

## **Engender Parliamentary Briefing: Cost of living crisis**

**7 September 2022**

### **1. INTRODUCTION**

The escalating cost of living crisis will result in untold harm in Scotland, particularly for women, other oppressed groups and those living with multiple inequalities including Black and minority ethnic women and disabled women. It will deepen gender inequality at a time when women continue to experience the egregious fallout of the ongoing Covid-19 pandemic.

This is because of women's existing inequality with men across all areas of social, economic, political and cultural life. Across the board, women's incomes are lower than those of men. Women have less access to well-paid and secure work, women are more reliant on social security entitlements that are not keeping pace with the rate of inflation and subject to cuts, women have less access to pensions, women do not have equal access to resources within households, and women are lone parents, primary caregivers for children and unpaid carers for disabled and older people. Women's poverty is also inextricably linked with child poverty.

Scottish Government's Emergency Budget Review, and wider responses to the cost of living crisis, must allocate spending across portfolios to prevent poverty, destitution and insecurity for women, children and other marginalised groups.

### **2. THE COST OF LIVING CRISIS AND WOMEN'S INEQUALITY**

Women in Scotland are and will be disproportionately impacted by the cost of living crisis, with acute ramifications in terms of economic and physical security, health and wellbeing. Within this, Black women and women from certain ethnic minority communities, disabled women, lone parents, unpaid carers and women with insecure immigration status are particularly disadvantaged.<sup>1</sup> This is the result of existing economic inequality that repeatedly sees women, and especially minoritised groups of

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<sup>1</sup> Women's Budget Group (2022) The gendered impact of the cost of living crisis. Available at: <https://wbg.org.uk/wp-content/uploads/2022/03/The-gendered-impact-of-the-cost-of-living-crisis.pdf>.

women, at the sharp end of economic and other crises. It is likely that young women, older women, trans women and others facing multiple forms of discrimination will also experience disproportionate impacts due to existing economic and social marginalisation.

Key issues include:

- Soaring energy bills will have an enormous impact on women; women make up the majority of many groups with high energy needs, including older people, disabled people, unpaid carers, and those looking after children in the home.
- Lone parents, 91% of whom are women, are set to experience the steepest hikes as a proportion of disposable income and are amongst those at the sharpest end of rising fuel insecurity.<sup>2</sup>
- Women experiencing domestic abuse are unable to leave abusive partners due to financial implications and economic coercive control; 73% said the cost of living crisis had prevented them from leaving their abusive partner or would make it harder to do so.<sup>3</sup>
- Women are the majority of those in temporary work<sup>4</sup> and on zero-hours contracts in Scotland,<sup>5</sup> many of whom will face or worry about unemployment, underemployment or negative mental health impacts associated with precarious work as businesses struggle with rising costs.
- Women tend to act as managers of household budgets, particularly with regards to spending on children and non-durable items like food and domestic products that are susceptible to price hikes during periods of inflation.<sup>6</sup> Women are therefore disproportionately exposed to the strain and anxiety of budgeting, including for energy bills, with clear implications for health and wellbeing.

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<sup>2</sup> Joseph Rowntree Foundation (2022) Rising energy bills to 'devastate' poorest families, adding to harmful legacy for millions of children sinking deeper into poverty. Available at: <https://www.jrf.org.uk/press/rising-energy-bills-%E2%80%98devastate%E2%80%99-poorest-families-adding-harmful-legacy-millions-children>.

<sup>3</sup> Davidge, S (2022) The cost of living crisis is preventing women from fleeing domestic abuse. Women's Aid. Available at: <https://www.womensaid.org.uk/the-cost-of-living/>.

<sup>4</sup> ONS (2022) Dataset: HI11 Regional labour market: Headline indicators for Scotland. Office for National Statistics. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/headlinelabourforcesurveyindicatorsforscotlandhi11>

<sup>5</sup> ONS (2022) Dataset: EMP17: People in employment on zero-hours contracts. Office for National Statistics. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/emp17peopleinemploymentonzerohourscontracts>.

<sup>6</sup> Living Wage Foundation (2022) Low paid work and cost-of-living crisis disproportionately affecting women. Available at: <https://www.livingwage.org.uk/news/cost-living-crisis-affecting-women>.

Women are more likely to have fallen behind with bills and to have skipped meals due to rising costs.<sup>7</sup>

- Spiralling fuel costs may see women in remote and rural areas at risk of further isolation and gendered impacts on their safety and security. Women are less likely to own and drive cars than men, partly due to prohibitive costs; this may be exacerbated. Women will also, therefore, be disproportionately impacted by any public transport route changes and cancellations due to operating costs.

The disastrous forecast for the rate of inflation cannot be divorced from the egregious impact of the Covid-19 pandemic on equality, which has already placed women at greater risk of economic insecurity.<sup>8</sup> A rollback on women's rights and equality is widely recognised,<sup>9</sup> with specific issues and their ongoing implications manifesting for Black and minority ethnic women, young women, disabled women, unpaid carers, mothers, pregnant women, LGBT women, and women with insecure immigration status, amongst other groups. Against this baseline, the current cost of living crisis will further exacerbate women's economic inequality, pushing many into poverty. The harm this will cause will resound throughout the course of women's lives and those of their children.

### 3. BACKGROUND

#### 3.1 A gendered crisis of incomes

This is largely because of a gendered 'crisis of incomes'<sup>10</sup> across the UK that ensures women do not have equal access to resources compared with men. The gender pay gap in Scotland persists at 10 per cent, rising to 27 per cent when comparing men's full-time earnings with women's part-time earnings.<sup>11</sup> Women are the majority (60 per cent) of those who earn under the Living Wage, with a fifth of women in paid work falling within this bracket, compared with 14 per cent of men.<sup>12</sup> Women are considerably more likely to be underemployed in insecure and part-time work.<sup>13</sup>

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<sup>7</sup> Ibid.

<sup>8</sup> Engender and Close the Gap (2020) Gender and economic recovery. Available at: <https://www.engender.org.uk/content/publications/Gender--Economic-Recovery---Engender-and-Close-the-Gap.pdf>; Engender (2020) Women and unpaid work: the impact of Covid-19 on women's caring roles. Available at: [https://www.engender.org.uk/content/publications/1594974358\\_Gender--unpaid-work---the-impact-of-Covid-19-on-womens-caring-roles.pdf](https://www.engender.org.uk/content/publications/1594974358_Gender--unpaid-work---the-impact-of-Covid-19-on-womens-caring-roles.pdf).

<sup>9</sup> Ibid.

<sup>10</sup> Women's Budget Group (2022) The gendered impact of the cost of living crisis. Available at: <https://wbg.org.uk/wp-content/uploads/2022/03/The-gendered-impact-of-the-cost-of-living-crisis.pdf>.

<sup>11</sup> Close the Gap (2022) Gender pay gap statistics. Available at: <https://www.closesthegap.org.uk/content/resources/Gender-pay-gap-statistics-paper-2022.pdf>.

<sup>12</sup> Living Wage Foundation (2022) Low paid work and cost-of-living crisis disproportionately affecting women. Available at: <https://www.livingwage.org.uk/news/cost-living-crisis-affecting-women>.

<sup>13</sup> See the work of Close the Gap for full information on this: <https://www.closesthegap.org.uk/>.

Women have less savings and access to occupational pensions than men, with clear and cyclical implications for opportunities throughout their lives. Older women have faced a six per cent rise in pension poverty over the last decade, with 20 per cent of women of pensionable age now “living below the breadline”.<sup>14</sup> This shocking figure is even more acute for Black and minoritised women, one in three of whom experiences pension poverty.

Women are twice as likely as men to rely on a social security system that fuels economic hardship and inequality. The levels at which entitlements are set are wholly inadequate, and the design and delivery of much of the system generates insecurity and financial precarity rather than the provision of a safety net that so many need during periods of economic volatility.<sup>15</sup> Nor are these inadequate entitlements being uprated in line with the Retail Price Index, effectively amounting to yet more cuts to benefits in a context of more than a decade of austerity. Analysis from the House of Commons Library found that up to 86 per cent of net ‘savings’ carved from social security payments and public services between 2010 and 2020 will have come from women’s incomes.<sup>16</sup> This gendered decimation of social security in the UK leaves disabled, Black and minority ethnic women, refugee women, lone parents and unpaid carers at even greater risk of poverty and destitution.

Crucial elements of this for women include the ‘two child limit’ within Universal Credit, the benefit cap – which predominantly affects single parents, 91% of whom are women – and the household payment of Universal Credit. This single household payment undermines women’s access to an independent income and has been widely condemned as a regression to a ‘male breadwinner model’. In 2018, it was described as misogynistic by the UN’s Special Rapporteur on extreme poverty and human rights.<sup>17</sup> Scottish Government is committed to providing individual payments of Universal Credit within flexibilities devolved under the Scotland Act 2016, however, this has yet to be delivered.

The widespread perpetuation of domestic abuse and other forms of men’s violence against women have a significant impact on women’s incomes. Domestic abuse

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<sup>14</sup> Age UK (2021) New Age UK analysis finds one in five UK women pensioners now living in poverty. Available at: <https://www.ageuk.org.uk/latest-press/articles/2021/new-age-uk-analysis-finds-one-in-five-uk-women-pensioners-now-living-in-poverty/>.

<sup>15</sup> Engender (2016) Securing women’s futures: using Scotland’s social security system to close the gender equality gap. Available at: <https://www.engender.org.uk/content/publications/Securing-Womens-Futures---using-Scotlands-new-social-security-powers-to-close-the-gender-equality-gap.pdf>.

<sup>16</sup> Women’s Budget Group (2016) The impact on women of the 2016 budget: Women paying for the chancellor’s tax cuts. Available at: [https://wbg.org.uk/wp-content/uploads/2016/11/WBG\\_2016Budget\\_FINAL\\_Apr16-1.pdf](https://wbg.org.uk/wp-content/uploads/2016/11/WBG_2016Budget_FINAL_Apr16-1.pdf).

<sup>17</sup> Ward, V (2018) “UK’s welfare system is cruel and misogynistic”, says UN expert after damning report on poverty. The Telegraph. Available at: <https://www.telegraph.co.uk/news/2018/11/16/welfare-system-cruel-misogynistic-un-expert-warns-damning-report/>.

undermines women's access to resources and financial security, with around 90% of women experiencing financial abuse as part of their experience of domestic abuse.<sup>18</sup> Research from Women's Aid shows that the current cost of living crisis is condemning women to domestic abuse, with 73% saying it has prevented them from leaving their abusive partner or would make it harder to do so.<sup>19</sup>

### 3.2 Systemic gender inequality

These headline figures are underpinned by systemic gender inequalities. Women's caring roles are a major barrier to women accessing training, education and secure, well-paid employment on an equal basis with men. In 2018, 85 per cent of those who were "economically inactive" due to caring were women.<sup>20</sup> Between 60 and 70 per cent of unpaid care for older people, disabled people and people with long-term health conditions is provided by women in Scotland.<sup>21</sup> This care is worth approximately £10.8 billion to the economy per annum,<sup>22</sup> yet it is systemically undervalued by our society. Women are twice as likely as men to give up work to carry out unpaid care,<sup>23</sup> and are much more likely to juggle caring with (often low-paid) employment, to hold multiple caring roles, and to provide care for more than 35 hours per week.<sup>24</sup> The Covid-19 pandemic has also had a significant impact on carers; during the first lockdown for example, 78 per cent of carers reported having to provide more care since the start of the pandemic,<sup>25</sup> and many are continuing to shield with the clinically vulnerable people they care for. Women's access to paid work, leisure time and power, therefore, remains heavily constrained by the provision of care and gendered expectations around its value and delivery. Little is known about the impacts of further forms of structural oppression on women's ascribed roles as carers in Scotland, including racism, homophobia and

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<sup>18</sup> Refuge (2008) 'What's yours is mine': The different forms of economic abuse and its impact on women and children experiencing domestic violence. Available at: <https://www.refuge.org.uk/files/Whats-yours-is-mineFull-Report.pdf>.

<sup>19</sup> Davidge, S (2022) The cost of living crisis is preventing women from fleeing domestic abuse. Women's Aid. Available at: <https://www.womensaid.org.uk/the-cost-of-living/>.

<sup>20</sup> Scottish Government gender inequality index. Available at: [https://data.gov.scot/genderindex/gender-equality-index-2020.html#4\\_work\\_domain](https://data.gov.scot/genderindex/gender-equality-index-2020.html#4_work_domain).

<sup>21</sup> The last Census figure was 59 per cent, however, women are less likely to self-identify as carers due to cultural gender roles and expectations. Carers organisations have estimated an actual figure of around 70 per cent.

<sup>22</sup> Carers UK (2015) Valuing carers 2015. Available at: <https://www.carersuk.org/for-professionals/policy/policylibrary/valuing-carers-2015>.

<sup>23</sup> Skills for Care (2012) Carers Matters – Everybody's business. Available at: <https://www.skillsforcare.org.uk/Documents/Topics/Supporting-carers/Our-carers-matter-part-two.pdf>.

<sup>24</sup> Engender (2016) Securing women's futures: Using Scotland's new social security powers to close the gender equality gap. Available at: <https://www.engender.org.uk/content/publications/Securing-Womens-Futures---using-Scotlands-new-social-security-powers-to-close-the-gender-equality-gap.pdf>.

<sup>25</sup> Engender (2020) Gender & Unpaid Work: the impact of Covid-19 on women's caring roles. Available at: [https://www.engender.org.uk/content/publications/1594974358\\_Gender--unpaidwork---the-impact-of-Covid19-on-womens-caring-roles.pdf](https://www.engender.org.uk/content/publications/1594974358_Gender--unpaidwork---the-impact-of-Covid19-on-womens-caring-roles.pdf).

transphobia. However, limited data suggests that Black and minority ethnic women may be even more likely to hold informal roles and at a younger age.<sup>26</sup>

Other forms of unpaid labour are intrinsic to a gender analysis of the cost of living crisis. Unpaid childcare and domestic work continue to be unequally distributed between women and men, with the most recently available time-use data for Scotland showing that women in opposite sex couples undertake approximately 68 per cent of the housework and 68 per cent of the childcare.<sup>27</sup> These gendered patterns are long entrenched and have been stubbornly slow to disrupt.<sup>28</sup> The 2017 British Social Attitude Survey found that two-thirds of respondents thought it better for mothers to be at home or to work part-time when children were under school age, and a majority thought that fathers should work full-time.<sup>29</sup>

Directly linked to this, women continue to experience profound labour market inequality with men. Deep-rooted occupational segregation, which sees women clustered into comparatively undervalued roles and sectors, is a key part of this, as well as systemic issues with returning to work after providing unpaid social care or extended periods of leave to care for children. Patterns of occupational segregation in the Scottish labour market are a cause and consequence of damaging gendered assumptions and stereotypes about women and men's capabilities in relation to paid and unpaid (caring) work, often resulting in the concentration of women in low-paid underemployment. This substantially diminishes women's earnings over their lifetime, as well as reducing the pool of skilled workers available in local area labour markets.

Men's violence against women continues to be endemic in Scotland.<sup>30</sup> Demand for support through the Scottish Women's Aid helpline has increased significantly since the onset of the pandemic, and this level of need has not yet subsided. Meanwhile, harassment permeates almost every aspect of the lives of women and girls, constraining choices and the ways we think about ourselves throughout our lives, from childhood to old age. The ubiquitous nature of harassment and violence includes physical and online spaces, public and private spheres, education settings and workplaces, with stark

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<sup>26</sup> MECOPP (2017) Informal caring within Scotland's Black and minority ethnic communities. Available at: <https://www.carersuk.org/images/Carers Parliament Delegate Information/mecopp briefing BME carers.pdf>.

<sup>27</sup> Scottish Government (2019) Centre for Time Use Research Time Use Survey 2014-15: Results for Scotland. Scottish Government. Available at: <https://www.gov.scot/publications/centre-time-use-research-time-use-survey-2014-15-results-scotland/pages/5/>.

<sup>28</sup> Sullivan O (2006) Changing Gender Relations, Changing Families: Tracing the Pace of Change Over Time.

<sup>29</sup> The National Centre for Social Research (2018) British Social Attitudes 35 – Gender. Rowman and Littlefield Publishers.

<sup>30</sup> At least one in five women in Scotland will experience domestic abuse in her lifetime and an average of three rapes is reported per day, yet even this shocking figure masks the true extent of sexual violence due to underreporting.

consequences for women's access to secure and sustained economic resources. Sexual harassment in the workplace is endemic and acts as a significant barrier to women's economic equality with men.<sup>31</sup> Similarly, constraints on women's access to decision-making, including in the political sphere, and on the ways in which women navigate public space play into women's systemic income inequality with men.

#### 4. CONCLUSION

The systemic issues set out above have been the focus of feminist advocacy and campaigning for many years. They were brutally exposed during the pandemic and the consequences are still being felt by women across Scotland. This latest crisis is now set to yet further diminish women's rights, security and safety, and it is vital that the Scottish Government's response to inflationary pressures and the cost of living crisis is targeted at mitigating this.

**We are calling for Scottish Government to apply robust budget gender analysis<sup>32</sup> to the forthcoming Emergency Budget Review**, as well as all resource allocation and revenue raising aimed at tackling the costs crisis. Where possible this analysis should be intersectional, meaning the experiences of women who face multiple discrimination due to race, disability, age and other marginalised identities are also considered where evidence allows. This requires that the diverse realities of women's lives are taken into account in budgeting processes, such that funds are targeted where needed most.

Much of our advocacy is centred around women's access to financial resources. Engender's key existing calls for Scottish Government include:

- To deliver automatic individual payments of Universal Credit, as first committed to in 2017;<sup>33</sup>
- To work towards a living wage for unpaid carers, in the short-term doubling the Carers Allowance Supplement and creating a Carers Hardship Fund;
- To commit the Scottish Child Payment to primary legislation and ensure that payments are increased in line with inflation;

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<sup>31</sup> Engender (2022) Enough is enough: Tackling workplace sexual harassment in Scotland. Available at: <https://www.engender.org.uk/content/publications/Enough-is-Enough---tackling-workplace-sexual-harassment-policy-in-Scotland.pdf>.

<sup>32</sup> For information on gender budgeting please see Engender's responses on parliamentary committees' pre-budget scrutiny (e.g., <https://www.engender.org.uk/content/publications/Engender-finance-committee-submission-pre-budget-scrutiny-cost-of-living-002.pdf>) and the work of the Equality Budget Advisory Group and the Scottish Women's Budget Group.

<sup>33</sup> For information on this issue see Engender (2016) Gender matters in social security: Individual payments of Universal Credit. Available at: <https://www.engender.org.uk/content/publications/Gender-matters-in-social-security---individual-payments-of-universal-credit.pdf>.



- To create a new entitlement, potentially through the Scottish Welfare Fund, to support women experiencing domestic abuse to leave an abusive partner;
- To expand funded childcare to 50 hours of universal, flexible, accessible and culturally competent childcare per week; <sup>34</sup>
- To integrate intersectional gender budget analysis into the Scottish Budget process, and to give this a statutory footing;
- To turn the Equality Budget Advisory Group's recommendations for equality and human rights budgeting into a prioritised and well-resourced action plan.

### **FOR FURTHER INFORMATION**

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### **ABOUT US**

Engender is Scotland's feminist policy and advocacy organisation, working to increase women's social, political and economic equality, enable women's rights, and make visible the impact of sexism on women and wider society. We work at Scottish, UK and international level to produce research, analysis, and recommendations for intersectional feminist legislation and programmes.

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<sup>34</sup> This is in line with the Scottish Government's response to the First Minister's National Advisory Council on Women and Girls report 2018.