

Engender Parliamentary Briefing: Social Security Committee Debate on In-Work Poverty

1. INTRODUCTION

The design of social security has profound implications for women's capacity to be in paid work, and in their experience of poverty once they are employed. This is because women are twice as likely to be reliant on social security as men,¹ and have very different experiences of both poverty and the labour market. In their evidence to the committee's inquiry, Close the Gap highlighted in-depth the multitude of factors which ensure that paid work is not a route out of poverty for women in Scotland.² Despite the policy intention behind Universal Credit (UC), its design contributes to trapping women in poverty and exacerbates inequality between women and men.

Engender has engaged for nearly ten years with the impact of UK Government's programme of 'welfare reform' on women and women's equality in Scotland, and latterly on the gendered impacts of devolution and of some elements of social security in Scotland. In that time, we have produced a body of analysis of the egregious undermining of women's economic and social rights in coalition with women's and equalities organisation in Scotland,³ and have advocated for a gendered analysis in the design and implementation of the new Scottish system.⁴

2. WOMEN AND IN-WORK POVERTY

Around 20% of women's total income comes from the benefits and tax credit system, compared with 10% of men's.⁵ DWP figures show that 33% of UC claimants are in employment and 54% are women,⁶ and two-thirds of workers earning less than the

¹ Engender (2017) Securing Women's Futures

² Close the Gap (2018) Response to the Social Security Committee – In Work Poverty and Social Security

³ Engender (2015) A widening gap: women and welfare reform

⁴ Engender (2015) Securing Women's Futures: using Scotland's social security powers to close the gender equality gap

⁵ The Fawcett Society (2006) Who benefits? A gender analysis of the UK benefits and tax credit system

⁶ Department of Work and Pensions (2018) Universal Credit Statistics: Data to 14 March 2019
<https://www.gov.uk/government/statistics/universal-credit-29-april-2013-to-14-march-2019>

living wage are women.⁷ Changes to individual entitlements and the tax credit system therefore have a substantial impact on gender equality. Research by the Women's Budget Group has found that 86% of the net 'savings' from cuts implemented during the 'decade of austerity' between 2010 and 2020 will come from women's incomes.

Different features of women's long-term economic inequality have compounded with 'welfare reform' to entrench women's in-work poverty. These include:

- The **gender pay gap persists** at 13.9%.⁸
- **Occupational segregation** and the consistent undervaluation of jobs such as cleaning, social care, and retail, into which women are concentrated.⁹
- The **over-representation of women in part-time work and insecure employment** so that wages need to be supplemented by the benefits and tax credit system – women make up 45% of the part-time workforce¹⁰ and are more likely than men to be on zero-hours contracts.¹¹
- The **gendered allocation of childcare roles**, which sees women continue to provide the primary care for children. 48% of mothers on low to middle incomes take a lower-skilled part-time job on their return to work after having children, in order to balance work and childcare.¹²
- The **nature of the conditionality element** of UC, which pressures claimants to look for more hours or more pay without recognising children and care as demands on women's time. Under UC, the principle that primary carers are protected from conditionality has been abandoned.¹³
- The **volume of unpaid long-term care** done by female family members – 70% of unpaid care for disabled people and people with a long-term condition is done by women, and women are twice as likely to give up work to carry out unpaid care.¹⁴
- **The UC household payment** denies both partners access to independent income, which entrenches gendered norms about who should control household resources and undermines women's financial autonomy.¹⁵

⁷ Poverty Alliance Why is the Living Wage Important?

https://slw.povertyalliance.org/about/why_is_it_important

⁸ Close the Gap (2019) Working Paper 20: Gender pay gap statistics

⁹ Engender (2016) Engender Parliamentary Briefing: Scottish Government Gender and the Workplace Debate

¹⁰ Close the Gap (2018) Response to the Social Security Committee – In Work Poverty and Social Security

¹¹ ONS (2017) Labour Force Survey: Zero Hours Contracts Data Tables 10

¹² Alakeson (2012) The Price of Motherhood: Women and Part-time Work

¹³ Citizens Advice Bureau (2015) Citizens Impact Assessment: Lowering the Benefit Cap

¹⁴ Skills for Care (2012) Carers Matters – Everybody's business

¹⁵ Engender (2016) Gender Matters in Social Security: Individual Payments of Universal Credit

- **Increasing costs of living**, including rent and housing costs, combined with poor or static pay growth - women represent two-thirds of those earning below the living wage.¹⁶
- The **childcare element of UC is inflexible** and requires parents to pay in advance and claim back for hours monthly, affecting household cashflow and ignoring the extremely high cost of childcare in Scotland.¹⁷
- **Changes to the state pension age and ‘mixed age’ couple rules** have been introduced with little notice and have left women in their fifties and sixties required to work longer than planned for. Many women in this position have taken time out of the labour market in order to care and many experience barriers to finding good quality work, such as age discrimination.¹⁸
- The **design of the earnings disregard** means that there is little or no incentive for second earners to enter or progress in paid employment for lone parents and second earners, the majority of whom are women.
- **The ‘family cap’ or ‘two child limit’** which limits entitlement to the child element of Child Tax Credit and UC to a maximum of two children in each household for children born after April 2017. Exemptions include **the ‘rape clause’** which requires women to disclose traumatising experiences of sexual violence in order to secure a more adequate social security payment.¹⁹
- **Working-age benefits and tax credit levels** have been frozen since 2016, and the UK Government’s own impact assessment shows 33% of women suffering a loss of income in real terms.²⁰

One of the reasons that ‘welfare reform’ has had such a devastating impact on women and women’s equality is that the differences between women’s and men’s lives, roles, and needs were not systematically considered as the policy was developed. **It is vital that the analysis of in-work poverty adopts an intersectional approach, which considers the differential impact of policy and programmes on different groups of women.** For women who face multiple inequalities, the structural inequalities that put additional costs and barriers between women and the labour market are even further heightened. For example, Black and minority ethnic (BME) women²¹ and disabled women²² are more likely to experience poverty than white and non-disabled women.

¹⁶ Living Wage Scotland (2019) Woman in Scotland Receive Pay Increase to the Real Living Wage

¹⁷ CPAG (2018) Response to the Social Security Committee – In Work Poverty and Social Security

¹⁸ Engender (2019) Engender Briefing: Pension Credit Entitlement Changes

¹⁹ Engender (2017) Parliamentary Briefing: Child Tax Credit and Child Element of Universal Credit

²⁰ DWP (2015) Welfare Reform and Work Bill: Impact assessment of the benefit rate freeze

²¹ CRER (2018) Response to the Social Security Committee – In Work Poverty and Social Security

²² Inclusion Scotland (2018) Response to the Social Security Committee – In Work Poverty and Social Security

3. RECOMMENDATIONS

Gender mainstreaming through equality impact assessment

While Scotland does not have control over every lever available to eliminate poverty, Parliament and Government must deliver the ambition in the Scottish Social Security Act 2018 to advance economic equality between women and men. **Gender must be mainstreamed into the development of new legislation, policies and programmes that are part of Social Security Scotland** via robust, high-quality Equality Impact Assessments (EqIA). The cumulative impact of specific entitlements on women should be closely monitored by evaluation systems which gather intersectional gender-disaggregated data, in line with repeated recommendations from UN Committees and poverty experts.

The Introduction of Individual Payments of UC

As we have repeatedly outlined, the single household payment of Universal Credit has an especially egregious impact on women's access to resources, security and safety, and therefore on gender equality and women's human rights. By restricting access to resources within the family, the single payment reinforces the 'male breadwinner, female carer' model which undermines women's economic equality and labour market participation.²³

In March 2019 the UN CEDAW Committee recognised the harm to women of the single household payment, and Engender continues to call on the UK Government to reform its approach.²⁴ The Scottish Government has committed to implementing the automatic individual payment of UC using its 'flexibilities'.²⁵ It is vital that the model adopted splits the elements of UC appropriately, so that the child elements reach the primary carer, for example. Although we acknowledge the practical complexities of introducing a change to this system, **the Scottish Government and UK Government must work together closely to implement individual payments as soon as possible to mitigate the effects for women and their families in Scotland.**

Increasing support for women with children and/or caring roles

The links between women's incomes and child poverty are long established and increasing access to economic resources for women increases household spending on children.²⁶ Women act as 'poverty managers' within households that do not have

²³ Engender (2016) Gender Matters in Social Security: Individual Payments of Universal Credit

²⁴ Engender (2019) Engender Annotated Concluding Observations CEDAW

²⁵ Scottish Parliament Official Report, 7 March 2019, Minister for Older People and Equalities

²⁶ Women's Budget Group (2005) Women and children's poverty: Making the links

adequate access to resources: going without food, clothing or medication to ensure their families' needs are met.²⁷

Women are increasingly combining childcare with providing unpaid care for older and disabled people, yet between 2011 and 2018 around £1 billion was cut from carers incomes.²⁸ The low earning disregard within Carer's Allowance limits the practicality of taking up paid work where possible, and the earnings threshold does not automatically align with the minimum wage, forcing carers to choose between reducing their hours, giving up work, or losing their benefits. Being able to work increased hours while caring would assist in lifting unpaid carers out of in-work poverty.²⁹ **The Scottish Government should act to ensure a living wage for carers, including those in employment and education, through a Scottish Carers Living Wage Strategy.**³⁰

Lone mothers, of which around nine in ten are women, have been particularly badly impacted by 'welfare reforms'. Lone parents working more than 16 hours per week have seen incomes reduced at alarming rates, representing some of the biggest losses resulting from reforms, with an average loss of around 25% of net income, or one pound in every four.³¹ The poverty rate after housing costs for lone mothers is 37% and women make up 95% of lone parents receiving Income Support.³²

Engender supports the 'Give me Five' campaign which campaigns for a £5 per week top-up of child benefit.³³ However, the Scottish Government has instead committed to introducing a new benefit to supplement the income of low-income families with the aim to introduce this by 2022. **Plans for the supplement must be robustly gender impact assessed and must, irrespective of the 'household payment' approach of UC, reach the primary carer of the child or children.**

It is also vital that the UK repeals the two-child limit, as recommended by the UN CEDAW Committee³⁴ so that women are not pushed into poverty as a result of having children. The family cap has particularly extreme consequences for some religious and faith communities, BME families, and refugee families, who tend to

²⁷ Women's Budget Group (2015) The impact on women of July budget 2015: A budget that undermines women's security

²⁸ Carers UK (2014) Caring and Family Finances Inquiry: Carers struggling with alarming levels of hardship

²⁹ Carers UK (2014) State of Caring 2014

³⁰ Engender (2017) Gender Matters Roadmap: Towards Women' Equality

³¹ Equality and Human Rights Commission (2018) The cumulative impact of tax and welfare reforms principles of equality, dignity and respect.

³² Close the Gap (2018) Women, work and poverty in Scotland: What you need to know

³³ CPAG Scotland Give Me Five - The child benefit top up campaign available at

<http://www.cpag.org.uk/content/give-me-five-child-benefit-top-campaign>

³⁴ Engender (2019) Engender Annotated Concluding Observations CEDAW

have more children. The family cap punishes women for exercising their reproductive rights and pushes them and their families into poverty. The average cash losses for households with three or more children (around £5,150) are over three times those for households with two children, figures which the EHRC has directly linked to the family cap.³⁵ The exceptions, specifically the provisions surrounding forced disclosure of sexual violence to gain access to social security, re-traumatise individual women who have survived rape by forcing them to disclose sexual violence at a time and in a context not of their own choosing, on pain of deeper impoverishment.³⁶

4. SUMMARY OF RECOMMENDATIONS

- Gender must be mainstreamed into the development of new legislation, policies and programmes part of Social Security Scotland.
- It is vital that the analysis of in-work poverty adopts an intersectional approach, considering the evidence about the experience and needs of different groups of women.
- The Scottish Government and UK Government must work together closely to implement individual payments of UC as soon as possible to mitigate the effects for women and their families.
- The Scottish Government should act to ensure a living wage for carers including those in employment and education through a Scottish Carers Living Wage Strategy.
- Plans for the income supplement must be robustly gender impact assessed and must reach the primary carer of the child or children.
- It is also vital that the UK repeals the two-child limit, as recommended by the UN CEDAW Committee so that women are not pushed into poverty as a result of having children.

FOR FURTHER INFORMATION

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ABOUT US

Engender is a membership organisation working on feminist agendas in Scotland and Europe, to increase women's power and influence and to make visible the impact of sexism on women, men and society. We provide support to individuals, organisations and institutions who seek to achieve gender equality and justice.

³⁵ Equality and Human Rights Commission (2018) The cumulative impact of tax and welfare reforms principles of equality, dignity and respect.

³⁶ Engender (2017) Engender submission of evidence on the two-child limit for Tax Credits & Universal Credit to the Scottish Parliament Social Security Committee