

**Fawcett Society and the Women's Budget Group  
Response to *Opportunity for All*, the Seventh Annual Report for 2005 of the  
Department for Work and Pensions (DWP)**

**February 2006**

**Introduction**

Fawcett Society and the Women's Budget Group (WBG) welcome the DWP's decision to devote Chapter Two of its 2005 annual report to women. We commend the DWP for addressing labour market exclusion and earnings inequalities, women's inadequate pensions, the special challenges facing lone parents, and work-life balance and childcare. We feel, however, that an opportunity to address and tackle the roots, current causes and persistence of women's poverty in Britain has been missed in this report. We have a number of recommendations for improving the analysis of these issues and ensuring that gender is mainstreamed in all policy decisions made by the DWP in future.

**Gender Lens for Poverty Analysis**

We believe that a chapter on women's poverty should contain a systemic and integrated analysis of the particular gendered impact poverty has on women, and the particular gendered experience that women have of poverty. This means that using an overarching gendered lens for looking at issues such as equal pay, work-life balance and domestic violence would enable an analysis of the interconnection between gender and poverty. We believe that DWP has gone some way to conducting this type of analysis previously, for example in the National Action Plan for Social Inclusion<sup>1</sup>. Below, we set out an approach to understanding women's poverty in the UK, which could inform future OFA reports, and DWP work on poverty more generally.

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<sup>1</sup>DWP (2003) United Kingdom National Action Plan on Social Inclusion 2003-05, p.9-11. Available at: <http://www.dwp.gov.uk/publications/dwp/2003/nap/nap.pdf>

## **Women's Poverty in the UK**

Statistics on family and household income tend to mask the gender dimension of poverty in the UK, yet research has shown that the odds of a woman being poor are still higher than for a man. In fact, women continue to be disadvantaged by a gender gap in every aspect of economic welfare, notwithstanding the gains that have been made in narrowing the gender pay gap and improving the position of the least well off women in retirement.

### *Multi-dimensional poverty*

Women's poverty is multi-dimensional, and must therefore be broadly addressed and tackled. Women are not only 5% more likely to be poor than men, they are also more likely to have experienced poverty at some time in their lives; to suffer persistent as well as recurrent spells of poverty; and to be poor on all four dimensions of poverty (lacking two or more necessities, earning below 60% median income; subjective poverty, and receiving Income Support).<sup>2</sup>

### ***Recommendation:***

***The WBG and Fawcett Society recommend that any analysis of poverty take into consideration its multi-dimensional nature.***

### *Hidden poverty*

Women's poverty is often hidden because household and/or family measures of poverty are most often used by government. It is important to conduct intra-household analysis, as research has shown that women's poverty is often masked *within* households where resources are not allocated fairly<sup>3</sup>. For example, women often go without basic necessities to shelter their families from the affects of poverty. Moreover, measures of income often do not take into account expenses such as childcare and the burden they represent.

### ***Recommendation:***

***We recommend that any analysis of poverty consider individual, household, and intra-household differences between women and men.***

### *Women's diversity and poverty*

Poverty among women is not equally distributed. Women's experience of poverty is shaped by their different identities and realities, whether based on their ethnicity, age, sexual orientation, etc. For example, 20% of white women are living in poverty but the figures are 38% for Black women and 64% for Pakistani and Bangladeshi women;<sup>5</sup> 1.3 million female pensioners and around 2.5 million

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<sup>2</sup> WBG (2005) *Women's and children's poverty: making the links*. Women's Budget Group, London, p.2.

<sup>3</sup> Op cite, p. 6.

<sup>5</sup> Figures from British Family Resources Survey, 1999/00 presented in written answer from Chris Pond to parliamentary question from Joan Ruddock, 2004

lone parents, most of whom are women, live in poverty; and <sup>6</sup>; teenage mothers are more likely to experience poverty than older mothers.

***Recommendation:***

***The WBG and Fawcett Society recommend that all gender analysis of poverty must consider women's diversity and differences.***

*Women's and children's poverty*

Women's poverty is strongly linked with children's poverty<sup>7</sup>. The WBG's research on the links between women's and children's poverty has made clear the links between women's and children's poverty. We believe that any efforts to tackle child poverty in the UK will only be successful if they account for the links between women's and children's poverty. These links are broad and varied, and make clear that parenting and poverty are crucially linked to children's life chances, and that the economic wellbeing of children cannot be divorced from their parents, especially their mothers. Moreover, women living in poverty are more likely to suffer low self esteem, depression and poor health, all of which affect their children. Finally, lack of childcare options (due to expense, uneven coverage, poor quality, and location) makes employment an impossible route out of poverty for some women and their children.

***Recommendation:***

***We recommend that any analysis of children's poverty use a gender analysis to understand the links to women's poverty.***

Using a gendered poverty lens, which includes the strands above, the OFA can then go on to consider key areas for analysing women's poverty. We have done this below with respect to women's employment, benefits, and the criminal justice system. Areas that we feel the current OFA is lacking.

**Women's Employment**

In light of the Government's stated target of 80% employment, the DWP needs to address the implications of women's poverty and their role as poverty managers in relation to women's parenting and potential job-seeking roles. As the WBG has stated, any anti-poverty strategy that relies on paid work as the main route out of poverty has to be an explicitly gendered strategy. We believe that this means the DWP needs more specific, enforceable policies on the tackling gender pay gap, on ensuring that the value of the minimum wage is not eroded over time (through indexation), on the provision of adequate maternity, paternity and parental leave, and on addressing the persistent gendered division of labour within the home. Moreover, women's patterns of part-time working are hardly addressed in *Opportunity for All*. We would like to see recognition that insecure, poorly paid part-time work is not a route out of poverty for many women, and an increased focus on the quality of work and pay for women in part-time work.

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<sup>6</sup> Bellamy and Rake, 2005, p. 49.

<sup>7</sup> WBG (2005) *Women's and children's poverty: making the links*. Women's Budget Group, London.

Moreover, an anti-poverty strategy that relies on paid work therefore has to be an explicitly gendered strategy. Included within this strategy, women's unpaid work as carers, and the gendered division of labour within the home, must be addressed.

***Recommendation:***

***Anti-poverty strategies that rely on paid work must be gendered, and therefore include an analysis of women's unpaid work, and seek to enhance the quality and pay of part-time employment.***

**Women and the Benefits System**

Employment policies are not the panacea for tackling women's poverty. In light of women's greater dependence on benefits the issues of the adequacy, complexity and accessibility of benefits such needs to be addressed in relation to women's poverty and employment. Analysis by the Family Budget Unit at York University has shown that the adult single person's rate of benefit is not sufficient to provide a low cost but adequate standard of living. The WBG and Fawcett urge the DWP to make a stronger commitment to providing fair, simple and adequate support to people who are not in the labour force, including lone parents and young mothers. The Governments focus on constant reform and means testing has produced one of the most complicated welfare systems in the world. This means that some women miss out on benefits that would make a material difference to their lives, such as the means-tested Pension Credit. The current low rates of benefit for carers often reinforce gender role within the home and reinforce labour market inequalities and complexity in means testing must be simplified to enable the neediest receiving support to which they are entitled.

***Recommendation:***

***The benefits and tax credits system should be fair, simple and adequate in recognition that not all members of society can be in paid work.***

**Women and the Criminal Justice System**

Finally, while we welcome the recognition of the effects of crime and violence on women's lives, the emphasis on rape and domestic violence (while important) misses the bigger picture. Women's experiences are often shaped by societal attitudes and systemic inequalities, and are linked to poverty and insecurity. We would like to see greater recognition of the links between poverty and women's experiences of crime, violence, and the justice system. This includes the effects of cuts to Legal Aid on women, and the connections between women's offending and crimes of poverty (such as debt default and petty theft).

***Recommendation:***

***Future OFA reports recognise that:***

- ***women's poverty and vulnerability to violence and increased rate of offending are linked;***

- ***there are connections between increases in women's offending and poverty that need to be addressed;***
- ***women's experiences of, and access to, the criminal justice system are shaped by poverty and insecurity***

## **Conclusion**

We reiterate our commendation of the inclusion of a dedicated chapter on women in the DWP's 2005 Annual Report, *Opportunity for All*. The Fawcett Society and the WBG strongly believe, however, that in order for the report to bear out its name the DWP must take a broad, integrative approach that mainstreams gender and makes the links between gender and poverty. We would also urge closer collaboration with other Departments and a more synergistic approach to the production of statistics and reports such as the Households Below Average Income Report. We believe that this is the only way that the DWP and the wider Government will meet the EU's objective of gender being mainstreamed in member states' strategies to tackle poverty and exclusion.

We recognise that in some areas government policy under Labour has made immediate improvements in the lives of women in Britain, particularly with the introduction of the minimum wage, the focus on children's poverty reduction, new maternity and paternity legislation and flexible working policies. However, as Fawcett pointed out in its 2005 audit of women's economic welfare, "these policies have not been guided by an overarching aim of gender equality with the result that they have failed to narrow the economic gender gap for all women or to tackle the underlying gender inequalities which cause it".<sup>8</sup> We thus welcome Northern Ireland's development of a new ten-year Gender Equality Strategy and the consultation process that has accompanied the development of its action plans.

### ***Recommendations:***

- ***We would strongly recommend that the Government facilitate and prioritise the development of a similar, overarching Gender Equality Strategies for England, Scotland and Wales to ensure effective gender mainstreaming in all areas of government policy and in the production of relevant government publications. Any strategy should incorporate an explicit analysis and action plan to tackle women's poverty.***
- ***WBG and Fawcett urge the Government to include a gender analysis in any attempts to eliminate children's poverty.***

The development and implementation of such a strategy could, we feel, help tackle a core problem with the current DWP annual report: its lack of a broad,

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<sup>8</sup> Bellamy, K. and Rake, K. (2005) *Money Money Money: Is it still a rich man's world?*, London, The Fawcett Society, p. 1.

systematic analysis of the links between gender and poverty. Such links have been strongly made elsewhere (for a list of Fawcett and WBG contributions on this subject, see the publications list at the end of this document) yet they are weakly articulated in *Opportunities For All*. The new chapter on women thus misses an opportunity to bring together the causes and effects of women's inequality in the context of the greater poverty risks that they face. Such context is vital to the effective formation and analysis of government policy on a broad range of issues as they affect women and men alike, including employment, benefits and tax credits, childcare and education, health, security and justice, pensions, and support for families.

## **WBG and Fawcett References**

Bellamy, K. and Rake, K. (2005) 'Money, Money, Money', Fawcett Society, London.

WBG (2005) 'Women's and children's poverty: making the links' London.

WBG (2005) Response to Households Below Average Income 2005, London.

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