

Welfare Reform Committee debate on Welfare Reform and the Smith Commission

ENGENDER BRIEFING

Since 2010, 85% of cuts to benefits, tax credits, pay and pensions have been taken from women's incomes. Together with recent announcements in the Autumn Statement, this amounts to £22 billion from a total £26 billion.¹

1. INTRODUCTION

Tackling women's economic inequality within the social security system is a key pillar of Engender's work. We have called on the Scottish and UK Governments to address the enormous gender impact of 'welfare reform'² and we called for wholesale devolution of the social security system in our submission to the Smith Commission.³ We are disappointed by the recommendations set out in the Commission's report, which will see a number of key powers to tackle gender inequality remain reserved. The complicated division of responsibility could lead to a lack of coherence, as effectively addressing issues of systemic inequality necessitates a holistic approach. Great care will be needed as these recommendations are developed, to ensure that additional pressures are not heaped on those most affected by 'welfare reform', an enormous number of whom are women.

We are also concerned about the degree to which the cumulative impact on women has been assessed. Cuts announced in the recent UK Government Autumn Statement have further skewed the gender profile of 'welfare reform', with 85% of total projected 'savings' now coming from women's incomes. This is indicative of the degree to which women's lives are profoundly affected by changes to the welfare system and it is clear that gender must be carefully considered throughout the process of its piecemeal devolution.

However, the recommendations do provide some scope to redress gender inequalities at the heart of the social security system and to more effectively mitigate 'welfare reform' with the basket of payments to be devolved. Benefits relating to care, disability, children and housing are all extremely gendered and could be delivered within a framework that takes stock of women's experiences of the labour market, caring roles, domestic abuse and discrimination, and is also strategically linked to relevant policy areas such as women's

¹ House of Commons Library (forthcoming)

² Engender (2014) [Gender and 'welfare reform' in Scotland: A joint position paper](#)

³ Engender (2014) [Engender submission to the Smith Commission on devolution](#)

employment and anti-poverty strategies. The powers to vary the frequency and recipient of Universal Credit payments, and housing costs within Universal Credit also have serious implications for women's financial autonomy and physical safety. Meanwhile, the ability to create new benefits and discretionary payments, and to top-up the rate of devolved benefits could, in theory, have a positive impact on women and children's poverty.

2. GENDER INEQUALITY

Women are significantly more reliant on the welfare system, with benefits comprising 20% of the average woman's income, compared to 10% for men in the UK.⁴ In parallel, due to caring roles and gender segregation, women are more reliant on key public services and routinely bear the brunt of public spending cuts. Forthcoming analysis by the House of Commons Library shows that of the £26bn raised in changes to taxes and benefits since 2010, £22bn will be paid by women and £4bn by men.

This is explained by existing inequality. Women have fewer financial assets and less access to occupational pensions than men and the gender pay gap in Scotland (13% for full-time work and 34% for part-time work),⁵ signifies persistent and widespread differences in women's experience of the labour market. A key reason for this disadvantage is gender roles within the home. Women's unpaid care and reproductive work props up the so-called 'real' economy, yet it is economically and culturally undervalued and the 'motherhood penalty' and 'carers' penalty' see women's career progression and earning potential undermined. This profile is the result of entrenched structures that limit women's access to resources, decision-making and physical safety.

The UK's social security system is a facet of this, as demonstrated by the highly gendered impact of 'welfare reform', which is seeing women and their children at increased risk of poverty, abuse, violence and physical and mental health issues. Disabled, BME, refugee and older women, lone mothers and carers are at risk of multiple discrimination and are particularly vulnerable to harm. Where women's disposable income is reduced, spending on children decreases and links between women's and child poverty are widely recognised.⁶

The Scottish Government and Scottish Parliament must therefore use the opportunity of new powers over social security, to ensure that these patterns are redressed where possible. Broadly, gender should be mainstreamed in the establishment of any new structures, and the delivery and administration of all benefits. Policy coherence with the Scottish Government's wide range of existing commitments on gender equality will also be crucial. Specifically, the thematic gendered dynamics outlined below should be brought to the fore in any change processes and in development of delivery mechanisms. Gender-blind policymaking and services contribute to institutional sexism, by sweeping inequality and discrimination under the carpet. A gendered approach throughout all aspects of this

⁴ Fawcett Society (2006) *Who benefits? A gender analysis of the UK benefits and tax credit system*

⁵ ONS (2014) *Annual Survey of Household Earnings*

⁶ Women's Budget Group (2005) *Making the links: Women's and children's poverty*

process, from principles underpinning the legislation, to gender-sensitive advice and support services, will be vital if Scotland is to avoid replicating gender inequality with its increased control over welfare.

3. DISABILITY AND CARE

The devolution of Attendance Allowance, Carer's Allowance, Disability Living Allowance (DLA) and Personal Independence Payment (PIP) is pertinent in a number of key ways. Disabled women are amongst the very hardest hit by welfare reform and disabled women face particular challenges on account of their gender. In addition to the direct loss of support in the shift to PIP, many other benefit cuts will have a disproportionate impact on disabled women, who are less likely to be in full-time employment than non-disabled people. Disabled men experience a pay gap of 11% compared with non-disabled men, but for disabled women, who are less likely to be in full-time employment, this is doubled at 22%.⁷ Analysis suggests that claimants are simply being moved from Employment and Support Allowance to the cheaper Jobseekers' Allowance.⁸ Access to employment is hugely limited for disabled women, due to discrimination, stigma and public attitudes.

Women are also impacted by spending on disability issues as carers for disabled children and relatives, as under-paid care professionals whose incomes will be affected by changes to personal independence payments, and as lone mothers. Women comprise nearly 60% of care providers within the home and 64% of care providers in the wider community, and both paid and unpaid carers face loss of linked entitlements and job insecurity. Female carers are twice as likely to be in receipt of Carers' Allowance as men.⁹

As Scotland's population, demography and families change, the need for unpaid care will increase and, without major change, this will fall predominantly to women. A great many women juggle multiple responsibilities, including more than one 'mini job' or jobseeking commitments with care for family members. This is highly stressful and results in 'time poverty' that significantly compromises wellbeing. We know that women tend to be 'poverty managers' within the household and often put health needs of other family members before their own.¹⁰

4. CHILDCARE

The devolution of the Sure Start Maternity Grant is also relevant for a number of reasons. Changes to child benefit, the childcare element of working tax credit, income support, and Sure Start maternity grants, are pushing women with very young children into stressful and unrealistic job-seeking activities, remove the sole source of independent income from women with high-earning partners, and reduce access to childcare for low-income families. Although child benefit and other child-related benefits within Universal Credit remain

⁷ EHRC (2009) *Pay gaps across equality strands: a review*

⁸ Inclusion Scotland (2011) *Welfare reform briefing*

⁹ DWP (2013) *Works & Pensions Longitudinal Study* (13.9% of female carers, 6.6% of male carers.)

¹⁰ WiSE and Save the Children (2012) *Child Poverty and Mothers' Employment Patterns – Exploring Trends*

reserved, these dynamics will continue to have a major impact on devolved aspects of the system, and the Sure Start maternity grant is a key benefit for women.

Access to childcare has a profound impact on women's labour market participation and lone mothers are particularly at-risk of increased poverty. 92% of lone parents are women, and women make up 95% of lone parents dependent on Income Support.¹¹ Lack of certainty about how the combined policy changes will affect their families is causing escalating mental health problems and stress for many lone parent families. In particular, the threat of sanctions and earlier transition to Jobseekers' Allowance (when the youngest child is five years old, rather than seven) is placing great strain on women.

5. HOUSING

The devolution of Discretionary Housing Payments, the power to vary housing cost elements of Universal Credit and the power to vary plans regarding payment of Universal Credit could all have a significant impact on women in Scotland. However, any progressive change would be implemented in the context of cuts to Housing Benefit, which have cost women £2.3bn, as opposed to £1.5bn for men.¹²

Women experiencing domestic abuse face considerable barriers when trying to leave an abusive partner. Access to financial support and housing are crucial, and 'welfare reform' is impacting adversely on women's ability to maintain financial independence and to be safely rehoused. Existing plans for a single, monthly household payment under Universal Credit will increase financial dependency and place women and their children experiencing domestic abuse at increased risk. Research by Refuge found that 89% of the women they surveyed experienced financial abuse as part of their experience of domestic abuse.¹³ The Scottish Government therefore has a vital opportunity to help redress this with administrative power over Universal Credit payments.

The changes to the way that housing is supported could also have a serious impact on women escaping an abusive partner. Domestic abuse is a major cause of homelessness for women and is the fourth most common reason given for a homeless application in Scotland. The 'bedroom tax' reduces women's ability to establish a new tenancy due to the lack of availability of suitably sized accommodation. It is causing bottlenecks in refuges and preventing women and children getting safe accommodation and support.¹⁴

¹¹ Engender (2012) *Multiple Jeopardy: The impacts of the UK Government's proposed welfare reform on women in Scotland*

¹² House of Commons Library (forthcoming)

¹³ Refuge (2008) *'What's yours is mine': The different forms of economic abuse and its impact on women and children experiencing domestic violence*

¹⁴ Scottish Women's Aid (2012) *Measuring the impact of funding cuts on domestic abuse services for women and children in Scotland*

6. RECOMMENDATIONS

We are calling on the Scottish Parliament to ensure that gender is mainstreamed in the implementation of the Smith Commission's recommendations. In light of the gender discrimination outlined above, we are specifically calling for:

- Gender equality to be included as an underpinning principle in legislation devolving new powers to the Scottish Parliament.
- A cumulative equality impact assessment, including an assessment of the impact on women, to form part of the development process.
- Devolution of existing benefits to actively seek to redress the gender discrimination within the current system
- Devolution of existing benefits to be strategically and practically linked to existing Scottish Government policy that aims to tackle gender inequality.
- Over time, the powers to create new benefits and to top-up existing benefits to be used to increase women's incomes and reduce vulnerability to future policy changes.

For further information please contact Jill Wood, Policy Manager, Engender

Jill.Wood@Engender.org.uk 07889 805 787

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 that seek to achieve gender equality and justice.