



Close the Gap response to the Scottish Government consultation on Social Security in Scotland October 2016

1 INTRODUCTION

Close the Gap has 15 years' experience of working in Scotland on women's labour market participation. Women have a different experience of paid work to men, and are concentrated in low-paid, undervalued jobs and sectors. In Scotland the gender pay gap is 15%¹, and two-thirds of workers earning below the Living Wage are women.² Women have fewer financial assets, are less likely to be able to contribute to an occupational pension, and are more likely to be living in poverty in retirement than men.

Women still do the majority of unpaid caring, for children, disabled people, sick people and older people. A lack of flexible working contributes to, and entrenches, women's concentration in low-paid, undervalued jobs where part-time work is more likely to be found.

Women's concentration in low-paid work, the gender pay gap, and women's disproportionate responsibility for unpaid care means they are twice as dependent on social security as men. 20% of women's incomes come from the benefits and tax credit compared with 10% of men's.³

Close the Gap has worked with a coalition of women's organisations, led by Engender to highlight the acute gender impact of 'welfare reform', and to advocate for a gendered analysis in the design and implementation of newly

¹ Close the Gap (2015) *Gender pay gap statistics*
https://www.closesthegap.org.uk/content/resources/1430321086_CTG-Working-Paper-14--Gender-Pay-Gap-Statistics.pdf

² Poverty Alliance http://slw.povertyalliance.org/about/why_is_it_important

³ Engender (2016) *Securing Women's Futures: Using Scotland new social security powers to close the gender equality gap*

devolved social security powers⁴. We therefore welcome the opportunity to respond to this consultation.

2 RESPONSES TO QUESTIONS

4. Equality and low income

Q: How can the Scottish Government improve its partial EqIA so as to produce a full EqIA to support the Bill?

Close the Gap welcomes that the partial EqIA references the public sector equality duty, a key aim of which is to advance equality between men and women. We welcome the recognition that the full EqIA will look at how policies may have a positive impact on a protected group. Social security provides an important opportunity to advance gender equality, and this should be highlighted in a more significant way in the EqIA. However, we urge caution in the assumption that women will benefit from the policy because they comprise the majority of recipients.

It is crucial that the EqIA is developed in consultation with the range of relevant devolved areas of government. In addition to those listed, policy and programme work on violence against women, childcare, and gender and race equality (many of which are listed in the Fairer Scotland Action Plan)⁵ should be taken into account.

We welcome the plans to further engage with organisations like Scottish Women's Aid to explore potential negative unintended consequences for women disadvantaged in terms of any household payment system, but note that Scottish Women's Aid and many others have highlighted the negative consequences of household payments since these plans were announced by the UK Coalition Government more than five years ago. This should be reflected in the EqIA and taken into account when establishing Scottish Government policy around payment of Universal Credit. Otherwise, the negative and dangerous consequences experienced by women will not be unintentional.

⁴ See Engender (2015) *A widening gap: women and welfare reform*

⁵ These include the ministerial advisory group on women and girls (to focus on, among other things, occupational segregation) and the Returners Programme to support women back into paid work following a career break to care.

Organisational and transport barriers are also extremely gendered. Women are the majority of public transport users, and use public transport in more complex and irregular ways than men. Planning of transport systems does not account for this, however. As low-paid workers (often with less autonomy and flexibility in the workplace) and mothers (usually doing the majority of childcare), women also experience issues with inflexible services and appointment times. Lone parents, 92% of whom are women, are particularly affected in this regard.

Consideration of financial barriers should recognise that women are more likely to live in poverty, with women's employment concentrated in low-paid, undervalued jobs and sectors such as cleaning, care and retail. 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 welfare reform, and the existing causes of this systemic and entrenched inequality must be considered. The extent of women's poverty, and therefore child poverty, is masked by household statistics, which assume an equal distribution of household income. Disabled women and black and minority ethnic (BME) women are also more likely to live in poverty than disabled and BME men.⁶

Q: What does the Scottish Government need to do, as it develops a Scottish social security system, to ensure that equality implications are fully taken into account?

Scottish Government must ensure that gender equality is mainstreamed in the development of all legislation, policy and programmes. This means that the advancement of gender equality must be identified as a key aim of social security policy, and that this objective informs the development of policy. It is also critical that robust monitoring and evaluation systems are developed to assess progress towards this aim.

Gender mainstreaming is a requirement of the public sector equality duty. Close the Gap's experience of working with public sector organisations to meet the duty suggests that very often gender is not mainstreamed in the business

⁶ Engender (2016) *Securing women's futures: using Scotland's new social security powers to close the gender equality gap*

of organisations. It is therefore crucial that the EqIA fully considers the implications of social security policy on women's equality.

As recognised in the partial EQIA, there is a lack of disaggregated data collection in Scotland. In particular, there should be improved data collection to enable an intersectional analysis. For instance, it is very likely that social security policy will have particular impacts within a number of Scotland's BME communities, and for BME women in particular. Research has identified that underemployment is a significant issue for some groups of BME women, who are less likely to be in paid work than the white population.⁷ While there are variations across communities, as a whole people from minority ethnic groups have lower household incomes and higher numbers of dependent children than white ethnic groups. This is very likely to mean that social security policy can have a vital impact on these group's lives. However, a lack of disaggregated data prevents a more accurate, and deeper understanding of the issues.

Q: Are there equality considerations for individual benefits that you would like to draw to our attention?

a) The main disability benefits – DLA, PIP and AA

Over the course of the current UK parliament alone, £4.4bn worth of cuts will come from disabled people, a small majority of whom are women.⁸ In 2015, 55% of those on personal independence payments (PIP) in Scotland were women, as were 65% of those in receipt of Attendance Allowance.

Disabled women face a raft of additional barriers because of their gender. 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. Around half of disabled women experience domestic abuse in their lifetime, compared with one in four non-disabled women.⁹ These issues are reflected in an average pay gap of 22% compared with non-disabled men, (as opposed to 11% for disabled

⁷ Close the Gap (2015) *Response to Equal Opportunities Inquiry into Race, Ethnicity and Employment* <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-Submission-to-Scottish-Parliament-Equal-Opportunities-Committee-Inquiry-into-Race.pdf>

⁸ There are 6.6 million disabled women and 5.5 million disabled men in the UK, figures which have remained broadly consistent over time. Papworth Trust (2014) *Disability in the United Kingdom 2014*.

⁹ Women's Aid (2007) *Disabled women and domestic violence: Making the links*

men).¹⁰ Many disabled women also report that partners control their access to benefits and that this increases their isolation.¹¹

Thousands of women will lose disability benefits as PIP is rolled out across the UK and Employment Support Allowance (ESA) is replaced with Universal Credit. Analysis suggests that claimants are simply being moved from ESA onto the lower Jobseeker's Allowance.¹² Once on JSA they are subject to the strict conditionality regime and sanctions; 29% of all JSA sanctions to date have fallen on disabled people.¹³ Yet, as above, access to employment is hugely limited for disabled women, due to discrimination, stigma and public attitudes. In addition, many thousands of carers (mostly women) across Scotland will lose linked entitlements as a result of these cuts.

In setting criteria and levels for Scotland's new disability benefits, these factors around disabled women's access to income, and the implications for Scottish Government's commitments on gender equality should be taken into account.

b) Carer's allowance

It is estimated that around 70% of unpaid carers are women, despite Census statistics that put this figure at 59% in Scotland. This is because women are less likely to identify as carers for family members, as a result of social expectations that women will take on caring responsibilities. Women make up the majority of carers in Scotland across all age groups, and this is particularly acute amongst working-age women between 25 and 49 years old where they represent almost two thirds of carers.

Within this, important gendered patterns shape women's experiences of caring and of the benefits system. Women make up both the majority of carers in employment and those who provide care for more than 35 hours per week. Long caring hours and low-paid, part-time work therefore illustrate why women are twice as likely to claim Carer's Allowance as men.

Increasingly, women are combining looking after young children with providing unpaid care for older and disabled people. Over 2.4 million people in the UK combine raising children with caring for parents.¹⁴ This is called sandwich

¹⁰ EHRC (2010) *How fair is Britain? The first triennial review*

¹¹ TUC and Women's Aid (2015) *Unequal, Trapped and Controlled: Women's experiences of financial abuse and potential implications for Universal Credit*

¹² Inclusion Scotland (2011) *Welfare reform briefing*

¹³ Inclusion Scotland (2016) *Scottish Parliament Elections 2016: Social security manifesto briefing*

¹⁴ YouGov and Engage Mutual Survey 2012

caring or dual caring, with women undertaking the majority of this work. Women are four times as likely as men to have given up paid work because of multiple caring responsibilities.¹⁵ This impact on the ability to work means that the retirement income of these women will be significantly impacted.

Women's experiences of caring are also shaped by other aspects of gender inequality that affect their lives. As well as challenges linked to motherhood, these include discrimination in the labour market, occupational segregation, barriers to accessing education and training, systemic violence against women, gender stereotyping, and sexism in public spaces. These issues should inform decision-making on the eligibility criteria for the new carer's benefits.

c) Universal Credit flexibilities

The implications of the household payment of Universal Credit on women's equality are profound. 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.

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.¹⁶ 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.¹⁷ Otherwise, there is a risk of returning to the 'male breadwinner model' which prioritises men's needs, compromises women's safety and creates imbalances of power within households. Women who 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.

¹⁵ Carers UK and Employers for Carers (2012) *Sandwich Caring Combining childcare with caring for older or disabled relatives*.

¹⁶ JRF (2014) *Poverty through a gender lens: Evidence and policy review on gender and poverty*

¹⁷ Engender (2015) *A widening gap: women and welfare reform*

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. 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 bank accounts on an equal basis are unfounded.¹⁸ Although the option to ask for alternative payment arrangements does exist on paper, this is not a realistic 'choice' for many women, especially those experiencing coercive control.¹⁹

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. 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.

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 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.

¹⁸ Women's Budget Group (2011) *Welfare Reform Bill 2011: Universal Credit Payment issues* (87% of JSA, 65% of income support, 81% of pension credit claims made jointly or with a dependent partner are made by men.)

¹⁹ Coercive control is a process used by the perpetrator to entrap a partner. Physical violence is used (or not) alongside a range of other tactics — isolation, degradation, mind-games, and micro-regulation of everyday life

Engender's briefing paper setting out these inequalities was signed by twenty civil society organisations in Scotland, including Close the Gap.²⁰ We are calling for Universal Credit to be automatically split between individual members of the household, in line with their entitlements, on the grounds of equality. The voice of landlords has been listened to regarding the decision to allow the housing element of UC to be split off and paid directly to them. Women's voices must be listened to on the need for individual payments of UC.

7. Carer's Allowance

It is estimated that around 70% of unpaid carers are women, despite census statistics that put this figure at 59% in Scotland. This is because women are less likely to identify as carers for family members, as a result of gendered assumptions and social expectations that women will take on caring responsibilities. Women make up the majority of carers in Scotland across all age groups, and this is particularly acute amongst working-age women between 25 and 49 years old where they represent almost two thirds of carers. Within this, important gendered patterns shape women's experiences of caring and of the benefits system. Women make up both the majority of carers in employment and those who provide care for more than 35 hours per week. Long caring hours and low-paid, part-time work therefore illustrate why women are twice as likely to claim Carer's Allowance as men.

Q: Do you agree with the Scottish Government's overall approach to developing a Scottish Carer's Benefit?

Yes.

We support the Scottish Government's broad intention to provide additional support for unpaid carers, including for those who care for more than one disabled child, and to embed the new Scottish Carer's Benefit within the wider carer's strategy. We also welcome the intention to improve the inclusion of carers' voices in the design and development of support for themselves and those that they care for.

We do not, however, agree with the introductory statement that development of a Scottish Carer's Benefit "has to be within the resources available". Whilst we recognise the budget constraints faced, resource allocation is not set in stone, and Scottish Government can use tax-raising powers to help lift many

²⁰ Engender (2016) *Gender matters in social security: individual payments of Universal Credit*

carers out of poverty. This narrow framing of the discussion on support for carers is very disappointing and ignores the fact that unpaid carers undertake work worth an estimated £10.8 billion to Scotland's economy.

The commitment to equalise Carer's Allowance (CA) with Jobseeker's Allowance once carers' benefits have been devolved is welcome. However, even at this increased rate, CA will represent only £2 per hour for a minimum of 35 hours per week. This initial increase must therefore be matched with a staggered plan to uprate CA over time. Alongside carers' groups, and Engender, we support the call for a Scottish Living Wage for Carers, in recognition of the both the significant workload that unpaid carers undertake and their contribution to society, and Scotland's economy.

Care as work is inherently undervalued because when done in the home, it is not perceived to be work. Consequently paid care work is also undervalued, and therefore low-paid, because it has traditionally been seen as 'women's work', and is therefore not perceived to require extensive skills.

We are also disappointed that the overall approach to developing a Scottish Carer's Benefit is not gendered. Increasingly, women are providing care for both young children and older, sick and disabled people. Over 2.4 million people in the UK combine raising children with caring for parents.²¹ Women are four times as likely as men to have given up paid work because of multiple caring responsibilities.²² Giving up paid work to care has a considerable impact on women's ability to enter and progress in the labour market. It also has consequences for women's incomes in retirement, as being out of the labour market means women are unlikely to be contributing to an occupational pension. This contributes to women's higher level of poverty in retirement.

In developing the new carer's benefit, we would urge Scottish Government to consider women's experiences of caring, and how caring affects women's lives and opportunities to participate in the labour market.

Q: Do you agree with our proposed short to medium term priorities for developing a Scottish carer's benefit?

²¹ You Gov Poll 2012 YouGov and Engage Mutual Survey – polling a GB representative sample of 1008 people aged 45-60 who had elderly parents and 500 people aged over 65 who had adult children.

²² Carers UK and Employers for Carers (2012) Sandwich Caring Combining childcare with caring for older or disabled relatives.

We support the aim to equalise Carer's Allowance with JSA as soon as is practicable. However, we do not think that these proposals are ambitious enough. The increased allowance of £11 per week will not make a meaningful difference to women's lives, especially for those who are caring for children as well as older, disabled or ill relatives. For many women, the ability to undertake paid work in addition to caring roles would make a meaningful difference to their lives in a range of ways. It would increase their independent income and that of the household. For many, it would have a positive impact on their wellbeing, self-esteem, and social life. It would enable women to maintain or develop skills in the workplace, and it would prepare women for the possible need to return to work after their 'carer journey' has ended.

At present, a low earning disregard within Carer's Allowance can act as a financial disincentive to take up paid work where this is possible. For carers able to do so, only a penny above the earnings threshold means the loss of their whole entitlement. The earnings threshold does not automatically align with the National Minimum Wage and carers whose earnings rise suddenly over the weekly threshold by just a few pounds are then forced to choose between reducing their hours, giving up work, or losing their benefits. The majority of carers in low-paid jobs and in receipt of Carer's Allowance are women.

Carers claiming working tax credit face a particular dilemma, as it is necessary to work for 16 hours to be entitled to it. The earnings threshold is currently £110 a week. In March 2016, a carer working 16 hours a week on the minimum wage earned £107.20 a week, meaning they are able to claim Carer's Allowance. From April 2016, due to the rise in the Minimum Wage, the same person working the same hours now earns £115.20 a week, taking them above the earnings limit and meaning they faced the difficult choice of cutting their hours or losing entitlement.

Restricted access to education for carers under the current system also undermines women's equality of opportunity and future earning potential, which is already significantly lower than men's.

We are calling for these restrictions on carers' ability to access paid work and education to be lifted as an immediate priority within the development of a Scottish Carer's Benefit. Otherwise the statement, "[w]e want carers to have the same opportunities as everyone else and it is important we support them to remain in work or study, if they choose", within the list of short-medium

term priorities will be rendered meaningless. As with the outcomes framework set out in section 2 of the consultation document, it is also necessary for the Scottish Government to define what is meant by short, medium and long-term priorities.

13. Universal Credit flexibilities

The current UK Government policy, to pay joint awards to one individual in a couple, is discriminatory and regressive.²³ The newly devolved powers on social security create an opportunity for Scottish Government to take an approach. This has been demonstrated by Government's commitment that new powers will be founded on "dignity and respect". However, this will be undermined if women cannot access social security entitlements on an equal basis with men.

Q: Should payments of Universal Credit be split between members of a household?

Yes.

Monthly payments to one individual in the household is very likely to reduce women's access to income and economic autonomy, even if the level of income for the family is sustained. It will also place significant pressure on household budgeting which is still primarily undertaken by women.²⁴

Evidence shows that the majority of jointly awarded 'out of work' benefits are claimed by men, a pattern unlikely to change under Universal Credit.²⁵ Assumptions that couples own, access and control joint bank accounts on an equal basis are unfounded, therefore the single household payment will mean many women will have no independent access to an income.²⁶

Single payment of Universal Credit will also undermine the ability to practise financial capability and other skills needed to move into paid work. Women already face a range of gendered barriers in accessing the labour market, and therefore an independent income, and the single household payment will add to this.

²³ Engender (2016) *Gender Matters in social security: Individual payments of Universal Credit*

²⁴ Engender (2016) *Securing Women's Futures: Using Scotland new social security powers to close the gender equality gap*

²⁵ Women's Budget Group (2011) *Welfare Reform Bill 2011: Universal Credit issues*

²⁶ Engender (2016) *Securing Women's Futures: Using Scotland new social security powers to close the gender equality gap*

A lack of financial autonomy for women has a clear impact on women's position in the labour market. Assumptions that women are in paid work to supplement

Without financial autonomy for women, there is a risk of returning to the 'male breadwinner model' where men are responsible for earning a family wage, and women have responsibility for caring and domestic labour. Significant efforts have been made to enable women to access and progress in the labour market on an equal basis with men, and to encourage men to do more unpaid care. The single household payment will undermine these efforts and will continue to present an obstacle to advancing gender equality in Scotland.

Women who face multiple inequalities across society, including disabled, minority ethnic and refugee women are among those who would be at particular risk of increased harm from a policy that undermines women's access to resources.²⁷

Single household payments also increase the likelihood of financial dependency and control, and place women and their children experiencing domestic abuse at an increased risk. Research by Refuge found that 89% of women surveyed experienced financial abuse as part of their experience of domestic abuse.²⁸

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), 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 child rights, and the UN Convention on women's rights (CEDAW). Individuals' rights to social security are also recognised in Article 22 of the International Declaration of Human Rights and Article 9 of the International Covenant of Economic, Social and Cultural Rights. Following its last examination of the UK in 2013, the CEDAW committee recommended that the UK Government take action to prevent the potential

²⁷ Engender (2016) *Gender Matters in social security: Individual payments of Universal Credit*

²⁸ Refuge (2008) *What's yours is mine: The different forms of economic abuse and its impact on women and children experiencing domestic abuse* cited in Engender (2016) *Securing Women's Futures: Using Scotland new social security powers to close the gender equality gap*

harm to women caused by household payments of Universal Credit in its 'concluding observations' on its examination of the UK.²⁹

Q: If yes, please indicate if you think the default position should be:

- a) Automatic payments to individuals, with the option to choose a joint payment

Yes.

It is critical that payments are automatically made to individuals because it will better enable women's financial independence.

Q: If yes, how do you think payments should be split? For example 50/50 between members of a couple or weighted towards the person who is the main carer if the claim includes dependent children?

Payments should be split in line with entitlements linked to caring. Elements related to dependent children, or caring for disabled, ill or older relatives should go directly to the main carer. Similarly, if housing benefit is included in the claim, and rent is not paid directly to the landlord, this portion of the entitlement should go to the person named on the tenancy.

²⁹ 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