

**Policy briefings on
coronavirus and inequalities**

**Social security,
Gender and
Covid-19**

Social security and gender

A policy briefing from the UK Women's Budget Group

Key points:

- The coronavirus pandemic has heightened the need for a social security system which provides protection against risk as households on Universal Credit increased by 1.7 million from February – June 2020. Food bank use and lone parent poverty are also increasing.
- Women are more likely than men to rely on social security for a larger part of their income because of their generally lower earnings, longer lives and greater caring responsibilities. Some groups of marginalised women are even more likely to rely on social security.
- The Government has acted quickly to protect jobs but not enough has been done to reform the social security system to protect those out of work and/or on legacy benefits.
- As England enters a second national lockdown, following regional lockdowns and Wales, Scotland and Northern Ireland negotiate national lockdown measures, it is crucial that restrictions to social security are lifted, and rates of payment are increased.
- Gendered issues in the social security system long pre-date the pandemic; and cuts and policy changes since 2010 have increased children's, women's and in-work poverty.
- In particular, the introduction of UC, and other measures including the two-child limit, benefit cap and benefit freeze, and single payment have gendered impacts. Lone parents, survivors of domestic abuse, disabled women, BAME women and migrant women have been particularly disadvantaged. The increases to the work allowance, national living wage and income tax threshold since 2010 do not compensate adequately for these losses.
- In the longer term, insofar as is possible, social security should be non-means-tested, individually allocated and encourage the sharing of care. This should be done in consultation with users, with equality impact assessed at every stage, as part of a holistic review of public spending and taxation.

Introduction

Social security is a fundamental element of a caring economy that promotes well-being for all, decent living standards and opportunities for everyone to fulfil their potential in life. Protection against social risks such as illness, poverty and unemployment can come in many forms. Public services provide for health, care and personal safety needs; regulation protects workers and consumers; and benefits provide financial support for those subject to social risks and facing

additional costs, providing real security and facilitating autonomy and agency for all.

The coronavirus pandemic and the economic impact of lockdowns have confirmed the importance of a system available to all in times of crises. Yet the current system, whilst providing indispensable support, is also falling short for millions of people, especially women.

This briefing explains how recent reforms to the social security system for working-age people in

the UK have disproportionately disadvantaged women, especially minority women including BAME¹, disabled and migrant women and lone parents. It outlines how a generous and sustainable social security system will be vital to the recovery of people's lives and the economy from the coronavirus pandemic and makes recommendations to create a social security system that provides universal social protection and promotes equality, justice, dignity and human rights.

Specifically, it analyses the gender impact of the following elements of the social security system in the context of Covid-19:

- **Universal Credit:** In 2013, as well as continuing to implement restrictions to the social security system, the Coalition Government introduced Universal Credit (UC), which put together six means-tested benefits and tax credits into one single benefit, means-tested and paid monthly². From 2015 on, the Conservative Government introduced more restrictions to UC, in addition to the tighter conditionality and sanctioning, including:
 - **The two-child limit** in 2015, which limits the amount of extra means-tested help available per child to two children, with one of few exceptions being a child conceived via rape.
 - **The five week wait** (reduced from six weeks in 2016), which means UC claimants wait at least five weeks from application to first payment.
 - **The benefits freeze** in 2016, which froze most payments so that they did not rise in line with inflation until 2020.
 - **The benefit cap** in 2016, which sets limits on how much social security many people can claim depending on their circumstances.
 - **Cuts to the work allowance and taper rates** in 2015 which limit how much people can earn without their Universal

¹ Throughout the briefing we use the term BAME (Black, Asian and Minority Ethnicity) but we acknowledge the limitations of this term as the experiences of different people who will fall within that artificial grouping will vary considerably. Where it is possible to disaggregate by specific race

- Credit starting to be withdrawn. These have since been partially reversed.
- **Housing Benefit and Local Housing Allowance:** paid to help with the cost of accommodation, now paid as part of UC.
 - **Child Benefit:** paid to most parents or guardians to help with the cost of raising children.
 - **Statutory Sick Pay:** paid when employed people cannot attend work due to sickness.
 - **Employment and Support Allowance (ESA)** paid to those with a disability or health condition that affects how much they can work.
 - **Disability Living Allowance (DLA) and/or Personal Independence Payment (PIP):** paid to help cover the additional costs of disability.
 - **Other legacy benefits, including Jobseekers Allowance** for those out of paid work. Migration to UC is not complete; so some people are still in receipt of so-called 'legacy' benefits and/or tax credits.

It should be noted that this briefing uses the shorthand social security to mean *UK social security policy* that is primarily orchestrated from Westminster. Social security policy is reserved/devolved to different degrees in Wales, Scotland and Northern Ireland and devolved administrations have their own 'mitigation packages' to limit the more restrictive elements of UK policy since 2010.

Women and social security

In the UK, women on average continue to earn less than men. This is cause and consequence of the fact that women continue to take on responsibility for more unpaid care work than men— of children, and older or disabled people - leaving them with less time for paid work across a lifetime. This means that, on average, women are more likely to rely on social security and receive more of their individual and household income from the social security system than men.

and ethnicity, we do so. However, some data sets do not provide accurate enough sample sizes to do so.

² Though it is possible to apply for Alternative Payment Arrangements (APAs) in certain circumstances. In Scotland and Northern Ireland there are other special payment arrangements.

There are also many women who cannot do paid work due to sickness, disability or caring responsibilities: women are the majority of disabled people and those caring for disabled people³. A social security system that provides for these women is vital to recognise their humanity and wider contributions to society going beyond paid employment.

Social security also has a vital role in securing economic independence for all women. Economic *dependence* makes women more vulnerable to domestic and sexual abuse and violence since they may be unable to leave abusive relationships, households or contexts due to financial constraints. And more generally, economic dependence can undermine autonomy and equality in relationships.

Coronavirus and social security

The first coronavirus national lockdown in March – May 2020 caused many sectors of the service-based British economy, including retail, hospitality and tourism, to close for many weeks. Social distancing was required as the economy began to reopen, putting limits on the number of consumers allowed in inside spaces and slowing demand for services. Now, a second lockdown means more challenges for employers and workers, despite the belated extension of the job and income support schemes.

The Government has acted quickly to protect jobs by introducing the Coronavirus Job Retention scheme (CJRS) and the Self Employment Income Support Scheme (SEISS). However, the same level of protection has not been introduced for those already out of paid work. Universal Credit and Working Tax Credits (WTC) were given a small uplift in response to the crisis and conditionality and sanctions were paused for the duration of lockdown. Nonetheless, the Government has not

intervened in the social security system at the level required to match the employment crisis ahead:

- The failure to also apply the increase to Employment and Support Allowance (ESA), JobSeekers Allowance (JSA) and other legacy benefits will see many people miss out on this protection⁴.
- There was only a minor change⁵ to Statutory Sick Pay (SSP.) It is not enough to stop the spread of the virus or keep ill people safe and many people do not earn enough to qualify⁶.
- For many non-EU migrant workers, the failure to lift the 'No Recourse to Public Funds' policy during lockdown will see many left without a safety net.
- The failure to lift restrictions such as the two-child limit and the benefit cap will mean that many cannot receive adequate support.

Universal Credit and coronavirus

Demand for Universal Credit (UC), the means-tested roll-up of six previously separate working-age benefits and tax credits, has already skyrocketed and is expected to increase further as a result of the regional and national lockdowns:

- There were 2.4 million new applications (claims) for Universal Credit between 13 March and 14 May 2020, the first 2 months after lockdown started⁷.
- In July, these stabilised to pre-pandemic levels; but the number of people claiming Universal Credit continues to grow. There were 5.6 million people on Universal Credit at 9 July 2020, an increase of 2% from 11 June 2020⁸.
- In July 2020, there were 4.2 million households on Universal Credit, an increase of 1.7 million compared with February 2020⁹.
- Young people make up a greater proportion of new claims than before the coronavirus

³ WBG (2018) Disabled women and austerity <https://bit.ly/3503OdA>

⁴ WBG (2020) Social security and Coronavirus briefing <https://bit.ly/32lrCQA>

⁵ SSP is now also paid from day one of sickness in partial recognition of its importance in keeping people who are sick away from work and limiting the spread of the virus.

⁶ The minimum earning requirement for SSP is £120 per week, well above many people's weekly wage, especially those on zero hour or part time contracts. WBG calculated in May 2020 that women are 50% more likely

than men to be ineligible for SSP: WBG calculations find that 15.5% of women in paid work in the UK are not eligible for SSP (12.5% of all workers and 10.6% of men are ineligible). We do not focus on SSP in this briefing.

<https://bit.ly/32RwhQu>

⁷ Gov.uk (2020) Universal Credit Statistics: 29 April 2013 to 9 July 2020 <https://bit.ly/3gPADw6>

⁸ *Ibid.*

⁹ Gov.uk (2020) Universal Credit Statistics: 29 April 2013 to 9 July 2020 <https://www.gov.uk/government/publications/universal->

pandemic. The proportion of claimants starting on Universal Credit aged 16 to 19 years old (9.2%) and 20 to 24 years old (20.5%) has increased in July 2020 compared with March 2020 (6.7% and 14.4% respectively) at the beginning of the coronavirus pandemic¹⁰.

- There may also be many people who could have claimed contributory benefits, which would be available to those who (for example) had a partner who was still in work, and for this reason could not claim UC if their partner's earnings disqualified them (more likely for women). But the emphasis was very much on UC, so they may not have realised this was possible (or that they could have claimed UC on top if eligible)¹¹.

Social security has a vital role to play in keeping those without jobs safe, as well as ensuring that people do not travel to work if they are sick in the context of a pandemic. The increase in UC claims indicates that more people are claiming social security. This is likely to reflect increased levels of financial hardship across the UK.

Social security before coronavirus

WBG's 2019 briefing on Social Security and Gender¹² gives a full account of changes made since 2010; only a short summary is provided here.

The problems in the current system long pre-date lockdown. Cuts and changes made to benefits since 2010 have resulted in reductions of payments and increases in women's, children's and in-work poverty which will only be exacerbated by the recession ahead¹³. The introduction of Universal Credit, the benefit cap, the two-child limit, the 'bedroom tax', the benefit

freeze and other changes have exacerbated inequalities of gender, race¹⁴ and disability¹⁵.

Tweaks made in the 2018, 2019 and 2020 fiscal statements are dwarfed by the successive freezes and cuts to awards of child benefit, most legacy benefits and tax credits, and UC elements since 2010¹⁶. In 2020, the Chancellor confirmed the end of the benefits freeze, with an uprating of 1.7% from April 2020. For existing claimants this simply stops the situation getting worse but does not compensate for what has been lost during the four-year benefits freeze in 2016-2020.

Gender impacts of changes since 2010

Universal Credit and women

A recent report from the *House of Lords Economic Affairs Committee* found that UC is failing in its ambitions to 'make work pay', lift people out of poverty and provide income to meet basic needs¹⁷. These failings particularly affect women because women are more likely to rely on the social security system at some point, as noted above. Key gender issues in relation to UC include:

- Cuts to work allowances in UC and the increased taper rate compared with tax credits for many 'second earners' reduce employment incentives and therefore the capacity of many women to enter employment or earn a decent living.
- Women are also the majority of victims/survivors of domestic abuse and the cuts to payments can leave survivors trapped with an abusive partner¹⁸. Payment into a single bank account can make women more vulnerable to economic abuse¹⁹.
- The work-related conditionality in UC affects a large group of women in particular for the first time²⁰. Parents of young children are expected to be available for (limited hours of)

¹⁰ *Ibid*

¹¹ Hick, R. (2020) COVID-19 and the bypassing of contributory social security benefits <https://bit.ly/3gVnVMI>

¹² WBG (2019) Social security and gender: a story of increasing vulnerability <https://bit.ly/31L646B>

¹³ Joseph Rowntree Foundation (2020) What has driven the rise of in-work poverty? <https://bit.ly/2ES2oal>

¹⁴ WBG (2019) Intersecting inequalities <https://bit.ly/31OkYTu>

¹⁵ WBG (2018) Disabled women and austerity <https://bit.ly/2GdtkBP>

¹⁶ WBG (2019) Social security and gender: a story of increasing vulnerability <https://bit.ly/31L646B>

¹⁷ House of Lords Economic Affairs Committee (2020) Universal Credit isn't working: proposals for policy reform <https://bit.ly/2YSWZHD>

¹⁸ Women's Aid, 2017, Women's Aid responds to the Department for Work and Pensions' 'Benefit Cap: Number of Households capped to May 2017' report, <https://bit.ly/2PArYE8>

¹⁹ Marilyn Howard and Amy Skipp (2015) *Unequal, trapped & controlled: Women's experience of financial abuse and potential implications for Universal Credit*, Women's Aid and TUC <https://bit.ly/2JDJa7F>

²⁰ WBG (2017) Universal Credit: A 2017 briefing from the UK Women's Budget Group <https://bit.ly/3gVos1a>

paid work and actively seeking it. This can be problematic in particular for lone parents (90% of whom are women) who struggle with combining job-seeking and looking after their children. And in couples the parental role of partners who are not the 'main carer' is not recognised in their work conditionality.

- There is concern that there is little awareness amongst Jobcentre staff of the complexities of gender roles and relationships²¹.

Child benefit

Since 2013, the universal nature of Child Benefit has been compromised by the High-Income Child Benefit Tax Charge (HICBTC). Those with an income over £50,000 per year with one or more children living in their household must pay a charge, in effect additional income tax, to pay back some or all of the child benefit received by themselves or their partner, unless it is given up. The real value of Child Benefit has also been significantly reduced by consecutive freezes and/or uprating by less than inflation²².

Women have been disproportionately affected by these cuts as they account for around 9 out of 10 Child Benefit recipients. Children often live in poverty because their mothers do so. In 2020, with schools closed for nearly half the school year and child poverty increasing, the easiest and most effective way to protect all children from disadvantage would be to increase Child Benefit.

Disabled women and disability/incapacity benefits

Disabled people have unique needs for social security, especially during the coronavirus pandemic when they may be required to stay at home and shield. Nonetheless, a similar pattern of punitive cuts since 2010 emerges in relation to social security for disabled people.

Women have been disproportionately affected by cuts to disability benefits, both as claimants and

as carers. 55% of adults with disabilities and of those claiming Personal Independence Payment (PIP) are women and 58% of carers are women (60% among those caring for more than 50 hours per week)²³. Cuts to Disability Living Allowance (DLA) (and its replacement by PIP), and to Employment and Support Allowance (ESA), were achieved through a combination of changes to uprating and to eligibility conditions, as well as cuts to amounts. One of the most significant changes to amounts was the alignment of ESA to JSA rates from April 2017 for those in the work-related activity group, as well as the limiting of contributory ESA for this group to a year.

DLA/PIP is a non-contributory, non-means-tested benefit designed to help with the additional costs of a disability or health condition. ESA is either a contributory benefit or a means-tested benefit²⁴ designed to partly compensate for the loss of income as a result of work incapacity (temporary or permanent). As in the case of other working-age benefit cuts, reductions in the level of support for disability may be framed as a labour market activation policy. However, recent government decisions have created a tougher regime that restricts people's 'enabling' opportunities rather than fostering them. Cuts to social care and other social services have a role to play in this discrimination²⁵.

Housing benefit and tenants²⁶

Housing benefit has suffered some of the biggest cuts over the past eight years. The 'bedroom tax' (or under occupancy penalty), affecting social housing tenants, is the most well-known. However, there have also been a series of changes affecting private-sector tenants on Housing Benefit (known as Local Housing Allowance or LHA), around two-thirds of whom are women²⁷.

Most significant of these are the introduction (and reduction) of the benefit cap, and changes

²¹ In 2018, a Work and Pensions Committee Inquiry found that service providers reported that training on domestic abuse 'lack[ed] detail' <https://bit.ly/2YWJupl>

²² Bennett, F. and Himmelweit, S. (2020) Taxation and social security: overview paper for the WBG Commission on a Gender-Equal Economy <https://bit.ly/3jtm16a>

²³ See Carers UK fact sheet (<http://bit.ly/2lCn5d>)

²⁴ The means-tested element of ESA is being replaced by UC.

²⁵ WBG (2019) Gender and social care <https://bit.ly/2YXzH2W>

²⁶ WBG's report 'A Home of Her Own: Women and Housing' (2019) contains more detail on housing policy but there are important interactions with the social security system to cover here. <https://bit.ly/3bf90M1>

²⁷ Private-rented sector housing benefit caseload (House of Commons Library figures)

to local housing allowance (LHA) rates. In 2011 LHA rates were reduced from the 50th percentile of local rents for properties of the relevant size to the 30th percentile and then, in 2013, indexed only to the Consumer Price Index, which is often significantly lower than rental increases²⁸. This has left the majority of low-income private renters facing a shortfall between the LHA they can claim and their actual rents²⁹. The subsequent benefit freeze meant that many LHA payments did not even cover the 30th percentile of rents in 2019³⁰. Evictions were suspended and the LHA increased to the lowest 30th percentile of local rents in response to the coronavirus lockdown, but there has been no ‘rent freeze’ equivalent to the ‘mortgage holiday’. The eviction suspension has been extended until March 2021, but continues to raise concerns about a spike in the number of people facing homelessness next year. Moratoriums only delay, not end, the accumulation of rent arrears, debt and poverty.

Migrant women³¹

Many non-EU migrant women and men have a condition on their visas which means that they have no access to certain public services, including housing benefit or support and Universal Credit. This is called ‘No Recourse to Public Funds’ (NRPF). NRPF leaves many women on family and dependant visas economically dependent on their partners and facing destitution if the relationship breaks down. Undocumented women and asylum seekers also do not have access to adequate support³². Most refuges cannot accept women with NRPF as they depend on Housing Benefit to fund their services, leaving such women with very limited housing options. Many migrant women are forced to return to their abuser, depend on friends and acquaintances or find other means of survival – options which put them at risk of further harm. These are all parts of the hostile environment created towards migrants.

Recommendations

In the short term, the Government should act to prevent further poverty and hardship resulting from the coronavirus pandemic, by:

1. **Lifting restrictions on benefits that are untenable during the outbreak:** Local Housing Allowance (LHA) rates should be raised to the 50th percentile of rents; the benefit cap, under-occupancy penalty (or ‘bedroom tax’) and two child limit should be abolished; and the personal allowance in Universal Credit and working tax credit further increased, or at least, the uplift made permanent and proportional to household size.
2. **Get Universal Credit to claimants sooner by making advances non-repayable grants:** Currently families are having to wait five weeks for a payment, or accrue debt in the form of an advance, which is only available as a loan. At least during the crisis, the Government should convert this into a non-repayable grant.
3. **Increase Employment and Support Allowance, JobSeekers Allowance** and other benefit payments in line with the rise in Universal Credit and Working Tax Credit.
4. **Increase Child Benefit, to £50 per child:** the Covid-19 outbreak threatens to exacerbate child poverty, and the lockdown increased costs for households with children. A temporary uplift is necessary to ensure children do not lose out.
5. **Lift the ‘No Recourse to Public Funds’ condition:** Excluding many migrant women from support risks exposing them to the virus, which threatens the public health response, and fails to recognise the vital role many migrant workers are playing in combating the pandemic.

In the longer term, the coronavirus crisis presents a moment when public attitudes to social security may change, since many people who may

²⁸ Andrew Hood, IFS, at post Autumn Statement briefing, 26 November 2015: (<http://bit.ly/2lI15Hg>)

²⁹ Institute for Fiscal Studies (2017) *The cost of housing for low-income renters* (<http://bit.ly/2zQZZGa>)

³⁰ WBG (2019) *A Home of Her Own: women and housing* <https://bit.ly/3bf90M1>

³¹ For more on migrant women’s experiences of the social security system read our 2020 briefing ‘Migrant women and social security’

<https://bit.ly/3hN6rDg>

³² Women for Refugee Women (2020) *Will I ever be safe? Asylum seeking women and destitution* <https://bit.ly/32lquMZ>

never have imagined themselves doing so are now relying on social protection in one form or another, whether it be the job retention scheme (CJRS) via their wages from their employer, self-employment income support scheme (SEISS), Jobseeker's Allowance and/or Universal Credit. This could spur on the political will for a much-needed overhaul of the system as outlined here.

UC has been shown to be unable to meet needs adequately. Managed migration (which has already been paused) should not be further pursued, and restrictions on benefits should be lifted, while a better system is designed to prevent poverty, end destitution and provide security of income at an adequate rate to allow people to live with dignity and agency. To meet these aims, a better social security system should be:

- **Individually allocated as far as possible**, so as to foster economic autonomy for individuals and make financial abuse more difficult to perpetrate. Individual interests may not coincide within a family or household and therefore individual access to income also matters.
- **Non-means-tested**, to prevent and not just provide relief from poverty; to compensate people for additional costs (such as children or disability related); and to ensure that individuals have access to an alternative source of income, so as to be able to refuse degrading forms of employment. Some means testing will still be required, but autonomy ought to be prioritised here.
- **Encouraging the sharing of care**, so that the gendered division of labour is not exacerbated. No policy should rely on just one individual having to be the main carer or the main earner in a family.
- **Taking a life-course approach**, so that the benefits system does not impede movement into and out of different types of employment that suit people at different stages of their lives. It should recognise that many people, particularly women, have employment histories interrupted by caring breaks and

ensure that this does not lead to poverty in old age.

- **Designed by and for users**, so that the decision-making process on future reforms includes the views and voices of users, as well as those of other experts. This also includes adhering to the spirit of international obligations such as the UN Conventions on the rights of the child, disabled people and women.
- **Assessed by equality analysis at every stage** as an integral part of the policy-making process³³, in other words when policies are designed, implemented and revised.
- **Part of a holistic review of social security, tax and public services**, because people need public services as well as income. Social security works in combination with other parts of the social protection system, including housing and health, social and child care, and needs to be evaluated as part of that system as a whole and the taxation system that funds it, including for its equality impact.

Written by: Jenna Norman, Public Affairs Officer, UK Women's Budget Group

Edited by: Fran Bennett, Senior Research Fellow, Department of Social Policy and Intervention, University of Oxford.

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Contact: jenna.norman@wbg.org.uk



³³ WBG (2018) Inquiry into Enforcement of the Equality Act, Response from the UK Women's Budget Group <https://bit.ly/2ECTW3L>