

## Poverty in the UK: the need for a gender perspective

### A briefing paper from the UK Women's Budget Group

*Poverty in the UK will only be tackled successfully if gender is taken into account more thoroughly and comprehensively. Tackling poverty is in turn an essential component of the equitable and caring economy called for consistently by the Women's Budget Group (WBG). This briefing paper is based on a report on gender and poverty written for the Joseph Rowntree Foundation (see note on p6).*

#### Introduction

Outside the field of international development, a gender perspective is often missing from debates about poverty. Yet the causes and consequences of poverty, and the routes in and out, are profoundly affected by gender.

Taking this fully on board has fundamental implications for analysis and policy. In particular, tracing how gender affects poverty for women and men at any one time and over the life course is essential, to gain a more complete picture of the links between gender and poverty and what can be done about them.

#### Definitions

- **Poverty** is fundamentally linked to (lack of) material resources. Poverty has many aspects besides the material. But if this is ignored, it becomes hard to distinguish poverty from broader conditions such as (lack of) wellbeing, or (in)ability to fulfil one's capabilities.

At first glance, the links between gender and poverty seem obvious. Women have poorer labour market attachment, tend to head poverty prone households, and have less

'human capital'. But these are characteristics of individual lives, rather than explanations.

- Underlying them is **gender**, which is not centrally about sex (biological differences), but instead about wider social structures, and power relations that create unequal access to resources. Age, ethnic origin, disability and other divisions must also be taken into account, and alter the experience of gendered poverty.

So gender is societal and structural, not a characteristic of individuals. But in debates about poverty, gender is often invisible. For example, discussions about poverty risks for 'workless households', or the problems of 'parenting in poverty', employ a gender neutral vocabulary. But this conceals significant issues about women's and men's relationships to the family, the labour market and the welfare state. These issues can differ from country to country, depending on history and context.

Failing to make these important distinctions in relation to **poverty** and **gender** can lead to lack of clarity and conceptual confusion when exploring the links between them.

#### Women and men in poverty

When gender is considered in relation to poverty, this can often just mean counting what proportion or how many individuals of each sex live in poverty. These statistics usually measure:

- the *risk* of living in poverty if you are in a certain group (in this case, divided by sex).

Figures for the UK for 2012/13 were published in 2014 in the *Households Below Average Income* report, based on a household survey. They show equal proportions of women and men living in households in relative poverty (when measured as below 60 per cent of median equivalised household disposable income) - 15 per cent before housing costs were deducted, and 19 per cent after. (Other indicators include depth of poverty and the length of time lived in poverty.)

- the *volume* of those in poverty who are members of that group.

Women still made up a higher proportion of those in poverty. Before housing costs, 37 per cent of those in relative poverty were men, and 39 per cent were women (the rest being children); after housing costs, this was 35 versus 37 per cent.

In most countries (depending on the measure), a breakdown of poverty by sex usually reveals a higher percentage of women than men in households in poverty. Risks have, however, been increasing for some men. In the UK in 2012/13, for example, male single childless adults below pension age were more likely than women in this situation to be in relative poverty (20 compared with 17 per cent before housing costs, and 29 to 25 per cent after housing costs). But to date there has been much less investigation by researchers into the links between gender and poverty for men.

There is still, however, a greater likelihood of women in certain types of single adult households, especially single parents and single elderly women, living in poverty. Although the HBAI report does not break down single parenthood by sex, we know from other sources that over 90 per cent of single parents in the UK are women; and the report shows that 22 per cent of single parents live in relative poverty before housing costs - and that 42 per cent (nearly twice as many) do so after housing costs. This shows that the same life events - here, childbirth or family breakdown - can have very different, gendered, outcomes for women compared with men. In addition, more single pensioners are women; and single pensioner statistics *are* broken down by sex, and show 17 per cent of male compared with 22 per cent of female pensioners in poverty before housing costs (and 15 compared with 17 per cent after).

### **Analysis of gender and poverty: focus on households or inequalities insufficient**

So inquiry into the links between gender and poverty is often *limited to female headed households* (as in the 'feminisation of poverty'), or single adult households. This can be misleading, however. First, the definition of 'female headed' households can vary between countries because of the way in which surveys are carried out, and can also sometimes include some couple households (if the woman is seen as head of the household - e.g. by having higher earnings). In addition, this tends to conflate the impact of gender with variations in living arrangements in different countries and over time.

Similarly, discussion of 'gender and poverty' may in practice be revealed as being instead about *broader inequalities between women and men*, based on analysis of individual data, and the resulting higher risks of poverty for

women in particular, rather than an exploration of gendered processes which can affect poverty for women *and* men. And the likelihood of risk turning into reality - when gender inequalities lead to poverty for women, or men - depends on a range of factors which cannot just be read off from the existence of gender inequalities in general.

### **Another approach to analysis - going inside the household**

These methods of analysis are often used in part because of the problems caused by poverty being measured at household level. Jane Millar has argued that a gender sensitive understanding of poverty needs to add to these by looking inside couple (and wider) households in addition.<sup>1</sup>

A gender perspective on poverty sees the family, alongside the labour market and the welfare state, as another way resources are (re)distributed (and resources can also be transferred between families and within communities). The potential for 'hidden' poverty, and/or different degrees of poverty, within households as a result of the unfair sharing of resources has been investigated by members of the WBG as well as others. The WBG has also written about the tendency for women, particularly mothers, in low-income families to bear the responsibility of managing the limited resources - and the costs of doing so. On the other hand, men may be particularly affected by the shame of seeing themselves as failing to provide for the family. This is one of the ways in which gender roles are related to how poverty is experienced by both women and men.

But Millar's proposal went beyond this, to suggest examining on the one hand an

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<sup>1</sup> Millar, J. (2003) 'Gender, poverty and social exclusion', *Social Policy and Society* 2(3): 181-188.

individual's contribution to household resources, and on the other the extent of their financial dependence on others in the household. This helps to reveal two crucial links between gender and poverty:

- the gendered processes that can result in *both* partners in couple households living in poverty; and
- the likelihood of the *risk* of poverty for an individual becoming reality if the couple household they live in were to dissolve for some reason.

This analysis focuses on income, but could include other forms of resources in addition.

### **Contribution to household resources**

In terms of the *contribution* made by individuals to household resources, Sophie Ponthieux has unpicked 'in work poverty' in European Union (EU) countries.<sup>2</sup> (She included benefits that replaced earnings in sickness, unemployment etc. in her definition of earned income.) Women workers in most countries were found to be more likely to experience 'in work poverty' because of their own employment characteristics and low earnings, whereas for male workers their family/household circumstances - especially the work situation of their partner - were more important. This begins to show the influence of gender issues, including the traditional valuing of different work and gendered division of labour, in the shared poverty of couple households, rather than focusing only on women or men living alone or on gender inequalities more generally.

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<sup>2</sup> Ponthieux, S. (2010) 'Assessing and analysing in-work poverty risk', in A.B. Atkinson and E. Marlier (eds.) *Income and Living Conditions in Europe, Eurostat Statistical Books*, Luxembourg: Publications Office of the EU: 307-328.

Investigating the situation of individuals in couples in relation to poverty has become increasingly important. As more women have entered the labour market this has driven up median household income, because more couples have 'second earners'. In turn, the relative income poverty line - 60 per cent of median equivalised household disposable income - has risen, making it harder to escape poverty as a one earner couple. The UK's less than generous non-means-tested earnings replacement benefits for those off work because of being unemployed, ill or disabled, or on parental leave, give little access to alternative sources of income for partners in such situations. The proportion of couples experiencing 'in work poverty' would be increased if such social protection rights did not exist at all. This should bring gender issues centre stage.<sup>3</sup>

Even leaving aside the issue of income sharing within the household, therefore, core gender issues such as the division of labour in and outside the home, differential rewards for paid work, and access to individual benefits are critical to the poverty of women and men in couple households. Arguably, it is also the case that the numbers of single parents and couples with children experiencing in work poverty are currently under-estimated in the UK, because in the official low income statistics childcare costs are not deducted, whereas benefits to help with such costs are taken into account as income. More detailed analysis in both these areas is essential, but has not to date been carried out.

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<sup>3</sup> Bennett, F. and Sutherland, H. (2011) 'The importance of independent income: understanding the role of non-means-tested earnings replacement benefits', *Barnett Papers in Social Research 2011 no. 1*, Oxford: Department of Social Policy and Intervention, University of Oxford. (Also published by ISER, Essex University.)

## Extent of financial dependence within the household

Analysis of the extent of individuals' financial dependence within a household, even if the household is not in poverty at the time, is also essential. Financial dependence is an additional, gendered, risk of poverty. The National Equality Panel in the UK has analysed the amount of individual income of women and men.<sup>4</sup> This kind of analysis is difficult, because it is hard to know how to treat some family benefits or other kinds of income. But it is clear that there is a much higher gender imbalance in (lack of) financial autonomy than in poverty as conventionally measured.<sup>5</sup> Large numbers of women in particular remain substantially economically dependent on their partners and families, with the relationship between individual and household income varying by ethnic group in the UK.<sup>6</sup>

This lack of control over an adequate independent income can be seen as embodying financial precarity for individuals. More radically, Atkinson has argued that on one conceptualisation of poverty such individuals could be seen as living in poverty at the time.<sup>7</sup> But even leaving this aside, financial dependence can clearly be seen as embodying a risk of future poverty. Although complex to accomplish, tracing individual

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<sup>4</sup> National Equality Panel (2010) *An Anatomy of Economic Inequality in the UK*, Report of the NEP, London: Government Equalities Office and Centre for Analysis of Social Exclusion, London School of Economics.

<sup>5</sup> + see Botti, F., Corsi, M. and D'Ippoliti, C. (2012) 'The Gendered Nature of Multidimensional Poverty in the EU', *CEB Working Paper 12/026*, Brussels: Centre Emile Bernheim (provisional paper at time; permission to cite given).

<sup>6</sup> Nandi, A. and Platt, L. (2010) *Ethnic Minority Women's Poverty and Economic Well-being*, London: Government Equalities Office.

<sup>7</sup> Atkinson, A.B. (2011) 'Basic income: ethics, statistics and economics', paper, Oxford: Nuffield College, University of Oxford.

trajectories over the life course can track the influence of key life events on the gendered risks and incidence of poverty/disadvantage.<sup>8</sup>

### So what is to be done?

This perspective is also critical to achieving a more nuanced assessment of policies and their impact. Policies in the UK have not explicitly been aimed at tackling gendered poverty. If they were, they would focus more on the two key principles of:

- access to an adequate independent income for all, and
- sharing caring and the costs of caring more equally, both within households and more widely.

But looking at poverty through a gender lens should also make a difference to the way in which *any* relevant policies are designed, implemented and analysed. Instead of just thinking about the impact of a policy on a household at one point in time, we should consider its longer-term effects on individuals as well. And instead of just looking at the amounts of resources involved, we should examine the effects they may have on gender roles and relationships, both in private and in public.<sup>9</sup>

First, we need to go beyond a snapshot of the household at one point in time, to consider the trajectory of the individual over the life-course. It is well-known that resources may not be shared fairly within the household, and

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<sup>8</sup> See, for example, Demey, D., Berrington, A., Evandrou, M. and Falkingham, J. (2013) 'Pathways into living alone in mid-life: diversity and policy implications', *Advances in Life Course Research* 18: 161-174.

<sup>9</sup> Veitch, J. with Bennett, F. (2010) *A Gender Perspective on 21st Century Welfare Reform*, Oxford: Oxfam GB, drawing on Daly, M. and Rake, K. (2003) *Gender and the Welfare State*, Cambridge: Polity Press .

that this can result in hidden poverty for some individuals, or deeper poverty for others.<sup>10</sup> So assured access to an adequate independent income for individuals is key. And, as noted above, the extent of financial dependence of individuals within the household is also relevant to the risk of poverty in the future. This risk is clearly gendered, in part because of the division of labour between women and men, and the differential rewards for paid and unpaid work.

### Implications for policy: individuals over the life course

What are the implications for policy? It means, for example, that 'targeting' cannot be seen as successful if it focuses only on households in poverty. The focus should instead be the welfare of all *individuals* within the household<sup>11</sup> - and as far as possible, their access to resources should not depend on the household they live in. Analysis of anti-poverty (and other) policies should consider their impact on individuals over the life-course, rather than just on households in the here and now.

For example, increases in the national minimum wage are often seen as an ineffective anti-poverty policy tool, because many of the low paid are 'second earners' in a household that is not in poverty. But in the long term these low-paid individuals may become single parents; or they may find they have not contributed enough to a pension to

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<sup>10</sup> Bennett, F. (2008) 'Distribution within the household', in R. Berthoud and F. Zantomio (eds.) *Measuring Poverty: Seven key issues*, Briefing paper, Colchester: ISER, University of Essex.

<sup>11</sup> Debora Price; see, for example, Bisdee, D., Price, D. and Daly, T. (2013) 'Coping with age-related threats to role identity: older couples and the management of household money', *Journal of Community and Applied Social Psychology* 23(6): 505-518.

keep themselves out of poverty in old age. So a decent national minimum wage is crucial for them, even if they do not live in a low-income household now.

### **Implications for policy: different aspects of resources**

Secondly, a gender perspective on poverty should involve a judgment about not just the amount of resources redistributed in any policy, but also how they are labelled, what they are meant to achieve, and (in couples) who receives them. This is because, as we know from research, all these aspects of resources can have gender implications.<sup>12</sup> Analysis of anti-poverty (and other) policies should of course examine their effects on the amount of resources redistributed between women and men, and how many of each sex are affected by this. But it should also consider their impact on gender roles and relationships; on caring responsibilities; and on inequalities within the household – both now and in the future - as all these can have implications for poverty.

For example, access to resources which may relieve poverty in the short term, but which act to make gender roles within couples more rigid rather than more flexible, may not work against gendered patterns of poverty in the longer term. One example is the policy in the new universal credit scheme of giving the label of 'lead carer' to one partner in a couple, with some easing of the new stricter conditionality regime for that partner, whilst at the same time not allowing the other partner any leeway for caring within their job search conditions. This should be reviewed, with a view to making it easier for parents to

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<sup>12</sup> Bennett, F. (2013) 'Researching within household distribution: overview, developments, debates and methodological challenges', *Journal of Marriage and Family* 75(3): 582-597 analyses this issue.

decide how they wish to organise the care of their children. The blunting of incentives for many 'second earners' in couples on universal credit should also be reviewed, whilst the system of single monthly payments threatens to make budgeting in low-income families (often done by women) harder.

Unfortunately, although the principles above were cited by the previous government in one of its own equality impact assessments,<sup>13</sup> their implications do not yet seem to be taken on board systematically. It is time this was done, in order to develop more gender sensitive anti-poverty policies to help break the links between gender and poverty.

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<sup>13</sup> Department for Work and Pensions (2010) *Equality Impact Assessment: 'Universal Credit: Welfare that works'* (Cm 7957), London: DWP.

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*This briefing was written by Fran Bennett. It is based on a review by Fran Bennett and Mary Daly: ['Poverty Through a Gender Lens: Evidence and policy review on gender and poverty'](#) (2014), published as a working paper supported by the Joseph Rowntree Foundation. This briefing includes updated statistics, but also uses some material from online pieces by the author for Society Central <http://societycentral.ac.uk/2014/09/18/gender-poverty-done/> and [Open Democracy 50.50 Gender and poverty in the UK: Inside the household and across the life course](#). Fran Bennett is a member of the Oxford Institute of Social Policy, University of Oxford, and of the Women's Budget Group. Fran is contactable on: [fran.bennett@spi.ox.ac.uk](mailto:fran.bennett@spi.ox.ac.uk)*



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