The impact of welfare reform on women

Recent work by the Employment Research Institute, Edinburgh Napier University on the impact of welfare reform on lone parents (Graham and McQuaid, 2014), and a longitudinal study of its impact more widely (Lister et al., 2014; Graham et al., 2014), has shown that these reforms have affected benefit recipients in a number of ways. The loss of income and the upheaval of change have had a considerable impact on claimants, both financially and emotionally. The strengthening of benefit conditionality for vulnerable groups, such as lone parents and disabled people, has also been a source of stress. This response to the Committee’s call for evidence will draw upon this work in order to illustrate the impact of welfare reform on women¹.

The specific impact of welfare reform on women is an artefact of their over-representation in two key groups; those with caring responsibilities, and those on low incomes. Women account for 92% of lone parents (ONS, 2012), and 58% of those providing over 35 hours per week of unpaid care according to the 2011 Census². Women are also more likely to earn less than the living wage – 27% earn less than this compared with 16% of men (KPMG, 2014). Although it is unusual for anyone to earn less than the minimum wage, this is slightly more common among women than men, at 1% and 0.8% of jobs respectively (ONS, 2014a). Women are also slightly more likely to be on zero hours contracts, 55% of which are held by women (ONS, 2015a), and are more likely to be underemployed, at 11% compared with 9% for men (ONS, 2014b).

These disparities arise from the wider political, economic and social context within which women are situated, and the impact of welfare reform on women needs to be understood within this context. Labour market opportunities for those balancing work and care responsibilities are shaped by the structure of the labour market and the policies that regulate it (for example regarding issues of leave provision and flexible working). Prevailing norms about work and care also shape the gender division of labour, both in the household with respect to sharing care responsibilities, and in the labour market, which manifests itself in occupational segregation by gender.

Financial hardship

The practice of freezing benefits, or restricting the rate at which they are uprated to below inflation, alongside wage stagnation, have made it increasingly difficult for families to meet their basic needs. Those on out of work benefits report that these benefits are barely enough to cover their household bills, and leave nothing left over for ‘luxuries’ – by which they mean the kind of cultural and social participation that is

¹ Material in this submission is drawn from the aforementioned research unless otherwise specified.
² Table DC3103SC.
considered by most to be an essential item of expenditure (such as taking children on trips, or meeting friends). The amount received by a lone parent with one child on benefits is 57% of the Joseph Rowntree Foundation’s Minimum Income Standard (Hirsch, 2013). Freezing the level at which benefits are paid has exacerbated this situation; as prices rise and benefits do not, the household budget cannot stretch as far. Lone parents on out of work benefits have been hit particularly hard by these changes, with a median loss from the 2010-2015 changes of £1,134 per year (Browne and Elming, 2015).

You just scrape by on your benefits really. By the time you pay your bills and get the shopping… I manage. I’ve got to manage!”
- Lone parent on JSA (Graham and McQuaid, 2014: 47)

“You’re not getting as much as you used to for your gas and electricity. £10 could have done me well over a week, whereas now it’s not lasting…I’ve seen a definite increase in monies outgoing for that.”
- Full-time carer (Graham et al., 2014: 47)

Benefit freezes have also affected those in work who rely on tax credits to top up their income; i.e. those on low pay and/or with children in the household, a group in which women are over-represented. Work is not a guaranteed route out of poverty; although 70% of those who move into work do move out of income poverty (i.e. below 60% of the median income), 30% remain in poverty (ONS, 2015b).

**Lone parent conditionality**

The aspect of welfare reform that has most disproportionately affected women is the changes to benefit eligibility and conditionality for lone parents. Lone parents who need to claim out of work benefits are now subject to the conditionality and sanctions regime of Jobseeker’s Allowance (JSA) as soon as their youngest child turns five.

The use of age five as a transition point is not appropriate in all circumstances. Some children have not started school by their fifth birthday, and it can be difficult for lone parents to fulfil their JSA requirements when they still have responsibility for a pre-school child. Furthermore, the imposition of a single age-based criterion does not take into account variation in children’s needs and development, or of potentially traumatic circumstances that might precipitate relationship breakdown.

“My youngest daughter is five but I am not emotionally ready to go back to work, I am not mentally fit to go back to work… it’s only now that we have got a full week of [younger daughter] going to school, because she couldn’t cope with it, with me on courses and not always being there. Even my mum picking her up unsettled her. She wasn’t ready for me to not be there… The school was concerned about her not settling and she wouldn’t sleep at night, and I am expected to job search then. I think ‘how am I going to hold down a job?’”
- Lone parent on JSA (Graham et al., 2014: 34)

**The vast majority of lone parents want to work**, for a range of financial and non-financial reasons; but they want to do so when the time is right for their child. Benefit conditionality does not precipitate the desire to work, nor does it **address the**
barriers to work facing lone parents. It is not always possible to find a job with suitable hours and flexibility that can be reconciled with their responsibilities as sole carer to their children. The ability to work is also predicated on the cost and availability of childcare and transport. The current system of reimbursing childcare costs through the tax credit system is not necessarily the best way to help mothers into employment; it leaves them in a ‘catch 22’ situation of needing to be in employment to claim the tax credits, but needing to secure childcare before accepting employment. Confidence – feeling capable of work and applying for jobs – is also a key element of employability, and which can be eroded by a limited work history or long absences from work.

“I think it’s probably just being out of work for quite a while, and you feel a bit rusty, I suppose, and a wee bit ‘will I be able to do it?’… cause some of them [jobs] I’ve done a long time ago… and I don’t know if that maybe puts people off, if you’ve not worked in a certain industry for a long time.”
- Lone parent on JSA (Graham and McQuaid, 2014: 51)

Thus, lone parents may be approaching the labour market with limited confidence, and also within a context of feeling stigmatised due to their status as lone parents. Many find that their anxiety is subsequently heightened by negative interactions with jobcentre staff. Rather than feeling supported to move back into work, they enter the jobcentre with a sense of fear that they might receive a sanction. Although lone parents on Income Support usually see a dedicated lone parent advisor for their Work-Focused Interviews, those on JSA report that their advisors do not always understand the issues facing lone parents attempting to reconcile work and care.

The threat of a loss of benefit is a source of considerable anxiety for lone parents. Most are the sole financial provider in their household; only 36% of lone parents receive child maintenance, and the median amount received by those who do is just £23 per week (Bryson et al., 2012). Poverty in this group is extremely high; 43% of lone parents experience household income poverty, compared with an average of 25% of working-age adults with children (DWP, 2014). A loss of income due to a sanction can have disastrous consequences for the household.

“Degrading. When the kids were off in the summer holidays I got put on to another advisor, he’s really, really hard…he nearly had me in tears…I find it really hard to talk to him…he’s not interested in listening, he’s just pushing you on to get a job.”
- Lone parent on JSA (Graham and McQuaid, 2104: 60)

“[My advisor] said ‘I’ve got a child in nursery and I don’t have a problem with childcare, so why don’t you think about changing nurseries?’ It’s alright for them – you need to have a job to get your child in full-time nursery. If I had a full-time job I could get tax credits and fund a full-time place, but I’m only eligible for part-time. But she says if she can manage it… she looked at me like I was a piece of…”
- Lone parent on JSA (Graham and McQuaid, 2014: 60)

Policy implications and recommendations for future policy design

- Lone parents need more support to move into employment.
Dedicated Lone Parent Advisors should be reinstated for lone parents claiming JSA; the loss of these on the transition from IS to JSA is a backward step.

There is ample good practice in third sector employability provision that is designed specifically to meet the needs of lone parents; this should be available as widely as possible.

- Childcare remains a key issue.
  - Employment is best facilitated through universal childcare entitlements available to those in or out of work.
  - Regular weekly entitlements may also need to be augmented with ad hoc ‘emergency’ childcare to allow for attending a jobcentre appointment or interview outside of these regular hours.
  - Extending childcare beyond ‘standard’ working hours could also widen the number of job opportunities available to those with caring responsibilities.

- A system that recognises and values caring as well as paid employment would help those with caring responsibilities.
  - This means building discretion into the conditionality regime, which should recognise the impact of caring responsibilities on the ability to do paid work, and the heterogeneity of each family’s circumstances.
  - Carers Allowance is a benefit whose status would be elevated under this logic of valuing care; to reflect the contribution made by carers and the difficulty they face in obtaining income through paid work.

- Taking a child-centred perspective would also imply some departures from the current system design.
  - A truly family friendly system takes account of the impact of policies on children. When making a decision to cut or freeze benefits for low income families, consideration should be given to whether this will result in more children experiencing material deprivation.
  - This approach would also imply that the obligations upon parents to work would also be secondary to children’s right to be cared for.

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References


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