



Engender submission to the Equal Opportunities Committee scrutiny of Draft Budget and Spending Plans 2016-17

1. INTRODUCTION

Engender works in Scotland to advance women's economic, social and cultural, and political equality with men. We make visible the ways in which women's inequality impacts Scotland, and bring women together to make change happen.

We welcome the focus of the Equal Opportunities Committee on the budget process, and particularly on the way in which the equality budget process aims to realise women's equality and equality of other protected groups.

Engender has long joined the Scottish Women's Budget Group, Close the Gap, and other women's organisations in advocating for gender budget analysis to form part of the Scottish budget process. This would explicitly draw out the impact of different spending allocation decisions on men and women while the budget was being developed, and would enable gender-sensitive decision-making across spending portfolios.

While we welcome the equality budget statement (EBS), and the work of the Equality Budgets Advisory Group in driving change within it, the current process falls far short of this. We recognise that this Draft Budget and Equality Budget Statement were produced within an exceptionally abbreviated timescale, but the EBS now requires substantial and substantive development to ensure that it does not simply become a list of spending commitments that are gender-inflected, or inflected by another protected characteristic.

Tightening spending brought about by the UK Government's commitment to an ideology of austerity, and the profoundly gendered impacts of UK spending decisions around social security¹, make it imperative that Scottish Government and the Scottish Parliament can take a cross-portfolio view of the ways in which the budget cumulatively impacts on women.

¹ Engender (2015) *A Widening Gap: Women and welfare reform*

We call on the Equal Opportunities Committee to **recommend that gender budget analysis be incorporated within the budget process.**

2. HOW GENDER BUDGET ANALYSIS WOULD HELP

We gave evidence to the Welfare Reform Committee during their scrutiny of the Draft Budget and Spending Plans 2016-17, and will use social security spending as an example of how gender budget analysis would add to the current approach being taken within the equality budget statement.

Social security is a critical gender equality issue. A minimum income is necessary for women to enjoy an adequate standard of housing, health, and nutrition, to take part in their community, and to have sufficient autonomy to make decisions about their lives. When the UK Government's 'welfare reform' agenda began, women already experienced significant economic inequality within the social security system. This is because:

- Women are more financially dependent on social security than men, with 20% of women's income coming from benefits and the tax credit system, compared with 10 per cent of men's.
- Women have fewer financial assets and less access to occupational pensions than men and there are considerably more women than men in the lowest income decile in the UK.²
- 92% of lone parents are women, and women make up 95% of lone parents dependent on Income Support.³
- Women make up nearly 60% of care providers within the home and 64% of care providers in the wider community.⁴
- The gender pay gap in Scotland is 12% for full-time work and 32% for part-time work,⁵ signifying persistent and widespread differences in women's experience of the labour market.

Since the Welfare Reform Committee held its very welcome inquiry into women and welfare, the context for women has worsened. The House of Commons Library estimated that 70 per cent of the £34 billion worth of cuts announced in the UK Government's 'summer budget' will fall on women. The Spending Review and Autumn Statement brought further bad news for women: of the £16 billion

² The Women's Budget Group (2013) [The impact on women of Budget 2013: a budget for inequality and recession](#)

³ Engender (2012) [Multiple Jeopardy: The impacts of the UK Government's proposed welfare reform on women in Scotland](#)

⁴ *ibid*

⁵ Close the Gap (April 2015) *Working Paper 14: Gender Pay Gap Statistics*

net cumulative revenue in spending cuts and tax rises announced since the 2015 election, 75 per cent will fall on women⁶. The combined effect of this succession of spending decisions is starkly gendered. As the Women's Budget Group's analysis reveals, over the entire ten year period of austerity, women will have borne 81 per cent of the consolidation in personal tax rises and cuts to social spending. Our joint paper with other Scottish women's organisations, *A Widening Gap*, identifies the costs to specific groups of women: lone mothers, refugees, disabled women, unpaid carers and women experiencing domestic abuse face multiple and particularly extreme impacts as a result.

2.1 SOCIAL SECURITY AND GENDER IN THE DRAFT BUDGET

The Draft Budget essentially sustains dedicated mitigation funding, in the form of the Scottish Welfare Fund, and funding for local authorities to counter the 'bedroom tax', at almost the same rate of spending in the previous budget. The Equality Budget Statement reiterates the spend on mitigation funding, and notes that:

[W]omen tend to be disproportionately affected by UK welfare reform, particularly where they have roles as primary carers for children and other relatives. So the Scottish Government's welfare reform mitigation spend is likely to benefit women in particular.⁷

This relatively brief paragraph is the only part of the Equality Budget Statement that explicitly links women's equality with social security and welfare reform.

2.2 WHAT OTHER ANALYSIS IS NECESSARY?

The Scottish Government has repeatedly acknowledged that limits to Scotland's current and future powers to define benefits and administer them will mean that it cannot wholly offset the significant reductions to social security being made by the UK Government. Alex Neil wrote to the Welfare Reform Committee on 23 September 2015, setting out the Scottish Government's response to the Committee's inquiry into women and social security. In his letter, Mr Neil says:

Unfortunately, mitigating the full impact of [UK Government] cuts will not be possible within the current devolution settlement, but we continue to

⁶ Women's Budget Group (2015) *The impact on women of the Autumn Statement and Comprehensive Spending Review 2015: Still failing to invest in women's security*

⁷ Scottish Government (December 2015) *Equality Statement Scottish Draft Budget 2017-17* p. 15

do everything we can within the powers that we have to help those who are most affected by the cuts.

Our joint paper on the gendered impacts of welfare reform enumerates a long list of aspects of women's equality that will be affected by UK Government cuts to social security, and reformulating existing benefits into Universal Credit. These include violence against women, employability, participation in the labour market, and childcare and long-term care. Through working with partner organisations like Inclusion Scotland, Carers Scotland, One Parent Family Scotland, Scottish Refugee Council, Scottish Women's Aid, and Close the Gap, we register the particularly profound direct impacts of welfare reform on women experiencing domestic abuse, disabled women, women carers, refugee and asylum seeking women, and women who aspire to work in male-dominated occupations⁸.

Welfare reform places women at risk of poverty, exclusion, violence, and detachment from the labour market. The Scottish Government cannot simply replace social security payments removed by the UK Government. Given these two realities, we would expect to see an analysis within the budget process that looked at spend on employability, justice (including violence against women services), equalities, economic development, and childcare and social care (including within the settlement for local government), and drew conclusions about the separate and cumulative impact on women of specific allocations within portfolios.

2.3 A PROCESS FOR FUTURE BUDGETS

It is critically important that the process of development of new social security provisions, which is allocated funding within the Draft Budget 2016-17, is gendered. The next budget will need to turn the Scottish Government's ambitions for a social security system that places equality and human rights at its centre into substantive spending decision that cut across different portfolios. It is imperative that a budget process that incorporates a gendered approach is developed to enable this to happen.

⁸ Engender (2015) *A Widening Gap: Women and welfare reform*