

## Engender Parliamentary Briefing: Universal Credit

### INTRODUCTION

Engender welcomes this Scottish Parliament debate on **universal credit, the two-child limit and the benefit cap**. As a women's equality and rights policy advocacy organisation, we are acutely concerned by the ways in which changes to the tax and benefit system over the 'decade of austerity' have worked together to entrench and deepen women's poverty and undermine their safety and their human rights. 86% of net 'savings' between 2010 and 2020 will come from women's incomes, pensions, and services.

Engender has been engaged in questions surrounding 'welfare' reform for nearly ten years, highlighting the negative impact of UK Government's programme of 'welfare reform' on women and women's equality in Scotland, and latterly on the gendered impacts of devolution of some elements of social security and the establishment of Social Security Scotland.<sup>1</sup> The design of social security and 'welfare reform' has a disproportionate impact on women, as women are twice as dependent on social security as men, with 20% of women's income coming from the benefits and tax credit system, compared with 10% of men's.<sup>2</sup> Losses in income are particularly acutely experienced by disabled, BME and refugee women, lone parents, unpaid carers and other marginalised groups who are at even greater risk of poverty and destitution.

**We fully support ending and substantively reforming the elements of the UK 'welfare' system which are having a harmful impact upon women across Scotland.** This briefing sets out the particular concerns and impacts of universal credit, the two-child limit and the benefits cap.

### 1. UNIVERSAL CREDIT ENTRENCHES WOMEN'S POVERTY AND INEQUALITY

Universal Credit (UC) has been described by third sector leaders as "**discrimination by design**"<sup>3</sup> and the UN's Special Rapporteur for Extreme Poverty suggested that "**if you got a group of misogynists together in a room and said 'how can we make a system that works for men but not women?' they wouldn't have come up with too many other ideas than what's in place**".<sup>4</sup>

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<sup>1</sup> See Engender (2015) Securing Women's Futures

<sup>2</sup> The Fawcett Society (2006) Who benefits? A gender analysis of the UK benefits and tax credit system

<sup>3</sup> CPAG (2018) "Something needs saying about universal credit and women – it is discrimination by design" <<https://cpag.org.uk/news-blogs/news-listings/something-needs-saying-about-universal-credit-and-women-%E2%80%93-it-discrimination>>

<sup>4</sup> The Telegraph "UK's welfare system is cruel and misogynistic, says UN expert after damning report on

This is because **system-wide design flaws and the way in which UC is being delivered embeds and deepens women’s inequality and insecurity**, including:

- The **five-week wait forces families into arrears** before they have received a single payment, and there is evidence that non-means tested benefits, including child benefit and Carer’s Allowance, are being used as a safety net.<sup>5</sup> As we know that women tend to act as ‘poverty managers’ within the household, going without food or essentials to ensure other family members have, this has serious implications for women’s health and wellbeing.<sup>6</sup> Flexibilities devolved under the Scotland Act 2016 (Scottish Choices) are only offered after the first assessment period.
- **UC reinforces an outdated male-breadwinner-female-carer model**. Disincentives for second earners, who are more likely to be women, limits the capacity of women to balance paid work with childcare roles. The design of the earnings disregard means that UC fails in its core objective, and will not “make work pay” for many lone mothers and second earners.<sup>7</sup> Because UC is inherently inflexible, the requirement to name one partner as the main carer in return for some very minor modifications to their conditionality requirements if they have very young children is coupled with the other partner being treated as if they have no children. This institutional entrenchment of women’s caring roles is made even worse by the frontloading of childcare costs within UC.
- **The principle of protecting primary carers from conditionality has particularly severe impact on lone-parent families**, 90% of which are women.<sup>8</sup> Lone parents have been one of the groups worst affected by the introduction of UC, with lost incomes amounting to around 25%.<sup>9</sup>

Engender’s assessment is that **these structural flaws within UC are so great that they cannot be fully addressed by mitigation programmes**. We also urge Scotland to do all it can to reduce the compounding impact of ‘welfare reform’ on women’s poverty.

## **2. THE SINGLE HOUSEHOLD PAYMENT UNDERMINES EQUALITY WITHIN A COUPLE AND PUTS WOMEN AT RISK OF ABUSE**

Engender has consistently argued that the **single household payment of UC entrenches inequality between partners in a relationship, is a regression in women’s right to an**

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poverty” < <https://www.telegraph.co.uk/news/2018/11/16/welfare-system-cruel-misogynistic-un-expert-warnsdamning-report/>>

<sup>5</sup> Women’s Budget Group (2019) Women’s Budget Group submission to Labour National Policy Forum: Rebuilding a just social security system

<sup>6</sup> WiSE and Save the Children (2012) Child Poverty and Mothers’ Employment Patterns – Exploring Trends

<sup>7</sup> Fawcett Society (2014) The Changing Labour Market 2: Women, low pay and gender equality in the emerging recovery; Engender (2015) Securing Women’s Futures

<sup>8</sup> Citizens Advice Bureau (2015) Citizens Impact Assessment: Lowering the Benefit Cap

<sup>9</sup> Equality and Human Rights Commission (2018) The cumulative impact of tax and welfare reforms

**individual adequate standard of living, and puts women at an increased risk of domestic abuse and financial coercion by restricting access to resources.**<sup>10</sup>

**A single payment makes assumptions about the ways families manage household finances and ignores gendered dynamics within households and in the labour market.**

There is no evidence that couples own, access and control joint bank accounts on an equal basis and women are less likely to have access to other forms of income because of persistent barriers to paid work faced by women.<sup>11</sup> The single payment has disproportionate impact on disabled women, young women, minority ethnic women, refugee women and unpaid carers, all of whom have less access to income as a result of additional barriers and layers of disadvantage.<sup>12</sup>

**The single payment also consolidates autonomy over spending with one partner. We have serious concerns about the potential for single payments to compound the risks of financial abuse faced by women,** recognised by the House of Commons Work and Pensions Committee.<sup>13</sup> The UK Government's belief that Alternative Payment Arrangements (APAs) can mitigate this risk is flawed. There is no possibility that an abusive partner would not know an APA had been made, and they may put women at increased risk.

The Scottish Government has now outlined its commitment to the introduction of individual payments on a number of occasions and in multiple formats, including the Social Security Act (Scotland) 2018.<sup>14</sup> It has formulated a policy objective which focuses on the need to increase equality within the welfare system and provide access to an independent income which reflects each individual's needs.

**While we continue to welcome this commitment and to work constructively with the Scottish Government to implement individual payments, it is frustrating that this process continues to move slowly,** with the UK Government at once entering into discussions and elsewhere highlighting the technical difficulties of implementation. The UN CEDAW Committee has also recommended that Scottish and UK Governments need to work together closely to implement individual payments as soon as possible to mitigate the effects for women and their families in Scotland to realise women's right to social security.<sup>15</sup>

Engender is clear that every individual should have the right to access the income which meets their needs, including entitlements to income designed to meet the costs of

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<sup>10</sup> Engender (2016) Gender Matters in Social Security: Individual Payments of Universal Credit

<sup>11</sup> Engender (2015) Securing Women's Futures

<sup>12</sup> Engender (2016) Securing Women's Futures

<sup>13</sup> House of Commons Work and Pensions Committee 2017-2019 (2017) Universal Credit and domestic abuse

<sup>14</sup> S94 (not in force). See also: Scottish Parliament Official Report, 7 March 2019, Minister for Older People and Equalities; Social Security (Scotland) Act 2018; Engender blog <<https://www.engender.org.uk/news/blog/success-scottish-government-commit-to-individual-payments-of-universal-credit/?>>

<sup>15</sup> Engender (2019) Engender Annotated Concluding Observations CEDAW 25 Scottish Parliament Official Report, 7 March 2019, Minister for Older People and Equalities

disability and childcare. **While it is incumbent upon the UK Government to make that change at source, we continue to press both the Scottish and UK Governments for further action to introduce individual payments in Scotland as soon as possible.**

### **3. THE TWO-CHILD LIMIT UNDERMINES REPRODUCTIVE RIGHTS AND PUNISHES WOMEN FOR DECISIONS ABOUT THEIR BODIES AND FAMILIES**

The family cap and its exemptions are designed to force families to make different reproductive choices in order to receive social security for each of their children. CPAG suggests that the **two-child limit represents a loss of up to £2,800 every year for each additional child.**<sup>16</sup> HMRC data shows that in the two years to April 2019, 8,540 families in Scotland were affected by the family cap.<sup>17</sup>

Evidence from the US experience of family caps in the 90s suggest they have no discernible impact on the number of children born to recipients of social security, while pushing families into deeper poverty.<sup>18</sup> Linking family size to income also frames children as a product of women's irresponsibility and inability to provide, ignoring the realities of women's fundamental rights to reproductive autonomy, religious and conscientious views on the use of contraception, the fallibility of contraception, and the unpredictability of bereavement, family breakdown, new relationships and blended families, and economic uncertainty. **Women have the right to make decisions about the size and spacing of their families for themselves, without coercion from the state.**

Engender has heard anecdotal evidence that the family cap is forcing women to terminate wanted pregnancies, which is a serious affront to human rights.<sup>19</sup> It ignores realities about women's choices in pregnancy - domestic abuse commonly includes elements of reproductive coercion. The two-child limit is likely to have a particular impact for minority ethnic women, women of some faiths, and refugee women, who are more likely to have three or more children.<sup>20</sup>

We welcome the UK Government's reversal of plans to extend the two-child limit retrospectively to children born before 2017.<sup>21</sup> However, this does not take away the hardship caused for women now and in the future, and falls far short of the UN CEDAW Committee's recommendations and the calls of women's organisations across the UK. More recently, the House of Commons Work and Pensions Committee has acknowledged the urgent need for the family cap to be removed, acknowledging that:

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<sup>16</sup> Child Poverty Action Group. (2017). Two-Child Limit for UC: 200,000 more children put in poverty.

<sup>17</sup> Child Tax Credit and UC claimants: statistics related to the policy to provide support for a maximum of two children, April 2019, July 2019

<sup>18</sup> Engender (2017) Parliamentary Briefing: Child Tax Credit and Child Element of Universal Credit

<sup>19</sup> Engender (2017) Parliamentary Briefing: Child Tax Credit and Child Element of Universal Credit

<sup>20</sup> Engender (2018) Engender submission of evidence on the two-child limit for Tax Credits & Universal Credit to the Scottish Parliament Social Security Committee

<sup>21</sup> UN CEDAW Committee: UK Concluding observations (2019) CEDAW/C/GBR/CO/8

*“We do not recommend the reversal of a significant policy lightly. But on the evidence, the two child limit not only fails to achieve the Government’s own objectives, **but has unintended consequences that no Government should be willing to accept.** The Government must return to providing support for all children through the benefits system.”<sup>22</sup>*

#### **4. THE ‘RAPE CLAUSE’ RE-TRAUMATISES WOMEN AND UNDERMINES THEIR DIGNITY AND PRIVACY**

The very existence of exemptions to the family cap implies a difference between planned and ‘unforeseen’ children. However, Engender and other women’s organisations have raised particular and significant objection to the ‘rape clause’, which demands that women complete a form that stipulates that her child was conceived without consent. This forces women to disclose a trauma at a time and in circumstances not of their choosing in order to avoid or minimise poverty for herself and her children. We consider this to amount to an attack on women’s dignity and their human rights, including their right to privacy.

Figures from the UK Government show that in the past two years a total 480 families in Scotland received an exemption and of those, 50 women used the provision of the rape clause.<sup>23</sup> Clearly these figures capture only those able to go through the process of disclosure, or those for whom the alternative would have been even graver. We are not aware of any national women’s organisation that has agreed to act as a third-party assessor for exemptions under the rape clause, though we are aware that women in Scotland are receiving individual support in order to make their own claim to the DWP.

We remain deeply disappointed that a recent legal challenge to the two child-policy and its exemptions was unsuccessful but welcome plans to appeal to the Supreme Court.<sup>24</sup> We urge Scotland’s political representatives at every level to heed the advice of the House of Commons Work and Pensions Committee, women’s organisations and countless women across the country to **take whatever action is necessary to end the ‘rape clause’**.

#### **5. THE BENEFIT CAP FAILS TO UNDERSTAND WOMEN’S POSITION IN SOCIETY AND THE LABOUR MARKET**

As women are more reliant on social security than men, women are also over-represented amongst those who have been impacted by the benefit cap.<sup>25</sup> The benefit cap claims to incentivise people to move into work. Women continue to face significant and persistent barriers to the labour market and are over-represented in insecure and

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<sup>22</sup> House of Commons Work and Pensions Committee (2019) The two-child limit

<sup>23</sup> Child Tax Credit and UC claimants: statistics related to the policy to provide support for a maximum of two children, April 2019, July 2019

<sup>24</sup> CPAG < <https://cpag.org.uk/welfare-rights/legal-test-cases/two-child-limit-challenge> >

<sup>25</sup> Citizens Advice Bureau (2015) Citizens Impact Assessment: Lowering the Benefit Cap

part-time work.<sup>26</sup> **This justification demonstrates a very narrow view of what constitutes ‘work’, focused solely on labour market participation, and ignores the vast quantity of unpaid work carried out by women.**

The benefit cap extends conditionality to households that are unable to undertake paid work, including lone parents with young children,<sup>27</sup> which has particularly severe consequences for lone parents - nearly three quarters of people affected by the benefit cap are lone parents; half have a child under the age of three.<sup>28</sup> The benefit cap further impacts women with experience of domestic abuse, leaving women managing inadequate resources and faced with looking for work while managing caring responsibilities, legal matters and trauma. This is exacerbated where women are required to move homes in order keep their families’ safe but away from support networks.<sup>29</sup>

## CONCLUSION

Universal Credit, the two child limit and the benefit cap are collectively undermining women’s access to resources and to safety and entrenching poverty for them and their families. However simply scrapping one policy will not be enough – there are elements within all three that must be reversed. **Building a social security system that works for women must understand their particular needs and ensure that their autonomy, rights and equality are central to its design.**

## FOR FURTHER INFORMATION

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## 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 who seek to achieve gender equality and justice.

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<sup>26</sup> See Close the Gap (2018) Women, work and poverty in Scotland: What you need to know

<sup>27</sup> Engender (2016) Securing Women’s Futures

<sup>28</sup> DWP benefit statistics release November 2017

<sup>29</sup> Women’s Budget Group (2019) Benefits or barriers? Making social security work for survivors of violence and abuse across the UK’s four nations