



**Commission on a Gender Equal Economy call for evidence: social security
Submission from the Child Poverty Action Group**

February 2020

About Child Poverty Action Group

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high-profile legal work to establish and protect families' rights.

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About this submission

To assist the Commission to explore the issues outlined in the call for evidence in more detail, this submission features relevant excerpts from CPAG research and publications. Details of sources and links to full reports are referenced throughout, most of which are available on the CPAG website.

Introduction

The Child Poverty Action Group has been working to end child poverty in the UK for over fifty years. It is clear from our work in this area that one of the main policy instruments designed to protect children from poverty, our social security system, is not working. Child poverty is projected to rise steeply by 2021/22¹ and the reduction in child poverty that took place in the UK between 1997 and 2010, lifting over 1m children out of poverty, will have been eradicated.² This is detrimental for gender equality, as women are more likely to be the primary carers of children and are disproportionately reliant on the social security system, making them more vulnerable when budgets are cut. As highlighted by one woman, Charlotte (not her real name), who was interviewed as part of our research into the impact of the two-child limit³:

'It is mainly affecting women, because they are left holding the baby.'

It is against this backdrop that we welcome this call for evidence and the wider work of the Commission. Now is an opportune time to take a step back and fundamentally rethink what our social security system is for, how it should achieve its intended aims, and what is needed to fix the current system. At CPAG we have been doing our own thinking about the future of the social security system, as part of our Secure Futures for Children and Families project, and much of this work complements the work of the Commission. Over the past few months we have been reviewing key aspects of the social security system against a set of principles and considering the extent to which different social security models can achieve these principles and contribute to the overall aim of providing a secure future for children and families. These principles are:

1. Prevent and reduce poverty

A social security system should:

- **Help with additional lifetime costs**, including the additional costs of raising children, the costs associated with disability, housing costs, and childcare costs.
- **Support people to be able to work** in a way that suits their circumstances, as well as recognising the value of unpaid care work.
- At a minimum, provide **adequate resources** to protect people from poverty and eliminate destitution. It should support people to achieve a decent level of income based on individual needs.
- **Act as an automatic stabiliser** in times of economic uncertainty, such as a recession.

2. Provide income security

A social security system should:

- Help families **meet the cost of life events** and maintain their income security, including when having a child, forming partnerships or separating, becoming unwell, and moving in and out of work.
- **Provide a minimum level of income security at all times**: no one should be left without support as a result of a crisis, benefit sanction or delay.

¹ Hood, A. and Waters, T. (2017) *Living Standards, Poverty, and Inequality in the UK, 2017-18 to 2021-22*, Institute for Fiscal Studies,

² Marsh, A. and Barker, K. and Ayrton, C. and Treanor, M. and Haddad, M. (2017) *Poverty: The Facts* (6th ed.), Child Poverty Action Group,

³ Sefton, T. and Tucker, J. and McCartney, C. (2019) [All kids count: the impact of the two child limit after two years](#), Church of England, Child Poverty Action Group, Refugee Council, Turn 2 Us, Women's Aid

- **Protect people in vulnerable** circumstances, providing adequate resources to people who need long-term support – for example, severely disabled people and their carers.
- **Redistribute income** across the life cycle and between individuals and households in a way that reduces inequalities of income and power. This redistribution should be both vertical and horizontal.

3. Promote social solidarity

A social security system should:

- **Promote social integration**, be inclusive and not divisive or stigmatising. It should avoid ‘othering’ people.
- **Promote individual autonomy**, operating as far as possible on an individual, not household, basis with payments for joint expenses going to the person who will use them for the intended purpose.
- **Reduce inequalities** between different groups of people who experience structural disadvantage, such as women and disabled people. It should not discriminate.
- **Have the trust and support of the public** and should be a system that people feel that they have a stake in.

Operating principles

1. **Promotes social integration:** a social security system should promote solidarity and not be divisive or stigmatising.
2. **Reduces inequalities:** a social security system should reduce inequalities between different groups of people who experience structural disadvantage for example women and disabled people.
3. **Simple and flexible:** a social security system should be simple to use for those who interact with it, and flexible enough to respond to individual needs and circumstances.
4. **Promotes individual autonomy:** a social security system should empower people to make choices that fit with their circumstances rather than prescribing certain behaviour or life choices.
5. **Treats people with dignity and respect:** a social security system should be administered in a way that respects the human rights of those that use the system and treats them with dignity and respect.
6. **Rights-based:** a social security system should ensure that people who need support access their entitlements as outlined in the law, rather than relying on a system of discretionary provision.

Our submission addresses specific questions set out in the call for evidence, however CPAG encourages the Commission to consider these principles as the building blocks to any further reform of the social security system. A system that delivers on these principles would make a significant contribution towards achieving the gender equal economy that the Commission is striving for.

1. **How should the social security system be reformed? (This can be overall, or focusing on a particular element or policy)**

Short term changes

There are some immediate changes that should be made to the social security system to mitigate some of the worst effects of recent reforms, and move it towards our principles. Our report *Universal*

*credit: what needs to change to reduce child poverty and make it fit for families*⁴ outlines some of the urgent changes that are needed to universal credit (UC) to make it function for children and families.

We have included this report as an attachment to our submission so that the Commission can consider our full analysis of the problems with universal credit and the key changes that are needed to improve it. The report includes recommendations for changes (including costings for such changes) that will reduce child poverty, including the abolition of the two child limit and the benefit cap, and restoring the value of benefits to their pre-freeze value.

In addition to these key policy changes there are some aspects of the design of universal credit that are particularly problematic for women, and must be urgently reformed:

Individual rather than household payments: household payments in UC undermine women's economic independence. In the short term universal credit (or at least the child elements) should be paid to the main carer by default; we know that when money is paid to the main carer (usually women) it is more likely to be spent on children. In the long term household payments should be replaced with individual payments, at least in part. In a gender equal economy women have a right to an independent income, and the current model, which assumes that each family has one 'main earner' and one 'main carer,' is outdated and acts as a barrier for couples who are looking to share work and caring responsibilities more equally. This measure would also help to protect women in abusive relationships, who report feeling trapped by a lack of independent income.

Second earner work allowances: there is no second earner work allowance in UC, which means that second earners (usually women) are not well rewarded financially if they move into work. This is despite the fact that there is strong evidence to show that having a second earner in the household helps to reduce child poverty, and encourages women's participation in the labour market which has benefits for gender equality. Introducing a second earner work allowance (equal to the current allowance) would lift 100,000 children out of poverty and prevent 100,000 children from falling into deeper poverty, at relatively little cost to the exchequer (2.2bn)⁵.

'Exemptions' that do not reflect the reality of women's lives: in response to calls from women's organisations, the government has included some exemptions within social security policy to reflect the fact that women are far more likely to experience violence and abuse, for example the 'rape clause' in the two child limit, and the split payment model in cases of domestic violence. These exemptions are unworkable (demonstrated by how little they have been used) and fail to reflect the reality of women's experiences, for example by requiring women to report to a third party or requiring women to have separated from their abuser in order to apply for the exemption. In the short term, these exemptions should be revised, and in the long term the original policies which have been designed in a way that entrenches gender inequality should be reviewed.

These examples demonstrate how little (if any) consideration of the impact of recent social security reforms on gender equality has taken place within government. If we take the two child limit as another example, the structure of this particular policy disproportionately impacts on women not just from a financial perspective but on their emotional, psychological, and bodily integrity because it is women who are the ones having to make choices about engaging in sex, using contraception, avoiding unprotected sex and then considering an abortion or undergoing an abortion if they become

⁴ Tucker, J. (2019) [Universal credit: what needs to change to reduce child poverty and make it fit for families](#), Child Poverty Action Group

⁵ Tucker, J. (2019) [Universal credit: what needs to change to reduce child poverty and make it fit for families](#), Child Poverty Action Group

pregnant with a 3rd child. The implications of this policy (alongside many other policies) on women's lives simply seem to have been ignored by government.

Long term changes

Our Secure Futures launch paper⁶ provides an overview of some of the long term changes that are needed to the current social security system, particularly when thinking about achieving our principles:

Long-term changes to the social security system

There are some long-term changes that are required if the social security system is going to provide a secure future for children and their families.

The system has been subject to huge cuts, so generosity is a major issue. The social security system, which used to provide some level of financial support to a greater number, is now a system that is increasingly targeted towards those on very low incomes. This raises a number of problems when we consider our principles. First, this targeted approach has not been that effective at preventing and reducing poverty as the complexity of means-tested support frequently misses its target and take-up is low. Second, a means-tested system provides very little to those who are just about getting by, which misses an opportunity to provide some level of income security to children and families who may need a small financial cushion to protect them from poverty. Third, a highly means-tested system stigmatises and marginalises people who are receiving benefits, which undermines social solidarity. Reducing the level of means testing that exists in the current system is essential if we want to re-align the social security system with our principles.

Another fundamental change that is needed in the long term is the move to a supportive, rather than a coercive, system. Certain aspects of the current system, many of which have already been discussed in this paper, are the direct opposite of support. Conditionality and sanctions, the lack of support that is provided to people who might struggle to make or manage a claim for benefits, and the gaps in meaningful support for people who would like to progress into work, are all examples of a system that can feel hostile and uncaring for those who access it. A social security system, by its very nature, should be providing genuine support to people in response to times of crisis, circumstances or life events. When a social security system is no longer providing this basic function, it is no longer fit for purpose. Introducing meaningful support and compassion by ending some of the most punitive policies and creating approaches that are genuinely helpful for people would help to move the current system closer to our principles.

What do these recommendations mean in practice? Two key changes to the system that would make an immediate difference to the lives of women, (and their children and families where relevant) are:

Increasing generosity: the failure to uprate benefits in recent years, the introduction of the two child limit and the benefit cap, and a number of changes to payment amounts in universal credit has reduced the amount of financial support that claimants receive from the social security system. All of these cuts hurt women and some are particularly punitive, for example the benefit cap which disproportionately affects single parents the vast majority of whom are women (see below for further analysis). The lack of generosity in our current system needs to be urgently addressed, as the current system is failing to protect people from poverty, and almost certainly fails to provide any level of income security to claimants.

Reducing means testing and revitalising other benefit models: the majority of the UK system is now means tested⁷. As outlined above, a largely means tested system is failing to prevent and reduce

⁶ Howes, S. (2019) [Where we are now and what needs to change](#), Child Poverty Action Group

poverty, failing to provide income security, and undermining social solidarity. At CPAG we are exploring how other benefit models could play a revitalised role in our social security system and help deliver on our principles. As we are still in the early stages of our Secure Futures project we do not have a clear vision for what this would look like at this stage, but we envisage a system where universal benefits, contribution-based benefits, and contingency benefits play a larger role in the delivery of our social security system.

For example, a social security system that included a larger share of universal benefits and services could include the following policies:

- **Universal free school meals** – to ensure every child has the opportunity to maximise the benefits of their education, to address the problem of in-work poverty and low eligibility for FSMs, and as an initiative that reduces the stigma surrounding FSMs and builds social solidarity.
- **Protecting and boosting child benefit as a universal basic income for children** – child benefit works but it has lost a huge proportion of its value in recent years. It is paid to women mainly as the primary carer of children, it helps to build social solidarity, and it is often the only money families have when other parts of the system fail (e.g. delays in benefit payments etc.). It is an important independent source of income for women that sits outside of universal credit, and is sometimes the only independent income women have. Child benefit should continue to be paid separately to universal credit (i.e. it should not be rolled into UC) and it should be paid at a level that covers a greater percentage of the cost of raising a child. Our Cost of a Child research showed that child benefit covered just 21% of the costs of raising a child in 2018, and this figure decreases to 16% for lone parents.⁸
- **Universal high quality childcare** – the provision of universal high quality childcare would help ensure equality of access to good quality childcare in the early years (which is proven to be fundamental for children’s life chances) and it reduces child poverty and contributes to gender equality by enabling second earners to work. It also removes many of the practical difficulties with the current system that can drive families into poverty, for example paying for upfront childcare costs. Universal childcare should cover school age children, through the delivery of extended school programmes, to help support women to progress in their career rather than getting stuck in poorly paid jobs with no career progression because of the need to fit work around school hours.

We believe the introduction of these types of universal benefits and services would help to rebalance the system towards one that is more generous, kinder to those who interact with it, and a system that everyone feels that they have a stake in. In addition, universal benefits targeted at children are likely to have a positive impact on gender equality as these benefits can help to address some of the barriers to women’s participation in the labour market (e.g. through the provision of universal childcare).

2. What would the impact on gender equality be?

Many aspects of the current system are highly gendered and many of the recent cuts and changes have been punitive towards women as demonstrated in analyses by the Equalities and Human Rights Commission, Women’s Budget Group and others. The burden of recent cuts has fallen heavily on women who are mainly responsible for managing family budgets and protecting the needs of children

⁷ The Future of Policy Event Series (2019) [The Future of Benefits](#), Institute for Fiscal Studies

⁸ Hirsch, D. (2018) *The Cost of a Child in 2018*, Child Poverty Action Group, London

and who are the overwhelming majority of single parents (and thus more likely to rely on support from the social security system), just as it has fallen disproportionately on children. Examples include:

- The systematic discrimination against lone parents, the majority of whom are women. This is particularly acute in relation to the benefit cap (see above) and in the inappropriate conditionality applied to some lone parents followed by high levels of sanctions.
- As outlined above, we are concerned about the single breadwinner model adopted by universal credit: one payment into a household is not 'real life'. Payments should either be separated so that amounts for children go to the nominated carer, or full amounts paid to the main carer or household payment to the parent who is the primary carer of children.

In addition to these 'quick fixes' such as changing how payments are made in UC, or removing discriminatory policies such as the benefit cap, there are two key policy areas that could be reformed that would make a significant impact on gender equality:

Childcare

Childcare support for families under universal credit is highly problematic. Our submission to a Work and Pensions Select Committee Inquiry on universal credit and childcare costs⁹ highlighted the following issues;

- Difficulties paying the upfront costs of childcare
- Reporting rules and procedures
- Issues facing parents who are in arrears to their childcare providers
- Refusals to pay childcare costs for particular circumstances
- Claimants' understanding of childcare costs rules
- The amount of childcare covered
- Treatment of people working as childminders under UC

CPAG believes that the current high costs of our childcare system would be better dealt with through expanded universal provision (both pre-school and around school hours and in the school holidays) than through subsidies delivered through the social security system. However as long as the latter remains part of the picture, the system needs to:

- Cover 100% of childcare costs or as close as possible (as even the remaining 15% people have to pay for under UC can make work unaffordable for some families)
- Cover upfront payments rather than requiring families to claim back childcare costs in arrears
- Be easy for working parents to manage, not requiring them to understand complex sets of rules or submit large amounts of paperwork to strict deadlines.

In the long term, childcare support should be removed from universal credit. Instead, free and universal childcare should be provided to families as it would achieve a number of varying policy aims, including supporting parents who work / into work, helping to achieve gender equality, and helping to address the attainment gap between poorer children and their better off peers. As outlined above, this should include not only childcare for pre-school children but wraparound and holiday provision for school-age children (primary and secondary).

Employment support

The social security system should support people to find work, but getting people into work should not be the only goal of a fair and functioning social security system. The current system is focused on

⁹ [Submission to the Work and Pensions Select Committee's Inquiry on universal credit and childcare costs](#) (2018)
Child Poverty Action Group

moving people into work with little regard for either the quality of work being sought or the wider circumstances in people's lives, for example having caring responsibilities, having a disability, or lacking the necessary skills to find work. In addition, any social security system needs to respond to the realities of the labour market and the work opportunities that exist for people; the current system appears to operate in isolation.

Below is an excerpt from a CPAG submission to the Work and Pensions Committee inquiry¹⁰ on in-work progression which sets out lessons from other programmes as to the most effective forms of employment support:

Aspect of support	Key attributes	What does this mean in practice?
Treatment of clients	Respectful	Treating people as competent
	Attentive	Taking time to understand people's situations
	Understanding	Sympathetic to people's challenges and needs
	Consistent	Consistent advice over time
	Personalised / holistic	Tailored support based on holistic understanding of their circumstances and aspirations
	Helpful	Focus on help, not enforcement
	Trusted	Clients trust that advisers are working in their best interests and will give accurate advice
	Empowered	Advisors with the power to help clients overcome their barriers, not just implement a one-size-fits-all programme
	Accountable	Clear contacts and processes for people who receive poor-quality service
Assistance given	Meaningful	Activities and advice are relevant to needs
	Flexible / responsive	Activities can be adjusted as needs evolve
Adviser	Consistent	Named regular adviser for each client
	Follow up	Advisers actively follow up with clients to see how situations have developed
	Competent Advocacy role	Advisers are skilled in supporting clients Advisers advocate for clients who experience discrimination or poor treatment, e.g. by employers or government offices
Advice environment	Pleasant/welcoming	Clients are made to feel welcome
	Calm	Quiet, clients do not feel intimidated or rushed
	Comfortable	Seats, toilets, drinking water are provided
	Family-friendly	Safe places for children to wait/play (unless childcare is provided)
	Practical help	Computers, phones and photocopiers are available for clients' use
	Social contact	Opportunities for peer support e.g. informal groups for clients in similar circumstances

We encourage the Commission to learn from successful initiatives such as the New Deal for Lone Parents and the Scottish Working for Families Fund when making recommendations regarding employment support. These are discussed in more detail in the above-referenced submission but in summary the New Deal for Lone Parents involved:

¹⁰ [Work and Pensions Committee Inquiry: In-work progression in Universal Credit](#) (2016) Child Poverty Action Group

- Informed, one-to-one relationships developed with advisers;
- Discretionary funds to support work and training;
- Work experience provided alongside training;
- Mentoring in work to assist retention and advancement;
- Family-friendly environment for training;
- Compulsory initial meetings with personal advisers for hard-to-reach groups, which led to greatly increased participation (subsequent participation was voluntary).

Attention should be given to employment support to (potential) second earners in couples, who are largely excluded from current programmes of employment support. Second earner employment is, as the labour market, benefit levels and cost of living stand, a significant factor in tackling both gender equality and child poverty.

Conclusion

With regard to our suggestions for reform to the social security system, and the impact of this reform on gender equality, broadly we believe that measures which support children and tackle child poverty will also disproportionately benefit women (of course the two are not interchangeable as not all women have children.)

In our response above, we suggest that other benefit models, including universal benefits, contribution-based benefits, and contingency benefits should be revitalised in our current system and means-tested benefits should be scaled back. Findings from our Secure Futures project will be instrumental in outlining what this system might look like, but a key consideration in our thinking is the impact on gender equality, and how we can ensure a future system that works for children and families also works for women. For example, how can contribution-based benefits be made to work for women who may spend years outside of the labour market or be more likely to engage in part time work? How can means tested benefits be delivered in a way that supports second earners participation in the labour market? These are the types of questions our Secure Futures project is grappling with, and we would be delighted to share the findings with the Commission once it is completed (Autumn 2020).