

The gendered impact of austerity: Cuts are widening the poverty gap between women and men

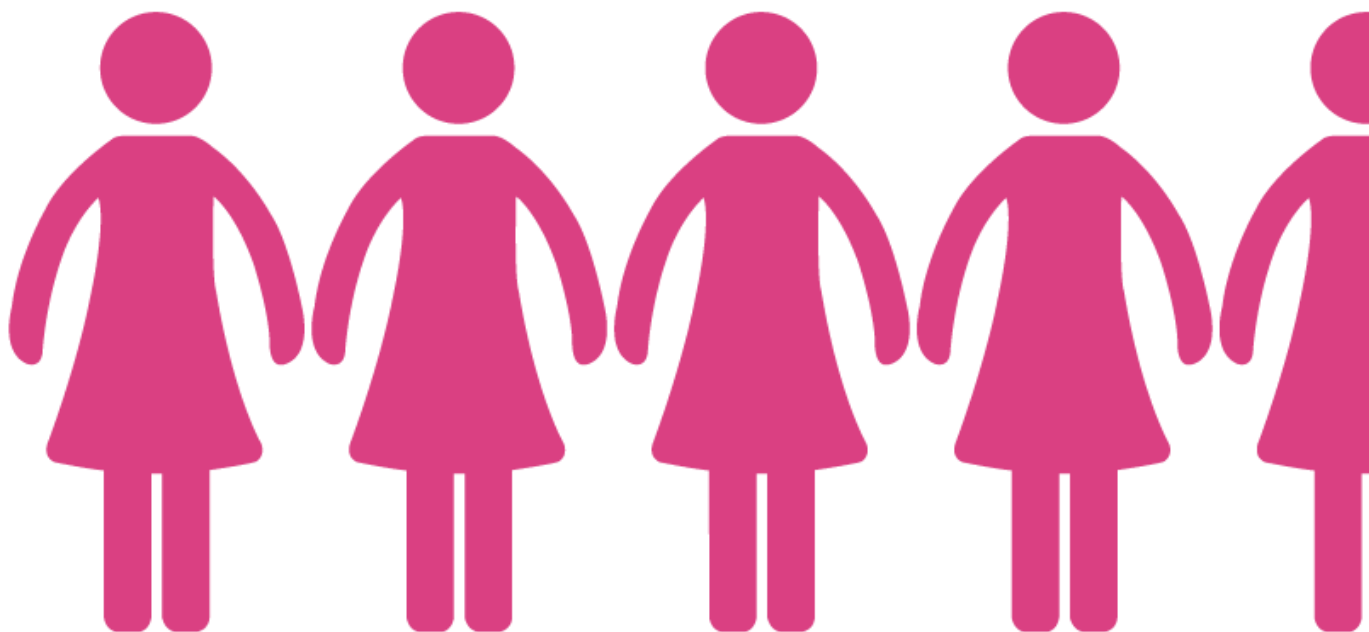


Ellie Mae MacDonald explains that women are disproportionately hit by the UK government's austerity policies. She argues that many government policies, though seemingly gender-neutral, have profoundly gendered impacts. In particular, changes to Universal Credit and cuts to services and public-sector jobs have increased the number of women living in poverty relative to men.

Women are poorer than men. As a worldwide average, women collectively earn slightly more than 50 per cent of men's total earnings. In Britain, a woman earns 82p for every £1 a man earns and faces a much greater chance of living in poverty. Women face long-standing entrenched structural inequalities, coming up against obstacles to gaining independence, a job and a source of income. It is not yet time for the government to sit back and applaud itself for the achievement of gender equality.

It is undeniable that there have been significant advances concerning the treatment of women in both the workplace and the household, with an increasing focus on legislature that concerns 'women's issues', such as maternity and paternity care. However, this conceals the fact that many of the government's policies, though seemingly gender-neutral, have profoundly gendered impacts – which it has a tendency to ignore.

In the UK, **20% of women** are



that's **5.1 million w**

JRF JOSEPH
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FOUNDATION

Source: Household

Source: Household Below Average Income, Joseph Rowntree Foundation.

In particular, the government's programme of austerity cuts, including changes to Universal Credit and cuts to services and public-sector jobs, have increased the number of women living in poverty, relative to men. £22 billion of the £26 billion 'savings' since June 2010 have come from women. Single mothers, the social group with the highest poverty risk (at 50 per cent), are particularly vulnerable. The government cannot afford to ignore the gendered impacts of its policy of austerity cuts, both for the sake of social justice and economic sense.

The adverse impacts of austerity on women

Firstly, austerity measures are likely to decrease the ability of women to gain employment – the most effective route out of poverty. Changes to Universal Credit provide greater incentives for single-earner households and penalise two-earner households through benefit reductions. Women, more often the ‘second earner’, will face disincentives to work. The cuts to the public sector (in terms of both jobs and the real value of earnings) harm women more than men, since around two-thirds of the public-sector workforce is female. 73 per cent of those that are affected by the public sector pay freeze were women, according to the [Women’s Budget Group](#). The continuation of these cuts will decrease the incomes of many women or deplete them altogether.

Secondly, the welfare state cuts have unacceptable consequences for women. Women are more dependent than men upon the welfare state; care responsibilities prevent many from entering employment and earning an independent income. Even within employment, women may suffer in-work poverty because they are only able to maintain part-time, low-paid jobs whilst caring for dependents.

Changes to the design of UC since its initial outline are likely to hit women the hardest, since a higher proportion of women’s income is made up from benefits (19 per cent) than men (8 per cent). Lone parents (of which 9 out of 10 are women) are [expected](#) to be on average £2,380 a year worse off, while families with two children lose £1,100 on average and those with three children lose £2,540. Other benefit changes such as the restriction of the Sure Start Maternity Grant, the two-child limit on child benefits and the ban on housing benefit for 18 to 21-year-olds are likely to damage women’s incomes more than men’s.

Inadequate childcare facilities prevent women, especially single mothers, from entering the labour market. Childcare in the UK is the most expensive in Europe and it is often infeasible for a woman to work full-time with care responsibilities. The government is doing too little to change the situation of expensive care facilities, with its current pledge of 30 hours of free childcare for 3 and 4 years olds being inadequate.

Thirdly, Universal Credit is changing the structure of the family – to the detriment of mothers. Universal Credit creates incentives for single-earner ‘breadwinner’ households, due to the withdrawal of benefits from two-earner households. Furthermore, UC is paid in one lump-sum into one bank account (usually the primary earner’s). These measures are likely to increase incidences of households with one primary earner and a partner that is either a second earner or not earning. Women are much more likely than men to be the latter, increasing their dependence upon their male partners.

Dependence upon the income of a partner has two effects. Firstly, it may leave some women without sufficient resources to meet their minimum needs. Breadwinner ideology can affect who accesses resources within the household, because it can reduce women’s bargaining power if they are not seen to be contributing to the household income. Secondly, it is likely to increase the risk of future poverty, since economic dependence means that an individual’s continued economic stability and wellbeing depends on two conditions: their partners keeping their income, and their families staying together. Dependency reduces the ability of women to get a source of stable income after separation (either through a good job or from a pension), whilst also leaving her with fewer assets and wealth.

What can be done about it?

Austerity measures will thus increase the number of women in poverty. What should be done about this? There are two necessary policy changes.

Firstly, the government should provide more flexible childcare facilities and place a cap on childcare costs, or provide more child benefit in order to cover the current costs that are keeping many women from work. Failing to recognise that adequate childcare is the main barrier to employment for women makes other measures to increase employment much less effective. Secondly, the government should increase the Work Allowance and re-instate the payment of benefits into separate accounts, particularly for child benefit. This would reintroduce a stable source of independent income for mothers.

The problem of poverty should be the priority of policy makers, not only for those focused on social injustice but also for those seeking economic benefits. The cost of increased spending on public services, particularly child care services, is likely to be mitigated by the increased economic activity. In 2011, the IPPR published a [report](#) making the economic case for universal childcare: on the basis of their cost-benefit analysis, they show that universal childcare pays a return of £20,050 over four years to the government.

The government is not doing enough to combat the entrenched nature of women's poverty. This is either through ignorance – since official statistics conceal the true extent of this poverty – or because neither women nor poverty are the priority of policymakers in a time of austerity. The current government should be held to account for this injustice, particularly given that the Equality Act of 2006 provides the legitimate grounds to do so. This is a legal obligation to pay 'due regard' to gender equality when making decisions relating to spending plans. This requires a long-standing commitment to social change, not quick-fix measures that improve poverty rates in the short-term.

Note: this article draws from a Global Policy Institute's [report](#) on austerity cuts and gender.

About the Author



Ellie Mae MacDonald is a graduate of the University of Oxford and a researcher at the Global Policy Institute.

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