

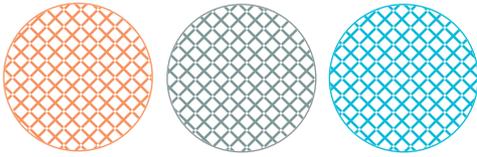
## Gender Matters in Social Security: Individual Payments of Universal Credit

**As women's, equalities, and human rights organisations we call on the Scottish Government to automatically split payments of Universal Credit between couples, once power is devolved to the Scottish Parliament.**

The current UK policy, to pay joint awards to one individual in a couple, is discriminatory and regressive. Scotland has certain opportunities with new powers over social security to chart a different course from the UK's damaging 'welfare reform' agenda. However, the Scottish Government's pledge that "new powers will be founded on dignity and respect" will be undermined from the outset if social security cannot be accessed equally by women.

The Scottish Government has previously supported the principle of split payments, on grounds of gender equality, but has not yet made a policy commitment on the issue. We know that the current UK system is failing, and further excluding, those who need it the most, including many groups of women, disabled people, unpaid carers, lone parents and refugee communities. It is also exacerbating existing inequality, including between women and men. Single household payments of Universal Credit will compound this.

This paper sets out multiple reasons for Scottish Government to diverge from this payment structure and establish automatic split payments as part of a distinct, fairer approach to social security in Scotland. Conversely, reasons that support the option for Scottish Government to adopt the UK's discriminatory policy are lacking.



## 1. GENDER EQUALITY

Access to resources is a fundamental aspect of gender inequality. Income and other resources are often not controlled or shared equally within the household and this is a major factor in women's economic inequality.<sup>1</sup> Financial independence is crucial for women, who are twice as dependent on social security as men due to gendered caring roles and disadvantage in the labour market.<sup>2</sup> Otherwise, we risk returning to the 'male breadwinner model' which prioritises men's needs, compromises women's safety and creates huge imbalances of power within households. Women that face multiple inequalities across society, including disabled women, minority ethnic and refugee women are amongst those who would be at particular risk of increased harm from a policy that undermines women's access to resources.

Payment of all Universal Credit (UC) entitlement to one partner in a couple is likely to result in less equal relationships, with one individual less able to access income. This is relevant to both sexes, but especially for women. Women are more likely to be economically dependent than men, more likely to hold caring roles, and more likely to be subject to financial and other abuse.<sup>3</sup> As UC encompasses child tax credit, childcare costs and housing benefit, and may disincentive 'second earners' (who are mainly women) from entering into the labour market, the implications of single household payments are grave for low-income women whose security is at risk.

Under the UK system, recipients of a joint UC award will be required to nominate who receives the payment at the outset of a claim. This does not account for the fact that financial decision-making takes place within the context of gendered power dynamics. The majority of jointly awarded 'out of work' benefits are claimed by men and assumptions that couples own, access and control joint banks accounts on an equal basis are unfounded.<sup>4</sup> Although the option to ask for alternative

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<sup>1</sup>JRF (2014) *Poverty through a gender lens: Evidence and policy review on gender and poverty*

<sup>2</sup>Engender (2015) *A widening gap: women and welfare reform*

<sup>3</sup>Research by Refuge shows that 89% of women experience financial abuse as part of their experience of domestic abuse. Refuge (2008) *What's yours is mine: The different forms of economic abuse and its impact on women and children experiencing domestic abuse.*

<sup>4</sup>Women's Budget Group (2011) *Welfare Reform Bill 2011: Universal Credit Payment issues* ("87 per cent of jobseekers allowance claims from someone with a partner, or a joint claim, are from a male claimant, and around 65 per cent of income support claims that include a dependent partner are by men. Some 81 per cent of guarantee pension credit claims in couples are made by men.")



payment arrangements does exist on paper,<sup>5</sup> this is not a realistic ‘choice’ for many women, especially those experiencing coercive control.<sup>6</sup>

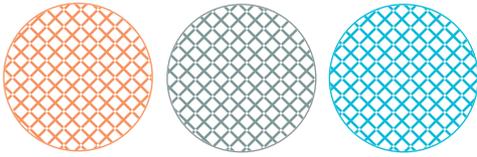
Single payment of UC will also undermine the ability to practise financial capability and other skills needed to move into paid work. This disadvantages women who are less likely to access other forms of income, including those who take extended periods of leave from paid employment in order to care for children and relatives.<sup>7</sup> Women already face multiple barriers which constrain their access to the labour market, and to financial independence; single payment of UC will be yet another addition to this.

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<sup>5</sup> DWP (2015) *Universal Credit: Personal budgeting support and alternative payment arrangements*

<sup>6</sup> Coercive control is a process used by the perpetrator to entrap his partner. Physical violence is used (or not) alongside a range of other tactics – isolation, degradation, mind-games, and the micro-regulation of everyday life (monitoring phone calls, dress, food consumption, social activity etc.)

<sup>7</sup> Women twice as likely to give up paid work in order to provide unpaid care for disabled, ill or older relatives, and four times as likely to give up paid work in order to provide ‘sandwich care’.



## 2. RIGHTS AND ENTITLEMENTS

In broad terms, it is a matter of principle that everyone should have access to an independent income. This is vital in ensuring that individuals are able to realise their human rights, including those to food, security and housing. The principles of universalism and individual entitlement that underpin the welfare state will be eroded by the policy of single household payments and other welfare reforms. As both partners will be liable for claimant commitments, and therefore the risk of sanctions, single payments will impose responsibilities without rights on those receiving joint awards. In practice, neither partner will have an independent income through UC, with entitlements depending entirely on the behaviour, actions and any fluctuating earnings of the other.

We should also be able to manage relationships and household affairs without major intervention from the government. It is wholly inappropriate that the state should impose this level of control over household financial management. The policy of single payments is based on a projected nuclear family model that does not reflect reality, and the notion that couples budget in a prescriptive, uniform way. Such assumptions could lead to far-reaching ‘unintended’ consequences for couples and families, including in terms of cohabitation, reconciliation, new or transient couple relationships and child custody rights. Scottish Government has an opportunity to work through and take stock of these assumptions in developing its own policy for payment of UC.

The Scottish Government and Scottish Parliament are also obliged to protect individual rights set out in a suite of international human rights treaties. These include the UN Convention on disability rights (CRPD),<sup>8</sup> which states that policies should have “respect for inherent dignity, individual autonomy including the freedom to make one’s own choices, and independence of persons”, the UN Convention on children’s rights,<sup>9</sup> and the UN Convention on women’s rights (CEDAW). In 2013, the CEDAW committee recommended that the UK take action to prevent the potential harm to women caused by household payments of Universal Credit in its ‘concluding observations’ on its examination of the UK.<sup>10</sup>

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<sup>8</sup> UN Convention on the Rights of Persons with Disabilities (UNRPD)

<sup>9</sup> UN Convention on the Rights of the Child (UNRC)

<sup>10</sup> UN Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW); CEDAW (2013) Concluding observations on the seventh periodic report of the United Kingdom of Great Britain and Northern Ireland



### 3. INTERSECTIONALITY

Women who face multiple discrimination across society are at particular risk of harm from single household payments of UC. The UK policy will not only serve to entrench gender inequality, but to compound the multiple inequalities experienced by disabled women, young women, minority ethnic women, refugee women and unpaid carers, all of whom have less access to income than others as a result of additional barriers and layers of disadvantage.

#### Refugee women

For many refugee women, a single joint payment would exacerbate the dependency that is already built into the current asylum and refugee family reunion processes. For many women, their eligibility to remain in the UK is dependent upon a male head of household or refugee sponsor. Many women who seek asylum with a spouse or partner, will remain largely invisible as a 'dependent' on the male 'head of household's' asylum claim, and will face further challenges in registering for and receiving social security entitlements if recognised as refugees and granted leave to remain. Universal Credit does not yet apply to refugee women, but once it does a single joint payment for Universal Credit would increase this dependency, further restricting women's financial autonomy and independence.

#### Disabled women

Systemic barriers to economic resources are also amplified for disabled women. In addition to the exclusion experienced by all disabled people, many disabled women struggle to access childcare and experience discrimination and stereotyping in the labour market on account of their gender.<sup>11</sup> Around half of disabled women experience domestic abuse in their lifetime, compared with one in four non-disabled women.<sup>12</sup> These issues are reflected in an average pay gap of 22% compared with non-disabled men, (as opposed to 11% for disabled men).<sup>13</sup> Many disabled women report that partners control their access to benefits and that this increases their isolation.<sup>14</sup> On top of this, thousands of women will lose

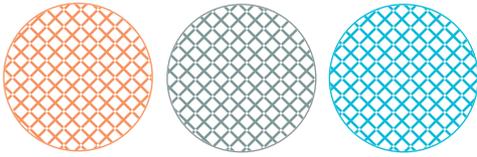
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<sup>11</sup> Engender, Inclusion Scotland and SDEF disabled women's discussion forums, 2013 - 2015

<sup>12</sup> Women's Aid (2007) *Disabled women and domestic violence: Making the links*

<sup>13</sup> EHRC (2010) *How fair is Britain? The first triennial review*

<sup>14</sup> TUC and Women's Aid (2015) *Unequal, Trapped and Controlled: Women's experiences of financial abuse and potential implications for Universal Credit*



disability benefits as Personal Independence Payment is rolled out across the UK and Employment Support Allowance is replaced with Universal Credit. Maintaining individual entitlements for these women in Scotland, in the form of split payments, would reduce the likelihood of abuse and militate against some of these challenges and inequalities.

### **Unpaid carers**

Unpaid carers also have severely limited access to independent income. Around 70% of all unpaid care work is undertaken by women,<sup>15</sup> who are twice as likely as men to give up paid work in order to care for disabled or older relatives, and four times as likely to give up paid work in order to provide ‘sandwich’ care.<sup>16</sup> Universal Credit includes additions for caring, yet with a single household payment, carers may have no access to income aimed at reflecting their caring role and the impact it has on their ability to access paid work. There are also key issues around charges for non-residential social care services. Carers may find that all of their joint household income is taken into account during financial assessment, but there is no guidance on how a single payment of Universal Credit will be treated for this purpose. The National Carers Strategy for Scotland recognises that carers, whatever their circumstances, should be able to enjoy the same opportunities in life as people without caring responsibilities and be able to achieve their full potential as citizens. Access to independent income is a key element of making

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<sup>15</sup> Skills for Care (2012) *Carers Matter – Everybody’s business*

<sup>16</sup> Carers UK (2012) *Sandwich caring: Combining childcare with caring for older or disabled relatives*



this possible.

## 4. CHILD POVERTY

The links between women's access to income and child poverty are also well established.<sup>17</sup> Women still predominate as main carers and managers of household budgets, and tend to spend more on children's wellbeing. The 'male breadwinner' notion that women's personal spending includes expenditure on children and the household, whereas men rightfully deserve to spend on themselves, also still endures.<sup>18</sup> Without suggesting that women should be undertaking these roles, there is a risk that limiting women's access to household budgets will have a negative impact on child poverty. Again, women from minority ethnic communities, refugee women, disabled women, women experiencing domestic abuse and their children may be at particular risk.<sup>19</sup>

There is also evidence to suggest that spending on children is linked to benefits that are labelled for that purpose. Currently child tax credit and childcare cost elements of working tax credit are paid to the main carer. The respective elements of Universal Credit, however, are not itemised beyond the initial payment. Women who qualify for child elements of UC will face restricted transparency and control over budgeting for their children.

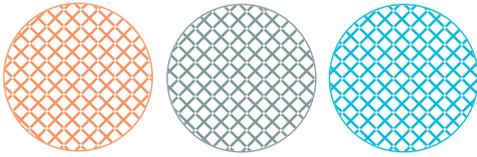
This could be addressed in a split payment system which allocates benefits related to children to the lead carer. Likewise, where criteria or responsibility for other elements, such as disability, housing and caring, are met by one individual, the given amount should be dispersed accordingly. The remainder could then be split equally between members of a couple, with the option to nominate an alternative payment agreement. We urge Scottish Government to explore how this might work best in Scotland, in place of single household payments as the

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<sup>17</sup> Women's Budget Group (2005) *Women and children's poverty: Making the links*

<sup>18</sup> Women's Budget Group (2011) *Welfare Reform Bill 2011: Universal Credit payment issues*

<sup>19</sup> Oxfam (2011) *Exploring BME maternal poverty*; Refugee Council (2012) *The experiences of refugee women in the UK*; Save the Children (2009) *Taking a closer look: Child poverty and disability*



default approach.

## 5. POLITICAL COMMITMENTS AND DISCOURSE

Scottish Government has recently committed to increasing social justice and advancing equality in a range of strategies and forums. The Draft Budget for 2016-17 commits to using new powers over social security to tackle inequality, the updated Government Economic Strategy prioritises tackling inequality as one of two main economic goals and the Fairer Scotland dialogue has sought to hear from a wide range of people, with a view to developing a new, high-level social justice action plan.

### Fairer Scotland

Women's organisations came together to contribute to Fairer Scotland, by facilitating a series of workshops about new social security powers with women who have experience of the system.<sup>20</sup> During respective sessions with women who have used employment services and women who have experienced domestic abuse, there was unanimous agreement that single payment of Universal Credit would make Scotland less fair. Many women expressed shock at the prospect and extreme concern about the implications for themselves and their children.

### Cross-party support

In line with this reaction, there has been wide political consensus behind the principle of splitting Universal Credit payments in Scotland. Following Scottish Government analysis describing the negative impact of single payments on women's independent income,<sup>21</sup> the white paper *Scotland's Future* committed to restoring individual support in an independent Scotland.<sup>22</sup> The recent Scottish Parliament Welfare Reform Committee's inquiry on 'women and welfare'<sup>23</sup> concluded that: "The Committee would support a move away from monthly payments and single household payments [...] This will be an essential tool in preserving women's financial autonomy, ability to budget and to provide for their

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<sup>20</sup> Partnering organisations were Engender, Scottish Women's Aid, Close the Gap, Scottish Refugee Council, and Carers Scotland

<sup>21</sup> Scottish Government (2013) *The gender impact of welfare reform*

<sup>22</sup> Scottish Government (2013) *Scotland's Future*

<sup>23</sup> Having taken evidence, the committee renamed its inquiry 'women and social security.'

<sup>24</sup> The Conservative member, Annabelle Goldie, dissented from this recommendation



children”<sup>24</sup>

## Wider policy landscape

Nor does the UK policy of single payments align with the wider policy landscape in Scotland. The Scottish Government is committed to an explicit rights-based approach in various national strategies and frameworks, to implement Scotland’s National Action Plan for Human Rights,<sup>25</sup> and to fulfil the obligations of the international treaties to which the UK is a signatory. It has also guaranteed that it will block any attempt by the UK to repeal the Human Rights Act. In its examination of the UK in 2013, the UN women’s rights committee concluded that single payment of Universal Credit may increase financial abuse due to power imbalances in the family and recommended action to prevent the exploitation of the Universal Credit by abusive male partners. Restrictions on access to individual income also contradict Scottish Government’s national outcomes which aim to empower citizens of Scotland, and national health and wellbeing outcomes which aim to reduce health inequalities.

## New powers

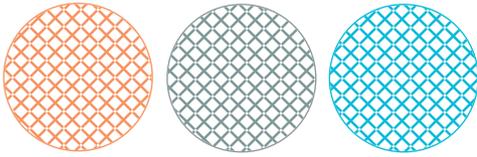
In 2015, Scottish Government published a set of principles which will guide use of newly devolved powers over social security. However, default single household payments of Universal Credit would be inconsistent with these.<sup>26</sup> They would not support investment in people on an equal basis, respect the dignity of individuals, or put the ‘user experience’ first. Nor are they consistent with Scottish Government’s existing commitments and respective strategies to advance gender equality. This policy incoherence would also undermine the principle of efficiency and value for money, as well as progress against ministerial priorities to improve women’s employment, tackle violence against women and reduce child poverty.

The announcement of a new social security agency for Scotland, in March 2016,

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<sup>25</sup> These include National Health and Wellbeing Outcomes, the Healthcare quality strategy for NHS Scotland, Getting it Right for Every Child, and the Child Poverty Strategy 2014-17

<sup>26</sup> 1. Social security is an investment in the people of Scotland; 2. Respect for the dignity of individuals is at the heart of everything we do; 3. Our processes and services will be evidence-based and designed with the people of Scotland; 4. We will strive for continuous improvement in all our policies, processes and systems, putting the user experience first; 5. We will demonstrate that our services are efficient and value for money.



reiterated these commitments to fairness, equality, dignity and respect.

“Our new Scottish social security agency will be the flagship organisation that oversees the delivery of benefits in Scotland. It will be underpinned by our commitment to principles that will treat people with dignity and respect. We want to take a fairer approach to social security that tackles inequalities.”<sup>27</sup>

These goals and ambitions will be undermined before the agency has even been established if the Scottish Government chooses not to guarantee individual entitlements with default split payments of Universal Credit.

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<sup>27</sup> Scottish Government press release: <http://news.scotland.gov.uk/News/New-benefits-agency-for-Scotland-2335.aspx> (accessed 7/3/16)



## 6. Conclusion

The Scottish Government has an opportunity to practise equality with new powers over the administration of Universal Credit. There is a wealth of evidence and analysis that demonstrates why women's economic inequality would be exacerbated by a single payment structure, and sets out the implications for low-income women and their children.<sup>28</sup> The UK policy of single household payments of UC should not be the default option in Scotland. Nor should the 'choice' to opt for split payments, on grounds that this would increase risk of abuse and that individuals could equally choose to pool resources under an individual payment structure. Rather, anticipated adverse impacts on equality, human rights protection and poverty reduction, should dictate development of a distinct approach that supports Scottish Government's social justice objectives and protects individual rights and entitlements.

The Scottish Government also has a broad range of existing commitments to advance gender equality and the First Minister has pledged to make meaningful strides against these. A divergent approach from the UK on payment of Universal Credit would demonstrate that Scottish Government is prepared to take decisive action in line with these commitments. Conversely, evidence shows that a gender-blind policy approach will not improve women's lives. As part of the policy development process, we are calling on Scottish Government to ensure that a robust Equality Impact Assessment regarding the options for administration of Universal Credit in Scotland is undertaken.

Women and men should have equal access to and responsibility over resources. Engender and a number of equalities organisations supported Scottish Government over the prospective devolution of social security to the Scottish Parliament, because of the scope within new powers to deliver this, and because of stated policy direction around social justice, fairness and equality.

We are now calling for this policy discourse to be realised in practice for women and other marginalised groups in Scotland, with the introduction of default split payments of Universal Credit.

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<sup>28</sup> Women's Budget Group (2011) *Welfare Reform Bill 2011: Universal Credit payment issues*; Women's Budget Group (2011) *Universal Credit: Payment to joint claimants*; TUC and Women's Aid (2015) *Unequal, Trapped and Controlled: Women's experiences of financial abuse and potential implications for Universal Credit*



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