm not sucking off the Government so much as trying to keep my kids off the streets, to give them a good foundation. The likes of me, I have made a career of mothering. I have mothered my own kids and many more. I don't consider I've done anything but good for the community"*.

14.12 Monitoring the Impact of the DPB Review Reforms

The Government decided to allocate \$100,000 million to monitoring and evaluating the employment outcomes of the implementation of reciprocal obligations for DPB/WBs (Ad Hoc group of Ministers, 1998).

15. The Participants' Preferred Policies

After I had interviewed the six participants on their views of various government policies I asked them if they had any ideas about policies that could

assist women on the DPB. Denise would like the Government to help DPB recipients by *“giving them some space. The genuine ones on the benefit are really suffering. The Government just sees the bad ones and by-passes the genuine ones. They should cut taxes and GST for beneficiaries and low paid people. They should let you earn more while you are on a benefit. The Government should help those who want help with childcare”*.

Christine said: *“Well basically I’d like to see them [the Government] leave us [people on the DPB] alone”*.

Joan believes the best way the Government could help is by creating more jobs. She also suggested that *“they should all go on the benefit themselves, then they would know what it is like. Because they get so many perks they don’t know what it is like to live in the real world”*.

Vera did not know what she would like the Government to do to assist women on the DPB. When I asked her what she would do if she were in Government she replied, *“I can not see myself that high”*.

Lois had a number of ideas about how the Government could help: *“I think the most obvious thing the Government needs to do is to provide childcare. Not just childcare but after school care and holiday programmes. I found that after school care was very expensive. How can you pay \$50 per week for after school care when you are on a low income? The other thing is we need a transition [to work] allowance. There is supposed to be one, but when I applied for it they said I wasn’t qualified, God knows why. It should be for a good period of time too not just one payment”*.

Lorna replied: *“If only there were jobs for us, and childcare and help with transport”*.

16. Key Findings

- The CCS is criticised for being too heavily means-tested, because it is only payable for up to 30 hours per week, and because the maximum amount

payable per week - \$69, leaves too large a shortfall between the fees charged and the subsidy.

- As a result of the DPB Review the CCS was extended to cover OSCAR. Treasury strenuously opposed this move. Resourcing OSCAR is a positive development that is likely to assist some DPB recipients into paid work.
- Compass is a voluntary case management programme for DPB recipients whose youngest child is five or older. The Compass Evaluation found this to be successful at assisting DPB recipients into both paid work and training.
- Several studies of the Training Incentive Allowance have found that it increases the likelihood of a beneficiary moving into employment.
- While an early document for the Review included the desired outcome of positive outcomes for lone parents and their children this was deleted from the final documents.
- Similarly, while an early document for the Review canvassed a wide range of policy options the final documents focused only on work/education testing and OSCAR.
- Lone mothers whose youngest child is 14 or older will be subject to a full-time work/education test and lone mothers whose youngest child is seven or older will be subject to a part-time work/education test.
- Given that workforce participation increased from 1991 -1996 without any coercive measures the work/education-testing is unnecessary. The work/education testing is likely to: add stress to lone mothers' lives, put a downward pressure on part-time wage rates at the bottom end of the labour market, and decrease the living standards of those lone mothers who worked under-the-table prior to the work/education testing.

17. Conclusion

The Government employs a mix of policies to facilitate and push lone mothers into paid work. These policies fall into two main categories: voluntary, supportive measures such as the TIA and Compass, and compulsory, sanctions-based policies such as work-testing. Separate evaluations of both Compass and

the TIA have found that these voluntary supportive policies are successful. Furthermore, since 1991 lone mothers' workforce participation has been increasing. Compulsory policies such as work-testing were not needed to bring about this increase, and may cause harm to some lone mothers. Five years ago the Levine et al. study (1993:60) warned that: "*Any policy measure which exacerbates lone parents' anxiety will serve to undermine the objective of providing a supportive environment for their children*". Unfortunately, the Government did not heed this warning and has increased the pressure on DPB recipients by introducing work/education testing.

It is of particular concern that the Government removed the goal of improved outcomes for lone parents and their children from the objectives of the DPB Review. The Government's narrow focus on simply reducing the numbers of people receiving benefits will bring increased hardship to lone parent and their children. Lone parents want what is best for their children. In these user-pays times, DPB recipients can only provide well for their children's future by re-entering the workforce when they feel their children are ready. Yet, as we have seen, many obstacles confront DPB recipients who want to return to the workforce.

Only policy that supports lone parents in the workforce such as: pay equity, paid parental leave, job creation and increased funding for the TIA and CCS would both facilitate lone parents into paid work and increase their family's well-being.

10: Conclusion

1. Introduction

This final chapter summarises the findings from the research. I have chosen to present this summary by first looking at the issues identified by the Levine et al. (1993:60-62) study as critical and confirmed by this research. Following that, there is a discussion of issues additional to those identified as critical by Levine et al. (1993) but found in this research also to be very important.

This chapter includes a summary of the different goals, outcomes and policy approaches towards lone mothers of New Zealand and Sweden. Sweden was chosen because it shares with New Zealand the goal of a high workforce participation for lone mothers, but its policy approach is so very different to New Zealand's.

My analysis of documents obtained under the Official Information Act has given me an insight into the quality of the advice given to the Government and the process of government decision-making. These ideas are summarised in this chapter.

Alternative policy approaches towards lone mothers are discussed in this chapter, especially the promotion of policies that allow all parents to combine paid work with child-rearing, and the provision of universal rather than targeted benefits.

2. A Summary of the Main Findings

Throughout the thesis the many barriers to paid work faced by lone mothers have been outlined. All the issues identified by the Levine et al., study (1993) as critical (60-62) were also found to be important by this study. Factors not included in the Levine et al. (1993) critical list were also found to be significant. This chapter begins with a discussion of the critical issues identified by the Levine et al., study (1993) and confirmed by this thesis.

2.1 Employment Opportunities

The Levine et al. study (1993:61) found that *“most lone parents saw the job market itself as an obstacle to their taking up paid work in that adequately paid employment was hard to come by”*. Work by Goodger has shown that generally when the unemployment rate for women rises, the number of women on the DPB rises more steeply (Goodger, 1998b). We also know that women on the DPB in New Zealand are concentrated in localities with high unemployment rates (SPA, 1997). However, the Government ignores the link between unemployment and the workforce participation rates of lone parents. Currently unemployment rates are rising. The Government will only achieve its aim of significantly reducing the numbers on the DPB if it actively addresses the unemployment problem, instead of expecting the market to create jobs. Increasing the work requirement of lone mothers at a time of high unemployment will only increase the number of people competing for the same amount of jobs.

2.2 Lone Parents' Anxiety

The Levine et al. study found that lone parents “often expressed anxiety about their situation” (1993:60). This was related to their financial worries, their lack of feasible alternatives, and the pressure they felt from perceiving “that the Government wanted them off the benefit and in the workforce” (Levine et al., 1993:60). The participants in my study expressed similar concerns, but for

most of the participants their overriding worry was about not having enough money to pay their bills. The Government's own officials acknowledge that poverty is a problem for women on the DPB, and a constraint on their workforce participation (Social Policy Agency, 1997). But the Government chooses to try to force lone mothers into employment by work/education-testing them rather than addressing the inadequacy of the level of benefit assistance. The Government may think that financial deprivation will push lone mothers into the workforce, but there is a real danger that lone mothers financial fears may overwhelm them instead.

2.3 Gaining Qualifications and Improved Incomes

The need for lone mothers to gain a qualification has been recognised by numerous studies of lone parents. Indeed this is important and should be supported. Training opportunities for women need to be expanded to lift women out of the narrow range of occupations where they are currently concentrated.

The Government recognises the importance of qualifications to lone parents (Department of Social Welfare, 1996). However it has done nothing to address the widespread criticism of the current level of the TIA (New Zealand Council of Christian Social Services, 1996, and Social Policy Agency, 1996). The 1996 Social Policy Agency report found that the TIA is less effective at improving the employment prospects of Maori than non-Maori, and claimants with no qualifications, than claimants who had qualifications prior to becoming TIA recipients (Social Policy Agency, 1996). Again, to date the Government has taken no steps to remedy this. The Government completed another review of the TIA at the end of 1998, but this review was not available prior to my cut off date for gathering data for this research, 1 October 1998.

2.4 Childcare/OSCAR

Many studies of lone parents have emphasised the central place that the provision of childcare /OSCAR plays in lone parents' workforce participation. The New Zealand Government, again despite recommendations from the Department of Social Welfare (1996), has not improved the CCS for under five-year-olds. Without increased government spending in this area there will not be a significant increase in workforce participation of lone mothers with children under five. The increased funding for OSCAR may assist those with children aged five and over, but this will be largely dependent on the availability of suitable jobs.

2.5 The Abatement of the Benefit

DPB recipients who work part-time are still, despite the 1997 changes to the abatement regulations, only able to keep a very small amount of their earnings, especially if, like most recipients they are receiving supplementary assistance. Once the part-time work-testing is introduced on 1 February 1999 there will be increased resentment from DPB recipients at the extremely high EMTRs they will be paying.

2.6 The Need for a Childcare/Training/Jobs Package

The Government responded to the call from the Levine et al. (1993) study for a childcare/training/jobs package by introducing Compass. Compass successfully provides some women with much-needed support and information. However, as some of the participants involved in my research pointed out, Compass does not go beyond informing women of the training, services and jobs that are already out there. What is needed is additional affordable childcare services, affordable training options designed to train women in traditionally male occupations, and job creation.

2.7 Additional Critical Issues to Those Identified in the Levine et al. Report

The issues identified in my research, but not highlighted in the Levine et al. (1993) study, (they were all mentioned) were: a history of domestic violence, the lack of “friendly to family” workplaces, women’s low wages, health and disability issues, and lone mothers’ attitudes to caring for their children themselves. Of these issues the most significant one is women’s low wages. Several studies have found that lone mothers with a high earning capacity are likely to be in paid work (Levine et al., 1993; Splater-Roth et al., 1995 and Albeda and Tilly, 1997).

2.7.1 Earning Women’s Wages

Most jobs that are typically done by women attract low wages. This is a huge equity issue that the Government needs to address head-on. Leaving this issue to the market to solve, as the Government has done since 1991, has not worked. Indeed, over the last few years the gap between women’s and men’s wages has increased (Gardiner, 1997). The Government needs to re-introduce pay equity legislation and to further investigate what can be done about this gap. Why is the gender pay gap so much smaller in Sweden than in New Zealand? If the Government focussed research on this question it may find workable policies that will increase lone mothers’ workforce participation. Lone mothers can only support a family if they receive a breadwinner’s wage. The gender pay gap will not go away just because the Government chooses to ignore it.

2.7.2 Domestic Violence Amongst DPB Recipients

The extent of domestic violence amongst DPB recipients in New Zealand remains unknown. More research needs to be done on this issue. If more resources were spent on domestic violence preventative programmes, this would provide considerable savings in the future on the police, courts, health care as so forth (Snively, 1988), and perhaps even savings from reducing the

number of lone mothers on social assistance. Perhaps as well as preventative measures, there needs to be some extra assistance provided to domestic violence survivors.

2.7.3 Health and Disability

Women on the DPB with health or disability issues face extra barriers to entering the workforce. In recognition of this, exemptions from the work/education-testing are available on the grounds of health and disability. This will provide data on health and disability that will need to be monitored and analysed to determine the impact of health and disability issues on lone mothers' workforce participation. More support could be provided to enable lone mothers with disabilities to take up employment.

2.7.4 The Role of Absent Fathers

There is nothing in the New Zealand literature regarding the extent of the practical assistance lone mothers receive from their children's fathers. Yet where absent fathers cared for their children on a regular basis this could aid workforce participation of the lone mother by easing her workload. Of the ten children in this study, only Joan's child sees her father (one night a fortnight). There is an urgent need both for research into this area and the development of policy that fosters ways that fathers can play a meaningful part in their children's lives.

The Government talks about the importance of fathering, but little is done to assist fathers to provide practical care for their child/ren. Government policy has contributed to the belief that children are women's concern and child-rearing is not important. The lack of childcare services, paid parental leave, and domestic leave, and the low rate of the Domestic Purpose Benefit, all reinforce the concept that child-rearing is mother's responsibility and of little value. Furthermore the neo-classical view, adopted by successive Governments since

1984, that children are a private good, rather than a social responsibility reinforces a non-existent or minor role for absent parents. Once the child no longer lives with the father, he often takes the view that he no longer has any responsibilities towards the child.

Talk of fatherless families only makes lone mothers feel guilty that their children are missing out. The 'fatherless families' discourse (discussed in Chapter 2) has not inspired fathers to spend time and money on their children. The blaming fathers approach that talks of 'making father pay' does nothing to build the child's relationship with their father, or lighten the lone mother's load, perhaps making paid work feasible. What is needed is a societal vision of children as our shared blessing and collective responsibility. Such a vision can only be promoted by government action, not words. Policies that support fathers spending time and money on their children such as the 35 hour week for full-time pay, have received scant interest or support from successive New Zealand governments.

2.7.5 'Family Friendly' Workplaces

In my fieldwork, the participants' main concern about the lack of support for mothers in the workplace was the lack of availability of domestic leave. It would not be unusual for a child to be off school for five to eight days per year. Employers will not accept this level of absenteeism in addition to one's own sick leave, and most lone mothers do not have somebody who can be called on at a moment's notice to tend to a sick child. Arising out of the recent DPB Review the Government introduced a new grant for DPB recipients to provide access to funding in the first six months of employment in the event of lack of paid sick leave (Cabinet, 1998b). It is likely that the Government chose the six months' time limit because after this time employees become eligible for the maximum five days' paid leave provided by employment law. However, after their first six months has expired lone mothers are likely to need more than five

days per year to cover their own sick leave, domestic leave and bereavement leave. Take-up of this provision will require the DPB recipient to be both aware of its existence (it has received very little media attention), and to have the time and resources to access it.

2.7.6 Lone Mothers' Attitudes to Caring for Their Child/ren Themselves

The Levine et al. study found that "approximately half of the lone parent beneficiaries preferred to remain at home to care for their children themselves" (1993:24). As a consequence the study recommended that any policy aiming to increase the workforce participation rate of lone parents in New Zealand will need to take account of "the value many parents place on being able to care for their children themselves" (Levine et al., 1993:25). In my study, four of the six women did not think it was in their child's interests for them to be in the workforce until their child was at least 10 years old. The Government's support for the New Right idea that each individual puts their own financial interests first means that it is unable to hear lone mothers when they emphasise the importance of their children's needs.

2.7.7 The Child Support Act

Overseas studies have found that reasonable and regular payments of child support can greatly assist lone mothers join the workforce (McKay and Marsh, 1994, and Sainsbury, 1996). However the New Zealand Child Support Act primarily functions to try and off-set the cost to the state of the DPB. New child support policy is needed based on the objectives of assisting children from lone parent families, and facilitating workforce participation for lone parents.

2.7.8 Work/Education-testing

Given that from 1 February 1999 all the participants will be subject to work-testing it is worth repeating their current position vis-a vis paid work.

Two of my participants, Lois and Denise, were actively looking for paid work at the time of our interviews. Denise had been looking for several weeks and

was finding that no paid work of any kind (part-time or full-time, short-term or permanent, at whatever pay rate) was available to her. Lois, on the other hand, was looking for well-paid work, believing that this was the only way to secure her and her daughter's future in the long term.

Joan was working on Community Task Force (CTF) 24 hours per week as a trainee pre-school worker. This work is not paid. Joan did not want full-time work fearing that her five-year-old would suffer. Joan was hoping to work part-time as a teacher-aid when her CTF scheme finished.

Vera was not in any paid work, but she was working 19 hours per week as a volunteer budgeter. Vera said that she was not currently looking for paid work because the agency where she volunteered allowed her considerable flexibility if either of her four dependent children needed her, and she did not believe this would happen if she was a paid worker. Vera was also planning to obtain more qualifications before re-entering the workforce.

Christine was not in any paid work and was not looking for any at that time. Christine had two main reasons for choosing to stay on the DPB at that time. She was not enjoying good health and she was also committed to supervising her 15-year-old's correspondence school study.

Lorna was the only one of the women who was in part-time paid work - one weekend per month at a women's refuge. Lorna was only able to be undertake this employment as she receives respite care for this time because her son has Attention Deficit Hyperactive Disorder. Lorna was also volunteering half-a-day per week at the Citizens Advice Bureau. Lorna was the only respondent who volunteered that she was currently doing some occasional under-the-table work. She was not looking for additional part-time paid work because the abatement regulations mean that she would not be financially better off. At the time of our

interview Lorna did not feel she could cope with full-time work and single-handedly raise her demanding son.

If part-time work-testing had been introduced shortly after these interviews were undertaken what impact might it have had? Denise would be pleased to take a part-time job if Work and Income New Zealand (WINZ) could find her a suitable one. If Lois was forced to take a low paid part-time job this would hamper her ability to find a well-paid job. Joan would be exempt from the work-testing because she was already on a work scheme. Christine would probably be exempt from the work-testing because of her ill-health. If WINZ could find Vera a part-time job she would probably not have time to continue as a volunteer budgeter. It is unlikely that WINZ could find Lorna a part-time job during school hours so she would probably be exempt from the work-testing because of her son's disability.

If these scenarios are representative, what would work-testing achieve? The participants would come under closer scrutiny from the state, scrutiny that five out of six of them resent and find stressful. A good deal of public money would be spent on administering the work-testing. In the unlikely event that suitable part-time jobs could be found for Denise and Vera, Denise would be grateful and Vera would regret leaving her volunteer job, and South Auckland would lose the services of Vera's budgeting advice.

2.7.9 Compulsion is Unnecessary

Lone mothers move into paid work when they are able (jrf.org.uk/social-policy). However, as we have seen, this is reliant on a number of opportunities being available to them. With the lack of support provided to lone mothers by the Government often these opportunities occur more as a matter of good luck than good management. For instance, some lone mothers have the good fortune to have a family member who is willing and able to look after their children when they are sick, others do not. Over the last five years an

increasing number of lone mothers in New Zealand have moved into paid work without any compulsion by the state. Compulsion is unnecessary (jrf.org.uk/social-policy, 1998) and is likely to add an undesirable stress to mothers already coping with difficult circumstances.

3. An Overview of the Findings from the Comparative Study

Comparing five countries' policies towards lone mothers produced interesting results. The Government concentrates any international comparisons regarding lone parents on the United States of America. This way they can emphasise how lenient New Zealand currently is in its attitude to work-testing lone parents. The USA is shown as having a high work requirement and a considerably higher workforce participation rate than New Zealand and so it is argued that New Zealand should introduce work-testing. The problems of poverty amongst lone mothers in employment in the United States of America and the unfavourable evaluations of the workfare schemes for lone mothers in the USA are ignored by the Government. These matters were not even discussed in the final briefing documents of the DPB Review for the Government.

While much is made by the Government and the press about New Zealand's low lone mother participation rate, our full-time rate is much the same as Australia's and the United Kingdom's, countries very similar to our own. However our part-time rate, although currently rising, is low. To produce effective policy proposals, research and policy consideration should focus on why New Zealand's part-time rate is low, and why it is lower than the United Kingdom's and Britain's.

It is very significant that while both Australia and the United Kingdom are currently encouraging lone mothers into the workforce neither country has

adopted any form of work-testing. This was not discussed in the DPB review. Also, no mention was made of Swedish policies in the DPB Review despite Sweden being an obvious comparison to make given that it has a high workforce participation rate for lone mothers.

3.1 New Zealand and the USA

New Zealand's current policy approach to lone mothers has already been tried in the USA. The USA has a comparatively high workforce participation rate, but many lone mothers in the workforce live in poverty (Bergmann, 1997). It is reasonable to assume that if New Zealand continues to follow the United States of America's lead on policy for lone mothers the same thing will happen here.

If we lower the numbers on the DPB by increasing the numbers of lone mothers in the workforce but still in poverty, what has been achieved? This policy approach may meet some short-term fiscal objectives, but in the long-term it could lead to enormous costs for in-work benefits, justice, education, health, and mental health.

3.2 New Zealand and Sweden

An alternative policy approach to the USA has been applied in Sweden. It is useful to compare and contrast New Zealand and Swedish policy approaches to lone mothers. Both countries seek a high workforce participation for lone mothers, but their policy approaches are very different. Esping-Andersen's typology of welfare state regimes provides a framework for understanding different policy approaches to lone parents (1990). New Zealand fits into the category of a liberal/residual welfare state and Sweden into the category of a social democratic welfare state.

3.2.1 Definition of 'the Problem' and the Goals of Policy

New Zealand identifies "the problem" of lone mothers as being their dependence on the state. Sweden supports the ideal of economic independence for all mothers, both partnered and lone mothers (Swedish Ministry of Health and Social Affairs, 1996). One of the goals of the Swedish government is to ensure that all citizens can afford to have children if they wish, without suffering a low standard of living relative to childless couples. New Zealand sees children as a private good and consequently expects parents to carry the bulk of the costs of raising their children. Another goal of Swedish social policy is that lone parent families have a similar standard of living to two parent families (Swedish Ministry of Health and Social Affairs, 1996). This goal was endorsed by the New Zealand 1972 Royal Commission on Social Policy, but is no longer a goal of social policy in New Zealand. Sweden recognises many problems for lone parents that are ignored by New Zealand policy makers such as poverty, the need for 'family friendly' workplaces, the cost of childcare, etc (Swedish Ministry of Health and Social Affairs, 1996).

3.2.2 Desired Outcomes

The New Zealand Government's desired outcome for its policy on lone mothers is an increase in their workforce participation, and a lower level of public expenditure on lone mothers (Cabinet, 1997).

Sweden's desired outcome is for long term sustainable income levels for lone mothers so that they can achieve genuine independence (Swedish Ministry of Health and Social Affairs, 1996). Pierson (1991) points out that as well as having genuine beliefs about mothers' right to paid work, Sweden needs all its citizens in the workforce so they can pay high taxes to fund the universal and extensive welfare state.

3.2.3 Policy Options

Liberal/residual welfare states like New Zealand concentrate policy on mandatory obligations coercing beneficiaries into work and making social assistance less attractive and available (Pierson, 1991). In New Zealand full employment is no longer a goal of social policy (Kelsey, 1997). Lone parents are expected to meet their families needs by joining the workforce. The market is seen as being able to meet the needs of lone parents, not the state. However the market cannot and is not meeting the needs of lone parents except for those few lone mothers in well-paid employment. The New Zealand state does provide some support to assist lone mothers into the workforce such as Compass, the TIA and CCS, but these programmes are tightly targeted and under-funded.

Swedish policy on lone mothers is very different. A range of policies designed to reconcile paid employment with childbearing and child-rearing responsibilities is available to all parents including paid parental leave and extensive paid domestic leave (Sainsbury, 1996). The state is committed to the principle of full employment (Sainsbury, 1996). A universal welfare system ensures that all citizens not just lone mothers have access to housing, health care and education (Sainsbury, 1996). Lone parents are given priority of access in many areas, for instance housing and childcare (Swedish Ministry of Health and Social Affairs, 1996). *"Benefits are graduated in accordance with earnings, but this is a way of securing universal support for and participation a universal insurance scheme"* (Pierson, 1991:187).

3.2.4 Actual Outcomes

New Zealand still has a low workforce participation rate for lone mothers although this has risen slightly in recent years (Goodger, 1998a). Several studies of poverty show that a large percentage of lone mothers live in poverty (Waldegrave, 1997; Easton, 1995 and Krishnan, 1995).

Sweden has a high workforce participation rate and few lone mothers live in poverty (Bradshaw et al., 1996). However, feminists have raised concerns about the double burden carried by all mothers in Sweden, as breadwinner and care-giver (MacDonald, 1998). This has led to calls for Sweden to become a 'dual carer' rather than a 'dual breadwinner' society, where policy intervenes to encourage fathers to take more responsibility for children's care (MacDonald, 1998).

4. Observations on Policy Advice

Two issues are notable from my analysis of the papers obtained under the Official Information Act. Firstly, most of the policy papers written for the Government were from a New Right perspective and, secondly, those not from this perspective tended to be ignored by the Ad Hoc Group of Ministers responsible for the DPB Review.

4.1 Policy Based on Ideology, Not Research

Analysing papers obtained under the Official Information Act was disturbing for, with the exception of the Ministry of Women's Affairs, most of the advice given is clearly based on New Right ideology, not research. Assertions were made without any referencing given, relevant topics such as unemployment, poverty, qualification levels, low wages for women etc were either ignored completely, or quickly dismissed as not being pertinent. The papers were full of value-judgements that were not explored.

A reading of the Treasury documents was particularly depressing. Public funding of nearly everything was opposed and private individual, usually female, sacrifice encouraged. For instance, one of Treasury's concerns about the OSCAR funding was that some lone parents currently using informal care that costs the state nothing would switch to formal care and receive the CCS.

We know from the Levine et al., study (1993) that, in fact, this is likely to involve leaving the child/ren in the care of their maternal grandmother.

The DPB Review papers did not seem to make good use of the excellent background papers prepared by the Social Policy Agency, *A profile of sole parents, women alone and carers in receipt of Social Welfare Benefits* (1997) and *Trends in Benefit Receipt* (1997) by Kay Goodger. The consequences of this are many. For instance, the review did not look at the fact that the annual growth rates of receipt of the DPB have been small throughout the 1990s compared to the 1970s and 1980s (Goodger, 1997). If the Review had taken cognisance of this fact and analysed why this had occurred it may have developed effective and responsive policy. Goodger's work (1997) shows that DPB recipients do take the opportunity to work part-time if they can, and if it increases their families' living standards. This is not discussed in the Review that focussed mainly on work-testing. The fact that Pakeha have been the main beneficiaries of the small relaxation of the abatement laws (Goodger, 1997) was not discussed by the Review.

4.2 Alternative Policy Options Ignored

One paper written by the Social Policy Agency for the DPB Review did include a wide canvassing of policy options, but these options seemed to fall into a void, for they were never mentioned again in the course of the Review. It is not clear from the papers made available to me what happened to this paper. Perhaps it was side-lined by other government officials, or by the Ad hoc group of Ministers responsible for the DPB Review.

5. The Limitations of the Thesis - Areas for Future Research

5.1 The Fieldwork Sample

My fieldwork sample is not representative and is small. A large representative, random sample needs to be studied to provide a complete picture of lone mothers in and out of the workforce. There has not been a significant study of lone mothers' workforce participation since Levine et al.'s research in 1993. A number of relevant policy changes have occurred since then and extensive research is now needed to update the findings of that report.

5.2 Comparator Group

My study did not include lone mothers with school-age children who are in the workforce; consequently there is no comparator group to explore how some lone mothers are able to combine child-rearing with substantial workforce involvement or training. The Levine et al. study (1993) found that the most notable difference between lone mothers on the DPB and those who were not was that the latter had professional qualifications that provided high enough wages allowing them to support a family on one income. Lone mothers' workforce participation rate has increased since the Levine et al., 1993 study. Further research is needed to see if other factors are now relevant.

5.3 The 1996 Census Data

As this thesis was being written the data from the 1996 Census was becoming available. Some of this data was used here, but I did not attempt a comprehensive analysis of the figures from the 1996 Census. An analysis similar to Rochford's (1993) work on the 1991 Census is now needed.

5.4 The Need for Further Research

Comprehensive and on-going research is needed on the barriers lone mothers face to workforce participation and how they overcome those difficulties. From

1991 to 1996 full-time workforce participation increased from 17% of lone mothers to 20% and part-time participation from 11% to 16% (Goodger, 1998a). My research does not reveal why this increase has occurred. It has possibly been effected by: the success of Compass, the increasing take-up of the TIA, the decrease in women's unemployment rates from 1991-1995, the growing social acceptability of combining lone parenting with employment, and the expectation from the state that lone mothers will be in employment. Goodger suggests it may also be influenced by the growing phenomenon of poor women looking after other peoples' children, as well as their own, in their own homes (Goodger, 1998a). Research is needed to understand these changes. This research could point the way to appropriate policies on lone mothers' workforce participation.

A new study should take a broader view than the Levine et al. study (1993) looking at issues such as domestic violence, whanau support, child support, the role played by non-custodial parents, and the availability of transport. Edin and Lein's (1997a) finding in the USA that those mothers that managed to sustain their families while working at low-wage jobs had unusually low expenses and/or received regular and substantial cash help from people in their personal networks could be explored in New Zealand. A longitudinal study is needed to monitor the on-going impact of the recent policies, for instance the work/education-testing, and OSCAR funding.

6. Conclusion

6.1 Maori and Pacific Islands Women

One of the most important aspects of lone motherhood in New Zealand is the low workforce participation rate and the poverty of Maori and Pacific Islands lone mothers. The most significant differences between Maori and Pacific Islands women and Pakeha women on the DPB is that they have considerably lower qualifications and their youngest child tends to be younger than Pakeha.

Work by Rochford (1993) found that once education and the age of the youngest child/ren were taken into account the difference in workforce participation between Maori and Pacific Islands and Pakeha was considerably reduced.

Maori and Pacific Islands women on the DPB have a younger age profile than Pakeha. This reflects the younger age profile of Maori and Pacific Islands populations as a whole and the fact that Maori and Pacific Islands women begin childbearing earlier than Pakeha. It is possible that leaving the workforce earlier than Pakeha to have children, makes it more difficult to return to the workforce. Alternatively, having children at a younger age may not be a factor in the lower workforce participation rate of Maori and Pacific Islands women. This area needs further research.

All the information we have about Maori and Pacific Islands women on the DPB shows that they have even fewer resources than Pakeha women on the DPB, so it is not surprising that they find it harder to leave the DPB. Maori and Pacific Islands women have far higher unemployment rates than Pakeha women. This will be linked to their lower educational qualifications and may also be compounded by racism. Many jobs held by Maori and Pacific Islands women in the past have been destroyed by the restructuring that took place in the 1980s and 1990s. The lack of available jobs for Maori and Pacific Islands women plays a big part in the low workforce participation of Maori and Pacific Islands lone mothers.

Maori and Pacific Islands women are more likely to be in debt to WINZ, and they have lower take-up rates of the CCS and the TIA. Of the women in my study only the Pakeha women had ever used the TIA, and only one of the women, a Pakeha, had ever used formal childcare. Maori and Pacific Islands lone mothers are less likely to own their own homes than Pakeha women. In

my study only two of the women owned their own homes, and they were both Pakeha.

Receipt of the Disability Allowance is significantly lower amongst Maori and Pacific Islands female DPB recipients, and suggests that these women are not receiving much-needed income that they are entitled to. Incidence of domestic violence is even greater amongst Maori women than Pakeha and this also may be a factor in the lower workforce participation rate of Maori. Research is needed in this area.

Maori and Pacific Islands lone mothers are obviously in need of additional state assistance. All the policy proposals suggested in this study such as paid domestic leave, job creation schemes, pay equity, and so forth are needed even more desperately by Maori and Pacific Islands women on the DPB than Pakeha. Moreover Maori and Pacific Islands DPB recipients need additional support. One area where there is an urgent need is education and vocational training. There is a particular need for Maori provided education and training where Maori needs are catered for.

6.2 Alternative Policies

New Zealand would benefit greatly by embracing some of the principles followed in Sweden - supporting policies that allow all parents the right to participate in employment, and providing universal, rather than targeted benefits.

The lack of support for parents in the workforce in New Zealand is staggering. On nearly any specific policy discussed in this thesis, New Zealand lags well behind the rest of the developed world - low cost, quality childcare, family benefits, parental leave, pay equity, child support, paid domestic leave and so forth. Mothers, especially lone mothers, primarily feel the impact of this inadequate policy.

The Government's approach of narrowly targeting assistance to lone mothers is very short-sighted. For instance, the new paid domestic leave allowed to people who have recently returned to paid work from the DPB. If this leave was available to all parents a partnered mother may be encouraged back to the workforce who may later separate from her partner. If due to support from government policy she is coping in the workforce at the time of the relationship break-up she then has a real option of remaining there. There is a saying in the feminist movement that the partnered mother of dependent child/ren is just a man away from the DPB, but this would not be the case if policy supported all parents' workforce participation.

6.3 Universal Policies

Universal policies that support all parents in the workforce promote equity (between fathers and mothers, and partnered and unpartnered mothers) and they also promote lone mothers workforce participation. The OECD study (1993) found that mothers who are in the workforce prior to becoming lone mothers were more likely to be in the workforce as lone mothers. From this they conclude that policies that promote all mothers workforce participation encourages the participation of lone mothers.

The following quote from Millar (discussing British policy in 1996, but equally applicable to New Zealand) highlights the benefits of universal policies and the divisiveness of current policies towards lone parents: "[Current] *policy towards the financial support of families is divisive. It sets men against women, lone parents against couples, first families against second families, and those with jobs against those without. However it is universal measures - policies to help all families - that are most likely to help the most vulnerable families*" (Millar in Jones and Millar, eds. 1996:60).

6.4 A Change in Policy Direction is Urgent

There is an urgent need for the Government to change its current policy direction. The DPB was introduced for two main reasons: to minimise the income and opportunities gap between children of lone parents and children from two parent households, and to support the Royal Commission's aim that every citizen should receive enough state support to allow them 'to belong and participate' in the community (McClure, 1998). Today most women on the DPB live in poverty (Waldegrave, 1997). The policy of forcing lone mothers into the workforce without support is likely to mean that women who move from the benefit into the workforce go into low paying jobs. There is an urgent need for policy that stops blaming and punishing lone mothers and starts to recognise the many very real barriers to workforce participation lone mothers face. We will not have a better society if the number of DPB recipients declines but poverty amongst lone mothers increases. The Government needs to follow a constructive approach where it supports lone mothers to meet the needs of their children and provides real opportunities for them to increase their families living standards by participating in paid work.

Appendix A - Information Sheet for Participants

Project: **An analysis of the Government's policy of encouraging lone mothers on the DPB into the workforce.**

INFORMATION SHEET

To

My name is Leonie Morris. I am a student at Massey University, Albany Campus, conducting research for a Master of Arts enrolled in the Department of Social Policy and Social Work. I am researching the Government's policy of encouraging women on the Domestic Purpose Benefit into the workforce.

What is the research about?

I have chosen this topic because I see the DPB as a very important provision providing much needed economic support for lone mothers and their children. The research involves in-depth interviews with six DPB recipients. The purpose of the research is to provide case studies of DPB recipients' perceptions of the main barriers to their workforce participation and their view of the measures taken by the Government to move them off the benefit.

I am currently on the Domestic Purposes Benefit myself. Prior to going on the DPB I was a lone mother in the full-time workforce for three years. Having experienced both full-time paid work and state support as a lone mother I am interested in the many dilemmas these alternative situations generate for both mothers and for the community as a whole. I have also worked extensively with DPB recipients at the Unemployed Workers Rights Centre and the Auckland Peoples Centre.

What will the interviews involve?

You are invited to take part in this research. Your participation in the research and any publication arising from it would be entirely confidential. Neither your name nor any information which might identify you will be used in the research report. The interviews will be one to two hours long, at a time and place of your convenience. If you are agreeable, the interview will be taped. You have the right to have the tape recorder turned off at any stage of the interview. If funding is available the tapes will be transcribed by a typist who will be required to sign a confidentiality agreement. The consent forms, tapes, and transcripts will be kept in a secure drawer in my home until the data has been analysed.

You may review the transcript of your interview and amend it as you see fit. On completion of the research you may retain the tape if you wish or it can be destroyed. A summary of the final report will be available to you.

You are under no obligation to participate in this research and have the right to withdraw your consent at any time.

Thank you very much for your interest in this study. If you have any queries or wish to know more please phone me (09) 376-6615 day or evening.

My supervisors are:

Dr. Mike O'Brien and Cindy Kiro
Department of Social Policy and Social Work
Massey University, Albany Campus
Private Bag 102 904
North Shore MSC
Auckland
Telephone: 443-9765

To contact me -

If you wish to participate in this research please contact me:

Leonie Morris
21 Sussex St
Grey Lynn
Auckland
Telephone: 376-6615

Appendix B - Participants Consent Form

(This was printed on Massey University letterhead)

CONSENT FORM

- * I have read the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.
- * I understand that I have the right to withdraw myself from the study at any time, and to decline to answer any particular questions.
- * I agree to provide information to the researcher on the understanding that my name will not be used without my permission. *(The information will be used only for this research and publications arising from this research project).*
- * I **agree/do not agree** to the interview being audio taped.
- * I also understand that I have the right to ask for the audio tape to be turned off at any time during the interview.
- * I agree to take part in this study under the conditions set out in the Information Sheet.
- * At the completion of the study -
 - I would like to retain the tape(s)
 - I would like the tape(s) destroyed.
 (please cross out the option that does not apply).

Signed:

.....

Name:

.....

Please print clearly

Date:

.....

Appendix C - The Interview Guide

Interview Guide

1. Characteristics? age? ethnicity? number of children, age of children, pathway to lone motherhood? duration on the benefit? past spells on the benefit? (if yes, circumstances of these?), do the children have any problems that mean they need extra care or attention? Do you have any health/disability issues that effect your ability to do paid work? Living in household with other adults?

2. Educational background? formal and informal. Why did you leave school when you did? Drivers License?

3. Attitudes to mothers' employment? Do you regard the children as being old enough for you to work outside the home? How old do you think your child should be before you would feel that it was ok for you to work full-time?

4. Employment history job before and after motherhood including wage rate of their last job. Were you in employment when you became a lone mother? Employed lone mother - what was your employers attitude to your childrearing responsibilities? How did you find employment as a lone mother? Why did you leave?

5. Any training while on benefit?

YES - Why did you decide to train instead of job hunt? Type of course, why did you choose this particular course? received TIA? Could you have done your training without the TIA? How old were children while training? Childcare arrangements? Has training led to employment?

NO - Did you ever consider training? If not, why not? Have you heard of the TIA? Do you think you have enough information about training in your area? Any plans for training in the future? If not, what is preventing you from training at the moment?

6. Currently working part-time? How did you get the job? Casual or part-time? Hours per week? take home pay? temporary or permanent? occupation? back up when children sick, employers attitude to needs of lone mothers? childcare? transport costs? is the benefit/AS/FS/SB abated?

7. Work plans Do you have plans to work in the future? What would you like to do? How much do you think you will be paid? Do you have any worries about how you will cope with working? Who will care for the children after school and during the school holidays? when they are sick?

8. **No work plans** - what prevents you from entering the workforce?
Considered part-time work? If no, why not? If yes, what are the barriers? What sorts of jobs are available? What would they like to be qualified for? What wages might you be paid?
9. **Involved in volunteer work?** Hours per week? childcare arrangements? Advantages of voluntary work? Could this lead to paid work?
10. **Childcare/after school care/ holiday programmes** - what sort have they used, cost? satisfaction? What sort of childcare do you plan to use when you re-enter the workforce? Do they use family/whanau or friends for childcare? Any backup support with the children? **Does the father help?**
11. **Child support** - Do they know if the father is paying child support, if yes, how much?
12. **Government policies - Do you have a customised service officer?** Are they aware of: AS? SB? TIA? CCS? DA? GMFI? Compass? the changes to the abatement rules? the work-tests and mandatory interviews? What do you think of these programmes? Have you seen the ad on TV about the lone mother who has just got a job? What is your opinion of the ad?
13. **Standard of living - How would you describe your standard of living?**
How were you affected by the benefit cuts? Do you have any debts? Do you have the following - telephone? car? computer? dishwasher? microwave? receipt of accommodation benefit?, special benefit? have you ever received a Special Needs Grant? Used a Foodbank? Do you own your home?
14. **Attitudes to DPB recipients?** What do you think other people think of DPB recipients? What is your perception of the Governments attitude to people on the DPB? How do you think employers view hiring a lone mother? Experiences of NZISS staff?
15. **What would you like to see the Government do to assist people on the DPB enter the workforce?**
16. **Is there anything else you would like to say?**

Appendix D - Letter from NZISS



Auckland City District Office

1 July 1996

Customer Number

1003

Dear

THE AMOUNT OF MONEY YOU CAN EARN IS INCREASING

From 1 July you can earn up to \$80 a week (or \$4160 a year) before tax before your benefit is affected. You may want to take advantage of this opportunity. It means for instance, if you work or would like to work part-time - you can earn more and keep the extra.

For income over the new limit, the deduction from your Domestic Purposes Benefit will be 30c off for every dollar you earn between \$80 and \$180 a week and 70c off for every dollar over \$180.

The income you can earn may include any money from working, interest from bank accounts, dividends, rent or from other sources.

Please let us know straight away if your income or other circumstances change. This will help ensure you get everything you are entitled to and will help prevent overpayments.

FOR MORE INFORMATION

We have enclosed a leaflet which tells you how to find out more about these changes. You are also welcome to call our special freephone - 0800 100 800. Our staff will be happy to help.

Whenever you contact us please tell us your customer number 357-731-402. This will help us give you a better service. Thank you.

Yours sincerely

A handwritten signature in black ink, appearing to read "Barry Fisk".

BARRY FISK
District Manager

450 Queen Street
Private Bag 92004
Auckland 1
Phone 0-9-367 6310
Fax 0-9-397 9019

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