



Close the Gap briefing for Scottish Labour Party debate - Universal Credit

November 2019

Close the Gap is Scotland's expert policy and advocacy organisation working on women's labour market participation. We have 18 years' experience of working with policymakers, employers and employees to influence and enable action to address the causes of women's inequality at work.

Introduction

The experiences of both poverty and social security are heavily gendered. A number of structural factors place women at greater risk of poverty and the Scottish Government's Child Poverty Delivery Plan recognises that there is "conclusive evidence that poverty and gender are inextricably linked".¹ Social security has a significant impact on women's economic, political and social equality, on their ability to participate in paid work, and their experiences of unpaid care and violence against women.

Women are twice as dependent on social security than men and have therefore been disproportionately affected by social security changes and 'welfare reform', including the benefit cap and the two-child cap.² Social security should be an important anti-poverty measure for women, but this is not currently the reality. Over the decade of austerity from 2010 to 2020, 86% of net 'savings' raised through cuts to social security will come from women's income, placing women at a greater risk of deeper and sustained poverty.

Women, work and poverty

While it is well-evidenced that welfare reform has severely disadvantaged women, it must be recognised that women did not enjoy economic equality with men before these reforms. The imbalance in impact can be explained by women's pre-existing inequality. The gender pay gap in Scotland is 13% and women account for two-thirds of workers earning less than the living wage are women.³ Women provide around

¹ Scottish Government (2018) *Every Child, Every Chance: The Tackling Child Poverty Delivery Plan*

² Close the Gap (2018) *Women, Work and Poverty: What you need to know.*

³ Close the Gap (2018) *Women, Work and Poverty: What you need to know*

70% of unpaid care⁴ and 74% of Carer's Allowance claimants are women.⁵ Women are twice as likely to give up paid work in order to care.⁶

Women comprise the majority of low paid workers, and work that is seen as "women's work", such as cleaning, care and retail, is systematically undervalued in the labour market. Women are more likely than men to have caring responsibilities and therefore face the additional pressure of finding work that allows them to balance earning with caring. This sees women further concentrated into low paid and insecure work, as most part-time work is found in the lowest paid jobs and sectors.

Women primarily face higher risk of in-work poverty because of the persistent inequalities that they face in the labour market. In mitigating the impact of Universal Credit, Scottish Government must also consider the barriers that women face in accessing decent, flexible work with an adequate income and take targeted action to address the root cause of the problem.

Disabled women, low paid work and benefit cuts

In addition to the barriers faced by all disabled people, disabled women face a raft of additional barriers because of their gender. These issues are reflected in an average pay gap of 22% compared with non-disabled men, while disabled men have an 11% pay gap compared with non-disabled men.⁷ Disabled people are at greater risk of being employed in low-paid work and being underemployed.⁸ Many disabled women also report that partners control their access to benefits and that this increases their isolation.⁹

Disabled women's labour market inequality is compounded by the fact disabled women are amongst the very hardest hit by welfare reform.¹⁰ Over half of the cuts to benefits between 2010 and 2015 fell on disabled people and their families. In 2015, 55% of those on personal independence payments (PIP) in Scotland were women, as were 65% of those in receipt of Attendance Allowance.¹¹ Disabled women face higher living costs as a result of their disability¹² which, when combined with benefits

⁴ Skills for Care (2012) *Carers Matters – Everybody's business*

⁵ Carers UK (2014) *Caring and Family Finances Inquiry: Carers struggling with alarming levels of hardship*

⁶ The National Carers Organisations (2013) *Submission to the Expert Group on Welfare*

⁷ EHRC (2010) *How fair is Britain? The First Triennial Review*

⁸ TUC and Women's Aid (2015) *Unequal, Trapped and Controlled: Women's experiences of financial abuse and potential implications for Universal Credit*

⁹ TUC and Women's Aid (2015) *Unequal, Trapped and Controlled: Women's experiences of financial abuse and potential implications for Universal Credit*

¹⁰ Engender (2016) *Securing Women's Futures: Using Scotland's New Social Security Powers to Close the Gender Equality Gap*

¹¹ Engender (2016) *Securing Women's Futures: Using Scotland's New Social Security Powers to Close the Gender Equality Gap*

¹² JRF (2016) *"In-work Poverty Hits Record High as the Housing Crisis Fuels Insecurity"*

cuts and high rates of part-time, low paid work means that in-work poverty rates are likely to rise for disabled women under Universal credit.

Black and minority ethnic (BME) women

The Women's Budget Group found that Asian families in the poorest fifth of UK households will see their living standards fall by over £11,600 a year on average from cuts to benefits and services. For Black families, the real-terms annual average loss will be over £8,400. As a result of benefit cuts and tax changes, Black women in the poorest households will lose on average 14 per cent of their income.¹³ Again, this means that social security changes are exacerbating pre-existing inequalities faced by BME women. BME women are more likely to be underemployed, report higher levels of discrimination, bullying and harassment at work and are more likely to be living in poverty.¹⁴

Lone parents and in-work poverty

92% of lone parents are women, and almost half (48%) of single-parent households are living in poverty, compared to a quarter (24%) of couple households.¹⁵ Changes to child benefit, child tax credit, Income Support, maternity benefits and the benefit cap will all have a significant impact on women with children and gender equality more broadly. For example, of households subject to the benefit cap, 93% have children, 72% are lone parents (76% with children under five and 31% with a child under two).¹⁶ Those with children under 3 are not required to look for work under Universal Credit, yet they are still impacted by the cap.¹⁷

Conclusion

Overall, the evidence is clear that social security changes, such as the benefit cap, and Universal Credit have disproportionately impact women and will worsen their experiences of poverty, including in-work poverty. These changes will continue to disproportionately impact women.

In its inquiry into women and welfare reform, the Scottish Parliament's Welfare Reform Committee acknowledged the importance of taking a gendered approach and made a range of recommendations including on occupational segregation,

¹³ Women's Budget Group and Runnymede Trust (2017) *Intersecting Inequalities: The Impact of Austerity on Black and Minority Ethnic Women in the UK*

¹⁴ Close the Gap (2019) *Still Not Visible: Research on Black and minority ethnic women's experiences of employment in Scotland*

¹⁵ Engender (2012) *Multiple Jeopardy: The impacts of the UK Government's proposed welfare reform on women in Scotland*

¹⁶ Graham, Alison (2018) "Something Needs Saying About Universal Credit and Women – it is Discrimination by Design"

¹⁷ Graham, Alison (2018) "Something Needs Saying About Universal Credit and Women – it is Discrimination by Design"

childcare, child poverty and mental health.¹⁸ In determining changes to social security, it is vital that policymakers mainstream gender equality throughout the entire policy of policy design, development and delivery.

¹⁸ Welfare Reform Committee's Women and Social Security Inquiry