



UK Joint Committee on Women response to

European Women's Lobby consultation on 2013 NRP engagement

1.0 Background

UKJCW has been asked to respond to European Women's Lobby to provide comment on the engagement and outcome with the 2013 National Reform Programme.

This paper answers the questions communicated by European Women's Lobby on 11 February 2014. These are thematic, and cover the gender pay gap, the pension gap, migrant women, and women as 'second earners'.

2.0 The gender pay gap

Question 1: To what extent did the 2013 country-specific recommendations (CSRs) address the gender pay gap, directly or indirectly.

The country-specific recommendations are weakly gendered, as in all previous years, and the gender pay gap is not specifically referred to.

Should the CSRs be implemented, the impact on the gender pay gap would be mixed. Recommendation 3, which calls on the UK Government to "increase the quality and duration of [modern] apprenticeships" has the potential to have a negative impact on the pay gap, because of entrenched gender segregation within the different modern apprenticeship programmes that operate across the four nations of the UK. Male-dominated apprenticeships attract a higher rate of pay, and the pay gap for participants in the modern apprenticeship programme is higher than for people of the same age who are employed outwith the programme. Completion of female-dominated apprenticeships in administration, retail, and care, does not result in increased pay. Completion of male-dominated apprenticeships in the skilled trades and engineering results in a significant increase in pay.

Recommendation 4 calls on the UK Government to "accelerate the implementation of planned measures to reduce the costs of childcare and improve its quality and availability". There are, in fact, divergent proposals for funding childcare delivery across the four nations of the UK, with some models less likely to meet the high demand for low-cost, quality childcare that would enable women to participate in the labour market. There is concern across the UK among gender advocates that expanding the provision of childcare without addressing the systemic undervaluation of childcare work will have a neutral or negative impact on gender pay gap, or narrow it at the expense of working-class women.

Recommendation 4 also calls on the UK Government to “support low-income households and reduce child poverty by ensuring that the Universal Credit and other welfare reforms deliver a fair tax-benefit system with clearer work incentives and support services”. Gender advocates are clear that tackling child poverty requires a gendered approach that recognises that child poverty is caused in large part by women’s poverty, and designs social security systems that are gendered. Women’s organisations across the UK have critiqued the proposals for Universal Credit and their impact on women and on families headed by single mothers. We would welcome a transformation of social security that recognised it as investment in wellbeing along the life course. There is no evidence that the CSR is intended to suggest such an approach.

Recommendation 5 calls on the UK Government to “improve the availability of bank and non-bank financing to the corporate sector [...] especially SMEs”. The mechanisms for investment channelled through economic development agencies and similar bodies are entirely gender-blind. Advocates for women’s entrepreneurship have called for investment programmes that recognise the industrial segregation within women’s businesses, and women’s lower uptake of business support services, and to develop a strategic approach to facilitate women to start businesses at the rate they do in other states. There is no evidence that this call has been acknowledged in this CSR. Continuing to invest in predominantly male-owned start-ups and growth businesses is likely to widen the gender income gap.

Question 2: Have any reforms / actions not mentioned in the 2013 CSRS which are expected to influence the gender pay gap (positively or negatively) recently been introduced in your country?

The current UK Government has signalled that it does not wish to take any further legislative or regulatory action on the gender pay gap, per se. It promotes a voluntary approach for businesses, called *Think, Report, Act* and has introduced weaker regulatory mechanisms for England with regard to equal pay and the public sector equality than have devolved administrations in Wales and Scotland. (Northern Ireland is covered by a separate duty.)

Two UN Committees, the Committee on Economic, Cultural, and Social Rights in 2009, and the Committee for the Elimination of all forms of Discrimination against Women in 2013, have required the UK to review the action it is taking to close the pay gap, and to take specific and concrete steps to reduce occupational segregation, increase flexible working, and, ensure that the regulation on public authorities is appropriate to require them to deliver equal pay.

There has been no substantive UK Government response to these concluding observations, or to widespread concerns about the impact of austerity economic policies on women’s income. It would be wrong, however, to say that nothing positive is happening across the UK. Many of the causes underpinning the pay gap are within the scope of the devolution

settlements of Scotland, Wales, and Northern Ireland. Some or all of these nations have competence for education, skills, economic development, and programme spend on equalities and skills utilisation programmes. They are also responsible, to one degree or another, for public sector employment.

The Scottish Government, in partnership with the Scottish Trades Union Congress, held a summit on women's employment in 2012. It established a number of commissions on issues including childcare, data, occupational segregation, women's enterprise, and employability, which will make recommendations to Scottish Ministers.

In Wales, no specific information was available to the author at the time of writing. This will be forwarded to the Lobby.

In Northern Ireland, In Northern Ireland, the Department for Employment and Learning is implementing a strategy, Success through STEM.

Question 3: Taking into consideration the specific situation of your country, which reforms or actions do you consider are the most crucial right now to reduce the gender pay gap?

Women's did not experience labour market equality before the austerity policies that followed the 2009 recession. The policies of 'welfare reform' and reduced public spending have, inter alia, weakened women's labour market attachment and restrained women's pay and income.

UKJCW's recommendations rehearse those made in previous years, all of which are essential if the focus on economic growth by the European semester is not to entrench women's economic disadvantage.

Recommendations:

- Include an equality statement when setting out the budget for 2015/16 and beyond, identifying the differential impact of the budget on women and men, and describing any policy changes made to mitigate the negative impacts on women and men. This will include modelling the impact of 'growth-enhancing expenditure' on women and men's participation in the labour market.
- Ensure that intermediate skills programmes operating in different countries within the UK aiming to improve the skills of young people, like the Modern Apprenticeship programmes, are militating against gendered occupational segregation, and not entrenching it at a cost to the public purse.
- Address the gendered barriers to women's full labour market participation, and particularly the labour market participation of single parents. Provide sufficient and good-quality childcare, using a funding model that does not displace out-of-work poverty by increasing the in-work poverty of childcare workers.

- Gender-impact assess all recommendations, the welfare reforms and the impact of the UK budgetary cuts both directly and indirectly on women. Commit to monitor the impact of said changes and report annually on the impact on women specifically.
- Investigate the impact of the fiscal measures on the third sector and publically report on and address in order to ensure on-going support for organisations supporting women.
- Ensure that state-supported non-bank financing for SMEs provides accessible capital to women-owned businesses, and that female entrepreneurs are adequately supported by business support services.
- Ensure equality of the fiscal measures to support the development of business. Assess the support given to SMEs in relation to gender -i.e. ownership and employment by and of women/men be assessed to ensure fair distribution of support.

3.0 The pension gap

Question 4: To what extent did the 2013 CSRs address the gender pension gap, directly or indirectly?

There is no mention of the gender pension gap in the 2013 CSRs, nor any mention of older people or pensions at all.

Question 5: Have any reforms / actions not mentioned in the 2013 CSRs which are expected to influence the gender pension gap (positive or negatively) recent been introduced in your country?

Legislation was agreed back in 1995 to gradually increase women's State Pension Age from 60 to 65 over a 10-year period starting in April 2010.

The Pensions Act 2011 speeds up that process so women's State Pension Age will now reach 65 by November 2018 and then State Pension Age for both men and women will increase to 66 by October 2020.

Other legislation increases State Pension Age to 68 by 2046 but the Government has announced that it wants this increase to happen faster.

The Government plans to increase State Pension Age from 66 to 67 between 2024 and 2026. The Government also intends to introduce automatic reviews of State Pension Age every 5 years with the first review planned to take place in 2017.

Gender advocates are profoundly concerned about the impact of these changes on women's pensions, and particularly some cohorts of women who are affected by a number of pension policies, including previous regulations that allowed women to waive payment of contributions to their state pension on the assumption that they would share their husband's.

Question 6: Taking into consideration the specific situation of your country, which reforms of actions do you consider are the most crucial right now to reduce the gender pension gap?

Pensions are affected by workplace policy and by social security policy. Workplace and economic development interventions are set out above. With regards to social security policy, the debate at UK level has contained criticism of the fact that pensioners have 'escaped' the significant worsening of social security measures occasioned by 'welfare reform'.

It is difficult to set out a series of policy asks that would mitigate women's pension poverty, because such a goal sits entirely outwith the current UK Government analysis of public expenditure and social security. Alleviating women's pension poverty requires that social security in the UK be reinvisioned as an investment in wellbeing. A procedural step towards such a goal would be conducting an equality impact assessment on each piece of pensions reform policy.

4.0 Migrant women

Question 7: To what extent did the 2013 CSRs address the situation of migrant women in the labour market, directly or indirectly?

The CSRs made no explicit mention of migrant women, or migrant people more generally.

Recommendation 4 also calls on the UK Government to "support low-income households and reduce child poverty by ensuring that the Universal Credit and other welfare reforms deliver a fair tax-benefit system with clearer work incentives and support services". The rationale behind Universal Credit (UC) is to increase incentives to enter the labour market and to reduce in-work poverty. Its aim is to "make work pay", even if that work consists of a very small number of hours each month. This is not intrinsically a bad thing, and women's organisations have long called for increased flexibility in social security that would enable women to balance unpaid work and care.

However, the design of Universal Credit is poor, in that it fails to take account of gendered patterns of care and employment. The design of the earnings disregard means that it fails in its core objective, and will not "make work pay" for many lone mothers and second earners. Universal Credit is also likely to reduce women's access to income, even if the level of income for the family is sustained. The household payment will be paid to one individual, on a monthly basis, and this is projected to reduce women's economic autonomy as well as placing significant pressure on household budgets. In addition to its fundamental design flaws, the process of applying for, and managing, Universal Credit has been widely criticised. The only way of making an application is by digital access, which is particularly challenging for many groups of women, including migrant women. Some groups of migrant women have

less access to IT resources, and have poorer English language skills. The Universal Credit process is complex and is not available in other languages.

Question 8: Have any reforms / actions not mentioned in the 2013 CSRs which are expected to influence migrant women (positively or negatively) recent been introduced in your country?

The UK Government has taken a relentlessly anti-immigration approach over the period since the last CSRs were issued. It has increased document-checking of those suspected to be migrants, and mounted a public campaign to tell undocumented migrants to “go home”. Although these practices have now ended, the public discourse around immigration and asylum is negative.

The UK’s approach is not entirely congruent with the attitudes taken within the devolved nations, but immigration law and policy is entirely within the competence of the UK Government.

Question 9: Taking into consideration the specific situation of your country, which reforms or actions do you consider are the most crucial right now to improve the situation of migrant women in the labour market?

- Adequate English as a second language (ESOL) training, that is culturally and practically accessible to migrant women.
- Creation of employability services that are culturally and practically accessible to migrant women.
- Work-experience programmes for migrant women, that enable women to familiarise themselves with the work culture of the UK.

5.0 Women as ‘second earners’

Question 10: To what extent did the 2013 CSRs address the issue of individualisation vs family-based taxation and social benefits, directly or indirectly?

The CSRs do not contain an explicit mention of the issue of individualisation vs family-based taxation and social benefits.

Recommendation 4 also calls on the UK Government to “support low-income households and reduce child poverty by ensuring that the Universal Credit and other welfare reforms deliver a fair tax-benefit system with clearer work incentives and support services”.

Universal Credit is designed to move from individualisation to family-based social benefits. It is paid, monthly, to one named individual within a family, and ‘rolls up’ all of the benefits that the family receives. It also includes housing benefit, rather than paying this to the

landlord directly. The familialisation of Universal Credit has been widely criticised by gender advocates.

Question 11: Have any reforms / actions not mentioned in the 2013 CSRs which are expected to influence women's 'second earner' status (positively or negatively) recently been introduced in your country?

Familialisation is one characteristic of the broad sweep of 'welfare reform'. For the first time since its introduction in 1945, child benefit is means tested, and it not paid to mothers whose partners earn over a certain threshold. This ignores child benefit's role in providing a small amount of financial autonomy to women, and in ensuring that children receive all of the goods and services that they require.

The UK Government has introduced a marriage tax allowance, which enables transfers of allowances from a stay-at-home parent married to a parent participating in the formal labour market.

Question 12: Taking into consideration the specific situation of your country, which reforms or actions do you consider are the most crucial right now to improve women's rights to be seen as individual workers and citizens in the areas of taxation and social benefits?

- The introduction of good quality, low cost childcare.
- Rolling back of Universal Credit, still in pilot testing phase, and other 'welfare reform'.

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