

The Women's Budget Group (WBG) calls on the Department for Work and Pensions to assess and publish the impact of Universal Credit on women and men *before* 'managed migration'

October 2019

This briefing explains why it is important to publish an up to date assessment of the impact of Universal Credit (UC) on women, particularly Black, Asian and Ethnic Minority (BAME) women and disabled women. It calls on the DWP to undertake a comprehensive Equality Impact Assessment (EIA) **as part of the** 'managed migration' pilot.

In 2013, UC replaced six means-tested benefits and tax credits with one single monthly means-tested payment. It is being rolled out across the country in stages. In 2019, the Department for Work and Pensions (DWP) is preparing for 'managed migration': the transfer of all remaining recipients of these 'legacy' payments on to UC.

Why is Universal Credit disproportionately affecting women?

The DWP claims that the impact of UC is 'gender neutral' because when women and men are in the same circumstances they are treated equally under UC. In reality, women and men are rarely equally situated in the economy, in their homes and workplaces; so, UC is disadvantaging women because:

- **Women are hit harder by cuts to cash transfers:** women and BAME groups are statistically poorer than men in income and assets. As a consequence, they are more likely to depend on social security. Cuts to cash transfers hit women hardest and analysis carried out for the WBG finds that, compared with the original design of UC, employed claimants will be £1200 worse off on average per year by 2021, while unemployed claimants will be £500 worse off on average.¹ This analysis also discredits the idea that UC 'pays to work.'
- **UC worsens the incentive for many second earners, the majority of whom are women:** the tapering of UC at 63% of net income reduces the incentive for second earners to enter paid employment, or to work more hours, in comparison with tax credits.² In many couples the first earner will already have used up the work allowance in relation to their own wage. Men are 80% of primary earners and UC therefore risks disincentivising many women from entering the labour market or increasing their pay. This would be contrary to the Secretary of State's commitment to increasing women's economic independence.
- **Conditionality disproportionately affects women:** UC has introduced work-related conditionality for the first time for many partners in couples, with and without children, who if they had a partner in employment were previously not affected. This will bring a large group of women in particular into conditionality for the first time.³ Parents of 3- and 4-year-olds are expected to be available for work and actively seeking it. Parents of 2- and 1-year-olds are required to attend work-focused interviews. This is problematic in particular for lone parents (90% of whom are women) who struggle with combining job-seeking and looking after their children. Although there are easements to conditionality under some circumstances, there is concern that there is little awareness amongst Jobcentre staff of the complexities of gender roles and relationships, and the potential impact of the combination in UC of joint claims, conditionality for both partners individually, a joint earnings threshold target and a single monthly payment for most couples.

¹ Distributional analysis carried out for: WBG (2019) *Intersecting inequalities: the impact of austerity of Black and Minority Ethnic women in the UK* <https://wbg.org.uk/analysis/intersecting-inequalities/>

² Resolution Foundation (2013) *All work and no pay: Second earners' work incentives and childcare costs under Universal Credit* (<http://bit.ly/2hP1u35>)

³ WBG (2017) *Universal Credit: A 2017 briefing from the UK Women's Budget Group* <https://wbg.org.uk/analysis/universal-credit-briefing-uk-womens-budget-group/>

- **A single payment to couples risks exacerbating gender inequalities and economic dependence.** Evidence from WBG⁴ and the Work and Pensions Select Committee⁵ shows that the single payment of UC to couples can facilitate economic abuse, a recognised form of violence against women and girls (VAWG). Crucial to this issue is distinguishing between the intentionality of abuse and how system design may facilitate abuse. The perpetrator is manipulating resources to control the survivor; but as domestic abuse is both a cause and consequence of gender inequality, social security design can have implications for gender equality, which in turn can affect abuse. Therefore, there is a role for government to reduce or mitigate the extent to which such abuse may be facilitated. Currently, split payments can be arranged through disclosure of abuse but research from Women’s Aid for the TUC⁶ as well as Surviving Economic Abuse⁷ shows that this can exacerbate abuse. Women’s organisations are calling for separate payments of UC to individuals in any couple. The Secretary of State has suggested payment to the ‘lead carer’ but this only relates to couples with children and, reproduces inequalities of resource within the household.
- **The two-child limit increases child poverty and affects groups with protected characteristics:** on average, BAME, migrant and certain religious families tend to have more children.⁸ This means that the two-child limit imposed on UC and tax credits, as well as disregarding children’s needs, is directly discriminatory. Distributional analysis for WBG⁹ found that, by 2021, families with three children with one earner will be £3891 worse off, while families of this size with two earners will be £3287 worse off. Additionally, the ‘non-consensual conception exception’ (‘rape clause’) provides no real solution for VAWG survivors.¹⁰
- **Universal Credit is contributing to an increase in poverty:** a combination of the policies listed above and other public service cuts and social security ‘reforms’ – especially cuts to local government and the benefit freeze - mean that UC is contributing to increasing poverty amongst women, BAME families and children. Women continue to take on the majority of childcare responsibilities and make up the majority (some 90%) of lone parents. When children are poor it is often because their mothers are poor. The proportion of single women living in poverty has stalled for three years at 25%, while the figure for poor single men has decreased to 23% (from 26% in 2016/17). 45% of single parents are living in poverty. Almost half of children living with a single parent (47%) are now in poverty.¹¹ Younger lone parents are also worse off under Universal Credit: single parents under the age of 25 used to receive a higher personal allowance under legacy benefits; under UC they will receive the same rate as an under 25 year old without any children, thus creating hardship for younger single parents when out of work.¹²

At best these are grave oversights; at worst, they are ‘discrimination by design.’¹³ If the government is serious about mitigating the harms caused by UC to women and protected groups, an updated and effective EIA must be undertaken and published before ‘managed migration’ rolls out.

Why would an Equality Impact Assessment help?

Under the Public Sector Equality Duty (PSED), the government has a legal obligation to have ‘due regard’ for the impact of policy on people with protected characteristics, including sex. The main way to do this is through equality impact assessments. In addition to the PSED, the Equality Act 2010¹⁴ requires public bodies to consider

⁴ See for example WBG (2019) Benefits or barriers: making the social security work for survivors of violence and abuse across the four nations <https://wbg.org.uk/analysis/benefits-or-barriers-making-social-security-work-for-survivors-of-violence-and-abuse-across-the-uks-four-nations/> and, WBG (2018) Universal Credit and Financial Abuse: exploring the links <https://wbg.org.uk/analysis/reports/universal-credit-and-financial-abuse-exploring-the-links/>

⁵ Work and Pensions Committee (2018) Universal Credit and domestic abuse <https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/1166/116602.htm>

⁶ Women’s Aid (2018) Unequal, trapped & controlled: Women’s experience of financial abuse and potential implications for Universal Credit <https://www.tuc.org.uk/sites/default/files/UnequalTrappedControlled.pdf>

⁷ Work and Pensions Committee: Oral Evidence: Universal Credit (2018) <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/universal-credit-rollout/oral/81812.html>

⁸ WBG (2019) Intersecting inequalities: the impact of austerity of Black and Minority Ethnic women in the UK <https://wbg.org.uk/analysis/intersecting-inequalities/>

⁹ Distributional analysis carried out for: WBG (2019) Intersecting inequalities: the impact of austerity of Black and Minority Ethnic women in the UK <https://wbg.org.uk/analysis/intersecting-inequalities/>

¹⁰ CPAG (2019) All kids count: the impact of the two child limit after two years <https://cpag.org.uk/policy-and-campaigns/report/all-kids-count-impact-two-child-limit-after-two-years>

¹¹ WBG (2019) DWP data reveals women continue to be worst affected by poverty <https://wbg.org.uk/blog/dwp-data-reveals-women-continue-to-be-worst-affected-by-poverty/>

¹² Gingerbread (2019) Single parents and universal credit: singled out? <https://www.gingerbread.org.uk/wp-content/uploads/2017/10/Singled-out.pdf>

¹³ CPAG (2018) Something needs to be said about women and Universal Credit: it is discrimination by design <https://cpag.org.uk/news-blogs/news-listings/something-needs-saying-about-universal-credit-and-women-%E2%80%93-it-discrimination>

¹⁴ Equality & Human Right Commission (2019) The Public Sector Equality Duty <https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty>

the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between those who have a characteristic protected under the Act and those who do not. There has not been an EIA of the impact of UC since 2011, despite evidence of its continuing disproportionate impacts on women, disabled people¹⁵ and BAME households – as above.

There have been concerns about the adequacy of the initial EIA and the failure to publish an updated EIA. The EIA was criticised¹⁶ for being: simplistic and politically biased and making assumptions about second earners and gender neutrality, as well as uneven comparators between groups with claimants of a benefit overall, rather than the general population.¹⁷ A household focus also ignores the situation of individuals within it. Policy has changed since 2011 and there is an abundance of evidence that UC is disproportionately affecting groups with ‘protected characteristics.’ A renewed EIA must be published as per this briefing:

How to do an effective Equality Impact Assessment of Universal Credit

When done properly, EIAs should be much more than tick-box exercises. They can improve the quality of decision-making and show that public bodies have considered equality. The story of UC demonstrates the need to interrogate ostensibly ‘gender-neutral’ policies *before* they are implemented to avoid discriminatory impacts.

Principles for an effective EIA:

- Engage and consult feminist economists and women’s civil society groups at every stage of design and implementation to promote realistic and informed assessments of how women and men are differently positioned in the economy.
- Apply the PSED on a continual basis, assessing impact both before and during policy consideration, rather than a tick-box exercise at the end.
- Investigate as far as possible the impact of migration to UC on individuals as opposed to households, thus revealing the gender dynamics at work.
- It is also important to remember that ethnicity, disability, age, sexual orientation and socio-economic and migration status all affect women’s and men’s position vis-à-vis social security.

Methodology for an effective EIA:¹⁸

- Go further than just comparing the number of women and men affected by migration to UC and calculating the resources that would be transferred from women to men (and vice versa).
- Also examine the make-up and labelling of any such transfer of resources between women and men, and their impact on gender roles and relationships.
- Consider the impact on the degree of financial security and autonomy enjoyed by women and men; on their caring responsibilities; and on inequalities within and outside the household, at the point of any change and over the life course.

EIAs are integral to reducing the risk of discriminatory impact and fulfilling the PSED. The move to migrate all legacy benefit recipients to UC is contentious given the weight of evidence about its impact on women and minority groups. A renewed EIA is needed to ascertain the advisability of ‘managed migration’ in its current form. The Women’s Budget Group calls on the DWP to undertake and publish an effective EIA as soon as possible, carried out with reference to the guidance in this brief.

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¹⁵ WBG (2018) Disabled women and austerity <https://wbg.org.uk/wp-content/uploads/2018/10/Disabled-women-October-2018-w-cover-2.pdf>

¹⁶ National Institute of Economic and Social Research (2018) Government ‘analysis’ on equality impacts flawed, but that is no excuse not to act <https://www.niesr.ac.uk/blog/government-%E2%80%98analysis%E2%80%99-equality-impacts-flawed-no-excuse-not-act>

¹⁷ For more on this please see: WBG (2019) ‘Gender-neutral’: Universal Credit Equality Impact Assessments <https://wbg.org.uk/blog/gender-neutral-universal-credit-equality-impact-assessments/>

¹⁸ For further guidance here see for example: Veitch, J. with Bennett, F. (2010) *A Gender Perspective on 21st Century Welfare Reform*, Oxfam GB: <https://policy-practice.oxfam.org.uk/publications/a-gender-perspective-on-21st-century-welfare-reform-118087>