

# Policy bulletin



## Tackling child poverty: parental employment

European Cities Against Child Poverty is a network whose members exchange mutual learning among local and regional authorities, in order to inform initiatives and policies which will successfully reduce child poverty.



London is the lead partner in the network, which is comprised of five core partners (London, Milan, Helsinki, Amsterdam and Budapest) and five associate partners (Copenhagen, Uppsala, Sollentuna, Solna and Vasteras).

### In this issue

- How does worklessness affect child poverty?
- What are the rates of unemployment in partner cities?
- What are the causes of worklessness?
- How can European cities reduce worklessness?

## Unemployment in partner cities

All Network partners have highlighted unemployment among parents as a major cause of child poverty in their cities.

Definitions of 'unemployment' are similar across all the cities. The British, Hungarian, Finnish, Danish and Italian definitions are closely linked to that of the International Labour Office; an unemployed person is someone of working age who is actively seeking work and is able to take up employment (usually within a set period of time, such as two weeks). Sweden, by contrast, counts the number of people who are registered with the public unemployment service and who are drawing unemployment benefits.

Levels of worklessness – the total number of unemployed and economic inactive people (i.e. those out of work, but not actively seeking employment) – were not measured in most partner cities.

A comparison of unemployment rates in the seven countries that make up the Network reveals that Hungary's unemployment rate of 7.4 per cent is highest. Italy and Finland follow with 7.4 and 6.2 per cent respectively, then Sweden (6.1%), the Netherlands (5.5%) and the UK (5.3%) with Denmark's rate of 2.3 per cent bringing up the rear.

### Contact us

**E** : [antichildpoverty@gle.co.uk](mailto:antichildpoverty@gle.co.uk)

**T**: +322 650 0821

**W**: [againstchildpoverty.co.uk](http://againstchildpoverty.co.uk)



Mutual Learning on Social Protection and Social Inclusion



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As demonstrated by the table below, several partner cities – including London, Amsterdam and Copenhagen – experience higher rates of unemployment than the national average.

	National average	Network cities	Other areas	UE lower in capital?
<b>Hungary</b>	7.4%	3.3%	Highest in northern Hungary, 18.9%	Yes
<b>Italy</b>	6.6%	4.2%		Yes
<b>Finland</b>	6.2%	5.7%	4.7% in southern province	Yes
<b>UK</b>	5.2%	7.7%		No
<b>Sweden</b>	6.1%	1.5% (Solna) 3% Stockholm		Yes
<b>The Netherlands</b>	5.5%	7.4%		No
<b>Denmark</b>	2.3%	3.6%	2.5% in eastern region	No

## First policy workshop: facilitating access for employment and training for parents, London, 10<sup>th</sup> April 2008

The Network held its first policy workshop in April 2008 - attended by representatives from the cities of Helsinki, Amsterdam, Budapest, Copenhagen, Solna, Uppsala and Milan. The main aims of the workshop were to:

- Exchange knowledge about policies and practical measures for tackling unemployment among parents;
- Consider how these examples could be transferred to other cities; and
- Explore the role of regional and local government in tackling parental unemployment.

Below, we present the main results of the workshop.

## What are the causes of unemployment among parents?

Unemployment among parents is not measured in all partner cities, but representatives from every city recognised that it increases the risk of a family and their children living in poverty. The level of worklessness among parents varies across the partner cities but in every city where parental unemployment is measured, it is clear that many more parents are out of work than other working age adults.

In Helsinki for example 30 per cent of lone parents are workless, including 12 per cent who are unemployed. This is double the level of unemployment experienced by the city's overall working age population, which stands at 6.3 per cent. The situation in London is even worse, with only 45 per cent of lone parents in work (compared with 70 per cent of Helsinki's).

Participants of the first policy workshop discussed in depth the reasons for lower employment rates among parents and lone parents. In order to understand how best to help parents to access training and employment, the network partners first identified the barriers to work which are faced by adults with children and the needs which successful interventions should address. The following factors were seen to prevent parents from accessing training and employment.

### **Expensive and/or unavailable childcare**

In six of the seven European cities represented at the workshop the lack of affordable and suitable childcare plays a crucial role in preventing many parents from working. In Budapest, for example the absence of accessible childcare provision constitutes the most important barrier to parents' employment and research has shown that parents are more likely to be out of work if they have three or more children to care for.

In London and Milan, the current provision needs to be supplemented or improved. In particular parents on low-incomes or those working part-time (especially in London) require more affordable and flexible childcare. Similarly in Copenhagen childcare needs expanding outside regular working hours or during the weekend. Even in Helsinki – where

childcare provision is affordable and available seven days a week – there is insufficient after-school care on offer for parents. Currently after-school care is available free of charge to low-income families in some circumstances and is open to all children during their first and second years at school.

Parents in Amsterdam face a similar situation, made worse by the lack of transparency concerning what funding is available for whom, and which services are responsible for what aspects of delivery.

### **The 'benefits trap' caused by high living costs**

In many European cities, parents and their children find themselves living in a 'benefits trap' because there is little financial incentive for workless parents to take up paid work and cease living on state welfare benefits. This is due to a combination of high living costs and low pay. If parents have been out of work for some time and lack skills and experience of the job market, they are unlikely to be able to access well-paid employment straight away. Some jobs pay an initial wage which is too low to cover the combined cost of paying for childcare, travelling to work and giving up the income provided by state welfare benefits.

Workless parents in the Scandinavian cities find themselves in this situation, which is only made worse in cities where the cost of living is very high. In 2005 a change was made to the way that the living allowance for Finnish welfare recipients was calculated. Working adults earning less than €150 per month will continue to receive the state living allowance, in order to encourage them to commit to paid work. However this new method of calculating the living allowance does not include any extra support for families with children, so the system is not as advantageous for parents as it is for other working-age adults.

Living costs are also a barrier in London where they rank among the highest in the world, let alone the UK and Europe. Bringing up a family in this city carries a substantial financial burden, particularly for lone parents. In their case, working in London and taking up all the

welfare benefits which are available for them will leave them better off financially, but the difference this makes may still be too slight to offer a real incentive to work. High transport costs for example put off many people from travelling to areas where they would be more likely to find suitable training or employment opportunities and the lack of affordable childcare only makes this barrier more insurmountable.

The benefits trap can even become a barrier to participation in publicly-funded employment and skills projects which aim to help parents to access suitable training and employment opportunities. Residents in Helsinki for example are sometimes fearful that their state benefits will get taken away if they are involved in certain employment projects. Representatives from local authorities in London had also come across these concerns.

### **Low skills levels**

Any working age adult with no or low level qualifications or skills is at a disadvantage as far as finding paid work is concerned. However workless parents are particularly badly placed to build up their skills levels because in order to attend training courses, they need to find and pay for suitable childcare. Furthermore, some workless parents may also have dropped out of school before completing their education and therefore lack experience of being in a learning environment and up-to-date skills. This can lead to feelings of low self-esteem and a fear of re-engaging with education.

Parents from immigrant groups face the additional barrier of poor language skills. This is considered a major reason for high levels of unemployment among the immigrant populations in a number of cities, not least London, Milan, Helsinki and Amsterdam.

### **Poor attitudes towards working**

Alongside the financial and practical barriers to employment, the lack of a positive attitude among workless adults towards employment is seen to contribute to their exclusion from the labour market. Some areas of London for example experience high levels of 'generational worklessness' and are characterised by concentrations of workless people living on state benefits in particular housing estates. Here a culture has grown up

where it is acceptable not to work, and other interrelated problems – such as mental health and drug issues – make it even harder for these residents to move into work.

It can be very hard to break out of this cycle of worklessness, which is commonly associated with low self-esteem and mental health problems. This is certainly the case in Milan where poor health, depression and a lack of aspiration to work frequently go hand in hand. Other cities also identified the combination of psychiatric and social problems, low levels of confidence and a lack of self-esteem as a contributory factor to high levels of worklessness among certain groups including parents and young people.

### **Lack of dialogue between public services**

Some representatives highlighted a lack of communication between government services as one key barrier to employment. In some countries the separation of the employment services and the social services for example does little to help workless parents who are looking for work. Rather than work together to help workless people to find jobs, there is a distinct lack of dialogue between these services which means that workless parents are treated in the same way as other working age adults and they are not offered the extra employment support which they need.

### **Lack of flexible or suitable employment opportunities**

Participants of the workshop identified not only a range of obstacles faced by parents who want to find work but cannot; they also recognised that even parents who can access childcare and possess the necessary skills are sometimes still prevented from working.

Overall representatives felt that this was due to a shortage of suitable employment opportunities to which parents and lone parents can commit, such as part-time jobs or job-share opportunities. This problem is not easily overcome however when employers are unwilling to offer flexible jobs to parents, as is the case in Budapest. Indeed the availability of part-time opportunities does vary from place to place; many fewer parents are in part-time work in London than in other areas of the UK, for example.

The situation is made still more challenging when employment projects successfully prepare parents for work but fail to find them a job at the end. Representatives from a number of cities identified with this point, and

highlighted the value of linking projects with job brokerage schemes and employers, to ensure that parents can progress into work.

## How can projects run in European cities reduce parental worklessness?

The following interventions were identified by representatives from seven partner cities who took part in the workshop as successful methods for engaging workless parents and helping them to move closer to the labour market. Case studies of successful projects are provided alongside each recommendation. Importantly, these projects have been implemented at a regional/local level by regional/local authorities or third sector organisations.

### **O Build up confidence and soft skills**

Another part of offering 'holistic' support to workless parents is the focus on helping parents to feel more confident and motivated about working. Disengagement from the labour market can lead to feelings of inadequacy and low self-esteem, especially if workless parents spend little time with adults in their everyday lives. A lack of faith in their ability to perform in the work place may stem not only from a lack of qualifications but also from a perceived lack of social skills. Here, employment projects should attempt to build up parents' soft skills – such as confidence, social skills and motivation – through workshops and peer-support sessions. This kind of support also helps parents to overcome their fear that committing to a job could make caring for their family more challenging and more expensive.

#### **Case study: Working towards the Future project - Helsinki**

This ESF project in Helsinki helped lone parents, particularly immigrant lone mothers, to move into the labour market through providing extra support which was not available in mainstream services.

The first stage of the project, offered one three-hour peer-support session each week for 10 weeks. Here, participants had time to think about their own needs and support each other. Next, participants attended employment training for one day per week for two months. This was followed by personal employment support and advice to which participants were entitled for a further year. Childcare was provided throughout the project and family camps were run in the summer.

Importantly the project viewed employment as part of family life which was not reflected by government departments. In Finland the employment services and social services do not work together to help workless people to find jobs, whereas this project helped them progress step by step. It also formed large referral networks between public and other service providers and employers so that the staff team could help participants to find work more easily.

By the end of the project only nine per cent of participants were not involved in training or employment. 35 per cent had found employment on the open labour market and 17 per cent were studying. The rest were in apprenticeships or had found subsidised employment.

## **O** Childcare

The level of childcare provision varies greatly between the partner cities and parents in each city face differing levels of need. Nevertheless representatives agreed that providing affordable and flexible childcare was crucial to helping parents move towards the labour market. In the case of employment projects for parents, the provision of free or subsidised childcare was seen as a major incentive. This immediately removes a major financial worry and also ensures that their children are well-looked after and in an environment where they too can develop and learn. The need for more flexible childcare solutions – especially for school-age children whose parents might not be able to care for them after school because of work or training commitments – was also high on the agenda.

### **Case study: *Il tempo per l'infanzia (Time for Childhood)*, Milan**

Running since the 1980s this social cooperative provides care for disadvantaged children aged 6 to 14 years, and jobsearch and psychological support for mothers. This means that the families stay together and can build positive relationships with others in the same position. Most children and mothers come from ethnic minority backgrounds and are at risk of social exclusion due to ill-treatment in the home or their refugee background.

The children are supervised by professionals who oversee their homework and activities and encourage them to socialise. The mothers receive psychological support and help with finding training and employment, as well as assistance with gathering the necessary paperwork and visas required by employers. Thanks to links with other third sector organisations, Time for Childhood can refer disadvantaged women to suitable work opportunities. The project has helped more than 500 children, 75 per cent of whom come from lone parent families. It has also helped mothers, five per cent of whom have moved into permanent employment.

## **O** Combine one-to-one employment support with advice on other concerns

Parents who have been out of work for some time require more than just employment and skills advice; they often face personal, financial and practical worries too. These are best addressed on a one-to-one basis by a personal adviser who can take into account the range of factors which prevent them from moving into work. If employment services and community projects can also offer them advice on how to overcome personal and financial problems associated with worklessness – such as a lack of understanding of the financial implications of moving from welfare into work – parents will be more likely to engage. In London for example employment advisers often help workless adults to carry out 'better off in work' calculations and explain to them how coming off their unemployment benefits will affect their tax allowances and housing costs. Combined with personal and practical advice about how to take those steps, parents should see how working will benefit them financially too.

### **Case study: Positive Opportunities for Parents – including employment support in London's Childcare Affordability Programme**

Active in 18 of London's 33 local authorities this project offers free or subsidised childcare for parents who are looking for work, are in work or training or who volunteer. Parents living in 11 of the 18 areas can also access one-to-one personal employment advice through the project. The employment advisers consider each parent's individual situation and advise him or her on how to access the services which would help them. The most innovative aspect of the programme is the way in which it aims to tackle the multiple barriers to employment and training. It provides one-to-one key worker support to enable parents on low incomes to increase their confidence, access quality affordable childcare and enter training and employment which offers a sustainable route out of poverty.

This London-based project is a pilot and runs until December 2008. It is hoped that similar initiatives will be rolled out across the country.

## **O Form links with other stakeholders – employers and other providers**

Employment services can enhance their own support for workless parents by linking up with other providers and identifying how their support fits with other services. In this way, it is easier to identify where different services overlap and also where there is less or no support available – helping to improve the strategic planning of services. Forming links with local employers who can provide suitable work placements or job opportunities for parents was also seen as key to ensuring that employers trust and commit to work placement schemes.

### **Case study: Budapest's regional employment office**

Although the central Hungarian region employment office offers a high number of job opportunities, these tend not to be accessible to people who live in multiple deprivation (including parents and the long term unemployed). By contrast, NGOs can have access to these groups but limited access to information and contact with employers. As such, in order to ensure effective operation, the employment office has developed a cooperative network for NGOs working with disadvantaged groups, the employers offering temporary vacancies and the State Employment Services.

It has assisted employers with the recruitment of temporary employees, offering them counselling and information on the legislation of temporary employment; this in turn reduced the numbers of people working illegally. This led to a strong relationship with employers who appreciated the advantages of participation and networking, as opposed to paying for recruitment services in the private sector. This project relied on effective yet flexible cooperation between public institutions, NGOs and employers and shows how these links can be used to benefit disadvantaged, workless people.

## **O Provide short-term work placements or 'tasters'**

Bridging the gap between worklessness and employment through providing suitable training and personalised advice can be made even more effective if parents are also offered short-term work experience placements. This gives them the chance to experience a working environment and understand more about the everyday aspects of a job. It also provides employers with the opportunity to see how candidates perform in the workplace before offering them a longer-term role and therefore raises the number of people entering sustainable employment.

### **Case study: Stafetten or 'The Batons' project – Copenhagen**

The local labour union and an integration task force run by the City of Copenhagen delivered this innovative project with the assistance of local employers in the health and social care sector. It addressed the needs of single workless mothers, mostly from Somalia who have an average of four children; and health and social care assistants who required further training. After six weeks of introductory training in the sector, the single mothers were able to take up work experience placements one day per week at nursing homes. This left the employed assistants free to attend further training for that day. Sometimes two women would share the day's work experience, making it easier to work around family and childcare commitments. After 12 months, participants would be offered employment at the nursing home.

As a result of this project 80 per cent of the participants have continued to work and the rest entered education or training. 25 were in work and supporting themselves and their families. The growth in confidence and motivation was very noticeable as well. The success of this project relies on a combination of factors, not least the support given by the president of the local labour union who visited nursing homes to encourage them to participate, and the government subsidies which enabled the employed assistants to take up further education.

## ○ Train parents in skills needed by the labour market

Workless parents commonly face a 'skills gap' due to being disengaged from the labour market for so long, or even because they have never worked or completed their school education. Yet it is not enough to help parents develop skills and gain new qualifications if these do not match employers' needs or fail to make the individual more employable. Central to assisting workless people to move closer to the labour market is providing them with training which will be useful. Otherwise participants of employment projects will see their chances of finding work diminish and they will lose faith in the provider of that service.

### Case study: Childcare for Work – Islington Training Network, London

The project trained lone parents – many of whom came from ethnic minority groups – in childcare and provided them with work placement opportunities. In order to help them further with accessing employment as childminders, the project offered a job brokerage service, a course on becoming self-employed and advice on welfare benefits. This was complemented by assistance with writing CVs and application forms and interview skills practice. English language training and lessons covering literacy and numeracy were also available. The costs of participants' childcare needs, travel and sometimes their lunch were covered by the project.

One important course which was delivered as part of this project concerned self-employment. Self-employment removes concerns about working for someone else, and this course explained the route to self-employment and most importantly the tax rules and regulations surrounding child protection which participants need to take into account.

The partner organisations (the Refugee Women's Association and a local Learning Centre) had strong links with local employers and nurseries which offered work placements and job opportunities. This meant that the training which lone parents attended was directly linked to the needs of local employers and families. Furthermore this project produced qualified child minders, who will be able to offer good quality childcare to local families, thus improving the standard of childcare available and helping to reduce child poverty in the local area.

## Summary points

The Network has shown that projects are working successfully across Europe – at local and regional level – to support parents back into the labour market, as a way of tackling child poverty.

Parents face many barriers to the labour market – for example, access to appropriate and affordable childcare, the benefits trap, low skills and confidence levels and lack of flexible working opportunities.

In the face of these barriers, several policies have been found to be successful, e.g.

- Providing parents with childcare subsidies, including free childcare for unemployed parents participating in employment and training;

- Ensuring that support is holistic – for example, by combining advice around

childcare with support around financial management and jobsearch;

- Building up unemployed parents' soft skills – such as confidence, social skills and motivation;

- Providing short-term work experience placements to parents who have been out of the labour market for some time;

- Encouraging employment support services to work together to get parents back into work;

- Offering vocational training to parents, providing them with the skills they require to find work.

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