Introduction

Initial analyses of the impact of the crisis in the UK, as elsewhere, tended to describe a ‘mancession’. It was said that it was largely men’s jobs being lost, and that the number of female breadwinner households was increasing. The risk of poverty appeared to be converging, because of men’s growing vulnerability; and the gender pay gap declined, because of men’s pay falling more than women’s (WBG, 2014). The benefits/tax credits system acted to some extent as an automatic stabiliser in the immediate aftermath of the crisis, cushioning the blows of job loss and/or wage reductions for many lower-income households.

However, this was before the impact of the Coalition Government’s austerity programme began to be felt (McKay et al., 2013). Although the government announced its plans to reduce the deficit primarily through spending cuts rather than tax increases in 2010, this took time to take effect. So it is only recently that the effects of austerity on women have become apparent.

Why focus on women? First, because they have more restricted incomes and opportunities. A higher proportion of women’s incomes tends to be made up of benefits and tax credits – because they are more likely to be on lower incomes, and to receive benefits on behalf of others (especially children). They also more often act as intermediaries between families and public services, as well as being carers themselves (paid and unpaid); the Women’s Budget Group (WBG) (2014) notes that over 300,000 care workers are employed on zero-hours contracts, including three-fifths of domiciliary care workers. For these reasons, women are likely to be affected more by reductions in benefits and/or services caused by austerity. Women also occupy a higher proportion of public sector jobs – more likely to provide decent pay, good quality conditions, and training for progression; a rebalancing of the economy from public to private sector jobs is therefore likely to disadvantage women.

So, as the Fawcett Society argued, cuts in benefits and services are a ‘triple whammy’ for women’s lives and future life chances. The impact may also be exponential rather than merely additive, as one cut complicates other elements of women’s multi-layered lives. The WBG, analysing the 2014 Autumn Statement, argues that the Chancellor failed to spot the real deficits – in care, affordable housing and high quality paid work – which affect women in particular.

The Fawcett Society filed for judicial review of the Coalition Government’s Budget in 2010, arguing that it had not met all the requirements of the gender equality duty. The government conceded that it had not done so, and promised to do better in future. Nonetheless, the paucity of official gender impact assessments often means that others have to fill this gap instead.

What austerity measures?

There is not space here to give a detailed description of all the elements of the Coalition Government’s austerity package. But one key characteristic is that reductions in social security are employed to avoid (more) cuts in other departmental budgets. Benefit expenditure is seen as a burden, with all major parties apparently aiming to reduce it – though in reality, benefits as well as services fulfil many positive social functions, including helping people to care and to cope. In addition, claimants are often identified as a group distinct from the taxpayers / ‘hard-working families’ who pay for benefits – whereas in practice, as Hills (2014) argued, these are often the same people at different points of the lifecycle.
The cuts ‘saving’ the largest sums are the changes in how benefits/tax credits for those under pension age are uprated (first by the Consumer rather than Retail Prices Index, and then largely by 1%, with some frozen). This contrasts with pensions, protected by the ‘triple lock’, and therefore increased annually by the highest of earnings/price increases or 2.5%. In addition, benefits have been reduced for families with children and disabled people in particular, affecting those in work and out, including through cuts to housing and council tax benefit. One key welfare reform whose aim was not principally to cut entitlements – Universal Credit – was delayed. The government capped annually managed social security expenditure, with only pensions and some cyclical benefits excluded, and a margin for forecasting errors.

Some public services budgets have been protected, including health and education (though the extent of this is contested). Local authorities have experienced significant funding cuts, especially those in more disadvantaged areas, with adult social care suffering in particular.

To give a rounded description of recent policy changes, reforms to taxation should also be included. The government implemented an immediate increase in VAT to 20% – though analyses of changes in households’ disposable incomes exclude the effects of this increase. However, it has also implemented real increases in the personal tax allowance, with more to come. But, although lower-paid people benefit from such increases, once they are taken out of income tax they cannot benefit from further reductions. Such low-paid workers are more likely to be women. More of the benefit goes to men.

Moreover, De Agostini et al. (2014) concluded that, compared to price-linking, the revenue gained through reductions in benefits/tax credits between the 2010 election and 2014/15 has been spent on tax cuts, rather than contributing to deficit reduction. This means that there has been a transfer of resources from some groups in the population to others.

Impact of welfare reforms

What has been the impact on women?

The analysis by De Agostini et al., (2014), as with most others, is based on households rather than individuals. This makes it harder to see the impact of changes on women as a group – although, as Browne (2011) shows, it is possible to show how single adult households of both sexes have fared. In 2013, Landman Economics for the WBG also analysed changes to spending on services and tax/benefits in England by family type, projected up to 2015/16, finding that lone parents lost the most in proportion to their income, followed by single pensioners. A majority of these groups are female anyway; but in addition, female lone parents and single elderly women lost a higher share of income than their male counterparts, losing nearly 16% and over 12% of income respectively.

It is more challenging to analyse impact in terms of individual rather than household incomes. But it is possible for benefits and tax changes. House of Commons library researchers assessed the impact of direct tax and benefit measures on individual incomes in 2014. The WBG (2014) reports that, taking into account the 2014 Autumn Statement, this shows £22 billion of the £26 billion ‘savings’ since June 2010 coming from women – 85% of the total. Analysis for the Equality and Human Rights Commission (Reed and Portes, 2014) has also found that, as a result of the direct tax and benefit changes carried out or planned between 2010 and 2015, women’s average losses are twice as large as men’s as a proportion of net individual incomes. Going back to gendered household analysis in order to include other public spending changes (on one method of calculating the value of services to households) in addition, they find that lone parents and single pensioners, as well as couples with children, experience the largest average fall in living standards; as noted above, the first two groups are dominated by women.

Some benefit cuts have a particular impact on women’s access to independent income. Limiting the contributory element of employment and support allowance to twelve months for those in the work related activity group, for example, will leave many women with chronic
health conditions with no income of their own (and will also affect many men). And although Universal Credit improves work incentives, this is not the case for many potential or actual ‘second earners’ in couples; the freezing of the work allowances will result in even fewer finding it worthwhile to earn an independent income, and/or to earn more.

In addition to the direct impact on women’s incomes, in low-income families in particular it is often women who manage the day-to-day budgeting, and who bear the costs when this is not enough to meet the household’s needs. Thus, they will be likely to be absorbing the impact of the cuts, whoever is directly affected; and the once-monthly lump sum payment of Universal Credit is likely to exacerbate these difficulties. Little is known about the support being given by extended families to those in hardship, but this is often likely to involve mothers and grandmothers helping out their adult children/grandchildren. The benefit cap and bedroom tax in particular may mean families with children having to move house, threatening to disrupt the informal support from relatives and friends relied on by many, especially lone parents. Cuts in social care may also involve women in particular making up the difference by increasing their unpaid care at home.

Conclusion

This contribution has focused largely on academic impact analyses and similar work by NGOs. It is also important, however, to highlight social media interventions by activists (see, for example, https://opendemocracy.net/5050/dawn-foster/whose-recovery-gendered-austerity-in-uk). Coventry Women’s Voices, in co-operation with Warwick University’s Centre for Human Rights in Practice, has developed a toolkit for assessing the impact on equalities (http://www2.warwick.ac.uk/fac/soc/law/research/centres/chrp/projects/spendingcuts/resources/database/resourceseia/), and their work was promoted by the Trades Union Congress. Looking to the future, the wider involvement of civil society will be crucial in forging a way out of the current situation. And in doing so, we should take as a guide the principle that ‘the pursuit of gender equality needs to be considered part of the solution to the current endemic crisis and not treated as a luxury policy to be pursued only once growth has returned’ (Karamessini and Rubery, 2014: 349).

Note

This section is written in a personal capacity and is not intended to represent the views of either Oxford University or the Women’s Budget Group. The responsibility for any errors is mine.

References