

**Response to NAFW Communities, Equalities and Local Government Committee inquiry:**

## Poverty and Inequality

September 2014

### Introduction

Chwarae Teg exists to deliver our vision of a Wales where women achieve and prosper. We do this by working with women to broaden horizons and build confidence and skills; working with employers to create modern workplaces that are successful by harnessing everyone's contribution; and working with influencers, educators and decision makers to build a society that values, supports and benefits women and men equally.

In this response we will address the three questions outlined in the Terms of Reference with a focus on how poverty effects and is experienced by women.

Poverty is a gendered issue. The risks, causes and experiences of poverty are different for men and women, with women's position in the home and the workplace being key factors in determining these differences. As part of wider action to reduce poverty levels it is vital that a tailored approach is taken to address the distinctive features of women's poverty.

### Recommendations

1. Strengthen the coordination between the Tackling Poverty Action Plan and Strategic Equality Plan in practice and in progress reporting to highlight areas of success and areas that require further intervention.
2. Ensure robust Equality Impact Assessments are carried out consistently on **all** new programmes and initiatives with continued monitoring and improvement of this process.
3. Expand the definition and measurement of poverty to look within households and to understand the gender differences in risks and experience of poverty.
4. Ensure that all Welsh Government departments prioritise action to tackle poverty and inequality and are aware of the need to tackle women's inequality as part of this.
5. Utilise gender budgeting tools to inform funding decisions and new initiatives so that gender impacts are avoided at the development stage rather than being highlighted at the consultation and engagement stage.
6. Tackle the underlying causes of women's poverty by:
  - a. Tackling the perception that women are carer's first and earners second

- b. Ensuring that affordable and accessible childcare is available, regardless of income
- c. Exploring better support mechanisms for lone parents to enable them to access quality employment opportunities
- d. Encouraging modern workplace practices, including part time and job sharing, at more senior levels, so that women are not forced to work below their potential
- e. Making Wales a Living Wage nation

## Detailed Response

### 1. How effectively the Tackling Poverty Action Plan, Strategic Equality Plan and other government strategies work together

- 1.1 Poverty and inequality are inextricably linked making it impossible to tackle one without addressing the other.
- 1.2 The dovetailing of the Tackling Poverty Action Plan and Strategic Equality Plan is welcome but could be strengthened to make the links more explicit and support a more coordinated approach to tackling poverty and inequality.
- 1.3 Equality Impact Assessments are a vital tool in supporting this approach. In some cases these are not being carried out consistently and are not taking account of the different employment and domestic situations that men and women find themselves in.

## Recommendations 1 and 2

### 2. The impacts of poverty, particularly destitution and extreme poverty, on different groups of people

#### 2.1. Women are more likely to live in poverty and suffer longer and recurrent spells of poverty than men

- 2.1.1. Women's poverty rate stands at 22% compared to 20% for men.<sup>1</sup> This is in part due to the fact that single, female headed households are more likely to live in poverty.<sup>2</sup>
- 2.1.2. The true extent of women's poverty could be hidden as poverty is measured at a household level on the assumption that resources and income are shared equally and low income statistics include childcare support as income but do not deduct the costs.
- 2.1.3. While defining poverty in monetary terms is an important and useful approach it ignores wider implications such as "poverty of decision making, poverty of time and poverty of self-determination."<sup>3</sup>

## Recommendation 3

<sup>1</sup> Poverty and Social Exclusion (2012) "Poverty and Gender: Initial Findings PSE 2012"

<sup>2</sup> Fran Bennett via Open Democracy (2014) "Gender and Poverty in the UK: inside the household and across the life course"

<sup>3</sup> Oxfam International/ European Women's Lobby (2010) "Women's Poverty and social exclusion in the European Union at a time of recession: An Invisible Crisis?"

## **2.2. Women are more at risk of falling into poverty than men and experience different risk factors.**

- 2.2.1. A report completed for the Joseph Rowntree Foundation argues that there are 3 factors which interact to leave women at a higher risk of poverty: Family, Market and State.<sup>4</sup>
- 2.2.2. In terms of family the structure, availability of resources and distribution of responsibilities within the family and level of dependence all affect a woman's risk of poverty.<sup>5</sup>
- 2.2.3. Women continue to be seen as carers first and earners second, a perception which can drastically limit women's employment options to low paid, part time work and prevent them from accessing education and training opportunities.
- 2.2.4. The amount and intensity of unpaid care work can be even greater for those living in poverty due to a lack of public services and adequate infrastructure in their locality and a lack of resources to pay for care services.<sup>6</sup>
- 2.2.5. Being the second earner in a household can also leave many women financially dependent on their partner. This can leave women more at risk of poverty especially if the relationship were to break down.
- 2.2.6. For lone parents, risk of poverty is even greater, with females headed households much more likely to be in poverty than those headed by men.<sup>7</sup>
- 2.2.7. The pressure of balancing work and care is also more acute with many lone parents only being able to work part time. This does not guarantee a route out of poverty as 1 in 3 lone parents who work part time are living in poverty.<sup>8</sup>

### **Recommendations 6a, 6b, and 6c**

- 2.2.8. In terms of the market, education and skills levels, labour market engagement, part time work and low pay, leave and flexible working and importance of locality all need to be considered.<sup>9</sup>
- 2.2.9. Women are over represented in the types of work associated with higher rates of poverty including low paid, part time, precarious or temporary employment.<sup>10</sup> 22% of women are living on a persistent low income compared with 14% of men<sup>11</sup>, women occupy 80% of all part time jobs in Wales<sup>12</sup> with 14.1% of UK part time workers living in poverty compared with 6.5% of full time workers.<sup>13</sup>
- 2.2.10. Of the 1.4m people working on a zero hours contract 55% are women.<sup>14</sup> Many working on this basis are working part time (64%), would like more hours (35%) and face varying hours and therefore income from week to week. The instability of these contracts and potential impact on benefit entitlement risk pushing women further into poverty.
- 2.2.11. All of this contributes to the growing problem of in-work poverty, which is also gendered. Men are more likely to experience it due to their family situation,

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<sup>4</sup> University of Oxford (2014) "Poverty through a Gender Lens: Evidence and Policy review on Gender and Poverty"

<sup>5</sup> Ibid

<sup>6</sup> United Nations (2013) "Report of the Special Rapporteur on extreme poverty and human rights"

<sup>7</sup> Fran Bennett "Gender and Poverty in the UK"

<sup>8</sup> Gingerbread (2013) <http://www.gingerbread.org.uk/news/200/Part-time-poverty>

<sup>9</sup> University of Oxford "poverty through a Gender Lens"

<sup>10</sup> JRF "Employment, Pay and Poverty"

<sup>11</sup> NUT "Women and Poverty"

<sup>12</sup> Women Adding Value to the Economy (2014) "Working Patterns in Wales: Gender, Occupations and Pay"

<sup>13</sup> JRF "Employment, Pay and Poverty"

<sup>14</sup> Office for National Statistics (2014) "Analysis of employee contracts that do not guarantee a minimum number of hours"

including having a partner with no income of their own, while women are more likely to due to their own employment situation, i.e. low paid, part time work.<sup>15</sup>

## **Recommendations 6d and 6e**

2.2.12. The role of the state relates mainly to welfare and services. Gendered poverty risks are affected by whether benefits are individual or joint and to whom they are paid and how, while services are particularly important to those with caring responsibilities for children or ill, disabled or elderly adults.<sup>16</sup>

2.2.13. Women are more reliant on benefits than men with a higher proportion of their income coming from the state. As a result women, particularly lone parents, are much more vulnerable to welfare reform and are at a higher risk of falling into poverty as a result.

### **2.3. Women's experience of poverty also differs from men's due to their different positions in the home and in work**

2.3.1. A report compiled by the Women's Budget Group (WBG) and JRF in 2008 outlined the experiences of women living in poverty from across the UK.<sup>17</sup> While the political and social context has changed in that time the experiences described by these women remain relevant to a discussion on poverty and inequality.

2.3.2. The report showed that many women experienced poverty as a "constant sense of financial insecurity and instability and the lack of any real opportunity to improve their situation."<sup>18</sup>

2.3.3. Many people who experience poverty live in areas with high deprivation which has well documented problems. These areas generally have little investment and suffer with poor quality housing and inadequate service provision. There is also a long standing link between living in deprivation, poor educational attainment and poor physical and mental health. This experience was reflected in the WBG report.

2.3.4. While some of these experiences will be shared with men living in poverty, the burden of care and importance of accessing services can leave women more vulnerable to the effects of poverty.

2.3.5. Poverty can also lead to a lack of independence and disenfranchisement. Women living in poverty remain a highly marginalised political group<sup>19</sup> and while this continues policy discussions at all levels will suffer as the experiences and views of this group will remain invisible.

### **2.4. For women who are also part of another protected group the realities and risks of poverty can be felt even more harshly**

2.4.1. Women over 65 are on average over one and a half times more likely to live in poverty than men of a similar age in OECD countries overall.<sup>20</sup>

2.4.2. This can be the result of a lifetime of low income, interrupted work patterns and the loss of a partner on whom they relied for financial security.

2.4.3. A further pressure for older women, especially for those in low income communities, is the increasing reliance on grandparents for informal support,

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<sup>15</sup> University of Oxford "Poverty through a Gender Lens"

<sup>16</sup> University of Oxford "Poverty through a Gender Lens"

<sup>17</sup> Women's Budget Group and JRF (2008) "Women and Poverty: Experiences, empowerment and engagement"

<sup>18</sup> Ibid

<sup>19</sup> Ibid

<sup>20</sup> University of Oxford "Poverty through a Gender Lens"

particularly in providing childcare.<sup>21</sup> Many grandmothers are reducing their hours in order to support their families with an obvious impact on their ability to add to their pension fund.

- 2.4.4. There are also additional risks for some groups of younger women. Teenage mothers have been highlighted as being 3 times as likely to be living in poverty as a mother in their 30s.<sup>22</sup> Teenage births are also higher in areas of deprivation, suggesting that poverty is not only a risk for teenage mothers but may also be a contributing factor to teenage pregnancy rates.<sup>23</sup>
- 2.4.5. Census data shows that BME women are over represented in the poorest households in the UK.<sup>24</sup> Women from these communities experience the same risks of poverty as White British women but also face additional barriers to accessing quality, well paid employment such as poor English language skills, more traditional gender roles within the household and a lack of appropriate childcare.<sup>25</sup>
- 2.4.6. Location can be a particular problem for ethnic communities who live in some of the most deprived areas of the country.<sup>26</sup>

### **3. How legislation, policy and budgets targeted at tackling poverty and reducing inequality are coordinated and prioritised across the Welsh Government**

- 3.1. Poverty and inequality are inextricably linked and require a coordinated approach across all Welsh Government departments if both are to be eradicated. The TPAP, SEP and Budget Advisory Group for Equality (BAGE) are all indications that WG have recognised this and are committed to such an approach.
- 3.2. Further steps could be taken such as exploring gender mainstreaming and making use of gender budgeting tools which could ensure unnecessary gender impacts are avoided at the policy development stage rather than being highlighted at the consultation and engagement stage.
- 3.3. Most importantly it is vital that all departments understand the need to prioritise action to tackle poverty and inequality. This paper demonstrates how far reaching the risks and impacts of poverty are for women. A robust, coordinated approach that takes full account of the gendered nature of poverty is vital if WG want to effectively tackle poverty and inequality/ build a Wales that is free from both poverty and inequality.

#### **Recommendations 4 and 5**

### **Conclusion**

Poverty is a gendered issue that is inextricably linked with inequality. Women and men's risks and experiences of poverty are different and poverty cannot be reduced unless these differences are understood.

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<sup>21</sup> Ibid

<sup>22</sup> Ibid

<sup>23</sup> Ibid

<sup>24</sup> Oxfam (2011) "Exploring BME Maternal Poverty: The financial lives of ethnic minority mothers in Tyne and Wear"

<sup>25</sup> Ibid

<sup>26</sup> Centre on Dynamics of Ethnicity Briefing Paper "Diversity or Deprivation: research evidence and policy recommendations from the University of Manchester"

For women, their risk and experience of poverty is largely defined by their position in the workplace and at home. Being viewed as carer's first and earner's second, being unable to access work that is flexible enough to enable them to balance work and care and having to opt for lower paid, less secure employment means that for many women, work does not provide the route out of poverty that it's purported to.

A gender neutral approach to tackling poverty will not work. To be successful poverty strategies must also address the causes of women's inequality.

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Chwarae Teg would be happy to discuss any of the above in more detail. Please contact:

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