

WRITTEN SUBMISSION

In advance of visit by UN Special Rapporteur on extreme poverty and human rights to the UK

September 2018

Supported by London Violence Against Women and Girls Consortium

The UK Women's Budget Group (WBG) is a network of over 900 leading academic researchers, policy analysts and activists set up in 1989 to analyse UK government economic policy for its impact on women. We produce academically robust analysis of the gender impact of economic policy in order to influence policy discussions and promote gender equal policy outcomes.

Our contribution focuses on the specific challenges that women living in poverty are facing in the UK.

Over a fifth (22%) of people in the UK are currently living in poverty.¹ Due to their position in society and the design of the welfare system, women are more likely to live in poverty than men. Households with only female adults are much more likely to be poor than comparable households: 23% of single female pensioners are in poverty (compared to 18% of single male pensioners) and almost half of all single parents – the vast majority of whom are women – and their children are also living in poverty. The disproportionate impact of austerity measures since 2010 on women's lives has exacerbated this.

A. GENERAL

Definition of poverty and measurement

(Q1) In this submission the WBG uses the Office for National Statistics' (ONS) approach of poverty measured in terms of disposable (household) income, examining individuals living in households with less than 60% of median equivalised disposable income. This measure – relative poverty – compares contemporary households, showing how well individuals are faring in a society at a given point in time. WBG uses the measure of income after housing costs as this gives a clearer picture of the income households really have to spend.

The WBG also examines the of public services on overall living standards.

(Q2) Measuring poverty at the household level assumes that resources are equally shared among its members. We know that this is not always the case.² There may be people effectively living in 'hidden poverty' within households whose incomes are above the poverty line. Earning differentials between the sexes, gendered contributions to households and typical patterns of household finance management³ mean that hidden

¹ WBG (2018) *The Female Face of Poverty – Examining the causes and consequences of economic deprivation for women* (<http://bit.ly/2uMnkY6>)

² Eurostat (2013) *Income pooling and equal sharing within the household – What can we learn from the 2010 EU-SILC module?* (<http://bit.ly/2J5AT9S>) p. 24

³ Research into distribution of household incomes has shown that women have less power over decision-making in some households (see F Bennett (2013), 'Researching Within-Household Distribution: Overview, Developments, Debates, and Methodological Challenge', *Journal of Marriage and Family*, 75:3, pp 582-597 and more women than men felt they went without items more than their partner (see M Daly et al (2012) *Intra-household poverty. Conceptual note no 5*, Poverty and Social Exclusion UK)

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poverty affects women disproportionately. Published income data at the individual level is crucial to improve estimates of poverty.

Poverty, austerity and human rights

(Q3) Article 11 of ICESCR states 'the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions'. This human right is being breached in the UK for people in poverty who cannot access these essentials. Several government policies since 2010 have exacerbated poverty and are forecast to throw more people into destitution:

- WBG⁴ and others⁵ have repeatedly shown that women, low-income households, black and minority-ethnic (BME) people and disabled people have been severely and disproportionately affected by austerity measures. CEDAW (Art. 1) states that it is not sufficient for a discriminatory legal framework to be absent; policies must also not be discriminatory in effect. Given the blatant evidenced disproportionality of austerity measures impacting women and minority groups, there is a clear violation of CEDAW and of the right to protection from discrimination (Art. 2(1) and 26 ICCPR, Art. 2(1) ICESCR, Art. 14 ECHR).
- The roll out of Universal Credit together with cuts to benefits since 2010 has led to an additional one million children with working parents living in poverty in 2018.⁶ This is a clear violation by the government to the right of children to an adequate standard of living (art. 27 UNCRC).

The lack of equality impact assessments published prior to implementation of these welfare and fiscal changes, and the lack of adequate mitigation of disproportionate negative impacts once they were known, puts the UK government in direct and clear breach of their international commitments on human rights.

Poverty and domestic violence

Poverty and domestic violence (DV) are associated in complex ways. Women in households with income of less than £10,000 per year were 3.5 times more likely to have experienced DV than women in better-off households.⁷ DV can be a cause of financial hardship for women, in the form of economic abuse or when women have to flee an abusive relationship in an emergency situation, with few or no belongings. Poverty can also increase women's vulnerability to DV and prolonging their exposure to it by reducing their ability to leave. A lack of financial independence can delay or prevent victims leaving their abusers. Women in this position are having their fundamental human rights to liberty and security (Art. 9 ICCPR) and to non-subjection to cruel, inhuman and degrading treatment (Art. 7 ICCPR) violated.

Health

⁴ WBG and Runnymede (2017) *Intersecting Inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>)

⁵ H Reed and J Portes (2014) *Cumulative Impact Assessment: A Research Report by Landman Economics and the National Institute of Economic and Social Research (NIESR) for the Equality and Human Rights Commission (EHRC)*. (<http://bit.ly/2nW8s6j>)

⁶ TUC (2018) 'Child poverty in working households up by 1 million children since 2010, says TUC' (<http://bit.ly/2rl81UP>)

⁷ S Walby and J Allen (2004) *Domestic violence, sexual assault and stalking: Findings from the British Crime Survey*. Home Office.

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As a result of cuts to funding, provision and eligibility to adult social care since 2010, the number of disabled and elderly people with unmet care needs increased to 1.86 million people in England (1 in 10 over age of 50).⁸ Low-income people are unable to afford private social care. Their human right to healthcare (Art. 25 CRPD and Art. 12 ICESCR) and to an adequate standard of living (Art. 11 ICESCR) is being breached by the underfunding of social care.

The system of charging non-residents for NHS secondary care is having an impact on some of the most vulnerable people in the UK. Undocumented pregnant women, who are often in a situation of destitution, are facing NHS bills for ante- and post-natal care that they have no hope of paying. Research by Maternity Action shows that many undocumented women are avoiding attending ante-natal care appointments for fear of being in debt and decreasing their chances of regularising their migration status.⁹ CEDAW specifically requires states to 'ensure to women appropriate services in connection with pregnancy, confinement and the postnatal period, granting free services where necessary'.

In-work poverty, social security and legal aid

The percentage of households in poverty with a working person has increased in recent years. The spread of low-paid and precarious jobs and stagnation of wages compared to living costs mean that that employment is not a safeguard against poverty. Article 7 of ICESCR states that individuals have a right to remuneration for work that provides a decent living, while article 23 of the UDHR declares that that remuneration should be supplemented by social protection when necessary. In the context of an increasingly precarious labour market, cuts and changes to social security in the UK are impinging on these rights.

Article 9 of ICESCR states the right of all persons to social security. Since 2012, the number of sanctions to benefit claimants has risen considerably, reaching a peak of a million in 2013. Unemployed disabled claimants were found to be 53% more likely to be sanctioned than non-disabled peers,¹⁰ which raises serious concerns of discrimination and violation of disabled people's rights to social security and an adequate standard of living (Art. 28 CRPD). This is concerning when we know that the vast majority of sanctions are reversed in tribunals¹¹ and that sanctions are ineffective in changing behaviour, instead pushing people into poverty and ill health.¹²

In parallel, civil legal aid has been cut for a vast number of cases since 2010, including immigration, debt, family law, employment and welfare benefits. Eligibility criteria has also been tightened, leaving only the very poor access to it.¹³ People on low-incomes now find it harder to have access to recourse when faced with benefit sanctions. These severe cuts are in violation with article 14 of ICCPR that states the right to a fair trial.

B. AUSTERITY

⁸ For more on social care see WBG (2017) *Social care: A system in crisis* (<http://bit.ly/2AkJe8r>)

⁹ Maternity Action (2017) *The impact of health inequalities of charging migrant women for NHS maternity care* (<http://bit.ly/2o4CPa4>)

¹⁰ The Guardian (18 Feb 2018) 'More than a million benefits sanctions imposed on disabled people since 2010' (<http://bit.ly/2PsdIUW>)

¹¹ 66% of Personal Independence Payment appeals in 2017/18 and 68% of Employment and Support Allowance appeals went in favour of claimants (The Guardian (12 Feb 2018) 'DWP spent £100m on disability benefit appeals, figures reveal' [<http://bit.ly/2wiTolG>])

¹² Welfare Conditionality Project (2018) *Final findings report* (<http://bit.ly/2MHBr1K>)

¹³ K Sandhu, MA Stephenson, J Harrison (2013) *Layers of Inequality – A Human Rights and Equality Impact Assessment of the Public Spending Cuts on Black Asian and Minority Ethnic Women in Coventry*, pp 63-64.

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(Q8) Austerity measures in the UK were introduced successively since 2010. Recent cumulative impact assessments from WBG and others have shown how it has been the poor, women, BME and disabled people who have borne the brunt of these measures.¹⁴ At the same time, government has lowered corporation and income taxes and frozen duties on alcohol and fuel, reducing tax revenue and benefitting people in higher income groups. Even if fiscal consolidation would have been necessary, the decision of how to pursue it was a political choice.

(Q9) Some government departments have published a limited number of equality and human rights impact assessments of some austerity measures, but these have been of limited quality.¹⁵ The Government has failed to publish any cumulative impact assessment of austerity measures. Efforts have not been made to redress their negative impacts on vulnerable groups once they were made clear in extensive analysis by other organisations.

(Q10) Since 2010 there has been an increase in the levels of poverty for disabled people, working-age adults and children:¹⁶

- % of individuals in households in which someone is disabled who are living in poverty rose from 23% in 2011/12 to 26% in 2016/17;
- % of working-age adults living in poverty rose from 19% in 2002/03 to 21% in 2016/17;
- the percentage of children living in poverty rose from 27% in 2010/11 to 30% in 2016/17.

Local government and austerity

(Q12) Central government funding for local government fell by over 50% between 2010/11 and 2015/16 and then by a further 30.6% in 2017/18. Local authorities in the most deprived areas suffered the greater cuts, averaging £222 per head (compared to £40 in the richest areas).

- Between 2009-10 and 2015-16, public spending on social care for individuals over the age of 65 in England fell by 21%. The number of people receiving care had fallen by a quarter by 2013/14 and is now likely to be far lower.¹⁷
- local spending on buses in England was cut by £172 million in real terms since 2010/11, a reduction of 46%.¹⁸
- in 2015 84% of local authorities had cut their funding of Sure Start Children's Centres, with cuts amounting to a third of 2010 budgets. By 2017 over a third of children's centres had closed, resulting in 1,240 fewer centres than in 2010.¹⁹

In 2017 the WBG calculated how much households would lose with cuts in public spending, based on the value of public services. The poorest fifth of households are set to lose the most

¹⁴ WBG and Runnymede (2017) *Intersecting Inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>)

¹⁵ J Harrison and M Stephenson (2011), 'Assessing the Impact of Public Spending Cuts: Taking Human Rights and Equality Seriously' in A Nolan, et al (eds) *Human Rights and Public Finance Budgets and the Promotion of Economic and Social Rights*, Hart, London

¹⁶ DWP (2018) HBAI – Percentage of individuals in low-income groups by various family and household characteristics (AHC), 1994/95-2016/17

¹⁷ IFS (2018) *The impact of cuts to social care spending on the use of Accident and Emergency departments in England* <https://www.ifs.org.uk/uploads/publications/wps/WP201815.pdf>

¹⁸ Campaign for Better Transport (2018) Buses in Crisis (<http://bit.ly/2Lnb8CY>)

¹⁹ WBG and Runnymede (2017) *Intersecting Inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>) p. 40

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in their living standards through cuts to public services, with female headed households and BME households losing the most.²⁰

Alternatives to austerity

(Q13) Research from WBG showed that investing public funds in childcare and elder care services is more effective in reducing public deficits and debt than austerity policies, which have increased poverty.²¹ It would boost employment, earnings, economic growth and foster gender equality:

- Up to 1.5 million jobs could be created if 2% of GDP were invested in care industries (compared to 750,000 for equivalent investment in construction).
- Almost as many jobs for men as investing in construction industries but up to four times as many jobs for women.
- Women's employment rate would rise by more than 5 percentage points in the UK, Germany, Australia and Japan, and by 8 points in the US.
- Compared to austerity policies, significant public investment would have larger positive effects on economic growth and debt reduction in the mid-term (by 2030).

C. UNIVERSAL CREDIT

(Q15) Universal Credit has been unable to achieve two of its main goals: tackling poverty and improve work incentives.

UC was originally intended to be slightly more generous than the benefit system it would replace. Successive cuts to its elements and allowances means UC recipients are set to lose on average £1,000 in cash terms by 2020, £1,300 for those with children. In addition to cuts, the fact that UC is paid in a single monthly payment makes it harder for families to budget and makes them vulnerable to administrative errors. This is already taking a toll on families' lives. The Trussell Trust found that in areas in which UC has been fully rolled out there was a 52% increase in foodbank use in the last year, compared to a 13% increase in areas with no UC roll-out.²²

(16) Gender norms and roles determine that many women are secondary earners. The existence of a single work allowance for the couple and a reduced taper rate discourage many women from increasing paid working hours or entering the labour market. The fact that UC is an amalgamation of several benefits paid in a single monthly instalment into a single bank account is raising serious concerns about economic abuse and women's ability to flee an abusive relationship.²³ In these situations, women's right to social security (Art. 11 CEDAW) is being compromised.

(18) Far from incentivising work, the system of benefit sanctions for people claiming work related benefits, including UC, can create additional barriers to finding or staying in a job because of the disruption caused by the sanction.²⁴ Under UC people in work as well as those out of work are facing conditionality, and claimants face losing their entire income. Lone

²⁰ Ibid.

²¹ WBG for ITUC (2016) *Investing in the Care Economy: A gender analysis of employment stimulus in seven OECD countries* (<http://bit.ly/2ivi7kJ>)

²² Trussell Trust (24 April 2018) "Benefit levels must keep pace with rising cost of essentials" as record increase in foodbank figures is revealed' (<http://bit.ly/2HI4KyG>)

²³ WBG (2018) *Universal Credit and Financial Abuse – Exploring the links* (<http://bit.ly/2o4uCD6>)

²⁴ M Stephenson (2014) The impact of benefit sanctions on people in Coventry (<http://bit.ly/2qnMvyd>)

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parents (the majority of whom are women), face particular problems with a conditionality regime that fails respond to their specific circumstances and barriers to work. ²⁵

²⁵ S Rabindrakumar & L Dewar (2018), Unhelpful and unfair? The impact of single parent sanctions, Gingerbread (<https://bit.ly/2OiurIP>)

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E. CHILD POVERTY

(Q25) The Institute for Fiscal Studies predict that the percentage of children in relative poverty will reach 37% by 2021/22 (from 30% in 2016/17) and the number of children in absolute poverty will be four percentage points higher in the same year, two-thirds of which are directly attributed to welfare cuts and changes.²⁶ The TUC has calculated that an extra one million children with working parents are in poverty in 2018 as a direct result of changes to the benefits system since 2010.²⁷

(A27) Children are poor because their mothers are poor in both couples and lone parent households. Therefore, tackling women's poverty and protecting women's earning potential is key to reducing child poverty.²⁸ One of the major causes of child poverty in the UK has been Government austerity policies since 2010 which have been shown to hit families with children harder than families without children and the poorest families hardest of all.²⁹

The introduction of the 'two-child cap' and the overall benefit cap for child tax credits will have a disproportionate impact on children in larger families, and their mothers. BME families are disproportionately likely to be affected.

F. 'BREXIT'

Brexit and poverty

(Q28) Economists agree that Brexit will have a negative impact on UK GDP. Government estimates that GDP will be lower between 2% and 8% by 2033, depending on the type of deal reached with the EU (the more severe the further the UK cuts its ties with the EU).³⁰ Without government intervention to reduce the employment impact, this will mean a loss of jobs, particularly in sectors directly reliant on EU imports and exports. Poor people have less resources (money, time, skills) to adapt to significant changes in the economy and take advantage of new opportunities in the labour market, should they arise. If the government decides to cut public spending in response to a fall in GDP, as governments since 2010 did in response to the 2008 economic crisis, this will have a severe negative impact on people on low-incomes, women, BME and disabled people, due a loss of income support and public services. If there are cuts to public care services many women will shoulder additional (unpaid) care work, impacting their ability to remain in employment and earn an adequate wage.

A no-deal Brexit scenario, with the UK applying WTO rules, combined with the devaluation of the pound, has potential to increase the price households pay for food. Poor households would be hit harder, as they spend a higher proportion (23%) of their income on food than richer households (10%).³¹

²⁶ IFS (2 Nov 2017) 'Benefit cuts set to increase child poverty, with biggest rises likely in North East and Wales' (<http://bit.ly/2nXNNhL>)

²⁷ TUC (2018) 'Child poverty in working households up by 1 million children since 2010, says TUC' (<http://bit.ly/2rl81UP>)

²⁸ WBG (2005), *Women's and children's poverty: making the links*, (<https://bit.ly/2NJ39VO>)

²⁹ H Reed and D Elson (2014) *An adequate standard of living: A child-rights-based quantitative analysis of tax and social security policy changes in the Autumn Statement 2013 and the Budget 2014*, Office of the Children's Commissioner (<https://bit.ly/2QuQIRp>)

³⁰ WBG (2018) *Exploring the Economic Impact of Brexit on Women* (<http://bit.ly/2N9dgjg>)

³¹ Ibid.

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Brexit and human rights

(Q29) Once out of the EU and free from the jurisdiction of the European Court of Justice, the UK government will be able to decide which regulations to roll back with minimal parliamentary scrutiny (based on the current version of the EU Withdrawal Bill). There are strong concerns on possibility of regression in equality legislation, labour market regulations and workers' rights.

(Q30) There has been no explicit recognition by the government of the impact of Brexit on the most financially disadvantaged, on the levels of poverty in the UK, nor on groups with protected characteristics. No impact assessments were published so far on equality and human rights.

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WBG is an independent, voluntary organisation
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