Close the Gap response to the Scottish Government consultation on the Social Security (Scotland) Bill

August 2017

1. INTRODUCTION

Close the Gap has 16 years’ experience of working in Scotland on women’s labour market participation. Women have a different experience of paid work to men, and are concentrated in low-paid, undervalued jobs and sectors. In Scotland the gender pay gap is 15%\(^1\), and two-thirds of workers earning below the Living Wage are women.\(^2\) Women have fewer financial assets, are less likely to be able to contribute to an occupational pension, and are more likely to be living in poverty in retirement than men.

Women still do the majority of unpaid caring, for children, disabled people, sick people and older people. A lack of flexible working contributes to, and entrenches, women’s concentration in low-paid, undervalued jobs where part-time work is more likely to be found.

Women’s concentration in low-paid work, the gender pay gap, and women’s disproportionate responsibility for unpaid care means they are twice as dependent on social security as men. 20% of women’s incomes come from the benefits and tax credit compared with 10% of men’s.\(^3\) It is within this context, that we would urge that the development of the Bill incorporates a gender analysis to ensure that women’s different experiences are recognised.

Close the Gap has worked with a coalition of women’s organisations, led by Engender to highlight the acute gender impact of ‘welfare reform’, and to advocate for a gendered analysis in the design and implementation of newly

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\(^1\) Close the Gap (2017) Gender pay gap statistics
https://www.closethegap.org.uk/content/resources/Briefing17.pdf

\(^2\) Poverty Alliance http://slw.povertyalliance.org/about/why_is_it_important

\(^3\) Engender (2016) Securing Women’s Futures: Using Scotland new social security powers to close the gender equality gap
devolved social security powers\(^4\). We therefore welcome the opportunity to respond to this consultation.

2. RESPONSES TO QUESTIONS

The Social Security Committee has set out a number of questions in relation to the draft Bill. Our response to questions most relevant to the work of Close the Gap is detailed below.

In addition to our response, Close the Gap fully endorses Engender’s response to this consultation.

**The Bill proposes that the Scottish social security system will be based on seven principles.**

**Q. What are your views on these principles and this approach?**

Close the Gap supports the approach taken to underpin the provision of social security with a set of guiding principles. It is welcome that social security is framed as an “investment in people” and a human right; however these principles should go further and define the purpose of social security as including addressing societal inequalities, which comprises gender inequality.

The public sector equality duty requires Scottish Government to ensure that gender equality is mainstreamed in the development of all legislation, policy and programmes. This means that the advancement of gender equality must be identified as a key aim of social security policy. The EqIA of the Bill does not appear to have fully considered the ways in which this policy could have a positive impact on women. Its analysis of the Bill’s potential for a positive impact on women is limited to an acknowledgement that more women are carers, and lone parents, and therefore comprise more recipients of Carer’s Allowance and early years support.

The principles refer to social security as a human right, but also state that the social security system is to be efficient and deliver value for money. There is a clear conflict between these principles, which requires to be addressed. If social security is a human right, this cannot be superseded by issues of efficiency or value for money.

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\(^4\) Engender (2015) *A widening gap: women and welfare reform*
Social security provides an important opportunity to advance gender equality, and this should be explicitly highlighted in the principles of the Bill.

**Q. Are there other principles you would like to see included?**

Gender equality must be included as a principle in the Bill. Women are twice as dependent on social security as men, and cuts to social security have had a grossly disproportionate impact on women. The public sector equality duty requires Scottish Government to take proactive steps to advance gender equality in everything it does, and this Bill is an opportunity to effect real change in the lives of some of the most vulnerable women in Scotland.

In its current form the Bill has missed opportunities to address the barriers to employment faced by women, and to advance women’s economic equality. An example of this is the inclusion of employment and education as factors affecting the eligibility for Carer’s Allowance; this directly undermines equality of opportunity for carers, most of whom are women. Further comment on this issue is included in the relevant section of this response.

If a Scottish social security system fails to explicitly include addressing gender inequality as an aim, it is likely it will simply entrench existing inequality.

**3. The Bill proposes that there will be a publicly available social security ‘charter’.**

**Q. Do you agree with the idea of the charter?**

Close the Gap welcomes the intention that the charter will translate the principles of the Bill into specific objectives that will be scrutinised and reported on.

It is essential that gender is considered in the design of the charter, and that women’s voices are present in the design and review process. This process should also include consultation with third sector bodies who represent those in receipt of social security, and in particular consultation with those bodies which have gender competence.

**Q. Is there anything specific you would like to see in this charter?**

Close the Gap supports the principle that people in Scotland should be treated with dignity and respect by the social security system. To this end it is necessary that the charter is clear in how it will assist in meeting this principle, and others, in practice.
We recommend that reference is made to the requirements of the public sector equality duty in the charter, to ensure that it takes a proactive approach to tackling gender inequality. The mainstreaming duty provides an ideal framework for the consideration of gender in the design and delivery of policy.

Gender mainstreaming is a requirement of the public sector equality duty. Close the Gap’s experience of working with public sector organisations to meet the duty suggests that very often gender is not mainstreamed in the business of organisations. It is therefore crucial that the development of the charter considers and reflects the implications of social security policy on women’s equality.

4. The Bill proposes rules for social security which say:

- how decisions are made and when they can be changed;
- how to apply and what information people have to provide;
- how decisions can be challenged;
- when overpayments must be repaid; and,
- what criminal offences will be created relating to benefits.

Q. Do you have any comments on these rules?

The Bill does not specify a timeframe in which an applicant should receive a decision on an application for assistance. This leaves applicants vulnerable. Women are twice as dependent as men on social security. Women are also at greater risk of poverty than are men, and more likely to suffer recurrent and longer spells in poverty. Women are the main managers of family budgets, and family poverty, acting as ‘shock-absorbers’ as they try to shield their children from poverty’s worst effects. This renders women disproportionately impacted by the effects of poverty, both material and psychological. A Scottish social security system based on principles such as dignity and respect must commit to provide a prompt decision on applications for assistance, to avoid exacerbating the already precarious financial situation of vulnerable women.

The Bill also provides that an individual would be liable to repay the Scottish Government in cases where a social security payment(s) was made in error.

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We strongly support Engender’s position on this aspect of this Bill, and do not support a system where women are pushed into poverty due to overpayments caused by official error. Women in receipt of social security should not be held accountable for errors made by government officials.

5. The Scottish Government will take over responsibility for some current benefits. The Bill does not explain how they will work in detail. This will be set out in Regulations at a later date.

Q. What are your thoughts on the schedules in the bill in regard to these benefits?

It is difficult to provide substantive comments on the schedules, as the schedules themselves are a framework and do not set out specific information on each type of assistance. We do however have concerns with the schedules for Carer’s Allowance (CA) and the Best Start Grant (BSG).

The schedule for CA proposes making education and employment part of the eligibility criteria. We do not support this approach. For many women, the ability to undertake paid work in addition to caring roles would make a meaningful difference to their lives in a range of ways. It would increase their independent income and that of the household. For many, it would have a positive impact on their wellbeing, self-esteem, and social life. It would enable women to maintain or develop skills in the workplace, and it would prepare women for the possible need to return to work after their ‘carer journey’ has ended.

At present, a low earning disregard within CA can act as a financial disincentive to take up paid work where this is possible. For carers able to do so, only a penny above the earnings threshold means the loss of their whole entitlement. The earnings threshold does not automatically align with the National Minimum Wage and carers whose earnings rise suddenly over the weekly threshold by just a few pounds are then forced to choose between reducing their hours, giving up work, or losing their benefits. The majority of carers in low-paid jobs and in receipt of CA are women.

The inclusion of education and employment in the eligibility criteria will serve to undermine women’s equality of outcome and future earning potential, which is already significantly lower than men’s. We are calling for these restrictions on carers’ ability to access paid work and education to be lifted as an immediate priority.
We share Engender’s concerns on the proposed schedule for early years assistance, which includes in the primary eligibility criteria that the individual “has a relationship of a specified kind to another individual who is, or has been, more than a specified number of weeks pregnant”. This wording appears to suggest that a male spouse/partner or ex-spouse/partner is eligible to apply for early years assistance. This could have the consequence of further reducing women’s financial independence, exacerbating women’s economic inequality, and putting women at further risk of domestic abuse, in a similar way to the single household payment element of Universal Credit6.

We join with Engender in calling for a social security system that recognises and addresses the imbalance of power in the home, and supports women’s financial independence.

8. The Bill proposes that Carer’s Allowance should be increased as soon as possible to the level of Jobseeker’s Allowance (from £62.10 to £73.10 a week).

Q. What are your thoughts on this proposal?

The commitment to pay a supplement those in receipt of CA, in advance of its equalisation with Jobseeker’s Allowance (JSA) is welcome. However, we do not think that proposals to increase CA to the rate of JSA are ambitious enough. Even at this increased rate, CA will represent only £2 per hour for a minimum of 35 hours per week. This small increase of £11 per week will not make a meaningful difference to women’s lives, especially for those who are caring for children as well as older, disabled or ill relatives. This level of allowance ignores the fact that unpaid carers undertake work worth an estimated £10.8 billion to Scotland’s economy, relieving Scottish Government of considerable financial costs.

Care as work is inherently undervalued because when done in the home, it is not perceived to be work. Consequently paid care work is also undervalued, and therefore low-paid, because it has traditionally been seen as ‘women’s work’, and is therefore not perceived to require extensive skills.

We repeat our call for the increase in CA to be matched with a staggered plan to uprate this allowance over time. Alongside carers’ groups, and Engender, we support the call for a Scottish Living Wage for Carers, in recognition of the both the significant workload that unpaid carers undertake and their contrition to society, and Scotland’s economy.

The report of the Economy, Jobs and Fair Work committee’s enquiry into the causes of the gender pay gap recognised the systemic undervaluation of the female-dominated care sector and its workers. The committee notes that the care sector is an “undervalued but growing and central part of Scotland’s economy”, and “recognises the impact that improving pay in child, adult and elderly care would have not only on reducing the gender pay gap but also on recruiting a more balanced workforce”. It recommends increasing wages in care beyond the living wage to more accurately reflect the value of the work undertaken. Furthermore, in order to raise the status of care, the committee recommends that as a first step, Scottish Government should make care a “priority” sector.

In developing the new carer’s benefit, we would urge Scottish Government to consider women’s experiences of caring, and how caring affects women’s lives and opportunities to participate in the labour market.