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Originally published in Journal of social policy, 31 (1). pp. 61-80 © 2002 Cambridge University Press.

You may cite this version as:

Dean, Hartley & Shah, Ambreen (2002). Insecure families and low-paying labour markets : comments on the British experience [online]. London: LSE Research Online.

Available at: <http://eprints.lse.ac.uk/archive/00000339>

Available online: July 2005

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Insecure Families and Low-Paying Labour Markets: Comments on the British Experience

HARTLEY DEAN* and AMBREEN SHAH*

ABSTRACT

There has been a raft of policy changes in the UK that are intended to help low-income families engage with the labour market. Drawing in part upon the findings of a small-scale qualitative study of the experiences of low-income working families, this article infers that the secular trend to working parenthood may, as matters stand, be experienced rather differently by secure middle-class families than by poor families. It may be that the former will benefit from policies to improve access to formal childcare, career breaks and time off when needed. The latter are more likely to remain dependent on informal childcare from other family members or friends and receive minimal concessions granted by reluctant employers. While benefits such as working families tax credit will help to secure the material needs of low-income working families, low-paid employment will remain no less precarious and it is possible that the insecurity experienced by low-income working families will increase.

While considerable attention has lately been paid to the analysis of active labour market policies intended to move poor families from welfare dependency to paid employment, rather less has been paid to in-work benefit schemes and related policies intended to support families that do engage in low-paid employment. This article will consider the global trend towards working parenthood, the particular tax, benefit, childcare and employment policies currently being pursued by Britain's New Labour government and the findings of an investigation that has explored the perceptions and calculative strategies of low-income working families

* Hartley Dean is Professor of Social Policy and Ambreen Shah is a Research Assistant in the Department of Applied Social Studies, University of Luton, Park Square, Luton, LU1 3JU, Tel: 01582 743063, e-mail: hartley.dean@luton.ac.uk

The authors are grateful to the UK Economic and Social Research Council which funded the research on which this article is based under Award Ref: R223033. Preliminary findings of the study (see Dean and Shah, 2000) were presented at a public seminar on 28 July 2000 and the authors are also grateful to the participants for their helpful comments, including and especially Sue Monk, of Parents at Work.

in relation to the ‘package’ of resources on which they depend. The article draws conclusions concerning the significance of in-work benefit schemes on the one hand and the specific limitations for low-income families of measures intended to promote ‘family friendly employment’ on the other.

CONTEXTUAL GLOBAL TRENDS

Though the concept of economic ‘globalisation’ remains contested (Held *et al.*, 1999), it is an expression that helpfully encapsulates a twofold trend in developed Western societies. First, as international capital has become more mobile, there have been changes in the nature of national labour markets: these have become increasingly polarised between a secure core of high-skilled, well-paid jobs on the one hand and a periphery of casualised, low-paid jobs on the other. Secondly, there has been a flight from Keynesian economics and a perceived reduction in the capacity of nation states to sustain protectionist welfare policies. Although different welfare states have been responding in different ways (Esping-Andersen, 1996), it is the liberal welfare states – and particularly the USA and Britain – that are responding most aggressively to the challenge by developing what Jordan (1998), for example, characterises as the emergent ‘Blair/Clinton orthodoxy’.

That orthodoxy gives rise not to the kind of welfare retrenchment and privatisation that characterised the Thatcher/Reagan era, but to a particular emphasis upon incentives to active labour force participation as an alternative to welfare dependency and a ‘communitarian’ concern to maximise the self-sufficiency of citizens through the promotion of family, community and informal support. This implies three things: first, that low-paying peripheral labour markets will be artificially sustained by income subsidies to the families that have engaged with them; secondly, that changes that had already been occurring in the relationship between families and the labour market are to be reinforced; thirdly, that growing significance attaches to informal economic activity¹ on the one hand and supportive social networks on the other.

In the British context, in-work benefits had been tried and rejected once before. The ‘Speenhamland’ poor relief system introduced to parts of England in the eighteenth century had sought to supplement the incomes of farm labourers in order to ensure they could feed their families at a time when wages had dropped below the cost of living. This was roundly condemned by *laissez faire* economists of the age, who complained it distorted the functioning of a free labour market, and in 1834 it was swept away by the draconian Victorian Poor Law (de Schweinitz,

1961). Ironically, perhaps, in a later age of global capitalism in-work benefits are now held to represent an *incentive* rather than a disincentive for low-skilled labourers and they are supposed to allow low-paying employers to compete *more* rather than less fairly than they might otherwise have done. However, previous research has found little evidence that low-paid work subvented by in-work benefits leads people on to higher paid employment (Bryson and Marsh, 1996) and just as parents can be trapped into low-paid work, so the government can be trapped indefinitely into the payment of in-work benefits (Bryson *et al.*, 1997).

Turning to the changing relationship between families and the labour market, work, of course, has always been central to families. The caring and self-provisioning work necessary to social reproduction is generally situated *within* families, while the demands of the work necessary to economic production – though situated *outwith* them – may none the less fundamentally shape the way they function. To this extent, the changing nature of families reflects the changing nature of work (e.g. Gittins, 1993). The male breadwinner family model on which the post-war welfare state was premised (e.g. Lewis, 1992) has been undermined by economic and social trends. Economic trends have contributed to a rise in the number of dual-earner families on the one hand and no-earner families on the other, while social trends have contributed to the number of lone-parent families, which have tended to be predominantly female headed and benefit dependent. Changing gender roles within households have entailed not only increased labour force participation for women, but also declining fertility; not only less stable family formations, but a changing mode of social reproduction with implications for the sustainability of traditional welfare regimes and industrial economies (e.g. O'Hara, 1995). Esping-Andersen (1999) has lately argued that it is changes in the household economy that hold the key to the future shape of post-industrial society.

Britain's New Labour government has famously declared itself to be committed to 'work for those who can, security for those who cannot' (DSS, 1998), and by 'work' it means paid employment. The implicit expectation is that we should move from a male-breadwinner model to an individualised adult worker model, though given the highly gendered nature of the division of labour within both the labour market and the family, this remains a long way off (Lewis, 2000). None the less, we are witnessing a trend that New Labour, in its commitment to 'make it easier for families to balance work and home' (Home Office, 1998), is ostensibly committed to supporting.

In practice it is household strategies as much as individual decisions

that determine the changing patterns of people's participation in formal employment and/or domestic activity (Pahl, 1984; Smith and Wallerstein, 1992; Millar, 1994). However, beyond the spheres of the formal labour market and familial relations, there are other means by which households may sustain themselves. For low-income families 'getting by' may depend upon means obtained from a variety of sources (from the state, from formal employment, from informal economic activities) and in a variety of forms (in cash or in kind) (e.g., Jordan *et al.*, 1992). Policy makers are increasingly conscious of this but clearly distinguish between, on the one hand, undesirable forms of economic activity that may entail illegal or undocumented forms of work (Jordan, 1996; Cook, 1997; Dean, 1998; 1999) and, on the other, highly commended kinds of informal caring and mutual support that draw upon the resources or 'social capital' that people have invested in their social networks or communities (Etzioni, 1993; Putnam, 1993). The drawback here is that families who are disadvantaged in terms of their difficulties accessing paid employment may also be disadvantaged when it comes to accessing resources at the informal and community level (Pahl, 1984; Gregg and Wadsworth, 1995; Williams and Windebank, 1999; Johnston and Jowell, 1999).

THE BRITISH POLICY FRAMEWORK

Britain's New Labour government is attempting to concert elements of both labour market policy and family policy. As part of its welfare-to-work strategy, it has sought to develop a better in-work benefit for low-income working families, the working families tax credit (WFTC). But integral to the government's 'joined up' approach have been attempts to develop both a national childcare strategy and 'family friendly' employment policies which together might, in theory, make it easier for poor families to earn their way out of poverty.

WFTC is a means-tested social security benefit payable to both lone-parent and two-parent families with children in which there is an adult in full-time (16 or more hours per week) low-paid employment. It has replaced an earlier in-work benefit scheme from which it differs in two ways: first, it is rather more generous and is withdrawn less rapidly as earnings rise; secondly, it is paid as a tax credit that is generally dispensed on the state's behalf by employers through eligible employees' pay packets. The new benefit therefore has much in common with earned income tax credit schemes in the USA and, together with the introduction of a modest national minimum wage, is intended both to 'make work pay' and to establish in claimants' minds a clearer link between employment and the income they receive (DSS, 1998). WFTC succeeds the family credit

(FC) scheme that had originally been introduced by a Conservative government as a more 'targeted' alternative to an increase in universal support through non-means-tested child benefit (DHSS, 1985). Past research on in-work benefit schemes has demonstrated that these have only a relatively limited effect in promoting labour force participation (e.g., Marsh and McKay, 1993; Ford *et al.*, 1996). What arguably makes WFTC different is the other policies in conjunction with which it has been introduced.

The first of these, the national childcare strategy, is a set of measures intended generally to promote the availability of childcare provision, but with a particular objective of stimulating labour force participation by welfare dependent households. Integral to the strategy has been the introduction with WFTC of a childcare tax credit (CTC) that functions not as a 'disregard', but as an additional entitlement for working parents equivalent to 70 per cent of the cost of certain forms of childcare – up to specified limits. Within the ambit of the strategy, however, there are other initiatives including modest investment in out-of-school care for older children and the promotion of early years development and childcare partnerships that are intended to oversee the co-ordinated development of public, private and voluntary sector provision for younger children. Britain has tended to lag behind many of its competitors in the quantity and quality of childcare provision, yet it has been argued that recent attempts to remedy this are being driven as much by economic as by welfare or pedagogic concerns (Moss, 2000).

The other initiative relates to the development of measures to promote 'family friendly' employment. The government's declared aim is to make it easier to combine parenthood and employment. In practice, all the associated legislative changes had to be made in any event in order to implement EU directives concerning working hours, parental leave and part-time working. Generally, it has been argued, Britain has tended to interpret its obligations under such directives more restrictively than many of its European partners (e.g., Toynbee and Walker, 2001). Nonetheless, legislation is now in place that can limit the excessive working hours that may keep parents (especially fathers) away from home, permit parents time off to care for their children, and ensure that part-time workers (many of whom, characteristically, are mothers with dependent children) are not disadvantaged in comparison with full-time workers. Additionally, the government launched a campaign, 'Work-Life Balance – Changing Patterns in a Changing World', and a 'challenge fund' to promote innovative projects to change working practices (Daycare Trust, 2000a).

In December 2000, the government issued a Green Paper (DTI, 2000) setting out a variety of options that portended the modest improvements in maternity pay and the introduction of limited form of paternity pay that were subsequently announced in the 2001 Budget, and possible extensions in the future to unpaid parental leave and part-time working rights.

THE WORKING STRATEGIES OF LOW-INCOME FAMILIES

These initiatives are at the time of writing too recent for their full effects to be judged. None the less, the authors have recently undertaken a small-scale qualitative study to address the context into which the policies are being introduced and, in particular, the existing strategies and perceptions of low-income working families.

The sample

Interviews were conducted with 47 low-income working families from Luton and North London. The core of the sample was achieved with assistance from the Department of Social Security from among current recipients of FC during September 1999 (the month before FC was replaced by WFTC), and supplemented by 'snowballing' and advertising for respondents through community projects and the local media. The interviews, which were conducted with just one adult member of each family, included a factual investigation of the resources available to the families, and a more in-depth exploration of respondents' perceptions and attitudes.

Of the 47 respondents interviewed: 26 were lone parents, all but one of whom were women, including two of African-Caribbean ethnicity; and 21 were partnered, of whom 16 were women, 5 were men and 11 were of South Asian ethnicity; 5 respondents were aged under 25 years, 24 were aged 25-39 years and 18 were aged 40 years or over. None of the respondents were disabled, but five reported that a member of their household was disabled. Half the sample were home owners and, of the other half, 20 were in social housing and three in the private rented sector. The sample was relatively evenly distributed between families with one dependent child (15), two dependent children (18) and three or more dependent children (14). Just under a third of the sample (14 families) had at least one child under the age of 4 years. Two families additionally had one or more young independent adult offspring still living with them.

Experiences of formal employment

At the time of the interviews 5 of the individual respondents were in lower professional or junior managerial occupations, 14 in routine cleri-

cal, administrative or retail jobs and a further 14 were in manual occupations (9 skilled and 5 unskilled); 9 of the respondents were the non-working partners of people in employment (predominantly in semi- or unskilled manual occupations) and 5 had either themselves very recently left low-paid employment and were currently unemployed, or else they were the non-working partner of someone who had very recently left low-paid employment. There were 42 families in the sample with one or more adults in formal employment; 6 of these were dual-earner households. Just over a third of the respondents or their partners worked for large private sector firms, over a quarter worked for small businesses, a similar proportion worked in the public sector and three were self-employed (one being a child-minder, one a taxi-driver and the other a television repairer).

Of the 33 respondents interviewed who were themselves in formal employment, 32 worked more than 16 hours per week and were in receipt of either FC or the new WFTC at the time of the interview. Of the FC/WFTC recipients, more than a third worked fewer than 30 hours per week. Of the respondents who were in formal employment, three quarters were paid less than £7.00 per hour; 3 were paid the national minimum wage (£3.60 per hour), 21 were paid between £3.61 and £6.99 per hour and 7 were paid more than £7.00 per hour. Two received variable wages.

In spite of the fact that prevailing pay rates in both fieldwork areas are above the national average, respondents often declared themselves satisfied with their pay: they were either inured to comparatively low pay levels or even grateful to have employment on such terms (cf. Hakim, 1996). There were some striking instances of respondents who were prepared not only to accept low pay, but to offer additional commitment to their employers because they felt obliged to them for accommodating their needs as parents. One mother working for a small pharmacy on an out of town housing estate realised that she could get a better paid job in town, but, she insisted, she might not then have 'such an understanding boss'. Her employer had increased her hours so she would qualify for WFTC and allowed her to fit these around the times when she had to meet her children. However, not only was she receiving the bare national minimum wage, it also emerged that when there was no-one to mind the shop, she sometimes agreed to go back to work after meeting her children from school.

Those who were dissatisfied with their pay included those who did not feel their pay reflected the responsibility or skills their jobs entailed and/or who considered that their pay compared adversely with that of

others. For example, a part-time teaching assistant was plainly aggrieved that while she was being called upon to perform tasks undertaken by trained teachers she was being paid much the same as her 15 year old son had received in a casual summer holiday job. Once again, however, there were respondents who acknowledged, for example, that 'the money's diabolical, but my boss is really good'. One respondent excoriated the company for which she worked because its staffing policy meant she was sometimes left as the only person serving in a busy shop, but she still felt indebted to her local manager who would occasionally allow her to take her children into work with her.

Several respondents specifically mentioned that their employment was conveniently situated ('it's literally at the end of this street') or that their employer was especially accommodating ('I ring in and say my children are ill ... it's not a problem'). In this small but varied sample most respondents seemed on balance to feel their employers were understanding of their needs, though it was noticeable that public sector employers and small employers in the private sector tended to be regarded in a more positive light than large private sector employers. Often the key factor here, as we have seen, was the role played not by the policies of the employers, but by the relationships of trust and understanding which individual employees were sometimes able to develop with their managers or bosses:

so if I need to change my hours for any reason, or take a day off for something, I can, as long as I work those hours back another time ... It's sort of a two-way thing: I don't mess them about and so *vice versa*, they don't sort of try and pressure me.

However, such socially negotiated understandings, if they conflict with the wider policy or culture of an organisation, can be quite insecure:

my immediate line manager, should he change, I think the whole thing will change, definitely. It's a very young company ... they want you to work till nine o'clock at night if something's got to be done and you've got to be able to do that. Well, you know, the ones of us with children don't and I'm sure as we go, they'll replace us with bright young twenty year olds.

Conversely, if flexibility is allowed under sufferance, as a matter of policy as opposed to constructive managerial discretion, this too can lead to feelings of insecurity:

I just get the feeling that if you say '... I have to leave early 'cos of this or, you know, when I had the problem with my son being sick, that they say everything's okay but you feel like it's all very tight lipped and they say that because they have to. But you feel bad.

Several respondents reported negative experiences, including, for example, instances in which a respondent had lost pay when she had taken her child to the dentist, but had been denied the opportunity of making up

her hours. In three instances respondents reported that they had left a previous job because of intolerant, inflexible or 'macho' attitudes to the particular needs of employees with family responsibilities. Another was contemplating leaving her employment for this reason.

Some of our respondents were women who had returned to the labour market after a period spent as a full-time parent. It was a transition they found difficult, reflecting a wider ambiguity expressed by many other respondents concerning the new 'normality' of working parenthood on the one hand and moral expectations of parental responsibility on the other. This particular aspect of the findings is discussed elsewhere (Dean, 2001).

The employers' perspective

Interviews were obtained with representatives of the Personnel or Human Resources departments of six of the employers for whom respondents in the study had been working. None of the small employers involved could be approached since this would have risked identifying the interviewees and compromising confidentiality. Additionally, managers in the medium-sized concerns we approached were reluctant to take part. As a result, the six employers interviewed were all large organisations: two national supermarket chains, one high-street bank, one national road haulage/delivery business, a NHS Hospital Trust and a local authority. In spite of the limited and unrepresentative nature of this sample, the interviews raised some salient questions.

These employers all claimed to have explicit 'family friendly' or 'work-life balance' employment policies – extending to flexible hours and leave arrangements and, in some instances, the selective provision of nursery places or partial childcare subsidies – but some of them conceded that a significant discretion as to the interpretation and implementation of those policies was devolved to local or operational line-managers. It was acknowledged that investment in 'family-friendly' employment policies had been driven as much by the spur of emerging 'best practice' in the relevant sector or industry as by government edict, and those employers that had made an early start on the introduction of such policies had been primarily motivated by concerns over recruitment and retention. Some were able to cite as evidence an increase in maternity leave return rates following the introduction of such policies. Others were uncertain as to whether 'work-life balance' initiatives were having a major 'bottom line' impact.

Critical to the employers was the need to make a 'business case' for 'family-friendly' practices – either generally or even, when it comes for

example to the allocation of scarce childcare places, on an individual case-by-case basis. In all but one instance, employers acknowledged that this approach was more likely to benefit higher trained, more specialised (and therefore higher paid) staff rather than less skilled lower-paid workers. One employer emphasised the need to protect its 'intellectual capital' and, by implication, workers with few skills have less value.

The standards of employment practice among the half-dozen employers were generally high, though not necessarily uniform across the whole of their work forces. Of greater concern, it might be assumed, must be the standards that apply among the small and medium-sized employers that were not interviewed and for whom the imposition of 'family-friendly' employment policies may be more problematic. It is possible that smaller employers may in fact build more harmonious or effective relationships with their employees, yet paradoxically they may thereby be enabled to pay less and to extract greater loyalty than large employers. Inevitably, the concept of 'family friendly' employment has yet to influence all employers and, in spite of some employers' good intentions, it may not in every instance be penetrating the middle management or 'shop floor' culture at a local level.

Informal employment

Returning to the families we interviewed, in only eight of these was anyone engaged in 'unofficial' work (i.e., undeclared informal economic activity). In one household, both partners were so engaged. The work involved included bar work, cab driving, home-working (assembling Christmas crackers), selling goods on commission from a catalogue, and the provision of services for cash, such as hair cutting, sewing and baby-sitting. Clearly, it is not possible within the constraints of this study to make direct comparisons with such groups as the long-term unemployed or higher-income households. If, however, one considers the findings of studies conducted not with specific groups, but in particular deprived areas (e.g., Pahl, 1984; Jordan *et al.*, 1992; Leonard, 1994; Sullivan and Potter, 1998; Williams and Windebank, 1999), it would appear that the level of paid informal economic activity within this sample is not especially extensive. Allowing for local variations, the informal economy, it seems, may play a relatively small part within the survival strategies of low-income working families.

Unpaid work and help in kind

Far more common was involvement in forms of unpaid work: work that might be very occasional and does not generate cash income, but which may be important for developing or maintaining a family's 'social capi-

tal'. Most families reported this kind of activity. Overwhelmingly, it was women who performed such work. The tasks involved included care work for family members, both for elderly relatives and for the children of siblings and other relatives; care work for friends and neighbours, including providing lifts, unpaid childminding and running errands; volunteer work, including helping out at the local school or church/mosque or sitting on organising committees. The motivation for such involvement varied. In some instances the immediate prospect of reciprocal services played a part, in others it did not. Where intensive care was being provided, this entailed the kind of socially negotiated familial obligation in which reciprocity over time and between generations is never precisely calculated (cf. Finch and Mason, 1992).

In practice reciprocity was more usually confined within kinship networks and most respondents reported neither giving nor receiving benefits from their neighbours or local community. Some considered that since they received no substantive benefits from the community then, provided they themselves were not behaving like 'neighbours from hell' and weren't allowing their children out 'to wreck other people's cars', they felt they had no need to put anything back.

None the less, most families in the sample did – however indirectly – get back in kind at least some of the unpaid help they were giving. In some instances, families also received assistance in cash and, in others, with childcare: these were the most important forms of assistance and we shall discuss them in greater detail below. Additionally, however, there was assistance in the form of 'favours': the provision of meals, of transport, of clothing, of help with gardening and house maintenance, the lending of household equipment and tools. In general relatives played a far more important role than friends and for some friends played no significant part in their lives.

Childcare arrangements

Childcare – beyond that which is provided for school-age children during the school day – is an essential element in working families' survival strategies. Some families provided all their own childcare – often through choice. Others were dependent on relatives or kin (parents, siblings or cousins) to provide free childcare, and for some this was their only help with childcare. Only a few families ever depended on friends or neighbours. The majority, therefore, made no use of and consequently were not paying for formal childcare provision. The remaining families used childminders, nursery or part-time school nursery classes and an after-school club – or, in several instances, a mixture of these. For this childcare, most

families were paying more than £10 a day and three were paying more than £20.00 a day.

Currently for British low-income working families it is relatives and kin who provide the most important source of childcare assistance or, more rarely, friends or neighbours who are not registered childminders (cf. Ford, 1996; Ford and Millar, 1998).² In some instances, where the respondents' parents – who were sometimes ageing and relatively infirm – were providing childcare, there was concern as to whether it was fair to be placing such demands upon them. Alternatively, there were expressions of concern for the children themselves, as to whether the quality of informal sources of care was adequate.

For those who wanted to avail themselves of formal childcare arrangements an overriding concern was the expense. CTC can provide substantial assistance to families who use registered childminders and nurseries, but will not pay for informal care by relatives or friends. Our interviews were conducted during the transition from FC to WFTC and – as we shall discuss below – few respondents at that time had any clear idea as to the extent of the assistance that is now available. With regard to CTC many respondents had not heard of it and, of those who had, all but one considered the system inadequate since it could not meet the costs of the particular form of childcare they were using or because, even with assistance from CTC, the costs of childcare were prohibitive. Currently, the maximum eligible childcare costs for CTC purposes for one child is £100 per week (£150 per week for two or more children), whereas for pre-school children day nurseries can cost up to £180 per week per place and childminders up to £120 per week (Daycare Trust, 2000b). In addition to the question of affordability, there is still a major shortfall in the availability of childcare (Daycare Trust, 2000b). Of particular concern among our respondents was the issue of childcare for school-age children during school holidays and the fact that the kinds of play schemes that are available do not run over the Christmas and Easter holiday breaks; they do not necessarily run every day or for the full length of the normal working day; and they are usually not available for younger children.

Getting by

Those families in the sample who were not in receipt of FC/WFTC had either just lost work, were impoverished by substantial mortgage costs which are not allowed for within the WFTC scheme and are ineligible for housing benefit (HB) assistance, or else they appeared to be entitled to receive WFTC but had not claimed it. In addition to earnings (declared or undeclared) and/or means-tested benefits, most families had income from

other sources: from other social security benefits (disability living allowance for a child in one instance and incapacity benefit for the respondent's partner in another); in the case of some lone-parents, from child support; in other instances, drawings and/or interest from savings. Eight families also received cash assistance from relatives or kin (but not from friends). Such assistance might not be formal or regular, but cumulatively it could in some instances make a significant difference to household income:

I mean, Mum's – all of a sudden she'll give me a tenner or whatever ... You know, when she's got a bit extra, and she says 'Oh, put that away for your holiday' ... and she'll give the kids a bit of pocket money and things like that.

Asked how they felt they were managing on their incomes only a third of the sample said they were 'managing okay'. Others were 'getting by' ('just enough money for what we need, never enough for extras') or 'struggling'. Many parents admitted either that they had been making sacrifices to ensure their children had what they needed (cf. Pahl, 1989; Bradshaw and Holmes, 1989; Goode *et al.*, 1998; Snape *et al.*, 1999) or that – in spite of their best efforts – their children were having to 'do without' some things. Some relied on undeclared earnings from overtime or drawings on savings. Others acknowledged the importance of 'handouts' (in cash or kind) from relatives or friends. In practice, of course, survival generally depended on a combination of strategies and to this extent our findings are consistent with a range of other studies that demonstrate both the daily constraints that are entailed in living on a low income and the sheer resourcefulness of many of those who do so (e.g., Jordan *et al.*, 1992; Middleton *et al.*, 1994; Kempson, 1996; Williams and Windebank, 1999).

Strategic planning

McCrone (1994) has suggested it is possible to divide households in to 'planful' and 'planless' households, but this will not necessarily take account of the kind of implicit strategies that flow from unarticulated assumptions, nor the complexities of the gender dynamics and power relationships within households by which unspoken strategies are socially negotiated or imposed. When respondents were asked whether the families' strategies were 'planned', some claimed either that they did or that they attempted to plan, while others said that things 'just happened'; their lives were dictated by need or circumstance. Respondents from two parent families were asked what consultation took place between them and their partners when their plans were laid with regard

to work and childcare. Some claimed that their respective responsibilities had been mutually negotiated, while for the others it appeared that a male breadwinner household model had been unquestioningly assumed. This applied to all but one of the South Asian families. In four of these families, women had worked before their marriage, but had been discouraged from doing so since:

My father-in-law and my mother-in-law, they don't really want me to work, so ...

I don't know if their Dad [i.e., her husband] will like me working. He doesn't really want me to work.

Land (1999) has speculated that the WFTC may function perversely in the case of two parent families so as to restore the possibility that men with a limited earning potential may be able none the less to support a 'traditional' family with a non-working wife. The evidence from our study suggests that there are indeed some families in which this is likely.

Policy awareness

Respondents were by and large quite well engaged with the general policy debate about the desirability of working parenthood. Most thought it was a good idea, though sometimes subject to a proviso that parents – and here they generally meant mothers – should not be required to work until their children were older or that they should only be expected to work part time. There was however a minority that insisted that getting parents out to work was not necessarily a good thing; that it is important that people should want to go to work. The opinions of the sample were therefore broadly consistent with social attitude survey data (see Scott *et al.*, 1998; but also Dean, 2001).

In contrast, when it came to an appreciation of the particular policy instruments that are being pursued by the government, respondents were generally poorly informed (cf. Marsh and McKay, 1993). Relatively few demonstrated any informed awareness of the raft of policies outlined above and some that professed understanding were in reality confused or mistaken.

The concept of a tax credit (as distinct from a social security benefit) by and large had little meaning. Far from changing their perception of the benefit, it was for some respondents a source of puzzlement, especially for those whose earnings were currently beneath the tax threshold: they could not understand how it would work. Others with some understanding of FC anticipated that WFTC would replicate its shortcomings: they were conscious of: the poverty-trap effect of tapered withdrawal; the

effect that in-work benefits have in reducing HB and council tax benefit entitlements; the fact that no free school meals entitlement attaches to the receipt of in-work benefits. For all that, there were two respondents who were definitively supportive of FC/WFTC. WFTC in particular can make a significant difference, especially to the incomes of those low-income families who are not also in receipt of HB, as one lone parent discovered:

Tax Credit has made an incredible difference to what we're doing. ... I think the Working Families Tax Credit goes some way into recognising people's personal effort to, you know, make themselves financially independent from – from the State basically.

It is arguably something of a paradox that the respondent in our sample for whom WFTC had been most successful – it had increased her income by £90 per week – should conclude that the receipt of such significant and, for her, unexpected state largesse should make her 'independent' of the state. In her case, WFTC had not operated as an incentive to work, since she had only discovered she was entitled to it after she had been working for some time. Another respondent who had been in receipt of FC also confirmed the extent to which in-work benefits may be perceived by some as having a different status to social assistance benefits, like income support: she explained how, for her, the different names of the benefits 'conjure up a different lifestyle'. Since the government proposes further to enhance the status of in-work relative to out-of-work benefits there is a danger that this might further stigmatise social assistance for those who cannot access the labour market or who may prefer to fulfil the role of full-time parent.

Awareness of the national childcare strategy was virtually non-existent, although some respondents were very much alive to the issues and several specifically mentioned, for example, the need for after-school clubs. Similarly, awareness of policy initiatives relating to family friendly employment was quite limited, although public controversy in Britain surrounding the recent implementation of the EU parental leave directive had had some impact, even though the technical details of the new measures (and the relationship they bore to existing maternity and paternity leave arrangements) were by and large obscure. One respondent commented on publicity surrounding 'family-friendly' employment policy with particular scepticism:

when I heard the news report about – people were supposedly making it easier for parents to be able to go out and, you know – even go and watch a nativity play and stuff at school, I just laughed at it, 'cos I thought – yeah, okay, fine: I can just see my branch manager authorising everybody to have time off to go and watch the nativity play and

stuff like that. And the rest of it just – it just went straight over my head. I didn't take any notice, 'cos it just seemed a joke.

Once again, however, respondents were often astute when it came to discussing underlying issues. Asked what more their employers could do to help, several were able to specify sensible and imaginative ways in which their employers could accommodate their needs. Asked whether it was a 'good idea' for the government to impose laws on employers to make them change the way they treat employees with family responsibilities, some agreed, though others were more cautious: for example, '... what kind of laws could they possibly introduce to change people's attitudes?' Tellingly, some respondents expressed the fear that such legislation would make employers 'more wary' of employing people with children, and/or that it would disadvantage parents competing for jobs with more marginal sources of labour supply – including illegal and undocumented labour:

if you demand more then the boss can let you go and hire someone who will work under conditions he has set. I mean where I worked last year, every day about ten refugees would ask my boss for a job, so if he is not happy with me he can just take one of them on. So if the government can impose laws it would be good, but I think it would be very difficult.

CONCLUSIONS

The extension of in-work benefits for families and associated childcare and employment measures are clearly capable of making a difference, though certain issues – for example, concerning the continuing poverty trap affecting HB recipients and the lack of any provision for the housing costs of low-income homeowners – have still to be addressed. Additionally, it will take time and further resources to bring the levels of childcare provision in Britain up to those of some of our European neighbours. Most importantly, however, these policy measures cannot by themselves change the precarious nature of the labour market with which low-income families must engage. In five of the 47 'working' families we interviewed a member had recently lost their job. In that context, the above findings help to identify, and to a limited extent illustrate, a number of issues.

First, they tend to suggest that low-income working families are seldom fully in command of their survival strategies. In so far as their income from formal employment and state benefits remains relatively low and economic insecurity remains endemic, informal sources of assistance can be particularly important. It may be that relatively few low-income working families are supplementing their incomes through the informal econ-

omy. More commonly, families may in part be dependent for their survival upon social and particularly kinship networks, although for some such networks are not available or are not especially strong. There are important means of survival that exist outside the formal economy, but it cannot be assumed that these are enough to compensate for the weak position of lower-income groups within the labour market. Whether or not it is in principle desirable that we should prop up a low-wage economy by paying benefits such as WFTC, the reality is that they are at this juncture necessary.

Secondly, though the evidence is limited, there is a possibility that childcare and 'work-life balance' initiatives by employers may inadvertently fuel class inequalities. Some of the respondents in our study were conscious that they were especially vulnerable within the labour market and that it was difficult to press for their needs (or rights) as parents to be recognised by employers. Additionally, the childcare arrangements most commonly available to low-income families tend to be those involving relatives and kin, rather than the more expensive formal arrangements that are available to higher-paid families. Some businesses are more inclined to invest in childcare arrangements, career breaks and parental leave for more highly paid and trained 'core' staff than for lower paid and relatively unskilled 'peripheral' staff. There has always been a divide between secure middle-class families and poorer working families and the government's policies are plainly intended to mitigate that divide. It may be, however, that unless more is done to promote affordable childcare provision and directly to regulate employers (see Dean, 2002) it will be the secure middle classes that benefit most from 'work-life balance' measures.

Thirdly, there is a possibility that the current policy regime may indirectly increase the economic exploitation and insecurity of low-income working families. The government has said it is keen to 'know more about how achieving a better balance between work and home can increase productivity' (Blunkett, 2000: para 84). Employers do look for a trade-off in return for flexible working arrangements and it appeared from the accounts of some respondents that the 'price' some of them have accepted for the accommodation of their particular needs as parents – especially from the smallest employers – amounts to what might be regarded as unacceptably low wages for an unwarranted degree of loyalty and commitment.

The thrust of the New Labour government's 'welfare-to-work' programme and its associated measures for the support and encouragement of working families is to increase the competition for jobs at the lowest-paid end of

the labour market. The focus of the research that inspired this article had been upon the survival strategies of low-income working families, but the article itself points to wider issues relating to the extent to which the household economies of the poor and the comfortably off may become increasingly divergent. In a flexible economy, risk is unequally socially distributed (Taylor-Gooby, 2000: 6). The government has now redefined the objective of full employment in terms of 'employment opportunity for all' (Treasury, 2000: ch. 4) and the concern we seek here to express is that for low-income families the risks associated with insecure low-waged employment can present a threat rather than an opportunity (cf. Wheelock, 1999). Some respondents in the study were acutely aware of the competitive nature of the labour market and of the chronic insecurity that results. Following from this, benefits for those families that are not engaged with the labour market may become relatively less generous and further stigmatised. This may have consequences not only for those parents who feel they cannot or should not take employment, but also for those who do make it into the labour market, whose sense of insecurity may be heightened by the 'less eligible' (or more disagreeable) nature of the regime they might face if they should lose their job.

NOTES

- 1 The term 'informal economic activity' can be applied to a spectrum of activities from unpaid caring to unlicensed trading; from begging to violent crime. However, it is most widely used to describe those forms of remunerated work that are illicit to the extent that they remain undeclared for tax and/or social security purposes.
- 2 Conversely, higher-earning households are better able to afford and more likely to use formal childcare.

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