



# The Northern Ireland Economy: **Women on the Edge?**

A Comprehensive Analysis of the Impacts of the Financial Crisis





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**A Comprehensive Analysis of the Impacts of the Financial Crisis**

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The views expressed in this report are the views of the author and the Women's Resource and Development Agency and not of the Office of the First and deputy First Minister or its officials.



## **The Northern Ireland Economy: Women on the Edge?**



## Foreword

This report - 'The Northern Ireland Economy: Women on the Edge?' - was initially conceived in response to the economic recession and subsequent downturn in 2009. The financial crisis loomed large in terms of media coverage but what was striking was the work sectors the media chose to focus attention on: construction and manufacturing. It appeared to be very much a 'mancession'. In other employment sectors where women predominated and were being affected, for example, retail, the media spotlight was dim.

Notwithstanding the above, it became clear as work began on this project that there was a need to ascertain women's position in the wider economy. While existing evidence points to the vulnerability of women generally in the paid labour market, this project delves deeper and looks at the economic position of particular groups of vulnerable women - young women, older women, migrant women and lone parents - the impact of the financial crisis and how any solutions are likely to affect them.

It was deemed equally important to examine the economic roles women play; where women's work is concentrated in the paid economy; women's different work patterns and how women juggle paid work with other/caring responsibilities. Of course, central to all of this was women's income, be it via wages, welfare benefits, credit or pensions. So this research examines women's position in terms of labour market participation and income both generally and in relation to impacts of the economic downturn. Overall, this report establishes a baseline for women's economic participation, the barriers and solutions, but each section can also be read as a stand alone piece.

I wish to commend and thank Bronagh Hinds (Democrashe), author of the report. Her understanding of the broad range of issues

affecting women's economic equality, coupled with her detailed research and analysis, has resulted in a seminal piece of research that can now be employed to influence future decisions of our devolved Assembly. I also want to acknowledge and thank Dr Demi Patsios who undertook the statistical aspect of this project, providing a quantitative picture of women's economic position in NI. This work has been published as a separate accompanying document.

I also want to express thanks to Dr Margaret Ward (WRDA) who has provided encouragement and guidance throughout this process and I want to thank Vilma Bisson who has been invaluable in terms of her support.

An interim set of findings for this project was discussed at a seminar held in the Equality Commission during International Women's Week and attended by a wide variety of stakeholders. We are grateful to the Equality Commission for their support, to Evelyn Collins for chairing the event and to Angela McGowan, Chief Economist of the Northern Bank, for her incisive presentation.

An expert advisory group was established to guide and advise on this project - Margaret Ward (WRDA), Eileen Sung (OFMdFM), Paddy Hillyard (Professor Emeritus QUB) and Liz Law (Equality Commission NI) - and I want to thank them all sincerely for their expertise, their guidance and advice.

Finally I want to acknowledge the financial help provided through the Office of the First and deputy First Minister. Without funding this project could not have happened.

WRDA and the women's sector can now use this work to influence positively (on behalf of women and indeed men) the forthcoming NI Programme for Government and in the longer term drive forward the cross-departmental Gender Equality Strategy and associated departmental action plans.

**Lynn Carvill**

*Women's Resource and Development Agency*



# Contents

<b>Setting the Scene - Gender impacts of the financial crisis</b>	<b>7</b>
<b>Economy</b>	<b>19</b>
<b>Employment</b>	<b>31</b>
<b>Childcare for Employment</b>	<b>42</b>
<b>Lone Parents</b>	<b>55</b>
<b>Migrant Women</b>	<b>67</b>
<b>Young Women</b>	<b>86</b>
<b>Older Women</b>	<b>98</b>
<b>Pensions</b>	<b>109</b>
<b>Welfare and Welfare Reform</b>	<b>116</b>
<b>Debt and Credit</b>	<b>129</b>
<b>Housing and Energy Debt</b>	<b>140</b>
<b>Summary of Recommendations</b>	<b>149</b>
<b>Acknowledgements</b>	<b>159</b>



## Setting the Scene - Gender impacts of the financial crisis

This research project was prompted by the economic downturn and concern to assess and make visible what is happening to women through the recession and desired economic recovery. Gathering information and exploring where women stand in Northern Ireland today across a range of situations and circumstances was central to the work. For many of the women who were interviewed or took part in focus groups, life on a low income was already challenging. Several were part of ongoing efficiency drives in the public sector that had already been in place for over three years. Others were at the vulnerable end of women in work and women on benefits. They were under additional stress following what has been described as “the astonishing political transformation of a global private financial sector crisis into a national public spending one”.<sup>1</sup>

Preparatory work for the UN Economic and Social Council Economic Commission for Europe in 2009 predicted the financial and economic downturn impacts that are being experienced by women in Northern Ireland as evidenced by contributors to this research project: an expansion of informal and atypical employment with women entering informal labour markets due to decreased employment opportunities in the formal sector or cutbacks in average income; employers in the formal economy changing existing working arrangements by hiring workers on a part-time, contractual or casual basis; atypical working arrangements leading to less job security, lower pay and fewer benefits; women more affected by wage reductions than men as they were generally paid less before the crisis; the potential for the gender pay gap to widen since women’s salaries often decline at a higher rate than men’s; migrant women who are part of the cheap, flexible vulnerable workforce being dismissed easily in a downturn; the disproportionate impact on women and children

of decreases in quality and access to public services as a result of austerity measures.<sup>2</sup>

It was often difficult for the women interviewed to differentiate between their regular daily struggle and the added impacts of the recession. Nevertheless it came through in various ways. Some women were being asked to move from formal to informal working with no job security, national insurance contributions or terms and conditions while others faced severe cuts in hours. The fall in the value of sterling has increased the financial burden for migrant women sending remittances home regularly. Young women were giving up their independent living and returning home to live with parents. Young lone parents relied on their mothers to help feed their children in a ‘bad week’, meaning the week that they did not receive benefit and their last payment had run out.

Older women found the rocketing cost of food and energy a worry. So too did others, lone parents were concerned about whether they were feeding their children properly on cheap food. Constant worry about money was common among groups of women and fear of cookers or fridges breaking down that could not be replaced. There was a lot of debt around with accompanying stress, especially over mortgages, and increased difficulty in meeting repayments. There were cases of women unable to make a clean break in their relationships, even where domestic violence was involved, because it was proving impossible to sell the family home. Advice workers were finding that they could not close case files within three months as had been the norm before the recession as problems were ongoing and mounting. Doing anything out of the ordinary was a luxury for most.

*“I go and stay with my mum 2/3 nights a week because I cannot afford to keep the heating on. The price of oil is terrible and I have to cut back until I get paid again.”*

*“I go to Mum’s for dinners especially in the last week in the month – I can’t afford to do a grocery shop that week.”*

*“My wages are not going anywhere. Diesel has gone up. I’ve had to use the tumble dryer in bad weather. The cost of nappies has gone up. And I’m expecting another child.”*

*“I live on tax credit and child tax credit e.g. to pay*



*transport, nappies, etc. the wages pay for the heating and groceries."*

*"Child tax credit is weekly so it keeps us going in the bad week."*

*"It cost me £21 return to go on the bus to Belfast for an interview."*

*"If inflation goes up to 5% we've had it."*

The research also confirmed the structural inequalities that exist for women. The gender pay gap exists, especially in the private sector in Northern Ireland. This is a great concern for women at a time when governments, whether the Coalition Government in the UK or the Northern Ireland Executive, are steering an economic policy to rebalance the economy away from the public sector and to the private sector. Cutting public sector employment as part of this process predominantly means cutting women's jobs as it is they who make up the majority of the public service workforce.

### Accelerating recovery

Driving an accelerated process of reducing the national deficit to zero by 2014-2015 and deciding to do that by a 3:1 ratio of public spending cuts to tax revenues ensures that women shoulder the larger portion of the cost of rebuilding the economy. Under cover of the recession, welfare support is being slashed along with incentives that encourage women into work and towards economic autonomy. The model of society being held up for women is: "go back to the home, pick up the unpaid caring role that we, the governments, cannot cover and we will focus on incentivising your husband to support you."

Future tax and benefits support channelled through the Universal Credit unashamedly prioritises the primary, usually male, earner at the expense of the second, usually female, earner. The universal recognition of women's child caring role will be stripped away with the removal of Child Benefit from some mothers. Women will have no access to an independent income when the single Universal Credit payment is routed through the main applicant who will in all likelihood be the man in most couples. Suddenly the history of work-life balance policies to reconcile work and family life so as to enable women to return to work is being turned on its

head and used to justify a male breadwinner, female dependent model in the 21st Century.

### Work-Life Balance

*"Because the reward is for the first earner into work, some second earners might choose to reduce or rebalance their hours of work more in line with their families' needs. The Government believes that **any such risk of decreased work incentives for women in couples is justified.**"<sup>3</sup>*

*"Although the number of workless families will reduce, it is possible that, in some families, second earners may choose to reduce or balance their hours or to leave work. In these cases, the improved ability of the main earner to support his or her family will increase the options available to families to strike their preferred work/life balance."<sup>4</sup>*

Even before the Coalition Government took the path it did on Universal Credit the UN was noting the danger of tax systems that taxed the family income as a whole and result in a higher marginal tax rate for the second earner, normally the woman. They were clear that this discourages women from participating in the labour market when the cost outweighs the benefit; i.e. the loss of benefits when the family income is pushed above the eligibility threshold for benefits and the cost of childcare which is alleviated only marginally by income tax credits. Working is only worthwhile for women when it is well paid rather than low-paid and part-time.<sup>5</sup>

The consequences of the government's policies on second earners under the Universal Credit are severe for women financially and in other ways. Pension benefits, for example, are based on life-time earnings. Not only are women combating generally lower wages, higher unemployment and more frequent breaks in formal employment, they now face an additional hurdle constructed by government that will mean they accrue fewer pension entitlements and consequently face a higher risk of old-age poverty than men.

Older women are also paying through the imposition of an accelerated timescale to extend the state pension age to 66 years. Many of these same women will live most of their retirement under a reformed pension system which will bring benefits to older people just a year or two





younger than they are but not to them. At the other end of the scale, unless greater attention is paid to them, young women with no qualifications will have little other than a future in poverty.

Lone parents and all working women with children fare badly in terms of infrastructure support to enable them to return to work. Public transport in some rural areas is very poor. Above all, the absence of a high-level Executive strategy and implementation targets to deliver affordable, accessible, high-quality childcare provision suitable for working parents puts women and Northern Ireland well-behind economically successful countries. It is notable that examination of affordable, high-quality childcare options is one of the priorities for examination in the mid-term review of the Gender Equality Strategy in 2011.<sup>6</sup>

Denmark has reached a position where supply and demand for childcare are in balance. The costs of childcare for parents in the UK are two to four times more than in Finland and Québec, Canada and four to eight times more than in Sweden. The UK Government spends £6.5bn, or 0.54 percent of GDP, annually to support childcare. Even if it doubled this to 1 percent of GDP, it would still be half the rate of other countries.<sup>7</sup> Northern Ireland, with the least childcare provision useful to working parents in the UK, is nowhere on the map.

In a credit-fuelled culture, debt has spiralled. Most is owned by high income earners, yet the focus is on problem debt associated with those on perennially low income or hit by sudden loss of wages in the recession. Women are the majority of debtors in Northern Ireland. This is not necessarily the result of bad financial management as women's budgeting skills are often extremely good in making a small income stretch a long way. Rather, many women tend to carry debt because they need to buy necessities. The story behind debt is women working in the low wage economy, or as young women they cannot find a job, or as migrant women they are more vulnerable in under-regulated employments, or as lone parents with young children they are a single earner in part-time work, or as carers they rely on benefit or as older women they may not be claiming the Pension Credit they are entitled to.

### Reforming poverty pay

*"Work that does not provide a sufficient income is now much more to blame for poverty than worklessness. If the new government is serious about poverty reduction, it will need to direct its reform efforts not just at the world of welfare but at the world of work, too – starting with the public sector."<sup>8</sup>*

### The way forward

The economy was broken by bankers and financial institutions, not the women who are being asked to pay. Yet, Government is on a pathway of replacing people's welfare with a welfare system for financial institutions that has eaten up the public money. Few people doubt that the deficit must be dealt with, or that in Northern Ireland the private sector needs to be grown and encouraged to create jobs and play its part in creating a thriving and sustainable economy. Government must also deliver on the equally important challenges of cherishing all citizens equally, protecting vulnerable people and sustaining its most valuable assets, its human resources.

Developing the economy is a considerable challenge for the Northern Ireland Executive in a region that is facing a slower growth trajectory than even the low growth prediction in Britain over the next year or more. Moreover, in Northern Ireland there is no precedent for growth that is anything other than public sector led. Rhetoric about striving for a reinvigorated economy that delivers for all citizens is not enough in the wake of the economic downturn and its causes. The financial crisis presents an opportunity to learn to do things differently, not just in making financial services more transparent and regulating them more effectively, but also in building a new style economy.

Innovation in policy leadership is needed to challenge old wisdoms and certainties. Commitment to redressing the scale of economic inequality must be factored into inter-political-business dealings. The precedent for this has been set in Northern Ireland through public sector procurement requirements. If public and private sectors are to be rebalanced, alongside this must



sit a debate about the balance between private gain and public good in rebuilding an economy in which all citizens can thrive. The Northern Ireland drive to increase entrepreneurship and enterprise should be led by a common set of political and civic values that set this within the context of an equal, fair, inclusive and cohesive society economically and socially. The economy should sustain the environment and society rather than grow at their expense.

### Investment in women = investment in society

*“Investing in women in emerging markets pays dividends for the wider community; they reinvest 90% of their incomes in their families and communities, compared with men, who reinvest only 30 to 40%. The flipside of that is that if you deprive a woman of an income, you are not only hurting her, but her children and husband as well.”<sup>9</sup>*

It should be remembered that the cost of inequality is paid by the state and by tax payers. Apart from low wages not providing the incentive to work, the state must provide welfare support to subsidise wages. International data suggests that countries with more unequal societies have a greater range of social problems<sup>10</sup> towards which public expenditure must be directed. The aim of public policy should be to flatten out inequality to the point where those at the bottom accepted that redistribution had played its part and the degree of difference in individual circumstance was recognised as reflecting the diversity of society.<sup>11</sup>

It is time to deliver for women and women will be able to deliver for Northern Ireland. There is substantial untapped potential among women as entrepreneurs and in sufficient numbers women will bring cultured change and attract other women like magnets. Greater diversity is an incubator for greater creativity and innovation. A greater number of women in the labour market is a powerful tool to combat women’s poverty by increasing working-age income and older-age pension entitlements. As recognised by The Economist, women are the single biggest force for economic growth on the planet. Women’s economic empowerment is the primary factor that the Northern Ireland Executive should add into its investment and growth strategy.

### Women are the single biggest force for growth.

*“Women are the single biggest - and least acknowledged - force for economic growth on the planet. This is not a claim made by rampant feminists, but by the Economist, which suggests that over the past few decades women have contributed more to the expansion of the world economy than either new technology or the emerging markets of China and India. But surprise, surprise: technology and emerging markets have gleaned acres of coverage in the business press; the potential of women, seen as a “soft” issue, has not.”<sup>12</sup>*

### A different economic model

The crisis cannot be undone, but it is possible to change the terms of the analysis and talk about it in a more rounded and human way. It is time to move on from lip service about “more women at the top” and “unique strengths and approaches to problem solving” and “less testosterone-driven hyper-competitiveness”<sup>13</sup> and to make progress for women and change the way things are done. Growth dependent on inequality has been proven to be an unsustainable strategy which ought to be replaced by growth that is compatible with equality.

One example is from Iceland, the first country in the eye of the financial storm. Audur Capital<sup>14</sup> advised against the type of risk being taken by financial markets before the collapse and survived and prospered when others went under. It was well-guided by its values and principles, including its approach to transparency and risk, alongside a commitment to profits with principles and rating emotional capital<sup>15</sup> and emotional due diligence equally with financial due diligence.

Audur believes it makes good business sense to take advantage of social and demographic changes. Taking a future perspective, it sees two powerful global trends as key drivers in creating economic growth and prosperity.

- The incredible economic potential in women, their increased level of education, growing economic power and their entrepreneurial



flair. A growing body of research demonstrates that companies owned or managed by women yield a higher long term return.

- The tremendous growth opportunities in businesses that embrace different values, turning social, ethical and environmental responsibility into their business advantage.

Audur considers that consumers and investors alike will increasingly look towards companies that emphasize responsible behavior, resulting in a competitive advantage and increased business returns for those companies. The directors simply reject the view that it is *either* about financial returns *or* social benefit. ***"We think it is simply good business to do good business."***

For Audur Capital, social responsibility takes into account all its decisions, actions and communications. Being socially responsible means being honest and transparent in all business decisions and actions. It emphasizes applying a win-win approach and treating all stakeholders, including employees, clients and collaborators, with respect. Compliance with laws and regulations as well as integrity and ethical behavior are key factors for Audur's team which appreciates that the company is a part of a larger entity composed of the society, the environment, human resources and natural resources. For long term success it believes these resources should be treated with care and respect so future generations can also enjoy their benefits.

It aims to influence governance procedures positively and increase awareness of the importance of being socially and environmentally responsible, both through its own behavior and by influencing that of others through its investment strategies. It adopts a socially responsible investment strategy and through private equity investments directly influences the companies it invests in to increase their level of social and environmental responsibility. Audur rejects the view that companies should choose between financial results and responsible behaviour, convinced that by emphasizing both the best long term results will be achieved.

As executive chair and co-founder of Audur Capital Halla Tomasdottir suggests, the financial

world and much of the corporate world has been characterized by underlying assumptions and values that are simply not sustainable. The collapse of the global financial markets may well turn out to be just what the world needed in order to create enough urgency to fuel the transformational change needed to achieve sustainability. It ought to provide the perfect opportunity to question the values and ways that led to this global economic crisis and provide a compelling argument for the Northern Ireland Executive to invent a more sustainable set of values going forward.

### **Halla Tomasdottir, Audur Capital**

*"We have been too focused on the short-term and paper profits, instead of long-term real value creation .... creating "profits" in our lifetime at the expense of future generations. The underlying values have led to this excessive risk taking, short term profit orientation, size obsession, excessive greed and big bonuses. Not much room for corporate responsibility, ethics, good governance, diversity and cooperation, all of which are essential to create long-term sustainable profits for organizations as well as the world.*

*When we founded Audur Capital in 2007, we invested significant time in evaluating the values that characterize the world of investment banking because we neither liked nor believed in the sustainability of what appeared to be the ruling model. We invested even more time into discovering and developing our very own set of values. Our notion, to put feminine values into finance, is about creating a healthier and more balanced financial services company, one with sustainable values at its core."*<sup>16</sup>

At a UN Financial Panel Stephanie Seguino argued that governments have the chance to rethink laissez-faire attitudes towards investment and shift incentives from speculative towards long-term patient investment.<sup>17</sup> Government could also set national goals for investment with a comprehensive development banking plan which requires banks to direct a percentage of their loans to certain activities. Subsidised credit focused on SMEs and larger scale business can demonstrate an increase in employment and should incorporate targeting women's enterprises and employment.



## International messages and frameworks

As anticipated by the World Bank, female unemployment has risen as the impact of the crisis has worsened. The UN has drawn attention to the fact that policy directions to bring about equality between women and men are structural in nature and need to be promoted and effectively implemented regardless of the prevailing economic conditions. In noting that the economic and financial crisis may have an impact on these longer-term policies the UN stresses the need to introduce a gender perspective into policy responses to the crisis.<sup>18</sup>

Only one of the six members of the executive board of the governing council of the European Central Bank is a woman. Women are starkly absent from decision-making in financial and economic policies. Good governance demands that women should equally be there with men. The UN adds its weight behind the view that gender equality in decision-making is not only about breaking the glass ceiling, in terms of dealing with vertical gender segregation in the labour market. It also influences the broader economic strategy and policy decisions where women's ideas and preferences should be given equal weight with men's and which might lead to new conclusions, policy or innovations.

The UN is concerned that "[i]f national responses do not take into account the gender dimension, there is a risk of aggravating gender inequality"<sup>19</sup> and calls for adopting and strengthening gender sensitive economic policies. A good example of integrating a gender perspective into internationally agreed measures is the Global Jobs Pact adopted by the ILO in June 2009 which has an explicit gender dimension and calls for women's inclusion in the design and assessment of recovery packages and gender concerns in all measures. Indeed the risk to gender equality should be included in risk audits to ensure that gender disadvantage is avoided.

The UN Economic and Social Council at its Economic Commission for Europe meeting in November 2009 concluded that "[t]he financial crisis can thus be used as an opportunity to design gender-sensitive stimulus packages and

social safety nets that involve affordable quality childcare, parental leave reform and efforts to close the gender pay gap."<sup>20</sup> It called on government to mitigate the impact of the crisis on women through promoting gender-sensitive analysis of the crisis and developing countercyclical policies that place priority on job creation and retention, on social sectors such as education, childcare and health, and on protection schemes that benefit the whole population.

### Gender Equality at Risk

*"Gender equality is at risk if the downturn is used as a reason to slow down progress on equality policies, or even to rethink 'expensive' policies that help women in the labour market. When faced with challenging times some employers may be tempted to limit or cut policies that aid women, yet this approach may have longer term consequences for retention and aggregate levels of female employment. Negotiated concessions to protect levels of employment also need to recognise that women are already more likely to be employed in flexible jobs, to be lower paid and/or work shorter hours; thus concessions risk a negative impact on equality."<sup>21</sup>*

It also recommended:

- Protecting and strengthening women's employment and social protection.
- Developing a policy mix of encouraging, enabling and obliging measures to advance gender equality in the corporate sector.
- Reconciling work with family life through available and affordable childcare and encouraging men to share family responsibilities.

Seguino suggests social infrastructure spending on public health, education, childcare and other social services will generate jobs for women, and funding activities that help women with their care burden can attenuate some of the negative effects. Women should also be targeted for apprenticeships and training in skilled occupations to help overcome the gender segregation in employment that has kept women out of better paid high-tech, skilled industries.<sup>22</sup>

The EU Advisory Committee on Equal Opportunities issued an Opinion on the Gender



Perspective on the Response to the Economic and Financial Crisis.<sup>23</sup> The Committee noted that the role and impact of this downturn on women is likely to be markedly different from past recessions, not least because women now account for a much greater proportion of the labour market.<sup>24</sup> Their greater integration into the labour market makes women a more central player to the contribution to household incomes with an increasing percentage of them fulfilling the role of sole or main breadwinner.

The Committee was concerned that the unemployment rate measures do not necessarily capture the full impact of the changing economic conditions on both women and men. Indeed national data confirms that falling employment rates for women are not necessarily accompanied by similar rises in unemployment rates.

Both women and men are affected by the crisis – at times in different ways, depending on their position within social and economic spheres. The Committee called for the differential impact between women and men, as well as among women (and among men) to be acknowledged, understood, measured and addressed in policy responses.

In particular, the EU expressed concern that stimulus packages may target some sectors more than others, directly affecting women's and men's employment. Other concerns have come to pass. Public expenditure is being reduced and gender based stereotypes that exacerbate inequalities, such as the 'male breadwinner' model, are being reinforced through the new welfare model introduced in 2011.

### Economic and financial decision-making

Fewer women than men are involved in financial and economic decision making and decision makers generally need to be sensitive to the gender dimension of their work. Experts advise establishing fiscal oversight bodies with equal representation of women to monitor expenditures and provide fiscal advice to help ensure stimulus expenditures have gender equitable effect. They suggest that gender-responsive budgeting is key and should be done

with the involvement of women's groups.<sup>25</sup> The EU Equal Opportunities Advisory Committee notes that in reply to its enquiries on Member States' measures in response to the downturn only a select number of States reported carrying out a gender impact assessment when developing new policies. The experience of women in the UK was that gender impact assessment was absent or minimal in considerations for the Budget cuts and the Comprehensive Spending Review in 2010. In Northern Ireland the Budget was issued without a Programme for Government and proper equality impact assessment.

### Financial and Economic Decision making

*"The European Commission's 2009 Report on Equality between Women and Men indicates that the Central Banks of all Member States were led by a male governor and its 2007 Report indicated that on average, the highest decision-making bodies of EU central banks include five men for every women. At European level, all three of the financial institutions (European Central Bank, European Investment Bank and European Investment Fund) are led by men and women account for only 16% of the highest decision making bodies of these institutions."*<sup>26</sup>

The UN has called for:

- Engendering national policies through expanding the breadth and depth of gender-responsive budgeting.
- Accelerating the pace towards parity in economic and political decision-making positions through a mix of mandatory measures, incentives and awareness-raising.
- Engaging NGOs, private sector and others in implementing and monitoring progress along with collection of sex-disaggregated data and statistics as well as setting gender-sensitive indicators.<sup>27</sup>

### EU Gender Equality Pact

*"It is vital that the European Union and the Member States demonstrate clearly the commitment to work towards greater gender equality, as provided for by the provisions of the European Treaty which establish the promotion of gender equality as part of the mission of the European Union (Articles 1, 2, 141). The*



*Commission's Roadmap for Equality between Women and Men (2006 – 2010),<sup>28</sup> together with the Gender Equality Pact agreed in 2006<sup>29</sup> also provide a clear impetus for actions to be taken to address any adverse impacts on grounds of gender from the outworking of the crisis and/or the implementation of measures to ameliorate the effects of the crisis. Attention to equality of opportunity and social justice, fundamental principles of the European Union, is particularly important in times of recession and must be addressed together with economic and financial measures.<sup>30</sup>*

The EU Equal Opportunities Advisory Committee reminded Member States that they must stand by their international commitments. The UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) explicitly acknowledges and calls upon State parties to address discrimination against women, including their exclusion or restriction of their activity, on the basis of their sex, in the economic field. In addition, the UN Beijing Platform for Action calls on Governments to take strategic action to address existing inequalities in macro- and micro-economic structures, policies and programmes. Furthermore, women's economic empowerment is central to achieving the Millennium Development Goals.

### Gender dimension and gender budgeting

Gender-responsive budgeting is one of the most important and powerful tools for gender equality.<sup>31</sup> Simply put: it is a systematic and comprehensive gender impact assessment of public expenditure and revenues, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to deliver gender equality.<sup>32</sup> The principle of gendering needs to be applied to the assessment of the recession, public spending measures, economic recovery measures and specific stimulus packages. Otherwise it is likely that gender inequality will be aggravated if government and others' responses do not take the gender dimension into account.

By integrating gender budgeting into the process of rebuilding the economy, government can

provide the opportunity for extending and deepening equality by taking principled and practical steps to eradicate gender bias. Fundamentals such as a fair minimum wage, equal pay, flexible working time, reconciliation of work and family responsibilities, parental leave, protection for pregnant workers, a fit-for-purpose childcare infrastructure and a minimum income standard safety net should be the norm. Women must also be at the decision-making tables in sufficient numbers to impact on the culture of decision-making and carry sufficient weight to influence the direction and content of policy.

The meeting of the UN's Economic Commission for Europe which considered the impact of the recession on women in December 2009 recommended that the impact of the crisis on women should be mitigated through promoting gender-sensitive analysis. The Council also called for accelerating the pace towards parity in economic and political decision-making positions through a mix of mandatory measures, incentives and awareness-raising.<sup>33</sup>

### Conclusions

There are tools available to the Northern Ireland Executive for protecting women's position from the worse excesses of the economic downturn and advancing gender equality. The Office of the First and deputy First Minister (OFMdFM) has at its disposal multiple levels of indicators prepared in 2004.<sup>34</sup> These suggested three types of indicator of which the first type was chosen for the purposes of Northern Ireland's Gender Equality Strategy:

- Gender disaggregated statistics across a range of policy areas which provide a description of the relative position of men and women in relation to specific areas of policy, though do not measure performance.
- Performance indicators which measure success in achieving specific goals and targets.
- High level composite indicators formed by bringing together data from a range of areas into a single combined index.

The performance indicators were intended to be taken up in the Departmental Action Plans flowing from the strategy whilst OFMdFM



agreed that the high-level gender disaggregated statistics would enable an overview of the change to the relative position of women and men across the breadth of policy areas.<sup>35</sup> The report from this research project on women in the economy should assist OFMdfM and the Northern Ireland Executive in rolling forward the Gender Equality Strategy.

The Gender Equality Strategy and, therefore, Departmental Action Plans were set within the Northern Ireland legislative framework and UK, EU and UN commitments. In its opening lines the strategy commits that "In building a society in which everyone shares the benefits of emerging opportunities, equality of opportunity is one of our enduring priorities."<sup>36</sup>

### Northern Ireland Gender Equality Strategy

*"Gender equality is about providing men and women with 'equal conditions for realising their full human rights and their potential to contribute to a national, political, economic, social and cultural development and to benefit equally from their results.'<sup>37</sup>*

The Gender Equality Strategy recognised that "treating men and women the same – that is, being 'gender neutral' – is not the solution to eradicating gender inequality." The Northern Ireland Executive committed that its "planning and action will take into account these differences and seek to eliminate gender discrimination and disadvantage both within and through the delivery of our functions."<sup>38</sup> In this the Executive concurs with the views of the UN and the EU. The recommendations below reflect those concerns and recommendations made at EU level in relation to assisting women to recover from the impacts of the financial crisis and to be fully integrated into economic recovery and economic and social development generally.

### Recommendations

- The Northern Ireland Executive and the lead Ministers should shape the response to the economic and financial crisis in a way which is sensitive to its differential impact on women and men and demonstrates commitment to gender equality, including a gender dimension in Northern Ireland's recovery plans. The UK Government should adopt the same approach at UK level.
- All Ministers, led by Ministers in the Office of the First and deputy First Minister, should ensure that proposed policies are subjected routinely to gender impact assessment.
- Departments and public bodies should ensure that all data is disaggregated by gender to improve monitoring and analysis of the gender impact of the economic and financial crisis and to facilitate the identification of measures to ameliorate adverse impacts. Recovery measures and economic development measures generally should be gender sensitive.
- The Northern Ireland Executive as a whole, led by the Ministers for OFMdfM (responsibility for gender equality) and the Minister for Finance should adopt and lead all department and public bodies into adopting gender budgeting mechanisms to increase gender equality by correcting negative consequences of revenues and expenditures and improve governance and accountability.
- The gender dimension should be effectively mainstreamed in the work of every Northern Ireland department and public body. Gender equality responsibilities should not be minimised and those with responsibilities for gender equality should be effectively supported and resourced.
- Women's participation should be improved at all levels of decision-making, especially in the areas of budgets and in respect of governance arrangements for economic development and financial systems at Northern Ireland and UK level.
- Political parties should introduce special measures, backed up by political commitment and sustained action to bring forward more female politicians. Female politicians are needed in a greater critical mass to bring better understanding of the impacts of policies on women and to champion appropriate policies for women.



- The Northern Ireland Executive should recognise and provide support for the contribution that women's organisations play in addressing the financial/economic crisis and advancing women's rights and equality.
- The Equality Commission for Northern Ireland should monitor progress on gender equality across the public sector and identify and offer public opinion on where women are regressing due to the downturn and recovery measures that exclude and marginalise women. The Commission should avidly pursue cases where women are being discriminated against in public and private employment.
- The Northern Ireland Executive should take account of the findings and recommendations contained in this report on women in the economy and the impacts of the financial crisis.





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# Economy

## The Economy

The UK economy was in recession for one and a half years over 2008 and 2009. During this time the Northern Ireland economy contracted by 2%, and output declined again at the end of 2010. Northern Ireland's construction industry contracted over 2009 and 2010 while manufacturing reversed its 2009 decline to grow 2.7% in 2010. After a brief rally the service sector had declined again by the end of 2010, and the retail sector in Northern Ireland had the largest fall in the number of shoppers in the UK.<sup>1</sup>

The annual rate of price inflation jumped 1% in December 2009, the biggest rise since records began.<sup>2</sup> The cost of living continued to rise during 2010, with the Consumer Prices Index (CPI) reaching 3.7% in December and rising sharply in April 2011 to reach 4.5%. The wider inflationary measure, the Retail Prices Index (RPI), put the December rate at 4.8% and hit 5.2% in April 2011.<sup>3</sup>

Northern Ireland's employment rate was 65.8% compared with the UK average of 70.5%. Unemployment was running at the UK average of 8%, and is expected to rise further in 2011. Northern Ireland was the only UK region to record a significant increase in unemployment during 2010, an increase of 6.3% compared to an overall UK decrease of 8.1%. In December 2010, there were 693,000 jobs in Northern Ireland, an annual decrease of 8,200 jobs. The services sector account for the vast majority (81.4%) of total employee jobs and it lost 5,300 jobs.<sup>4</sup>

Northern Ireland's economy has been dependent traditionally on its uniquely large public sector. No OECD member has more than 25% of its workforce employed by the state, yet the public sector accounts for more than 30% of all Northern Irish jobs,<sup>5</sup> across local government, health and education and the civil service. Overall, contraction has been less in Northern Ireland than in the rest of the UK because of the importance of the public sector in the local economy.<sup>6</sup> With significant reductions in public expenditure underway this is expected to change.

The impact is expected to be greatest on women who make up almost two-thirds of the public sector workforce.

The Northern Ireland Executive has set out to shift the balance in favour of the private sector with an Economic Strategy driven by export-led growth, and its Budget promises £4bn of cumulative public spending reductions over the 2011-2015 period. To be successful, the Economic Strategy will have to overcome the decline in exports in 2010<sup>7</sup> and in overall business activity that has continued into its thirty-eighth consecutive month.<sup>8</sup> At the same time, the historical correlation between public spending and economic activity means that the fall in public spending may not bode well for the Northern Ireland economy.<sup>9</sup> Northern Ireland growth forecast for 2011 is 1.5%, slower than the UK as a whole (1.7%), and is just over 2% for 2012.<sup>10</sup>

To witness improvement in the economy, PricewaterhouseCooper (PwC) suggests that Foreign Direct Investment (FDI) and indigenous business must significantly outperform the average, yet Invest Northern Ireland supported investments have been in relatively low value added sectors.<sup>11</sup> It has been said that large parts of the private sector are not in any sort of financial or competitive shape to make the quantity or quality of investment to fill the gap left by the government's spending plans.<sup>12</sup> This is even more likely to be the case in Northern Ireland than in Britain. Business leaders suggest there has been significant improvement in the quality of jobs brought in through FDI in the last three years.<sup>13</sup>

Given the magnitude of the problems facing the economy, PwC expressed concern at the almost complete absence of economic and social targets and outcomes underpinning the Northern Ireland Budget, and the lack of attention to preventative or pre-emptive spending on early policy interventions to avoid more substantial funding being needed in the future. One example it cited was lack of investment in early years/childhood.<sup>14</sup>

### **PwC**

*"... Departmental spending plans emerged piecemeal, without any common reporting format and, in the case of at least seven departments, without enough information for*



*those participating in the consultation exercise to take a definitive view on their viability.”<sup>15</sup>*

### Cutting our way out of recession

Northern Ireland is severely challenged by both the Northern Ireland Executive's Budget cuts and those of the UK Government at Westminster. Steps to reduce the UK Budget deficit have been weighted towards spending cuts rather than tax rises, with a ratio close to 4:1.<sup>16</sup> Northern Ireland's GDP is 80% of the UK average.<sup>17</sup> The only periods when the Northern Ireland economy has moved towards convergence with the rest of the UK has been during periods of rapid public expenditure.<sup>18</sup> However, Northern Ireland remains the only UK region not to have shown any real measure of recovery and public spending will fall in each of the following four years. Capital budgets have taken a very deep cut.

#### **DETI Economic Commentary March**

**2011**

*Low prosperity has been a long-term problem, with living standards in Northern Ireland remaining at around 20% below the UK average.<sup>19</sup>*

Angela McGowan, Chief Economist with the Northern Bank suggested that the coming years will not be without pain, particularly for low income groups,<sup>20</sup> among whom women are over-represented. Long-term unemployment is a significant issue and at the same time money for education and training will be squeezed.

To draw a line under the recession in late 2009 would fail to examine the impact of decisions and actions to reduce deficits and rebalance the economy that have begun to bite in 2010 and 2011. The UK government's longer-term changes to tax and benefits are impacting profoundly on women, their livelihoods and their families. The primary action towards cutting the national deficit to drive the economy out of financial crisis is to make substantial cuts to public expenditure, affecting public services and depressing the welfare benefits that provide the social safety net for the most vulnerable, predominantly women and children. There are those who argue that this austerity drive is not common sense but politically driven nonsense.<sup>21</sup>

#### **Centre for Progressive Economics**

*A counter cyclical framework consisting of a system of automatic adjusters according to the measurements of GDP growth would enable spending to be reduced when recovery is assured, increasing the possibility that fiscal policy could contribute to bringing down the debt and the deficit in a sustainable fashion according to a clear set of criteria.<sup>22</sup>*

A Programme for Government (PfG) should provide the important strategic framework for the economic and social vision that underpins a government Budget. The Northern Ireland Executive has yet to produce a PfG against which spending plans can be measured. Women's NGOs noted the inadequate equality impact assessment of the Budget and called for public expenditure to be targeted to address specific inequalities. The Executive's attention has been drawn to women as carers, childminders and volunteers as well as workers,<sup>23</sup> and the budget has been identified as lacking a childcare strategy.<sup>24</sup> This is recognised as being the single biggest barrier to women's participation in employment, education and training and public and political life.<sup>25</sup>

#### **Anna Bird, Acting Chief Executive Fawcett Society**

*"Women are acting as shock absorbers for the cuts, bearing the brunt of job losses, reduced benefits and the rollback of public services like the NHS. This latest budget was an opportunity to try and ease that burden, but the Chancellor's plans do nothing to target new forms of enterprise and employment opportunities for those who need them most.*

*"It's time for the government to admit there is a problem with "business as usual" and recognise that to grow, we need everyone to play their rightful part. Women play a valuable role in the economy, but we urgently need to close the gender pay gap – in the private sector this stands at 21 per cent – broaden women's employment options, and provide more support to enable more women to start up businesses."<sup>26</sup>*

Rebalancing the economy from the public to the private sector will disproportionately affect women, given their preponderance in public sector jobs. Civil service pay scales have been frozen for the past two years and a further freeze



for those earning over £21,000 has been called for along with a below-inflation flat payment for those earning under £21,000. Both these measures will have more impact on women who comprise over half of the workforce and 76% of those in the lower grades. Moreover, cutbacks in public expenditure will impact on the community and voluntary sector which sustains much of Northern Ireland's vibrant community infrastructure and social development and where women also predominate in employment and provide most of the community services.

**Prof. Diane Elson, Chair UK Women's Budget Group**

*"We call on the government to learn from the worsening indicators of employment and output, and to rethink its economic strategy, as it is rethinking its health service strategy. Appropriate public expenditure can support the creation of decent jobs and greater progression toward economic prosperity and equality."<sup>27</sup>*

**World Economic Forum**

The 2009 World Economic Forum (WEF) in Davos recognised that the economy required greater attention to be paid to women's contribution. A gender quota for sponsors' executives was introduced for the 2011 summit; one in five delegates sent by strategic partners had to be female. Successive meetings of the WEF have urged for more women to be appointed to senior leadership positions in companies and governments, noting that this is likely to assist with solutions to the financial crunch and prevent future disasters. Women must be advanced in order to promote economic growth, and a disproportionate impact of the economic downturn on women must be avoided.

**The Observer**

*"This mess was made by men. Now let the women have their say. It's ludicrous that men dominated the debate in Davos. The single biggest force for economic growth is being ignored."*

*"The big theme at this year's World Economic Forum (WEF) was "Shaping the Post-Crisis World". The idea that that can be achieved while excluding half the population is breathtaking in its arrogance ... They [men] have wrecked the*

*world economy, but seem oblivious to the idea they may not be the best people to rebuild it."<sup>28</sup>*

Commenting in the wake of the WEF meeting in Davos in 2009 the Business Editor of The Guardian referred to The Economist's description of women as the single biggest, and least acknowledged, force for economic growth on the planet with the suggestion that over the past few decades women have contributed more to the expansion of the world economy than either new technology or the emerging markets of China and India. "We can't undo the crisis, but we can change the terms of the analysis so we think and talk about it in a more rounded way; so that we listen to the voices of women; and so that we bring some humanity into economic discourse. The harsh truth is that this clean-up is too important to be left to the men who made the mess."<sup>29</sup>

**World Economic Forum**

*"Countries which do not capitalise on the full potential of one half of their societies are misallocating their human resources and compromising their competitive potential."<sup>30</sup>*

**Women entrepreneurs**

In pursuing its key goal of equal economic independence for women the European Commission identified that the proportion of female entrepreneurs across the EU is 33%, with 30% engaged in business start-ups.<sup>31</sup> There are many fewer women entrepreneurs in Northern Ireland with just 2.4% of women engaged in entrepreneurial activity in 2009 compared with 8% of men.<sup>32</sup> A further 7% of employed women in 2010 were self-employed and comprise 22% of the self-employed, up from 16% on the previous year.<sup>33</sup> Women are one-third as likely to be entrepreneurs than men. Not only is Northern Ireland far below the EU figure for women's entrepreneurial activity it is ranked bottom of the twelve UK regions for early stage entrepreneurial activity among women.<sup>34</sup>

It is acknowledged that women are the largest under-represented group when it comes to enterprise and represent a very large pool of untapped potential. If women were to equal men in enterprise there could be 28,000 more female-owned businesses (on 2009 figures). If women in



Northern Ireland attained the same rate as women in Britain, Northern Ireland would benefit from 10,000 additional businesses.

Entrepreneurial activity is particularly low among young women in Northern Ireland, and young female graduates much less likely than their male counterparts to develop a business.

The factors that contribute to this underdevelopment include women's access to a mentor, belief that a business opportunity exists, fear of failure, concern over whether they possess the right skills. Yet women believe that entrepreneurship is a good career choice.<sup>35</sup> The European Commission, too, is concerned that women do not consider entrepreneurship as a career option and suggests that the implementation of the revised Directive on self-employed women should remove a major barrier to female entrepreneurship. The Commission is also promoting an EU Youth on the Move flagship initiative (COM (2010) 477) to teach entrepreneurship as a basic skill in schools.<sup>36</sup>

Women entrepreneurs receive some targeted support: Invest NI has a target of achieving 50% female participation on its entrepreneur development programme 'Go for it'; it has reached an average of a 38.5% participation rate. DETI's Women in Northern Ireland annual monitoring in 2009 noted that a negative culture still existed which more role models could help overcome.

Former Northern Ireland Institute of Directors chair Joanne Stuart acknowledges that work has been done by Invest NI and the Rural Development Council to encourage women in business. Women business start-up is improving but from a small base. More women from scientific, technological and other business and finance backgrounds are beginning to move into business whereas previously a large proportion was focused around women and lifestyle. Women's entrepreneurship may provide some of the answers to graduate and youth unemployment. It is worth pondering whether women who have come from a predominately male employment sector, such as IT technology, may be a little better prepared for moving into the male-dominated business world.

### **Joanne Stuart, Chair, Institute of Directors 2008-2011**

*Networking is an important activity for business people. Given that networking events often take place in early morning and the evening when women are "carrying the lion's share of childcare and household responsibilities" presents a real challenge.*

Women as role models and special initiatives for women are important. When Joanne Stuart was chair of the Institute of Directors in Northern Ireland female membership went up 5%, perhaps helped by the fact that it is "just beginning" to be more usual for women to be in business and senior positions. As chair Joanne oversaw the IOD Annual Women's Leadership Conference and hosted a series of lunches for twelve women at a time. The results were reflected in the IOD Annual Dinner in 2010 where a quarter of those attending were women, with an even higher percentage attending the dinner in 2011. "You would not have seen this before."

There are a number of NI-wide and local business women's networks which provide opportunities for peer mentoring, sharing learning and growing business networks: Women in Business, Business Women's Network encompassing Women on the Move (North East), Women in Enterprise, Network for Enterprising Women and Enterprising Women's Network (Armagh and Down).

### **Women in Business**

*Support and empower new and established women owned businesses and women in management positions, by providing information, encouragement, ideas and business connection through networking, throughout Northern Ireland.*

In the main, senior women know how to network; the women who are not networking are in middle management. Coaching and programmes to develop women's talent and professional skill such as those run by Deloitte and the Ulster Bank help as do similar programmes offered by other sectors such as Women in Local Councils working with senior managers in the local government sector.

### **Top Tip**

*Women need the right support and mentoring from outside their own business/ company.<sup>37</sup>*



DETI notes that Northern Ireland's poor productivity performance is driven by low levels of innovation and entrepreneurship as well as low skills levels.<sup>38</sup> Given the potential of the resource, women entrepreneurs could be a greater part of the Executive's strategy for growing the economy. Moreover a greater number of women than men are likely to be displaced through the Northern Ireland Executive's efforts to reduce reliance on the public sector and rebalance the economy through export-led growth. Alternative employment routes for women must be found therefore. Not only is Northern Ireland the lowest ranking UK region for women entrepreneurs, it is also the lowest business start-up rate of all UK regions, below average entrepreneurial activity and fewer businesses are innovation active.<sup>39</sup> This negative position could be turned around by increasing focus on women entrepreneurs.

Women-owned businesses must be a significant part of the Northern Ireland Executive's vision for the economy of 2020 which it envisages as characterised by a sustainable and growing private sector. If Northern Ireland is to follow other successful countries and regions in economic development by affording economic development the highest priority in government<sup>40</sup> it is essential that equal regard be given to securing women's participation, investing in women and ensuring that women are beneficiaries. This should be factored into developments from the highest political level to detailed implementation measures.

The Executive's declared priority for driving the economy is export-driven growth, including through Foreign Direct Investment companies (FDI) and indigenous businesses. It suggests that it might target its particular rebalancing themes to "benefit only particular export focused sectors of the economy" from which they have identified several niche cross-sectoral and cross-disciplinary market opportunities in an earlier report (2008 Matrix Report).<sup>41</sup> At the same time DETI acknowledges that it must deliver equality as well as balanced sub-regional growth and sustainable development.<sup>42</sup>

Women's entrepreneurial capacity is an untapped potential for significant growth, yet it is very underdeveloped and not many women may be at the export stage, at least not in significant volume.

Thus, there is a danger that women entrepreneurs may be left further behind, and the Northern Ireland economy lose out on the benefit, unless investment is also targeted towards women. Given that women-owned company start-ups are starting from a low base will sufficient numbers of them be in a position to take advantage of export drives? How might they be supported at a lower level and developed to move towards exporting? Given their stage of development, how are women-owned businesses to be incorporated into the opportunities that the Northern Ireland Executive is driving to grow the economy?

Acknowledging that growth out of recession will be slow and the private sector is starting from a small base, Joanne Stuart, former chair of the Institute of Directors, concurs with the Executive's focus on exports to drive the economy and the importance of Foreign Direct Investment (FDI). Northern Ireland, along with the rest of the world, has experienced a financial credit crunch plus a recession, with the financial credit crunch causing the major headache for business. Equity finance is very cautious in Northern Ireland due to the historical reliance by business on bank financing.

Given that more women are starting their own businesses, more women are likely to have been hit than previously with both recessionary challenges and securing equity finance. It has been suggested that the current financial squeeze should affect men and women equally. However, in the past, women have found it harder than their male counterparts to access loans for business start-up and it is difficult to assess if this remains the case as the gender disaggregated evidence is not routinely gathered. Moreover, women as a group are starting from a lower plateau of business development, so the recession hit may have come at a worse time for women entrepreneurs as a whole; for example, putting women off who were thinking of starting up a business like one young woman in one of the focus groups for this project.

Invest NI consumes approx 65% of DETI's budget<sup>43</sup> and it needs to establish solid targets for women's enterprise beyond participation in development programmes as part of delivering the Executive's economic vision. Women should be beneficiaries of venture capital initiatives.



How many of the 585 companies supported to become exporters since April 2008 were female-owned businesses?<sup>44</sup> Invest NI should expressly assist women entrepreneurs to become exporters. Women entrepreneurs should equally benefit from aid programmes to mitigate the effects of the downturn and be supported to access business finance. They should be encouraged to start businesses in key target areas identified for business growth in Northern Ireland, for example, in low carbon/green economy projects, and assisted along with other small businesses to access public procurement projects. InterTradelreland should also prepare baseline information on its engagement with women-owned business and set targets to develop opportunities for women.

### **Anna Bird Acting Chief Executive of the Fawcett Society**

*"The kinds of businesses that will see their profits boosted from the tax breaks and other incentives in this budget – a reduction in corporation tax and changes to the Enterprise Investment Scheme for example – are typically owned and invested in by men. At the same time funding is being withdrawn from schemes that support women in setting up a business.*

*"We are shocked that the government happily admits to the skewed impact – stating that those who will benefit from the Enterprise Investment Scheme are largely 'male, located in the South of England and have higher overall income levels.'*  
*"We think it's time to recognise that business as usual is failing women across the UK."<sup>45</sup>*

DETI will progress programmes under the EU Competitiveness Programme with expenditure targeted at innovation, enterprise/entrepreneurship, telecommunications, sustainable energy and tourism.<sup>46</sup> It should proactively link this to other EU initiatives to drive up women's entrepreneurship. For example, DETI could link into the European Network to Promote Women's Entrepreneurship (WES), directly and through the Whitehall department representing the UK, take part in WES activities, introduce good practice ideas from elsewhere into Northern Ireland and implement concrete actions suggested by the network. Indeed, one of the initiatives under the European Commission's Strategy for Equality between

Women and Men 2010-2015 is to continue support to the promotion and encouragement of female entrepreneurship under the Competitiveness and Innovation Framework Programme (CIP) and within the framework of the Small Business Act for Europe.<sup>47</sup> DETI should engage actively in EU conferences on female entrepreneurship, see what benefit it can derive for Northern Ireland from the creation of the European Network of Female Entrepreneurship Ambassadors. Women in Northern Ireland might gain from the European Commission's efforts in promoting mentoring schemes for women entrepreneurs and entrepreneurship skills for women graduates across Europe.

At the same time, it will want to report on positive developments for women in any EU monitoring of both initiatives and progress.

The social economy is a key function for DETI which takes the lead on the Executive's Social Economy Enterprise Strategy.<sup>48</sup> According to the Social Entrepreneurship Monitor Report 2006, the social entrepreneurial activity rate for Northern Ireland, at 3.3%, is the fifth highest out of twelve regions in the U.K. In 2007, DETI carried out a survey among 400 known social enterprises in Northern Ireland and found they employ 6,000 people, engage 5,000 volunteers and have a turnover of £335m per annum.<sup>49</sup> This is estimated to be about 40% of the total number of over 1,000 social enterprises in Northern Ireland. Social economy activity accounts for approximately 5% of economic activity.

In Europe, 3.5 million jobs are provided by social enterprise, delivering a broad range of services. There is an increasing interest across the globe in the social enterprise model of business which can drive regeneration, neighbourhood renewal, employment in deprived areas and social reform. DETI should gather data on women-led social economy enterprises, explore the role of women's leadership of social economy projects and encourage women in social entrepreneurial activity to network with other women in business.

The Executive's Investment Strategy 2008-2018 stated the intention to 'promote social inclusion and equality of opportunity in the procurement of infrastructure programmes' so that each major





procurement project provides an opportunity 'to progress the Executive's wider economic, social and employment objectives.'<sup>50</sup> The Minister and Permanent Secretary of the Department for Enterprise, Trade and Investment should ensure that gender sensitivity is incorporated into all economic planning and implementation. For example, women-owned enterprises might be included in the pool of those tendering for contracts; equality criteria for the delivery of procurement contracts should extend to including women; women should be equally assured of places on apprenticeship programmes attached to contracts; and women should equally benefit with men from the £19 million in the 2011-2015 Budget that the DETI Minister has set aside for a Short Term Employment measure to create 5,000 new jobs over and above the existing target.<sup>51</sup>

In working with firms in driving forward growth, the Executive can exert leadership in expecting that companies set high standards and meet their gender equality obligations: For example, fair and equal pay should be expected if the gender pay gap is to be permanently closed and women are not to remain on the lowest pay levels. Women must have full access to education and skills development, to apprenticeships, to new jobs especially those in high added value industries, to opportunities arising in a diversified rural economy and to support for entrepreneurship.

DETI's approach to the infrastructure to support enterprise and growth should go beyond transport, telecommunications and similar investments to include facilities to support working mothers such as childcare centres. This would deliver a quadruple result: infrastructure support to employment, a slew of new business enterprises and social economy enterprises, a likely increase in women entrepreneurs and a significant contribution to the Executive's social agenda.

Taking specific measures to assist women's entrepreneurial talent makes good business sense for government. It is also in tune with thinking across Europe. The European Commission encourages Member States to promote female entrepreneurs and a business environment that facilitates the creation and development of women-led companies and women's self-employment.

Flexibility is an issue for women and the business sector is in favour of flexibility, although it prefers that this is not legislated for but is left to good business practice. Thus women employees and the business sector approach flexibility from different angles and have different primary needs. Joanne Stuart, former chair of the Institute of Directors in Northern Ireland, suggests that, as far as the recession is concerned and growing the economy and growing business, "it will be the progressive companies who believe in diversity and having a strongly talented diverse workforce that will survive". Based on her experience working in Oracle, Joanne Stuart holds that one of the major contributions that FDI companies can make is a strong personal and professional development programme which spots, supports and fast-tracks talented women as well as talented men. "The future is outward looking and progressive."

### Corporate Governance

Good governance requires women's equal representation on boards, influential committees and in senior management positions. This includes private company boards and publicly appointed bodies as well as senior management in public administration, private sector companies and the voluntary sector and amongst political leaders. Women must be at the table with men in driving Northern Ireland's vision for economic growth, as well as a socially cohesive and just society. It is inspiring that the Minister driving the economic strategy is Arlene Foster MLA, the chair of the Economic Advisory Group advising the Minister is Kate Barker CBE, former member of the Monetary Policy Committee, Bank of England; and there are two other women, Lorraine Hall (Marketing Director of Kestrel Foods) and Professor Frances Ruane (Director of the Economic and Social Research Institute) in the group. It is important for this to be matched with women in the senior ranks of the Civil Service, particularly in DETI.

It is imperative that there be numbers of women among those who are leading the Investment Strategy through the Strategic Investment Board, Invest NI, DETI's Procurement Board, any North/South collaborations and other advisory committees. Women-owned businesses should be present in trade missions, not just in token numbers. All investment management agencies, including departments,



should receive skills training in gender awareness and assessment. Women need to be part of departmental and agency planning teams leading projects whether on transport networks and tourism development or regeneration and neighbourhood renewal.

### The Observer

*"There is also a need for more women in global financial institutions. The Bank for International Settlements has no female directors; The IMF has one woman executive and the World Bank has two out of 10 executive directors."*<sup>52</sup>

Just one in ten members of management boards of large publicly listed companies and only 3% of presidents of boards in the EU is a woman. The European Commission suggests there is a need to raise the number of women in economic decision-making through self-regulation or an EU initiative.<sup>53</sup> The figure for women on the largest publicly listed boards in the UK in 2009 is 12% while Norway heads the field in the EU with 42%. Norway took specific measures to address the under-representation of women and made significant progress on their implementation.<sup>54</sup>

The European Commission has launched a 'Women on the Board Pledge for Europe' as part of the EU's gender equality strategy. Signatories are expected to outline concrete steps to increase the number of women in top jobs and to identify specific measures for each year. Pledges will be made public.

### Women on the Board Pledge for Europe

*"I pledge to reach the target of 30% female board members by 2015 and 40% by 2020 by actively recruiting qualified women to replace outgoing male board members."*

Joanne Stuart Director of Attrus Limited, and former chair of the Institute of Directors in Northern Ireland, concurs that more women, and greater diversity generally, are needed on company boards for very good reason – people make decisions in different ways and a diverse board is more likely to arrive at a decision that has been teased out with different considerations weighed in the balance.

### Joanne Stuart, Chair Institute of Directors NI 2008–2011

*"Women manage risk in a different way from men. Women can take risks, they are not risk averse but more .... not quite more cautious .... but make informed judgements about risk are more measured."*

Quotas are not something favoured by the business sector, but the Institute of Directors agrees that the under-representation of women in business needs to be tackled. Joanne Stuart suggests that women need to come forward and apply for board appointments, to have confidence and gain the right kind of experience. Talented women need to be identified, mentored and promoted. The right professional development should be in place. Companies should be encouraged to identify talented women and men, support and fast-track them.

One difficulty with appointments to private boards is that processes can lack transparency. Networking is critical as can be seen from the number of former senior public servants who are on private boards, often because the company has worked with them when in the civil service. Joining the board of a voluntary organisation can offer a first step onto the ladder. But more needs to be done to develop the private sector's understanding of and relationship with the voluntary sector, including the voluntary sector's engagement in successful social enterprises. Joanne Stuart suggested cross-mentoring where the private sector supports and mentors social enterprises and the social enterprise sector conversely mentors in social value skills.

### Joanne Stuart, Chair Institute of Directors NI 2008–2011

*"Women have to get better at creating their own formal and informal networks. They need to share more information and encourage women to put themselves forward for private board positions. We need more women applying to all boards, and we need to have more women on the recruitment panels."*

Strictly Boardroom undertook some research on public appointments in Northern Ireland in 2011 which it shared at an International Women's Day business conference jointly organised by the



Institute of Directors and Women in Business.<sup>55</sup> Gathering information from women business owners, senior managers and directors it concluded that “[t]he current public appointments process is not fit for purpose. It is inflexible ... and in its current format provides for exclusion rather than engagement.”

There are just two women leaders in the top 100 businesses in Northern Ireland. Boards of companies in the FTSE 100 are comprised of 87.5% men and 12.5% women.<sup>56</sup> The Davis Report points out that “[a]t the current rate of change it will take over seventy years to achieve gender-balanced boardrooms in the UK.” In his introduction Lord Davis said: “On balance the decision has been made not to recommend quotas. Government must reserve the right to introduce more prescriptive alternatives if the recommended business-led approach does not achieve significant change.”

### Quotas

*There are different views on the use of quotas and it is regularly suggested that a quota is contrary to the merit principle. Yet, the two do not need to be opposites. Quotas are rather about creating an equal opportunity. They challenge structural bias, an embedded culture that people do not realise is present and deep-seated prejudice/bias/discrimination where it exists. The approach is really about removing the quotas for men that are so ingrained in the system they appear to be ‘natural’ or ‘the norm’. Some far sighted institutions and countries have moved to seeking a 40% balance between women and men on public and private boards to achieve balance and diversity. At the same time, all appointments can be meritorious.*<sup>57</sup>

The Report identified supply and demand as two challenges. The first challenge is the supply through the corporate pipeline with fewer women than men coming through to the top level of organisations. The second is that there are more women more than capable of serving on boards who are not currently getting these roles. Lord Davis asserts that “Chairmen and Chief Executives of UK companies need to take action.” He recommended clear targets and action against which he will measure progress every six months and report on annually:

- All Chairmen of FTSE 350 companies should set out the percentage of women they aim to

have on their boards in 2013 and 2015. The minimum goal for the FTSE 100 should be 25% women. All Chief Executives should set goals for their Executive Committees.

- Quoted companies should be required to disclose annually the gender breakdown in their entire organisation.
- The Financial Reporting Council should amend the UK Corporate Governance Code to require listed companies to establish a boardroom diversity policy with measurable objectives against which progress in achieving these is disclosed annually.
- Companies should report on these in their 2012 Corporate Governance Statement.
- In complying with the requirements on companies to report on their nomination process in their annual reports, this should include meaningful information and specifically address diversity in appointments.
- Women should be sought from within and outside the corporate sector and there should be consolidation and improvement of training and support for potential board members.

### Conclusions

Women are beginning to make their presence felt in economic matters. In addition to those involved in the Economic Advisory Group, Angela McGowan is the Chief Economist at the Northern Bank and Frances Hill is Head of Bank of England in Northern Ireland. While there is room for improvement in the private sector, successful economic planning for the Northern Ireland economy requires partnership between the public sector and the economic and social sectors. There needs to be concerted action to increase the number of women in the senior ranks of public service where the real influence on policy decisions happen. It is welcome to see a number of female Ministers in the Northern Ireland Executive, and more are needed to redress the gender imbalance.

The Executive’s declared priority for driving the economy is export-driven growth. It is important that women are not excluded from or left behind in contributing to this and other Executive priorities for growth. An assessment should be made of women-led businesses across Northern Ireland taking account of their stage of development and their current level of capacity. This should be done in conjunction with monitoring to assess the



gender-balance in opportunities presented to business as part of the Executive's economic strategy. Special initiatives for women should include higher-level support, development programmes and mentoring targeted at women entrepreneurs in the niche cross-sectoral and cross-disciplinary market opportunities identified by the Executive as part of its future growth strategy.

Women's position in public appointments and on the boards of private companies must be improved as a matter of urgency. From the World Economic Forum to the European Union, the necessity of setting goals and taking action has been raised. The UK Government appointed Lord Davis to address the under-representation of women on private sector boards. He recommended decisive action, setting targets and monitoring progress. Listed companies are to be held to account publicly for their progress on women attaining positions on boards and in the senior management of companies.

The Northern Ireland Executive should consider Lord Davis' findings and issue a document on how it can drive his recommendations forward in Northern Ireland. Furthermore, it should consider how the public appointments system can be improved to get greater diversity on public bodies. The Executive should set equally solid targets and timescales for public bodies and ensure they are met.

### Recommendations

- The Northern Ireland Executive should move speedily to adopt proposals to extend parental leave and flexible working in Northern Ireland, and DETI should provide support to the business sector to ensure businesses are prepared for implementation.
- The Minister and Department for Enterprise, Trade and Investment should give leadership in developing a business environment that facilitates the creation and growth of women-led companies and women's self-employment. They should ensure that investment and enterprise development bodies develop effective initiatives and programmes to advance women's entrepreneurship, including among young women graduates. More female role models should be identified and profiled.
- The Executive and Minister for DETI should ensure that women-led businesses are identified to contribute to the specific elements of its economic growth strategy. Where necessary the Executive's delivery bodies should put high-level support and mentoring programmes in place to ensure that women entrepreneurs can be included. Greater awareness of what is available needs to be fostered. Innovative approaches should be taken to overcome the additional pressures on women so they can take up opportunities.
- The Executive should put a strategy in place to tackle the under-representation of women in the senior civil service. In particular, a cadre of senior women should be developed in enterprise, trade and investment not alone in the department but across public bodies in the economic field.
- Steps should be taken within political parties to appoint more women to senior office and to provide personal and professional development for women in their ranks to feed the supply chain to senior political office.
- The Minister for Enterprise, Trade and Investment should encourage corporate social responsibility initiatives on gender equality across the private sector.
- The Executive should require transparent pay arrangements and introduce mandatory pay audits for companies in Northern Ireland. The Ministers for DEL and DETI should encourage equal pay initiatives in the workplace and provide leadership for the annual European Equal Pay Day.
- The First and deputy First Ministers and the Minister for DETI should implement Lord Davis' recommendations in relation to equal representation of women on the boards and in the senior management of private sector companies in Northern Ireland. It should establish a Northern Ireland steering group comprised of the public and private sector and gender experts to support the private sector in achieving this and to monitor and report annually on progress.
- The Northern Ireland Executive should ensure that 40% of appointments to public bodies are made from either gender. It should set a goal of reaching this target by 2013.



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# Employment

## Employment

Women's employment is characterised by gender segregated labour-markets, gender gaps in pay, higher levels of part-time work and high concentration in the informal sector. They tend to have lower earnings and less social protection. Most lone parents depend upon housing benefit, working tax credits and other benefits to top up their income. The interruption of women's careers for child bearing, child rearing and caring can impact on their earnings, their status in the workplace and career prospects and on their pensions and quality of life in older age. There is little acknowledgement of the informal caring roles of women and few steps have been taken to quantify and account for women's unpaid labour.

### V – Artist, art teacher and carer<sup>1</sup>

*For much of her life V was carrying three jobs. Now she tutors 16 hours a week. Her husband was made unemployed recently and her take home pay of £1,000 a month is the only income they have. She has accumulated very little pension as her first ten years of employment were on hourly pay. She is a part-time carer for her parents aged 85 and 80, who will be coming to live with her, visiting and cooking for them five days a week.*

*"I thought I could retire in three years and start back at art. But a lot depends on me now."*

There are many arguments for women's unimpeded access to the labour market: primary principles of fairness and equality; efficient deployment of human resources; choosing from a larger pool of talent; workforce diversity as a driver of innovation as women bring in new ideas and preferences in the development of products and services.<sup>2</sup> Women's access to the labour market leads to their economic empowerment and is a powerful tool to combat poverty by increasing working-age income and older-age pension entitlements, provided issues of low and equal pay are dealt with.

Until the economic downturn women in Northern Ireland had been experiencing

historically high levels of employment, although less women than men were employed, and since the downturn this gender gap in employment has widened by 3.1%. There were 345,000 women employed in Northern Ireland in the period April to June 2009 representing a fall of 4.5% in the number of women employed over the year, an employment rate for women of 62.2% compared with the male rate of 68.7%. In the same period in 2010, there were 359,000 women in employment, but despite this increase the employment rate for women is 61.4% compared with the male rate of 71%, demonstrating the widening gap.<sup>3</sup>

The Europe 2020 Strategy<sup>4</sup> includes the headline target of increasing employment of women and men aged twenty to sixty-four to 75%. The EU Employment Guidelines<sup>5</sup> underline the importance of implementing, assessing and following-up employment policies that promote gender equality and work-life balance. The Annual Growth Survey<sup>6</sup> adopted by the European Commission shows that involuntary part-time work is still an issue in some Member States and that women wishing to re-enter the labour market continue to face obstacles.<sup>7</sup>

Of all Northern Ireland jobs 78% are full-time and 22% are part-time.<sup>8</sup> Thirty seven per cent of women work part-time, compared with just 8% of men, and 82% of all part-time employees are women. About 15% of women working part-time want but cannot get full-time work and around 5% of women are in temporary positions (men 6%). A much greater percentage of women are not in permanent full-time jobs compared to men: 39% of female and 12% of male employees.

A massive 92% of women – 95% of part-time and 91% of full-time – work in the service sector compared with 65% of men.<sup>9</sup> Of full-time female employees 59% are employed in public administration, education and health compared with 23% of males.<sup>10</sup> Women account for almost two-thirds of the Northern Ireland public sector workforce (63.4%); they are 61.3% of full-time and 75.5% of part-time employees.<sup>11</sup> Thus, women are likely to be the biggest losers in public sector job losses and pay freezes.

Within the service sector, employment is highly segregated by gender: 23% of female employees



may work in administration and secretarial roles compared with 8% of males, but they make up 75% of those employed in these posts. Women are also over-represented as nurses, care assistants, childcare workers, domestics/cleaners and in catering in the public and private sectors.

### **G – Classroom assistant and short term trade union organiser<sup>12</sup>**

*G is “starting to panic now”. She had been a full time permanent classroom assistant before becoming one of a number of people seconded from the Education and Library Board to help union members with job evaluation and representing their interests. She was told to return to her workplace on 31st March 2011, but informed by her Head Teacher that there was no full-time job to return to, only work for ten hours a week. She was considering taking redundancy and looking for work elsewhere but discovered all jobs advertised were temporary. She applied for work as a trade union tutor through an FE College on an ‘as and when needed’ basis, but this work is insecure in the current climate as trade union courses are cancelled when people are unable to get paid release from their jobs to attend.*

*“I’ve always been a grafter. I’ve never been unemployed. I’ll take any job. I’ll take redundancy, which will be a pittance, put it in the bank and apply for a cleaning job or whatever. Before I got this job I was doing three little jobs.” G does the day-to-day money management in the family. She and her husband earn similar amounts, so from April 2011 the family income of around £26,000 will reduce by 50%. They are worried about their £600 a month mortgage and insurance, interest rate rises, debt repayments and coping with the increases in food and fuel prices. One daughter is at university and working 15 hours a week to help support herself. For their second daughter “university is not an option with fees of £9,000 a year.”*

*She shares the care for her father and mother (one has cancer, the other Alzheimer’s) with two sisters. They live in Dun Laoghaire (Dublin) and she travels there three out of four weekends a month.*

### **Women’s job losses in the recession**

Women have never been in the same economic position as men. Thus, while the recession and its

aftermath are difficult for everyone, women are less well positioned than men to weather the crisis, both in relation to its immediate pressure and in the longer term. Often recessionary challenges manifest as magnification and intensification of existing challenges and it can be difficult for women who are already in economic hardship to differentiate between their regular livelihood and the added impact of the recession.

Already poor working conditions can become worse and leave vulnerable women workers with no room to manoeuvre. For example, when jobs are scarce it is difficult to contest an employer who changes a work schedule to hours that are incompatible with childcare responsibilities or availability of public transport; these were raised by women working as domestics in the public sector during this project as barriers to retaining employment. Migrant women reported unfair working practices during this research where they are not allowed time off for a medical appointment or when a child is sick. There have been an increased number of complaints to advice agencies and the Equality Commission for Northern Ireland about dismissal for reasons of pregnancy. Some women working part-time have had their hours reduced below the threshold to qualify for in-work benefits. There have been reports of women on public sector zero-hours contracts getting little or no work due to cutbacks.

*“One person lost her family credit as she was offered more hours which she took. But there is no overtime this year and she has less money but cannot get reassessed for [Working] Family [Tax] Credit until April.”<sup>13</sup>*

### **A is a lone parent in Co Antrim**

*A worked overtime and the Social Security Agency told her she had earned £3,000 too much to qualify for the Working Family Tax Credit which she had been receiving and that she needed to pay £5,000 back. It took her three years to pay it back on monthly repayments. She paid all but the last two months which were written off when she was on long-term sick. She will not do overtime now as it is not beneficial and in case it happens again.*

*“I have a mortgage. If interest rates go up I’ll have to sell the house. Yet private rent in this area is higher than my mortgage.”<sup>14</sup>*





Despite this litany of impacts, much less attention has been paid to women in the recession. When the recession hit, the pattern of women's job losses was different and less visible than men's. The latter were the subject of headline news focusing on multiple lay-offs in the construction industry. There was less media interest in stories of reduced hours for those on low wages, mainly women, or small groups of redundancies across retail outlets, social care and personal services where women work. There was little analysis of what was happening to part-time jobs where women predominate. And women have been hit harder still in the later waves of job losses.

### **ONS spokesman David Bradbury on Channel 4 News**

*"The pattern in recent months is that things are better for men and worse for women. This is different to the height of the recession when men were most affected."*<sup>15</sup>

In the third quarter of 2010 two and a half million people were out of work in the UK, including more than one million jobless women; a figure that is at its highest in more than twenty years. Northern Ireland was among the regions hardest hit.<sup>16</sup> The three months to February 2011 saw another hike in unemployment with predictions of further losses for women.

Over the previous year, female unemployment went up by 64,000 while male unemployment went down by 69,000.<sup>17</sup> The TUC found that young jobless women had more than doubled in several regions. With jobs in the public sector set to reduce further over the course of 2011 and beyond, job losses are likely to get worse for women. In areas such as local government and the NHS women comprise between two-thirds and three-quarters of the workforce and are situated in the lower grade and insecure jobs which are usually the first to be hit in any cutback. An additional consequence is that traditional major career routes for women are contracting at a time when women are re-entering the labour market in larger numbers and women's unemployment is rising.

TUC General Secretary Brendan Barber  
"Female unemployment has been rising for many

months and the number of women out of work is at a level last seen in the late 1980s. What's particularly worrying is that these figures come before public sector job losses really start to bite. With hundreds of thousands of jobs set to go in local government alone - where three quarters of staff are female - there are real fears that rising female joblessness could increase in pace."<sup>18</sup>

In Britain with an estimated 500,000 public sector jobs going, 325,000 of these are thought to be women.<sup>19</sup> The Fawcett Society estimated the actual percentage of women at risk from public sector cuts to be nearer 70%, while the Chartered Institute of Personnel and Development put the figure at closer to 80%.<sup>20</sup> While the number of jobs under threat in Northern Ireland is not yet clear, PriceWaterhouseCooper estimated that public expenditure cuts might result in a loss of 36,000 jobs of which 20,000 would be direct public sector jobs.<sup>21</sup> Taking women's share of public sector employment this would suggest that women's share of the public sector job losses alone might be around 12,680. However, part-time workers are likely to be disproportionately affected, which would push women's share of redundancies up as they make up over three-quarters of part-time staff (see below).

### **Ian Brinkley of The Work Foundation**

*"Looking over the recovery so far women have been adversely affected by two trends - the drop in employment in the public sector and parts of the banking sector and weak employment growth in more traditional industries such as retailing and hospitality. These sectors all have above average shares of female employment. In contrast, manufacturing and high tech and professional services have seen some recovery in employment and these sectors all employ large numbers of men."*<sup>22</sup>

While the absolute numbers may be larger in Britain, the impact for women in Northern Ireland is likely to be more severe due to the uniquely large public sector and women's dependence on it. As noted previously, no OECD member has more than 25% of its workforce employed by the state, yet the public sector accounts for more than 30% of all Northern Irish jobs.<sup>23</sup> Even if the majority of job losses are



managed by early retirement and voluntary redundancy over a period of time, the contraction of employment leading to a lower ceiling on public sector jobs permanently means fewer employment opportunities for women in the future. Furthermore, the closing down of jobs may exacerbate inequality within employment as there may be less opportunity to move between grades, with fewer women moving up into senior positions where they are significantly under-represented. This is likely to be one of the long-lasting impacts of the recession on women.

The indications are that women are already being badly affected. Women make up 75.5% of part-time workers in the public sector and the Equality Commission for Northern Ireland noted that the reduction in the size of the public sector in 2009 was wholly accounted for by the fall in the part-time count which they put at 6.9% or 2,000 jobs.<sup>24</sup> Moreover, they found that while the private sector largely accounted for the overall fall in employment in 2009, 80% (2,000) of net part-time job losses occurred in the public sector. The decline in public sector part-time employment mainly affected women, with a fall of 9% compared with 2% for their male counterparts.

Public sector efficiencies and cut-backs are underway with employers reducing the use of temporary and casual staff and cutting back on the hours of permanent full-time and part-time staff in the health sector.<sup>25</sup> The Belfast Health and Social Care Trust confirmed that it had reduced agency staff, temporary staff and overtime.<sup>26</sup> ECNI Monitoring figures show a decrease of 2,174 people working in part-time jobs in health and education; many of these will be women.<sup>27</sup> Significant savings of some £51.7million had to be found from current expenditure in the 2010-2011 education budget where salary costs account for 70% of the expenditure.<sup>28</sup> More than three hundred teachers are being made redundant in the summer of 2011 and trade unions and principles warned that this is "the tip of the iceberg".<sup>29</sup> Moreover, cuts in hours and pay have a bigger impact on women than men as more women work fewer hours and for lower wages.

"One of our members had money saved to keep her as a principal out of full-time teaching with a

class so that she can support those pupils needing special needs support. Now that principal will have to go back into class, a teacher will be made redundant and the provision of extra support for those children will not be possible."<sup>30</sup>

### Impacts of the downturn

Cuts to hours affect women disproportionately given that many work part-time and the number of hours worked can drop below the threshold for claiming in-work benefits for those on low incomes. Unison reported that among the first to have their hours cut in the Northern Health and Social Care Trust area were catering staff, where some men have specialist jobs but the majority are women, and domestics who are 90% women. Nurses, who are 90% women, have had their hours cut also and it was proposed to cut the hours of receptionists, who are 90% women and many of whom are lone parents, from twenty to fifteen hours which is under the sixteen hours needed to qualify for certain benefits.<sup>31</sup>

*In West Belfast cleaners were told that the system of work was being changed and women were expected to come in earlier. They raised the issue of public transport availability to come in from 6am instead of 6.45am. They were told "If you don't do it they will get contractors in."<sup>32</sup>*

*In West Belfast there were reports of the difficulty in making ends meet on reduced hours, with stories of women walking to work as they could not afford transport, especially of women on the early shift at a weekend to avoid paying for a taxi.<sup>33</sup>*

*In Co Antrim there were problems with available and cost effective transport. "I normally have to get three buses and there is no public transport in my area during holiday periods."<sup>34</sup>*

The gender pay gap means that women's earned incomes are lower than men's and a reduction in an already low pay packet is a significant problem. This is exacerbated when women must find the money to pay for childcare to allow them to remain in work; childcare is low in supply, high in cost and increasingly unaffordable for those on low income with the reduction in support under the child element of working tax credits. Family and caring responsibilities can mean that women who are not in employment



are less likely than men to qualify for Job Seekers Allowance, which may exacerbate their financial difficulties.

Term-time leave was introduced in the health sector, including for domestic and auxiliary staff, a number of years ago. Although it is open to all, it is mainly women who apply for leave in order to look after children in school holidays. Women apply before April and a weekly deduction is made from the wage to cover the leave. Unison and Unite reported that term-time leave was very popular but that it was becoming harder to get. The amount of time a member of staff can take has been shortened. Several health employers reviewed their provision in 2010 or 2011 and reduced the amount of time a member of staff can take; in one example a limit of two weeks was imposed across the board because the employing authority could not provide cover for the leave requested. Further curtailments have been mooted for 2011. Downsizing in the public sector affects capacity to offer term-time leave as there is less room for manoeuvre with fewer staff. Other flexible working arrangements are similarly affected.<sup>35</sup>

*"There is no flexible working. I wanted to start half-an-hour earlier because I am the main carer for my Dad. Another domestic wanted to start half-an-hour later to hand over her kids to her husband who was working the night shift. They may accommodate it if it is for a short period of time, but not permanently."*<sup>36</sup>

Many of the jobs most suitable for parents looking for part-time work are the kind of jobs that are disappearing in the public sector. For example, the recent austerity measures have been introduced on top of three years of annual 3% cuts accumulating to £44m of savings in the Northern Health and Social Care Trust where it is estimated that 2,500 jobs have already gone through redeployment.<sup>37</sup> Women report this happening throughout the education and health and social care sectors. Lone parents in particular, who are expected to find work when their youngest child reaches seven years (five years in October 2011), will find their opportunities for employment restricted. Moreover, when public sector pay freezes are factored in, along with cuts in work-related benefits, women are facing significant income loss.

Terms and conditions of employment are often better for women in the public sector, including with better pension provisions. A Code of Practice is in force in Northern Ireland (and until recently in Britain) to prevent the emergence of a two-tier workforce in cases where public sector employees were contracted out to a service provider. It covers new employees alongside staff who had been transferred from the public sector and provided for broadly comparable pay, terms and conditions. "The promotion of equality of opportunity is core to the aims of the Code."<sup>38</sup>

The Code of Practice has been withdrawn in Britain and replaced with a set of good practice guidelines. It is important that the Code, which is embedded into the Northern Ireland Administration's procurement process, is retained given its strength in protecting equality. Withdrawal would weaken public-private parity and a slide towards poorer terms and conditions. A large proportion of those affected will be women, many providing catering and cleaning services.

Women in the private sector are also affected by the downturn. The average wage in the retail sector, employing 126,000 people, is just 75% of the average Northern Ireland wage. Other low wage areas of high female employment include administration and hotels.<sup>39</sup> Women workers' hours are being moved around, e.g. to cover late nights and weekends rather than employing more staff, and women are under pressure to accept the changes or if they cannot, for childcare and other family reasons, employers are cutting their hours and giving them to someone else. This is reflected in changes to terms and conditions and new contracts; where they cannot get a negotiated agreement, employers are pushing contract changes through on the basis of having an economic, technical or organisational reason, issuing thirty days notice of change of contract, but women usually make an accommodation to keep their jobs.<sup>40</sup>

Several unions independently reported breakdowns in staff relations in the competition to get extra hours due to women's desperation for work. USDAW noted that "women are clashing against women for hours", especially since they need to work twenty-four hours to get Working Tax Credit instead of sixteen hours as



previously. Unison spoke about lone parents among domestics and many other women whose husbands have been laid off and cannot afford a cut in hours with arguments developing between women. UNITE gave similar examples of lone parents under pressure to get every possible hour of work along with women who are the main breadwinners saying, "it's very uncomfortable."<sup>41</sup>

*"It's dog eat dog. Everyone is out for every penny. It is hard to deal with. People don't speak to each other over overtime and it's getting worse. It has gotten worse since summer 2010."*

*"Some people keep notebooks on how many hours other people have worked so they are not done out of hours. It's splitting people apart."*

Unison also reported that women are "demoralised, scared to open their mouths if their husband has already lost his job and can't afford to lose a day's pay. You just put your head down and keep going." Unite has found, too, that the downturn has impinged on people's willingness to speak out with concerns for fear that "I'll not be asked in to do overtime if I rear up."

*"I am stressed about the [cleanliness standards] audit and I feel demoralised. I have high blood pressure since last year. I am a worrier and I get upset. I feel they are coming and picking on things that I can't fix e.g. paint on the walls."*

*"Years ago we laughed a lot, and partied at the drop of a hat. We can't laugh now."<sup>42</sup>*

### Community care worker

*Care staff are given ten minutes plus five minutes travel to and from the house for a toilet call, that is, to go to the house, assist the person to the toilet, assist her back to her chair and return. It used to be fifteen minutes plus five minutes.*

*"It always takes more time than this to do the job properly. A woman the other day took me much more than ten minutes to get her to the toilet. She walks/shuffles slowly. When we say it is impossible to do it in ten minutes then we are told it is swings and roundabouts and we can make the time up somewhere else. Then we are late for other clients who expect us to be on time and complain if we are late. The majority we work with are elderly, and they are mainly elderly women."<sup>43</sup>*

### Gender Pay Gap

Women's contribution to the family income has increased, with women's individual income contributing more than 50% of family income for 21% of all couples.<sup>44</sup> Yet, the Fawcett Society noted that 40 years after the Equal Pay Act, women can expect to earn 15.5 per cent less than men in the UK and some 45,000 women were currently fighting equal pay claims.<sup>45</sup>

In Northern Ireland the 2010 Annual Survey of hours and Earnings shows that

- Overall female median hourly earnings excluding overtime were 89.9% of male earnings.
- Women's full-time hourly earnings excluding overtime were 100.1% of male earnings.
- Part-time employees experienced a 6.0% contraction in gross weekly earnings and part-time women earning less than men for the first time in 4 years.<sup>46</sup>

The gender pay gap is not only about pay rates, but about working patterns and opportunity. Share of full-time and part-time employment – women are 82% of part-time workers – curtailed hours and interrupted careers to look after children all impact on pay. The pay gap can be detected in overall median annual earnings where women earned 46.2% less than men, due to working around seven hours less per week, and full-time women workers earned 13.8% less than their male counterparts. Enquiries to the Equality Commission about equal pay have more than doubled since 2007-08.<sup>47</sup> Significant differences between what women and men earn over a lifetime are reflected in women's lower pension income, and higher risk of pensioner poverty.

Rebalancing the economy from the public to the private sector carries financial penalties for women in relation to pay and terms and conditions. Public sector wages in Northern Ireland are over one-third (34%) higher than private sector wages. This is the largest public/private sector wage differential in the UK. Yet public sector wages are not out of line with the rest of the UK outside London, so it is clearly the low wages in the private sector that cause the differential. Private sector wages are the lowest in the UK, at 82% of the UK average.<sup>48</sup>



### **Nicola Smith, TUC Chief Economist**

*"The divide between men's and women's pay is more than 20% in the private sector, against less than 12% in the public sector, so even if the government is right that many of those laid off by the state will find new private sector jobs, women may find themselves lagging farther behind their male colleagues."<sup>49</sup>*

The UK Coalition Government does not intend to implement the Equality Act provisions which give government the power to require large companies to do annual gender pay audits, measure and publish differences in pay rates between men and women and outline plans to ensure that all staff are treated fairly.<sup>50</sup> Rather, the government says it will work with business on how best to support increased transparency on a voluntary basis. Decisive action is needed in Northern Ireland before another generation of women find they are earning less than men throughout their working lives.

Equal pay for equal work, enshrined in the Treaty of Rome of 1957, is one of the founding principles of the European Union. The gender gap sits at 17.5% across the EU in 2011. The European Commission held the first European Equal Pay Day on 5 March 2011 and will make this an annual event to highlight how much longer women need to work than men to earn the same amount – currently estimated to be two months a year.

The Commission tackles, and encourages Member States to tackle, the complex causes for the pay gap including direct discrimination, undervaluing of women's work, segregation in the labour market, traditions and stereotypes, and the balancing of work and family life (where women face unequal sharing of family and care responsibilities, part-time work and interrupted work patterns). The Commission's strategies include awarding companies prizes and rankings; tools to identify and correct unjustified pay gaps; encouraging women and men to enter professions where they are under-represented; work-life balance measures; and improving pay transparency and the effect on equal pay of part-time and fixed-term contracts.

One innovative approach is introducing employers to a software tool that calculates

whether there is a gender pay gap and if this gap is due to objective factors (such as a person's level of education or years of service) or factors that cannot be explained and which, for the most part, can be assumed to be caused by pay discrimination. Based on a Swiss calculator developed in 2009 by the country's Federal Office for Equality between Women and Men, the tool has been used in Germany and Luxembourg. If inequalities are found, advice and support is available to companies to help them develop solutions to close the gap.<sup>51</sup>

Discrimination at work against women stunts their opportunities to have a full and fulfilling career. Complaints by pregnant women have remained consistent in Northern Ireland over the years. With the onset of recession, advice agencies and support organisations report an increase in affected clients.<sup>52</sup> This is supported by the Equality Commission's case monitoring which shows that five hundred and ten women came to them between April 2007 and March 2010.<sup>53</sup> Behind this is likely to be considerable numbers of women who are not coming forward to report discrimination.

Alongside eradicating discrimination a complete change in culture and practice in relation to sharing domestic and caring responsibilities is needed. Until more men take greater responsibility for children, women's pay and prospects will continue to be threatened by interrupted careers and short-term working. There has been some headway on legislation with paid paternity leave and unpaid parental leave to encourage fathers to share in family responsibilities and government proposes to make parental leave more flexible from 2015. It could be revolutionary in helping couples to share the burdens of work and childcare more fairly. Deputy Prime Minister Nick Clegg hoped the proposals would make flexible working the cultural norm.<sup>54</sup> The Northern Ireland Executive should move speedily to adopt proposals to extend parental leave and flexible working in Northern Ireland.

The attitude and behaviour of employers is critical to providing the culture in which men as well as women will exercise their rights. It is disappointing, therefore, that the Institute of Directors (IoD) constantly raises concerns about



regulating for maternity and parental leave.<sup>55</sup> In response to recent proposals to enable parents to share parental leave by 2015, both the IoD and the Chamber of Commerce expressed reservations. The Confederation of British Industry (CBI) has rolled back from their first welcome of the policy.<sup>56</sup> The UK Government and the Northern Ireland Executive should provide support to the business sector to ensure they are up to speed in implementing new parental leave and flexible working arrangements.

Women with children increasingly make up a greater proportion of the labour force than women without children.<sup>57</sup> At the same time, caring for children is likely to be one of the most significant reasons why women are economically inactive, many of whom may wish to work. Matching available jobs with women's unpaid caring role is difficult in Northern Ireland in the absence of a comprehensive infrastructure of high-quality, accessible and affordable childcare. This affects women's capacity to work full-time, remain in the labour market throughout their working life and progress up a salary scale alongside male colleagues. Part-time and atypical contracts may assist these women to remain in work but at a cost to their pay, career development, promotion prospects and pensions.

Taking responsibility for dependent care can also carry a financial penalty. Reductions in spending on social care will impact disproportionately on women as they rise to the task of plugging the care gap once again. Already 6 million people in the UK do unpaid care work, and over their lifetime seven out of ten women will be carers. Carers UK fear that the dignity and independence of older and disabled people will be undermined and more families will be forced out of work and pushed to breaking point to care for them."<sup>58</sup>

When women with children and other dependant caring responsibilities lose their jobs they face the particular barrier of trying to balance paid work with unpaid caring in seeking new employment. In their previous jobs they may have settled into a working pattern that fits with their home responsibilities. Their job reach may be limited by looking only for work that is part-time or can offer flexibility, yet it is not certain that employers will be as flexible in the

immediate recovery period from recession as they seek to make up lost ground.

Childcare for employment has not received priority in Northern Ireland childcare strategies. A different approach has been taken in Wales where both providing childcare for working parents and supporting childcare enterprise, both in terms of commercial enterprise and social enterprise, form core parts of the Welsh Assembly Government's childcare strategy.<sup>59</sup> The Women and Work Commission recommended more attention to supporting parents with children under three to afford quality childcare.<sup>60</sup>

### Conclusions

Media reporting of job losses during much of the recession focused on large scale redundancies in areas like construction while women were losing jobs in smaller groups in retail, care and services employment. With public expenditure cuts women will be facing substantially more job losses in the future as they make up almost two-thirds of the public sector workforce in Northern Ireland. Women working part-time are already bearing the brunt of the cuts. At the same time more women are moving into the labour force, including lone parents who will soon be required to be available for work when their youngest child reaches five years.

The pressure of the economic downturn, coupled with longer term cutbacks in the public sector is leading to uncomfortable working environments. Women are competing with each other for fewer available hours of work. At the same time, flexibility from employers appears to be closing down thus making it harder for women with caring responsibilities. It is important that employers in the public and private sector are encouraged to maintain good working practices regarding flexibility.

The gender pay gap, in wage terms, is widening in Northern Ireland and may widen further with the reduction of public sector jobs for women as wages are lower in the private sector. In re-balancing the economy from the public to the private sector women are also likely to lose out in terms and conditions and pension provision. In any event pensions for women are affected by their lower wages and interrupted employment.



The gender pay gap is more than about hourly, weekly or monthly pay. It must take account of women's working patterns. For example, many more women than men work part-time. Women take time out of employment for childcare responsibilities, whether for a child's early years or taking time off work during school holidays and making a salary sacrifice. Lack of appropriate childcare is a fundamental barrier to women's employment opportunity and earnings. In Northern Ireland provision is worse than elsewhere in the UK and considerably behind leading countries in Europe.

To support women in employment the Northern Ireland Executive will need to amend its childcare strategy if it does not sufficiently address making quality childcare affordable and accessible to working parents throughout Northern Ireland. The Welsh Assembly Government might provide a model in its attention to both childcare for working parents and childcare as an opportunity to grow business and social economy enterprises.

### Recommendations

- The Executive should require transparent pay arrangements and introduce mandatory pay audits for companies' workforces in Northern Ireland. The Ministers for DEL and DETI should encourage equal pay initiatives in the workplace and provide leadership for the annual European Equal Pay Day. The departments should review the impact of part-time work and fixed-term contracts on equal pay.
- The Northern Ireland Executive should move speedily to adopt proposals to extend parental leave and flexible working in Northern Ireland, and DETI should provide support to the business sector to ensure businesses are prepared for implementation.
- The Northern Ireland Executive should significantly increase the provision of child daycare that fits with the working hours of parents. It should ensure that employment-related childcare is a core part of its childcare strategy and DEL and DETI should contribute to childcare developments. The Executive should appoint a lead Minister and department to drive the childcare strategy forward.
- Priority should be given within the childcare strategy to driving up the supply of high-quality, accessible daycare that supports parents to access the labour market and remain in employment. Funding should be allocated to expand daycare places. To further assist with this there should be dedicated business support from DETI and its agencies for private, voluntary and independent enterprises offering childcare.
- The Executive should gather and make available comprehensive childcare statistics at one central point and track the improvement in provision of child daycare that is suitable for working parents.
- The Executive should assess the gaps in entitlements to family-related leave, childcare and other challenges for those with caring responsibilities so they can address these and respond positively and immediately to future EU measures.
- All assistance should be provided to enable women to remain in the labour market and build up pension entitlements that are equal to men's. The Executive should ensure that policies on equal pay, flexible working and childcare are aligned with this goal.
- The Executive should monitor its policies to improve gender equality in the labour market and ensure these meet the requirements of the EU Employment Guidelines, amending policies where necessary.
- OFMdfM and DFP should finalise the Maintain the Code of Practice on Workforce Matters in Public Sector Contracts in Northern Ireland and reinforce their application through the Northern Ireland Procurement Guide.



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# Childcare for Employment

## Barrier to employment

The problem of finding affordable, quality childcare provision in Northern Ireland has increased over the last decade. Between 2003 and 2009, statistics show a year on year decline in child places while provision in the rest of the UK has increased.<sup>1</sup> Yet, 83% of those interviewed in a MORI poll said that "the provision of good quality affordable childcare for all who need it should be a priority for the Northern Ireland Executive." Among parents of children under fourteen years this figure rose to 91%.<sup>2</sup>

Childcare is cited repeatedly as a barrier by women seeking employment, both its paucity and its cost. Juggling work and care responsibilities is a considerable stress. Where workplaces are unsympathetic in terms of flexible working time, term-time hours or time off when children are sick. Having children can turn from being a joy to a nightmare when women are trying to enter the labour market or hold down a job. Parents on low to medium incomes juggle between types of care, formal and informal, to cut down the costs. At a time of recession low paid women workers may try to make extra income through extending their hours or taking a second job. It is difficult for those with caring responsibilities, especially lone parents, to take this route.

The Northern Ireland Taskforce on Employability and Long-term Unemployment reported in 2004 that lack of access to affordable and decent quality childcare provision was one of the main barriers to entering the labour market for parents, particularly women.<sup>3</sup> The consultation undertaken during its work confirmed what its Scoping Study had identified. The Taskforce distinguished between daycare – the primary purpose of which is to help parents take up or stay in jobs, training or education, including childminders, day nurseries and out-of-school-hours childcare – and early years development interventions such as pre-school education and Sure Start. It acknowledged that some of the

latter 'can "double-up" as part-time daycare' which the report describes as 'an added benefit' beyond its core purpose.

The Taskforce referred to The Northern Ireland Childcare Strategy *Childcare First* that set out in 1999 to raise the quality of childcare, make it more affordable and improve access. The aim of the strategy, launched by direct rule Ministers with an investment of £61million, was 'to ensure high quality, affordable childcare for children aged up to fourteen in every community in Northern Ireland'.<sup>4</sup> A significant focus of the strategy was on expanding pre-school education. The three main aims of *Children First* were to raise the quality of childcare, make it more affordable and improve access. It did not set out to alter the pattern of provision in a way that would better support mothers to work. Indeed, in its review of *Children First* Capita noted that although it is likely to have been an outcome of activities under the policy, supporting parents to return to the labour market was not a stated aim of *Children First*.<sup>5</sup> The recommendations made in the Capita report remain relevant to the childcare sector.<sup>6</sup>

Drawing attention to women's growth in the labour market and the barrier of family and home care for the economically inactive, the Taskforce recommended that the strategy should be reviewed 'to ensure that it is sufficiently focused on addressing the issues of availability/access, affordability and quality that were raised through the Taskforce's consultation process' and that it should be driven by a lead department.<sup>7</sup> It concluded that 'increasing childcare provision, reviewing the strategy and providing a coherent lead role are very important medium-term responses to the problems of unemployment and economic inactivity'.<sup>8</sup>

The Welsh Assembly Government recognises the importance of childcare to the employment prospects of working parents. Like the Northern Ireland childcare strategy quality, affordability and accessibility are fundamental to childcare development in Wales. The Welsh Assembly Government sets a vision for its strategy to nurture children, support families and communities and support "economic growth and prosperity ... national competitiveness, business productivity and individual social mobility".<sup>9</sup>



One of the Welsh Assembly Government's two strategic priorities under making childcare affordable is: "to support Childcare Enterprise – both in terms of commercial enterprise and social enterprise."<sup>10</sup> In making childcare accessible it identifies the need to "improve the provision of childcare linked to parents'/carers' work patterns."<sup>11</sup>

### European childcare targets to support women in work

The Council of the European Union established childcare targets at its Barcelona Summit in 2002 on the premise that ensuring suitable childcare provision is an essential step towards equal opportunities in employment between women and men. The childcare targets were set as a key part of the European Employment Strategy. Two years earlier, at the Lisbon Summit in 2000, EU Member States had agreed the goal of increasing the female employment rate to 60% by 2010.<sup>12</sup> The Barcelona targets were to provide childcare by 2010 to:

- At least 90% of children between three years and mandatory school age;
- At least 33% of children under three years.

It was reported in October 2008 that eight Member States had passed the 3+ target while just five had reached the under-three goal.<sup>13</sup> The UK had reached neither target at that stage but was approaching both. The coverage relates to all children no matter how many hours they attend, participation is from a few hours to a whole day. Some countries, notably the UK, Ireland and the Netherlands, are characterised by high levels of part-time provision while some EU Member States are providing enviable levels of full-time childcare in their overall provision.

Denmark had reached almost 100% cover for the plus three age-group, with around 80% in full-time childcare; and had streaked ahead of all other EU states with more than 70% cover of the under threes, almost all of it full-time as well. The vast majority of formal provision for children in these age groups in the UK is less than thirty hours per week, a level that is only compatible with working part-time at best.

The UK data includes the picture in Northern Ireland where more than 90% of children in the 3+ age-group in 2010-2011 have taken up pre-school places in their final pre-school year. Pre-school provision offers a minimum of 2.5 hours to a maximum of 4.5 hours a day. Just over 60% of the provision is in the public sector while 30%-40% is provided by the voluntary and private sectors. Some organisations in the latter two sectors may have add-on provision for the rest of the day.<sup>14</sup>

In the EU more than six million women in the 25-49 age range say they are forced into not working, or can only work part-time, because of their family responsibilities.<sup>15</sup> For more than a quarter, the lack of available childcare or the cost of such care is a problem. Member States can avail of the Cohesion Fund, notably the European Social Fund, to promote work-life balance measures and avail of the half a billion euros set aside for the period 2007-2013 to develop childcare facilities.

On 8 March 2011, the Council adopted the European Pact for Gender Equality 2011-2020 in which it urged Member States to 'improve the supply of adequate, affordable, high-quality childcare services for children under the mandatory school age with a view to achieving the objectives set at the European Council in Barcelona in 2002, taking account of the demand for childcare services and in line with national patterns of childcare provision.'<sup>16</sup>

### Child daycare provision in Northern Ireland

Although the provision of childcare in the UK as a whole may come close to meeting the Barcelona targets, when the figures for childcare provision across the four regions of the UK are broken down there are clear inconsistencies. Varying investment in childcare services between 2003 and 2008 led to a 21% increase in childcare places in England, a 14% increase in Scotland and a 6% increase in Wales. Northern Ireland, however, saw a decrease in childcare places over the same period of time.<sup>17</sup>

Moreover, the introduction of the Childcare Act in 2006 to England and Wales was a landmark piece of legislation. The Act regulates childcare



which it defines as “(a) education for a child; and (b) any other supervised activity for a child.”<sup>18</sup> The Act includes the duty to secure sufficient childcare for working parents to take up or remain in work and to undertake education or training that assists in obtaining work. Contained within the legislation is an obligation to provide information to parents to enable them to make informed decisions. Childcare Sufficiency Assessments are carried out to ensure that there is adequate childcare provision.

High ideals at EU level on childcare as an equal employment measure for women have not translated to practical action on the ground in Northern Ireland. Indeed Employers for Childcare have said that Northern Ireland’s vision for childcare is behind that of the other regions in the UK and ‘[i]t could be argued that Northern Ireland is today where England was in 1997’.<sup>19</sup>

There is no lead Department in Northern Ireland responsible for childcare, no statutory duty on public authorities to ensure adequate childcare provision and no strategy for childcare agreed by the Northern Ireland Executive. Save the Children calculated that spending on early years’ services in Northern Ireland in 2007-8 was just £630 per child aged 0-4, compared to approximately £2,000 per child in Britain. They also found considerable disparity in Sure Start expenditure in the same year with Northern Ireland spending £80 per child to England’s £600, Scotland’s £380 and Wales’ £270-£350.<sup>20</sup>

The overall number of childcare places fell by 6% in Northern Ireland over the seven years to 2009, with the greatest fall – 5% – in the last two years. The composition of childcare provision is changing. The number of day nursery places is increasing; in the two years to 2009 it increased by two percentage points. The number of childminding places, although still providing more places than day nurseries, has gone down by about six hundred places over the same period. Playgroups and out-of-school clubs showed significant reductions between 2007 and 2009.<sup>21</sup>

In a small survey conducted by MORI for the Northern Ireland Childminding Association (NICMA) almost a third of parents surveyed had looked for childcare in the previous three years, with 30% describing their search as fairly or very

difficult. It was more difficult in rural than in urban areas.<sup>22</sup>

Moreover, 37% of respondents to MORI said they made use of formal or informal childcare either on a full-time or a part-time basis. This included 41% of working parents interviewed and 31% of non-working parents.<sup>23</sup> NICMA’s findings were corroborated by Employers for Childcare in a Childcare Costs Survey carried out in 2010 in which the majority of respondents said they use informal care to supplement the formal care they pay for; 96% of lone parents and 82% of two parent households use additional informal care.<sup>24</sup>

Informal care meets the needs of parents who require extra hours of childcare, this is a particular trend for parents who work atypical hours. Just over a third reported to Employer’s for Childcare that they work atypical hours, and this rose to 52% for the lone parent respondents.<sup>25</sup> Another benefit of using informal childcare as a supplement to the main childcare type is the cost.<sup>26</sup> Informal care, particularly from family members, can come at little or no cost. Parents are often inclined to rely on this form of childcare due to the lack of affordable formal childcare.

### **Comments from respondents to Employers for Childcare Costs Survey 2010 who mainly earn under £25,000 per year**

*“Paid childcare is extremely expensive and would just be affordable for us full time. We manage with a lot of help from family members but have no idea how we could work and drop our daughter to school and collect her again.”*

*“I have great support from grandparents who have enabled me to remain at work.”*

*“I needed help from grandparents initially as I could only get a part-time place.”*

*“I couldn’t manage without the help of grandparents .... Juggling childcare with work is a constant battle and stresses me out sometimes.”<sup>27</sup>*

The evidence collected by Employers for Childcare and NICMA adds weight to the Employability Taskforce’s concerns that quality and affordability are hurdles to those seeking work. More than half of all parents in the MORI survey said that quality of childcare was the most important consideration for them.<sup>28</sup> Capita notes that the long-term



commitment that is implicit in mainstream funding is a driving factor in ensuring quality and that mainstream funding has been a critical part of the investment in quality.<sup>29</sup> Employers for Childcare found that “For many families, after paying for childcare costs their household has only fractionally more income than if they chose to stay at home”,<sup>30</sup> concluding that the cost of childcare in relation to family income is one of the main barriers to work and training.

**Comments from respondents to Employers for Childcare Costs Survey 2010**

*“The biggest difficulty with childcare is the cost. Last year 46% of my take-home pay went on childcare. This makes it hard to justify working.”*  
*“After paying childcare costs, our household has fractionally more income than we would if I chose not to work and stay at home.”*  
*“I am working to pay my childcare fees but I fear that if I leave work I won’t be able to find a post when it will be financially viable to work. It is soul destroying.”*  
*“As my husband and I both work, we find that the majority of my salary is spent on childcare costs.”<sup>31</sup>*

In Northern Ireland, parents on average allocate 45% of their net median weekly earnings towards childcare, making childcare one of the largest outgoings for many families.<sup>32</sup> Parents with two or more children are under additional financial strain. For lone parents the proportion spent on childcare is much more than in a two-income family, and 67% told Employers for Childcare that they struggled to meet their childcare costs. One of the issues highlighted by the *Children First* policy on its inception was affordability and its impact on ability to work. In addition to families paying varying amounts for childcare, for some families the cost of childcare was so high they could not afford to work.<sup>33</sup>

**Comments from respondents to Employers for Childcare Costs Survey 2010**

*“All of my wife’s wages go to childcare and all she has left is the tax credits. We would probably be better off if she didn’t work.”*  
*“Costs prevent me from working more hours.”*  
*“Due to cost I was unable to return full time.”<sup>34</sup>*

The Daycare Trust indicates that parents in the UK pay 75% of the cost of childcare and government 25%, while in Europe parent’s average contribution is 30% with central and local government covering 70%.<sup>35</sup> In its review of the *Children First* strategy, Capita stated that a number of initiatives had helped on the affordability front in Northern Ireland and named among them: the increase in free pre-school education places, childcare vouchers, EU-funded funds and Working Families Tax Credit.<sup>36</sup>

Different elements of Northern Ireland’s childcare provision have different purposes and goals in contributing to the strategy’s key aims of quality, affordability and accessibility. Capita indicated that while pre-school education was not driven by the need for childcare it had grown considerably and by providing “increased choice of free pre-school education places” it had contributed to the aim of making childcare more affordable.<sup>37</sup> Commenting on out-of-school provision Capita noted that it had exceeded its targets and improved affordability but identified sustainability as an issue due to its high reliance on short-term funding streams.

**Question at Northern Ireland Assembly Election 2011 Hustings organised by Employers for Childcare & Children in Northern Ireland**

*“I want to know how politicians plan to bring affordable childcare to ordinary working parents. My two children are in childcare and it costs me £950 per month for a full-time and a part-time place and it honestly just isn’t worth my while working, but I do because I love my job and want to set a good example for my children.”*

So, since the 1999 childcare strategy *Children First* and the 2002 Taskforce referred to above, full-time childcare has not improved and it could be argued that the position for women seeking childcare for work has worsened. Daycare is not keeping up with demand as more women enter the labour market, swelled by the ranks of lone parents who now must seek work when their child reaches seven years (changing to five years in October 2011). In short, a comprehensive infrastructure offering parents what they need when they need it is completely lacking. Calls for



a full range of integrated services coordinated around sub-regional Children's Centres by 2010, similar to developments in other parts of the UK, have not been answered.<sup>38</sup>

By comparison the Danish model has been successful in matching supply and demand with almost no waiting lists or demand. The law in Denmark requires that a place should be provided to parents for each child within three months of demand. Central to the Danish approach has been the principle of universality in developing childcare in the mid 1960s with the extension of public funding to all childcare services, not just to special needs provision. Almost full coverage now exists for children from 6/12 months to compulsory school age as well as for out-of-school facilities for children aged 6 to 10 years. The right to have a place is attached to each individual child and not tied to the mother's employment.<sup>39</sup>

Employers for Childcare has long argued that childcare is a labour market and economic issue. Child daycare enables more parents to enter training, education or work; the childcare industry contributes to the economy by providing jobs; and good quality childcare, through early intervention, improves the life chances of our children and has future economic benefits.

### Sure Start

There are thirty-two Sure Start Centres catering for around 34,000 children and their families in Northern Ireland. Among their services are 'high quality crèche sessions'.<sup>40</sup> However, it is important to note that, although a few centres offer daycare support, Sure Start is not primarily child daycare provision. Introduced into Northern Ireland in 2000, Sure Start's goals are to prevent social exclusion, raise educational standards, reduce health inequalities, and promote opportunities for families. There is not the same level of investment in Sure Start in Northern Ireland as in the rest of the UK,<sup>41</sup> although Northern Ireland's Minister for Education indicated in February 2011 that she wished to protect its funding<sup>42</sup> despite the department having taken a significant cut in its budget.

It remains to be seen for how long families in Northern Ireland who would benefit from Sure Start will have this opportunity. Britain is

witnessing the dismantling of Sure Start. The Daycare Trust suggests that the service will be cut by 9% over four years due to failure to inflation proof Sure Start, and in 2011-2012, ring-fencing of Sure Start grants will disappear. The effect of this has led some Councils to close centres in their areas.<sup>43</sup> Moreover, proposals for future arrangements include reducing requirements around full daycare provision and the professional status of staff.<sup>44</sup>

### Wraparound childcare for school-age children

In a period of direct rule, the Secretary of State provided £13.5 million in 2006 for a Children and Young People's Funding Package of which £10 million was for an Extended Schools initiative. In the outworking of the Executive's 2007 budget the allocation was reduced to £5.83m for 2008-09 and more stringent eligibility criteria were introduced at the same time;<sup>45</sup> when funding was restored the criteria were widened again.<sup>46</sup>

By 2007 the number of out-of-school clubs had grown by 40% from its baseline in 2002. In 2009 out-of-school provision plummeted showing just an increase of 18% on the 2002 figure. In just two years it dropped back twenty-two percentage points.<sup>47</sup> The Department of Education (DE) disagrees that there is a link between the rise and fall in funding for Extended Schools and out-of-school provision generally, suggesting the out-of-school figures refer to private childcare and not to provision under Extended Schools.<sup>48</sup> Yet, an Assembly debate on 7 March 2011 points to the reliance of after-school clubs, including Playboard, on a basket of funding from DE and other departments.<sup>49</sup>

Extended Schools encompasses a wide range of provision including learning activities outside of the school day, sports and arts activities and childcare services before and after school such as breakfast clubs and after-school clubs. According to DE it is "not the policy aim that Extended Schools should serve as childcare providers. Instead, the Extended Schools programme is key to supporting DE's strategic priorities of addressing disadvantage and raising educational standards."<sup>50</sup>



It appears there are different views inside and outside government on priority for out-of-school provision and on the role that initiatives like Extended Schools should play in childcare. Responsibility for out-of-school provision is not located with one lead department and it suffers from the absence of a strategic joined-up approach, as opposed to pulling funding together from a range of sources to plug a funding gap. This detracts from reaching the optimum level of integrated education and care provision for children, including the wrap-around care for school-aged children, that also meets the needs of working parents.

### Childcare and recession

Laing and Buisson's Annual UK Market Report on Children's Nurseries for 2009 valued the childcare market, which is comprised mainly of small businesses of various sizes run by the private, voluntary and independent providers, at £4.1 billion. Childcare businesses tend not to have large cash reserves or capital assets and are less able to absorb losses as a result, even for a short period of time. The market was described as potentially brittle with limited profitability, especially in the deprived areas most dependent on free entitlement.<sup>51</sup>

Day nurseries and other childcare providers may find themselves under increasing pressures from falling revenues in a difficult economic climate. The most obvious threat is that of parents losing their jobs which may mean they have to remove their children from daycare because they can no longer afford to pay; some parents may lose both their wages and support with their childcare costs through tax credits which end four weeks after becoming unemployed. The financial stability of childcare centres, nurseries and childcare in general might also be threatened by parental debt. Calouri points out that maintaining the confidence and trust of parents is a central and major component of customer relations within childcare. Providers might be reluctant to pursue payment as they may incur monetary costs and risk driving customers away in the longer term for the short term gain of getting repayment at the rate of a few pounds a week.

If occupancy levels sink low enough for long enough then a childcare provider may be forced

to close. In that scenario, remaining parents will be left trying to source alternative childcare quickly, with very limited options in some regions of Northern Ireland. At the same time childcare workers, a 98% female workforce mainly on poor pay and conditions, will be forced out of employment.

### Fiscal incentives

Fears have been expressed that childcare vouchers may be under threat with employers more liable to question if they can afford this cost during a downturn. Some employers have claimed that this is in part due to a European Court ruling on contractual benefits during maternity.<sup>52</sup> Since October 2008 employers are under an obligation to provide childcare vouchers to employees during maternity leave.<sup>53</sup>

If childcare vouchers are increasingly withdrawn the cost of childcare would become unaffordable for many employees, mostly female, who would have to reduce their hours or give work up altogether. This in turn would feed into falling occupancy levels in childcare and introduce instability into the workforce and the economy, at a time when the UK Government and the Northern Ireland Executive are working to reverse a downturn. If it were to happen, it is likely to be difficult to track what is happening to women given the lack of official data collected from employers in relation to childcare support.

However, in the experience of Employers for Childcare, the largest supplier of childcare vouchers in Northern Ireland, the new regulations have not had a negative impact on employers. Employers who offer childcare vouchers have found that the benefits outweigh the costs due to savings on the employers' National Insurance contribution, lower absenteeism and lower staff turnover. Rather, they have found a lack of awareness amongst employers and parents about the financial help available for childcare costs.

There are 210,000 families with dependent children in Northern Ireland.<sup>54</sup> Of these, 16,200 families are in receipt of the childcare element of Working Tax Credit, and approximately 10,000 parents benefit from childcare vouchers.<sup>55</sup> The average uptake of childcare vouchers among the



workforce in GB is 7%, while in Northern Ireland it is less than 2%.

The benefit of raising awareness of the financial help available for working parents is that more parents will be able to make informed decisions about returning to or staying in the labour market rather than dropping out because of childcare costs. Moreover, as more parents participate in the labour market and claim tax exemptions which do not affect the Northern Ireland block grant, more money will be generated in the local economy.

Calouri points out that it is crucial for policy makers and childcare providers to assess whether the childcare market is resilient enough to survive the recession intact. Indeed, recent Ofsted figures for England suggest not. A sharp drop in the number of childcare places over the previous two years continued into 2010 and is blamed partly on the recession. A funding formula that protects state-run nurseries and supports private, voluntary and independent sector nurseries is being sought.<sup>56</sup>

It is important that the Northern Ireland Executive ties childcare closely into both its economic development and employment strategies and adopts a more strategic approach to putting in place a comprehensive and cohesive childcare infrastructure in Northern Ireland. If the purpose of reducing support for lone parents and others through the benefit system, as was announced by the UK Government in June and October 2010, is to incentivise people into employment then the lack of childcare in Northern Ireland must be tackled urgently. Childcare must be high on the list of public spending priorities because of its vital role in the economy.

### **Impact of public expenditure and welfare reform on childcare**

Women tend to use public services more than men whether these are further and higher education, healthcare services, social care or early years' services. They also carry the majority of childcare, caring and domestic responsibilities. Thus changes to tax and benefits will impact on women more than men, and in the current climate these are impacting very negatively on women.

Under tight budgetary constraints, government departments will prioritise meeting their statutory requirements. This is likely to put services that do not have the same legal standing onto an unstable footing. In the Health, Social Services and Public Safety policy arena decisions have already been made to prioritise spending on health, putting social services where expenditure on children is to be found, at risk. Moreover, prior to the current promise to prioritise health spending, there was already evidence that budgets were skewed towards health at the expense of social services.<sup>57</sup>

Were ring-fencing of certain funding streams to cease this would pose challenges for childcare providers, including those that fall within the responsibility of the Department of Education such as Sure Start. Even if Sure Start is protected in cash terms inflation means there will be a reduction in real terms; the Financial Times calculated that there would be a real terms cut of 9% in Sure Start in England over the four year period 2011-2015.<sup>58</sup>

The Daycare Trust is concerned that the principle of Sure Start as a universal community service that is the case in Britain will be lost in favour of a focus on disadvantage only, as is the case in Northern Ireland where only 20% of the most disadvantaged areas can access Sure Start. The Trust notes that it is well documented that children do best in a mixed environment, and it holds that Sure Start has been most effective in reaching parents who would not normally use such services precisely because it has been open to all. The universal principle that has been critical to achieving comprehensive high-quality childcare in Denmark, and providing care for disadvantaged groups within that framework, should be a model for childcare in Northern Ireland and the rest of the UK.

Public sector job losses in Northern Ireland, of which the highest percentage is expected to be women, and changes to benefits could increase severe child poverty, especially in areas of high deprivation. The Institute of Fiscal Studies predicts that on the basis of current policies there will be a rise in the levels of child poverty between 2011 and 2013.<sup>59</sup> Making childcare available and affordable removes one of the main barriers to employment, especially for mothers,





and at same time it is a major aid to government in reaching child poverty reduction targets in compliance with the Child Poverty Act 2010, which extends to Northern Ireland.

Research by Save the Children in 2011 suggests that severe child poverty sits at 9%, affecting nearly one in ten children, with significant regional variations from 5% in Belfast and 7% in the East as a whole to 12% in the West. This is exacerbated by the impact of the recession which has been geographically uneven, with a disproportionate effect on areas with a historically high unemployment rate. Work status makes a difference, with 29% of children in workless families in severe poverty compared to 4% in families where at least one parent works. Over half of children who live in severe child poverty live in one-parent households, and one in five of all one-parent family children are in severe poverty, compared to 5% in couple households. It is notable that 36% of children are in severe poverty in households where at least one adult works due most probably to low wages. Nevertheless, it can be said that worklessness compounds poverty.<sup>60</sup>

Waldfoegel and Garnham have estimated that between one-half and one-sixth of all children currently living in poverty in the UK could be moved out of poverty if childcare provision and access was improved.<sup>61</sup> They cite data indicating that half of all non-working mothers in low income households and a similar proportion of lone unemployed mothers would prefer to work if suitable childcare provision was available.<sup>62</sup>

Parents in the UK contribute more towards childcare costs than in any other OECD country.<sup>63</sup> In September 2010, 15,400 families in Northern Ireland were receiving higher Child and Working Tax Credits to help with childcare costs for a maximum of two children; this number was up by nine hundred on the previous year.<sup>64</sup> With no additional payment for a third or further children there is a sharp drop in the number of women in employment with more than two children, a consequence that is unlikely to change unless families receive assistance with their additional childcare costs. Low income families can struggle to make up the difference between what they receive in credits and the cost of care.

UK government measures such as the freeze on child benefit and changes in the way benefits are up-rated, which have been brought in on top of other welfare cuts, mean that families will find it even harder to pay for childcare, especially those who rely on tax credits. For example, the reduction in the Childcare Element of Working Tax Credit from 80% to a maximum of 70% of childcare costs in April 2011 will affect 448,000 families, 64% of whom are lone parents.<sup>65</sup> The Daycare Trust calculates that this cut equates to a loss of £1,560 per year for families who are already struggling with the burden of childcare costs.<sup>66</sup> The Treasury admitted in its equality impact assessment that this change will have a significant impact on women, who make up the majority of lone parents.<sup>67</sup>

The Daycare Trust refutes the government's claim that the increase in the Child Element of the Child Tax Credit (£30 in 2011 and £50 in 2012) will mitigate against cuts in childcare support. While the government will save £1.325 billion from the 10% reduction in the Childcare Element of Working Tax Credit and the increase in the Child Element of Child Tax Credit will cost an additional £1.805 billion between 2011 and 2015, less of the money will go on childcare.<sup>68</sup> The Trust argues that as Child Tax Credit is available higher up the income scale than the Childcare Element of Working Tax Credit, it will be spread over a much larger range of families and will go to families who do not have eligible childcare costs. This is another financial decision which deals a blow to childcare despite childcare being one of the biggest barriers which prevents women in particular from moving into paid work. Yet, it seems to go against the government's intention of focusing support on the most disadvantaged and promoting work incentives.

### Future for child daycare in Northern Ireland

In March 2011 the Junior Minister in the Office of the First and deputy First Minister explained that the Executive would shortly consider the childcare strategy, identify a lead department or departments and that OFMdFM had 'ensured that the budget included an additional £12million for the childcare strategy'.<sup>69</sup> Just a few days previously the Minister for Finance and



Personnel had announced an allocation of £3million to meet 'the significant challenges both with provision and affordability.'<sup>70</sup> The Minister recognised the critical role of childcare in the economy and anticipated the funding would reduce barriers to employment and encourage and support economic activity.

The economic climate is tight, but the funding announced falls a long way short of the £61million allocated in 1999 which, although it delivered in other ways, did not improve child daycare as a support to employment. The Department for Employment and Learning should be concerned that the Taskforce's findings in 2002 still ring true today and that insufficient funds are being directed at the problem. In contrast to the Northern Ireland Executive's 2011-2015 the Welsh Assembly Government is expanding the provision of affordable childcare, allocating more than £120million towards childcare from 2011 to 2014.<sup>71</sup>

### **Dawn Purvis MLA 2007-2011**

*"Women in Northern Ireland will quite possibly work in lower paid positions in the public sector, and there is a very real chance that they will face redundancy in the four years that are covered by the draft Budget. ... We know that the dearth of affordable quality childcare in Northern Ireland is one of the main barriers to parents — primarily women — accessing the job market. At a time when the real value of wages is declining, redundancies are increasing and benefits are disappearing, there is absolutely no excuse for the Executive's inability to address the issue and remove that barrier from women's lives. Women will increasingly need access to the job market and greater flexibility than current childcare provision offers so that they can access any form of employment available to them at any time."<sup>72</sup>*

The Department of Education (DE) has expanded preschool provision, albeit mainly additional part-time places (normally 2.5 hours per day) through the Pre-School Education Expansion Programme, while the Department of Agriculture and Rural Development (DARD) provides the opportunity for project infrastructure expansion or piloting of new childcare initiatives under the Rural Development Programme and has recently enhanced childcare provision in rural areas through the innovative

Rural Childcare Programme. This included an initiative with the Northern Ireland Childminding Association to drive up childcare in rural areas through training and registering more childminders. The Department for Employment and Learning (DEL) has supported the development of the childcare workforce.

Working families are essential to the Northern Ireland economy. There is every reason why DEL and the Department for Enterprise Trade and Investment (DETI) should want to add greater weight to founding more centres of daycare around Northern Ireland. For DEL a fit-for-purpose childcare infrastructure will reduce barriers to employment and enable it to place more people in work and reduce the unemployment figures. DETI's involvement in the Executive's new childcare strategy would support new childcare enterprises which would play their part in growing the economy as well as sustaining individuals in employment. The Department of Social Development (DSD) also has a role.

While provision in the rest of the UK has not reached the standard of some other European countries, it has moved much more swiftly than in Northern Ireland towards integrated services for children and families and fulfilling the goal of giving parents more choice in balancing work and family life. The critical recommendations from the review of *Children First* remain outstanding.

- Reshape the Childcare Vision for Northern Ireland
- Allocate mainstream funding to the childcare strategy
- Strengthen accountability for childcare action
- Create robust leadership structures for childcare
- Implement childcare from an integrated platform
- Strengthen local capacity to action childcare priorities

Throughout its report Capita alluded to the importance of mainstream funding to a comprehensive childcare infrastructure that is accessible, affordable and of high quality. Adopting a good practice should mean setting the level of funding at 1% of Northern Ireland's GDP. Capita's first choice was that this should be allocated from the Executive's block funding before monies were distributed to departments; failing that, to pool departmental resources to



develop a coherent childcare budget. Additionally, childcare might be an ideal candidate for the new Social Investment Fund in the 2011-2015 Budget.

Also critical are a lead department and Minister to establish clear lines of accountability and lead collaboration across departments. Other departments, part of an inter-departmental group, should have clear roles and responsibilities for which they are accountable – DETI should be added to the inter-departmental team. The new childcare strategy should have a single, clear and agreed vision capable of being delivered seamlessly through an integrated approach. The childcare strategy should be one of the Executive's headline Priorities for Action.

### Conclusions

Public sector cuts that reduce affordable childcare places may undermine the sustainability and viability of the childcare that currently exists. There will not be fully accessible quality childcare of choice for all children up to age fourteen without political priority and support across the Northern Ireland Executive. The Executive's policy should be driven by a lead Minister and department, with the dedicated collaboration of other departments. Unless the Ministers and policy makers responsible for employment and economic regeneration demonstrate their interest in and commitment to childcare and begin to insist on delivery of results to the economic and employment agenda, barriers to labour market entry will remain in place.

Private sector provision will be unable to continue if its market is undermined with high levels of unemployment, and in any event this provision, which is costly, will only be available to some (although awareness of financial support for childcare through tax credits and childcare vouchers is also important). Any reduction in the Northern Ireland Executive's funding to childcare provision further undermines the capacity of childcare to be delivered when and where it is needed. Finally, there is not sufficient funding coming to individuals from the benefits/tax credits system to assist them to cover the cost of childcare. Unless the situation is taken in hand, the likely result will be that the mixed private/public childcare system may stall badly if not fail altogether.

The childcare sector in Northern Ireland is convinced that an integrated approach to early years, formal education and childcare is needed, and that it should be placed on a statutory footing along the lines of the Childcare Act 2006. The organisation Early Years is calling for an Education and Childcare Act in Northern Ireland to put early education and care on a statutory footing.<sup>73</sup> Greater provision for children under three years is needed. It is also time to embrace childcare beyond early years so that out-of-school provision is not a poor relation to other levels of care. A comprehensive system is needed with a universal high-quality full-time childcare place available for every child, as in the Danish model, which can deliver the support for working parents that is required.

Increasing employer and employee awareness about the help that is available with childcare costs, including childcare vouchers and the childcare element of working tax credits will help to drive up childcare for employment. The Northern Ireland economy will get a boost from more childcare enterprises and the long-term gains from having more parents in employment. The tax exemptions will be at nil cost to the NI block grant and a 100% gain for NI PLC.

### Recommendations

- The Northern Ireland Executive should establish a statutory obligation to deliver quality childcare that is flexible, affordable and accessible. It should agree a comprehensive childcare strategy which standardises access to childcare across rural and urban Northern Ireland as a matter of priority. The Executive should commit itself to work towards the goal of universal good quality, accessible and affordable childcare for all children up to the age of fourteen.
- Childcare services should be visibly integral to the Programme for Government from 2011 and permeate the plans for OFMdFM, DE, DHSSPS, DSD, DEL and DETI who should pool budgets to create a common childcare fund. Childcare should be identified in the Executive's Priorities for Action.
- A lead Minister and government department should be appointed to drive forward the



new integrated strategy and cross-cutting inter-departmental objectives in order to encourage and ensure there is a partnership approach across the range of departments.

- Priority should be given within the childcare strategy to driving up the supply of high-quality, accessible daycare that supports parents to access the labour market and remain in employment. Funding should be allocated to expand daycare places. To further assist with this there should be dedicated business support from DETI and its agencies for private, voluntary and independent enterprises offering childcare.
- DEL and DETI should target SME employers and employees with information about the long-term benefits of the childcare voucher scheme, and encourage employers to meet the highest standards in relation to childcare support as well as their obligations in maternity and parental leave.
- DEL should assist childcare workers made redundant to continue any ongoing professional qualifications to maintain the professional skills of the sector.
- The poorest parents should be able to claim 100% of childcare costs, and the run-on period for the Childcare Element of Working Tax Credit when a parent loses a job should be increased from four to twelve weeks.
- The UK government should review its proposals on the Universal Credit to adopt a more generous taper than that proposed and commit to annually increasing the Child Tax Credit (or the Child Element of the Universal Credit when it is introduced) faster than average earnings.



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## Lone Parents

### Gathering data and making it gender specific

Insufficient research is undertaken on lone parents in Northern Ireland, but given that 92% of lone parents are women any research that has been undertaken or data collected reflects the situation of women. A Lone Parents' Focus Group was brought together at Gingerbread Northern Ireland to supplement available research with the views of lone parents on the challenges they face in the current economic climate.<sup>1</sup> Issues relevant to the project arising in Gingerbread's advice work were also discussed with Gingerbread staff.

### Snapshot of one-parent families

Lone parenthood is a major strand of family life in Northern Ireland. There are nearly 92,000 lone parents with 150,000 children between them<sup>2</sup> living mainly in urban areas, although 18% live in rural locations.<sup>3</sup> Seventy-three percent live in rented accommodation compared to 32% for all households.<sup>4</sup> Lone parents head more than a quarter of all families with dependent children and the vast majority are women. They are, on the whole, under forty-five years with just less than 20% being under twenty-five. Just over half of the lone parents in Northern Ireland have one child, while one-third have two children. A substantial proportion (40%) has a baby or pre-schooler at home while the youngest child of a similar number is still at primary school.<sup>5</sup>

Lone parents have the lowest standard of living of any household type and are more than twice as likely to be poor as other families.<sup>6</sup> Those at risk of poverty are most likely to be living in an area of deprivation.<sup>7</sup> Around a quarter of Northern Ireland's population are children, about a quarter of whom live in poverty.<sup>8</sup> Around half of these children in poverty are in one-parent households,<sup>9</sup> with 72% of those in persistent and severe child poverty living with a lone parent.<sup>10</sup> It is not surprising that the youngest lone parents, aged between sixteen and thirty-four years, carry the highest risk of poverty, but that risk is exceptionally high at almost 80%.<sup>11</sup>

It was reported in 2005 that 27% of lone parents had no qualifications, 52% were economically inactive while a further 13% were unemployed.<sup>12</sup> The study on poverty and social exclusion found that lone parents relied heavily on welfare benefits, including in-work benefits that compensate for low wages such as Working Tax Credit. New work requirements mean that more lone parents must actively seek work and will depend on tax credits.

Gingerbread Northern Ireland identified the critical issues for lone parents as: stress; social isolation; negative attitudes in society; low personal expectations; stereotyping; complexity of the benefit and tax credit systems; financial difficulties leading to poverty and debt; high fuel costs and basic food such as fresh vegetables and meat becoming a luxury; limited access to relevant training opportunities and difficulty in finishing/continuing education and training; the high cost of and access to childcare provision; and poor health.

### Public expenditure cuts and welfare reform

An analysis by the UK Women's Budget Group (WBG) shows that lone parents are among those who will suffer the greatest reduction in their standard of living from the cuts made through the Government's June 2010 Emergency Budget and Comprehensive Spending Review in October 2010. Some have characterised the plans and cuts as a direct attack on social care and on women who both use and provide the majority of that care.

The WBG estimates that lone parents will lose services worth 18.5%.<sup>13</sup> Those who have mortgages have already been hit by the reduction in Mortgage Interest Rate Support. Others will be affected by changes to Housing Benefit, for example, with the increase in non-dependent deductions from April 2011. With older children living at home for longer due to high youth unemployment and a slow job market, lone mothers will be struggling to cover the gap between their housing costs and their benefit. Financial assistance with childcare costs has also been reduced.

The alterations to Child Benefit will have a major adverse impact on women. Many lone parents have described the benefit as a lifeline, yet its value



will be frozen for three years. One change above all will fundamentally alter Child Benefit away from its roots as a genuinely universal benefit available to all women with children, earning or not, to an income-capped benefit to be granted or withdrawn on the basis of the higher, usually male, salary in the household. The policy is more disadvantageous still for one-parent families. If a lone parent earns £42,000 or more she will lose the benefit, even if she has several children, while a couple earning £80,000 together (£40k each) will keep theirs.

The UK Coalition Government's Welfare Reform Bill introduced in February 2011 to legislate for the biggest change to the welfare system in over sixty years will see lone parents in work receiving less support than they do now with tax credits. The new Universal Credit with its simpler structure of basic entitlement, single withdrawal rate and earnings disregard will not be able to be fine-tuned to particular circumstances as well as the current benefits system and will be less generous to lone parents wishing to work more than sixteen hours a week.<sup>14</sup> Lone parents will also lose out in a range of related measures: benefits will be reduced pound for pound by any maintenance received, the reformed welfare system is unlikely to improve financial support with childcare and there will be tighter sanctions for not working.

### Institute of Fiscal Studies

*"It is impossible for Universal Credit to replicate the way in which the current system treats lone parents. ... Inevitably, therefore, some working lone parents will lose out from the move to Universal Credit."<sup>15</sup>*

### From Income Support to Jobseekers Allowance

Historically, more than 50% of lone parents received Income Support in the past but the number of lone parents claiming Income Support has decreased significantly, falling by 3.4% in the year up to mid-2009 and by 5.4% in the following year.<sup>16</sup> In mid-2010, 27% of Income Support claimants were lone parents; 97.3% of them were women. The drop in Income Support claimants reflects the impact of the major policy shift in lone parents' entitlement introduced at the end of 2008 to bring more lone parents into the workforce.

Until November 2008, a lone parent with a child under age sixteen could claim Income Support. Since that date, the child age threshold has been reduced to twelve, then to ten and, in October 2010, to seven years. In October 2011 it will drop to five years. At each point the affected lone parents are moved from Income Support to Jobseeker's Allowance (JSA) and must be available for work and actively seek work. As a result around at least 60% of lone parents are likely to be in the labour market.<sup>17</sup>

Lone parents with children aged twelve and under can restrict their availability for work to school hours,<sup>18</sup> limit it to a minimum of sixteen hours a week to take account of childcare responsibilities and refuse or leave a job if appropriate childcare is not available. JSA staff in Britain have been unable to define what qualifies as appropriate childcare, relying on lone parents own definitions instead; but are more comfortable in assessing whether childcare is affordable using the mechanism of Better Off Calculations (BOCs).<sup>19</sup>

Uniquely, the Welfare Reform Act (NI) 2010 requires the well-being of children to be taken into account in drawing up a jobseeker's agreement. The Northern Ireland Minister for Social Development, Alex Attwood MLA, described this simple change to the position elsewhere in the UK as potentially having a significant impact on the lives of lone parent jobseekers in Northern Ireland and putting, "the power to determine their availability at the hands of lone parents, because they are best placed to make judgements about their responsibilities and lifestyles."<sup>20</sup> It was his view that flexibilities and safeguards are essential to accommodate the difficult social circumstances in which people find themselves if a programme of assisting people back into work is to succeed.

Transitioning from Income Support to JSA can present difficulties. Research indicates that most lone parents do not avail of the lone parent transition loan to cover the week's gap in payment periods – from weekly on Income Support to fortnightly on JSA – because they do not want to incur further debt. The researchers noted that many of the lone parents they interviewed were in debt or had had negative experiences with debt in the past.<sup>21</sup> Lone parents in Northern Ireland identified transitional problems with tax credits and Housing Benefit,





where benefits were not being recalculated within a reasonable timeframe causing them to build up weeks of debt or run into rent arrears.<sup>22</sup>

In a 2008 study for the multi-agency Possibilities Project, almost one-third of lone parents did not believe they would be better off financially in work. Effective BOCs are essential to enable lone parents to get an accurate estimation of the financial implications. These need to take into account not just childcare and travel costs, but also the costs of services that once were free while on benefit, such as dental care. In the last year Gingerbread NI has been approached by a lot more lone parents seeking assistance to work through BOCs.<sup>23</sup>

### Single-handed caring

Without high-quality, affordable, accessible childcare that provides women with the freedom to take up work, Northern Ireland's lone parents face a more precarious existence than their counterparts in Britain. The possibility of earning a decent living is undermined by the historically low levels of full-day cover that is designed for working parents. Where it exists it is over-subscribed while in other areas formal childcare is simply not available. Furthermore, funding to support a similar programme to the Extended Schools Initiative in Britain that has been helpful in providing out-of-school-hours care for children was more limited to begin with and reduced in 2008,<sup>24</sup> although it was subsequently increased again. When they manage to find provision, lone parents on low incomes have to mix and match types of care, formal and informal, to cut down the cost to match their budget. A common thread running through studies on lone parents is that they prefer to use family or friends rather than formal care.<sup>25</sup>

Although childcare workers are not highly paid, the cost of childcare can be prohibitive for the single-earner, even with assistance from the childcare element of Working Tax Credit. In April 2011 this assistance was reduced from 80% to 70% as one of a range of measures to save money in the welfare budget. Lone parents on low incomes, many just starting out on working life under the new obligation to find work, will find it difficult to find around £25-£50 a week from their own resources to fund the balance of their childcare costs.

A fully comprehensive, properly resourced childcare strategy that caters for working parents is overdue. It will become increasingly indispensable as cuts in welfare support, the mounting cost of living and other pressures compel lone parents and two adults in a couple to take up work. The Northern Ireland Executive ought to seize this moment to drive forward daycare for working parents as a priority within a wider childcare strategy and as part of its toolbox for re-building the economy after the recession. This would enable lone parents, other women and men with parenting responsibilities to obtain and retain employment. A comprehensive mixed service of daycare nurseries, childminding and out-of-school-hours provision that is geographically accessible and operates in tandem with working hours needed is essential.

Lone parents shoulder the childcare burden alone. While responsibilities are not equally shared within two-parent families the absence of another adult to assist, even minimally, adds pressure to lone parents' lives. When children are sick, many have no-one to whom they can turn to share the load. On a limited single income they lack the financial means to secure assistance from elsewhere to cover for emergencies or to get some respite from child responsibilities.

While work is a route out of poverty it must be acknowledged that there are more children in poverty in in-work families than there are in families without work.<sup>26</sup> The combination of low wages, substantial cuts in welfare support and having to pay more for childcare may plunge more lone parents into poverty. Some people on low income may be able to make extra money by extending their working hours or taking on a second job, but this is a very difficult route for lone parents to take while their children are young.

### Employment

Successive research has shown that lone parents want to work and a study in 2008 put this figure as high as 77%.<sup>27</sup> They want their employment to provide security and opportunities, not low-level jobs that they know from previous experience are not financially worthwhile. However, they can find their choices constrained by traditional assumptions about appropriate employment which is deeply embedded in cultures and



systems. Careers advisors, employers and policy makers are guilty of stereotyping women and channelling lone parents into highly gendered, often low-paid employment. Gray et al quote a Joint Ministerial Statement, including by the Minister for Women, that "parents, especially lone parents, are a key potential source of childcare".<sup>28</sup>

While motivated to gain paid employment and financial independence, many lone parents believe that they may not be better off financially in work and are apprehensive at moving from a modicum of financial stability on benefits into reliance on a wage that could disappear at any time or not meet additional work-related costs.<sup>29</sup> This concern is likely to be greater, with some justification, during recession and a slow economy when barriers to employment seem to be that bit higher.

Lone parents have identified the availability and cost of transport as such a barrier. More than half of all lone parents in Northern Ireland do not own a car.<sup>30</sup> Most rely on public transport. Yet, in rural areas in particular, services can be impractical for travelling to work, especially for those who have part-time jobs or work school-time hours to fit with childcare responsibilities. Public transport, where it is available, may run at peak times early in the morning and at the end of a normal-hours day with few buses in between. More costly, alternative means of travel such as taxis make taking low paid work unattractive or financially impossible.

The UK Government has not met its challenging target of getting 70% of lone parents into employment by 2010.<sup>31</sup> Employment participation by lone parents in Britain stood at 57.4% in the middle of that year.<sup>32</sup> Nevertheless the lone parent percentage reflects a steady rise in their employment, as against the employment rate for all other family types which has remained around 74%. The employment gap between lone parents and all other family types has narrowed from 29.5 to 16.5 percentage points.<sup>33</sup>

Remarkably, through the recession to the end of 2009 lone parents in Britain were the only group to have improved their employment position; it increased by 1% compared to a decrease of 2.2% for all other families. The percentage unemployed and looking for, and unable to find, work was also

higher for lone parents (9.3%) than for other family types, although the majority of the 43% of lone parents who were workless were economically inactive due to home responsibilities.<sup>34</sup> Research carried out for the Joseph Rowntree Foundation also found that the work rates of lone parents did not appear to be affected disproportionately by the onset of the recession in 2008.<sup>35</sup>

Lone parents have a higher mountain to climb into work in Northern Ireland where the employment rate is well below the UK average; unemployment has risen over the year to March 2011 and almost half of the unemployed have been unemployed for more than a year.<sup>36</sup> Around 55% of lone parents were working in 2010, up from around 45% a decade ago.<sup>37</sup> One in seven lacks but wants paid work, a much smaller proportion than in any of the regions in Britain.

The legislation that drives the back-to-work policy for lone parents was drawn up during better economic times. In the context of the recession the picture is less rosy, with lone parents chasing jobs that are in short supply. Returning to work can be daunting especially for those who have been out of the labour market and primarily at home child-rearing for a considerable time. Many are unsure about what employers are looking for concerned about their lack of qualifications or relevant work experience and anxious about how they would cope on a training programme that is a bridge to employment.

Lone parents may not be up to speed on the extent of flexible working arrangements and, in any event, fear being unable to get the flexibility they require from an employer to meet their childcare responsibilities. Indeed, employers' expectations that workers will work harder and smarter to assist business climb out of recession may lead to less amenable working conditions. Where workplaces are unsympathetic in terms of flexible working, term-time hours or time off, juggling arrangements for children can become a nightmare and lead to disillusionment with work.<sup>38</sup>

Employment advisors and employment programme providers in Britain are apprehensive about present and future opportunities for lone parents. In a study for the Department for Work and Pensions they report signs of a drop in entry-level vacancies, particularly in the recession-hit



retail industry which is an attractive sector to many lower-skilled and younger lone parents.<sup>39</sup> Moreover, if the economic situation forces employers to withdraw from work-trial and work placement arrangements, opportunities for lone parents to gain work experience will be lost. With contraction in both areas they fear it could be difficult to place lone parents in a work environment.

This could lead to greater distance from the labour market, de-moralisation and de-motivation just at the time when more lone parents are expected to find work. The study points out that provider contracts for lone parents make no distinction between long-term unemployed and new claimants but the pressure to achieve employment targets could see providers concentrate on those most likely to succeed in getting a job, and employers choosing those who have become unemployed more recently and thus have recent work experience at the expense of long-term unemployed lone parents.

The study also demonstrated that childcare was a key element of lone parent employability programmes, but there was unease about its sustainability in a challenging funding environment.<sup>40</sup> The one potential benefit for lone parents from the recession and a slow-growing economy might be the availability of more part-time work, perhaps with flexible working hours that would fit with caring responsibilities.

### Training

Barriers to participation in training mirror many of those in the employment field, transport and childcare are two examples. An imaginative approach to policy has delivered some useful childcare support for lone parents. A special childcare measure permits them to claim help with the cost of informal childcare, such as that provided by relatives who are not registered childminders, when participating in training for employment initiatives. Although, since the restructuring of employment training in 2008 it is unclear if lone parents are benefiting from training opportunities and from this childcare support in the numbers they had been previously.

**Steps to Work** – a programme that is specific to Northern Ireland – was introduced in 2008 to subsume all New Deal programmes including Pathways to Work for lone parents with its specialist lone parent advisors. There is little data available to examine how Steps to Work has delivered for lone parents. However, anecdotal evidence suggests that referral rates have been low since the specialist lone parent programmes were mainstreamed. The impact of rising unemployment could make a difficult situation worse for lone parents trying to avail of Steps to Work.

Before the welfare reform legislation imposed more stringent obligations on lone parents to seek work, few resources were devoted to lone parent programmes and there was less focus on outcomes. It is doubtful that this culture has changed for lone parents with children aged under seven years<sup>41</sup> who are not required to participate but remain voluntary participants. Steps to Work contractors and Personal Advisers in Jobs and Benefits are likely to prioritise mandatory over voluntary clients. They will also focus on those who lost or left employment recently as they are likely to get back into employment more easily than others. Moreover, during the recession, the newly unemployed became the priority.

So, a lone parent may strive to get into work, but may simply not be the most important consideration for Jobs and Benefits or Steps to Work providers who may want to work with easier-to-place candidates to demonstrate they are meeting outcome-related indicators. A number of lone parents told Gingerbread NI they were interested in its Marks and Starts programme and needed to move from Income Support to Job Seekers Allowance to qualify but were unable to get an appointment with a Jobs and Benefits Adviser for weeks. For lone parents who need support to get into work, especially those who are in the next cohort required to seek work from October 2011, this could be detrimental.

Steps to Work should be monitored closely and its data analysed to appreciate the outcomes for various groups, be it women generally, lone parents, young women, women with a disability or from a minority ethnic background, and older women now that the age limit for retirement has been removed and state pensions will not be available until age sixty-six within ten years.



There needs to be continuous assessment of how lone parents are faring in training programmes. This is most important in the current downturn and during efforts to re-grow the economy as this critical period coincides with the obligation on lone parents to return to work at increasingly earlier stages in their children's lives.<sup>42</sup> For example. How many lone parents are referred? How many lone parents have completed Steps to Work programmes? How many were offered and accepted specialist lone parent support within programmes? What training programmes have they been offered and completed? The challenge will be to ensure that lone parents get access to the type of training and work experience that they need and are not prevented from doing so by barriers created by extended supply chains between funder, referral offices and providers, especially under the prime provider/sub-contractor model.

Non-gendered training and careers advice is needed along with action to develop access onto non-traditional career paths and ongoing support for lone parents returning to work. The focus of statutory training programmes on level 2 qualifications is a contributory factor to in-work poverty. Training should enable lone parents to move beyond basic level qualifications which trap them in minimum wage employment by offering a ladder of skills and qualifications which facilitate labour market progression. As indicated by those working closely with lone parents this is also likely to have a positive impact on labour market retention.<sup>43</sup>

### Making ends meet

A study undertaken by the Joseph Rowntree Foundation to define a Minimum Income Standard (MIS) found that a lone parent in Northern Ireland with one child at primary school and another at secondary school would need an income 4.5% greater than in Britain. The Foundation concluded that safety net benefits cover just two-thirds of the standard for those with children and that the minimum wage is too low for most people to reach the MIS with a single full-time earner in the family; although some families and lone parents who manage to work full-time and avoid child care costs may be able to do so.<sup>44</sup>

Evidence of the impact of living below the Foundation's minimum standard can be seen in the discussion in the Lone Parents' Focus Group for this project where participants reported that they constantly worried about money and debt, and this had increased since the rapid rise in the prices of many staples in late 2010. Many were experiencing difficulty managing on benefits. Even for one lone parent in the group earning what she described as a reasonable wage it was a struggle to balance the budget, replace costly items such as a car needed for work that was on its last legs, advise children that items they wanted could not be afforded and wondering whether the money would stretch for all the household expenses.

#### Lone Parents' Focus Group

*"I am really worrying about money now. As a lone parent, even in a good job with a good salary, I worry will my salary stretch for the mortgage, rates, bills, food. I never worried before. It is becoming incredibly difficult. With a child of thirteen will it become more expensive?"*

The focus on children living in poverty is often on young children, and indeed one-parent households with children up to four years are at greatest risk, but lone parents with children in their early teens face the next highest risk.<sup>45</sup> It can be assumed that the finding in 2005 that six times as many poor lone parents as all other poor households with children lack at least one food necessity for their children<sup>46</sup> is even more prevalent in the present day economy.

#### Lone Parents' Focus Group

*"Pay as you go' lone parents work on specials, reductions, etc. on shopping especially when they are on benefits."*  
*"Mince, sausages, bacon – we know a 101 ways to cook mince. It's hard to provide a healthy diet."*

In common with other mothers, lone parents stretch themselves to do their best for their children, often going without things themselves and reducing any little savings they have or entering into debt for birthday and Christmas presents or to take children on holiday. All of the participants in the Lone Parents' Focus Group admitted to scrutinising their budgets more and



taking harder decisions on what they could and could not do. The first casualty was the family's social life. This meant stopping days out for the family, or the occasional treat of a meal out or a trip to the theatre or cinema for themselves. Because of increasing petrol costs most were making calculated decisions on whether they needed to use their car or not, saving its use for essential trips.

**Lone Parents' Focus Group**

*"I pick things up in Tesco and put them back."  
 "The cost of living is becoming more scary. For example, petrol could go up from £1.20 to £1.75."  
 "If inflation goes up to 5% we've had it."*

The heightened attention to managing budgets very tightly in the present economic climate comes on top of a habitual practice of economising as the poverty and social exclusion study reported in 2005. The study concluded that poor lone parents economised to a greater extent than other poor households including on clothes, basic amenities such as gas and electricity, the telephone and social activities.<sup>47</sup> The focus group revealed that replacing large household items was proving difficult. Participants reported widespread buying from catalogues, which charge above high street prices and at a high rate of interest, to pay for white goods<sup>48</sup> and clothes because it offers instant credit for essential items and facilitates payment by instalment.

**Debt**

More than three-quarters of Northern Ireland's lone parents have no savings at all<sup>49</sup> and 60% are in debt.<sup>50</sup> Gingerbread NI reports both an increase in fuel poverty and a greater number of lone parents approaching the organisation since mid-2010 for advice after falling into debt.<sup>51</sup> The persistence of the debt problem was borne out by focus group participants who spoke of turning to the 'tick man' and other means of borrowing. That borrowing money is a significant feature of lone parents' lives is corroborated by research showing that just under half of all lone parents had borrowed money while many were behind in payments for loans, hire purchase agreements and catalogue purchases as well as for household bills.<sup>52</sup>

Of all household types, lone parent households are the most likely to be in arrears with bills.<sup>53</sup> Some participants in the Lone Parents' Focus Group were trying to pay back student loans from their over-stretched income. For others the potential loss of the Educational Maintenance Allowance for teenage children staying on in full-time education after the age of sixteen would be a severe blow, although it is not clear if the Northern Ireland Executive will follow the lead of the UK Government to abolish it. The £30 per week for each young person would be a considerable loss to the family budget. Add to this the fact that many young people continue to live at home for longer, often unable to get a job or live independently, and this means that lone mothers may simply swap their childcare responsibilities for supporting, including financially, an adult dependent.

**Lone Parents' Focus Group**

*"I went to university later and graduated in 2005. I have a student loan to pay back if I get a job. I borrowed a social security budgeting loan and they stop money from my benefit to pay it back. I negotiated it down to £5 a week. One social security loan is being paid off and another is waiting to be paid. I'm also paying off other loans."*

Money management on a low income is particularly difficult for those on fortnightly benefit payments who often have to seek a loan to see them through to the end of their second week. Many lone parents involved with Gingerbread NI regularly express similar difficulty with very many reporting it is difficult to budget with fortnightly or monthly benefit payments. Participants said they were only "saved" by the weekly payment of Child Tax Credit. The unanimous view in the Lone Parents' Focus Group was that there should be a return to weekly payment of benefits. Despite the experience of people who use the benefits system, this is unlikely to happen as the UK Government intends to make payment monthly for the new Universal Credit, which will be a single payment to replace most existing core benefits and all tax credits. Problems with money management and debt are likely to become worse for lone parents.



### Lone Parents' Focus Group

*"Child Tax Credit is weekly so it keeps us going in the bad week."*

Gingerbread NI's advice office reported extensive use of interest-only mortgages with the concern that the 50% cut in interest rate support, from 6% to 3%, is likely to impact significantly on lone parents on benefit and may lead to homelessness. The method of calculating Working Tax Credit also adds to an individual's debt burden. Calculated on an annual basis, some lone parents qualify for Working Tax Credit only to find that they have to repay a portion of it if they have the smallest change in their income. This has put some off applying for it, thus not taking advantage of all the financial help to which they are entitled. It has been suggested that the new Universal Credit, which will assess income more regularly, will reduce overpayment that has to be recouped. On the other hand, moving to consolidation of core benefits into one Universal Benefit means that any delay in payment could have severe repercussions for a lone parent.

### Lone Parents' Focus Group

*"I've no credit card and no debt except my mortgage and student loan. I need a car for school and work and I need a new car. I'm concerned that I can't save enough money to buy one."*

### Health and well-being

Participants in the focus group referred to the impact of low incomes and stress on their mental, emotional, physical and general well-being. This correlates with the information reported in the 2005 study on poverty and social exclusion. Not only were lone parents more likely to self-identify as being in poor health at more than twice the rate of other households with children, researchers found a significant relationship between self-rating of health and poverty.<sup>54</sup>

### Lone Parents' Focus Group

*"Previously I was on anti-depressants. I feel I'm going back down into this .... They [participant's two daughters] said they noticed how stressed I'm getting recently. We have lost the EMA (Educational Maintenance Allowance) for my younger daughter and there is the cost of the older one going to university. I'm shopping less."*

*"I'm stressed. I fear the future."<sup>55</sup>*

*"Ninety-eight per cent of lone parents are continually stressed. This has a knock-on on health and general well-being."*

*This fear was expressed by the participant. The EMA is a devolved matter its abolition is one of the options being considered to reduce the deficit. If the Northern Ireland Executive decides to abolish it this is likely to happen in April 2012. A DE official indicated on 22 June 2011 that the former Minister of DEL made clear he had no plans to abolish it.*

A 2008 report suggests that lone parents have a higher premature risk of death than mothers with partners, are consistently associated with poorer health outcomes and have a higher chance of suffering from anxiety and sleep problems.<sup>56</sup> A study in the west of Northern Ireland found that 99% of lone parents suffered from stress and 55% from depression.<sup>57</sup>

### Support and providing for the future

Lone parents' support systems are under pressure. Gingerbread NI lost a long-term advice worker due to insufficient funds and its lone-parent employment training programme has had to manage a 25% cut in an across-the-board reduction in schemes funded under the European Social Fund. This means that fewer lone parents will get the opportunity in future to start on a pathway to skills and employment that is tailored to suit their needs.

None of the women in the Lone Parents' Focus Group felt financially secure. None had a pension or knew of any lone parent who had one. No-one conceived of ever being able to afford one.

### Lone Parents' Focus Group

*"I had hoped to take out a pension but I haven't enough money to pay into a company pension scheme. If I had a partner, or maintenance, I could pay in."*

Several of the participants made the point that, as lone parents, they were meeting the full financial burden of raising children on their own. Cases ranged from never receiving any maintenance payments to irregular payments which eventually petered out after a few years,



even where a former partner had a comfortable standard of living. That ex-partners were not making financial contributions to the family, particularly where they had the means to do so, was considered an injustice.

In its January 2011 Green Paper reforming the maintenance system the UK Government proposed to place responsibility for agreeing workable arrangements in the hands of both parties. The Child Support Agency would become a statutory child maintenance service to which they could turn, for a price, if necessary.<sup>58</sup> The service will have an entry or applicant charge intended to incentivise voluntary 'family-based' arrangements, i.e. to enable parents to put in place their own financial arrangements.<sup>59</sup> While lone parents might welcome a scheme that promises to enforce maintenance payments if asked, the proposed scheme places a burden on the partner with the children.

As the applicant, the lone parent will pay an initial fee. Whether the non-resident partner pays a fee at all depends upon the method of payment, and his choices affect whether the lone parent will have to pay further fees. For example, by choosing not to pay direct or by failing to pay, the service will collect the maintenance from him for a fee of between 22% and 32% of the value charged proportionally against the parties. Thus, an ex-partner's decision can ensure that a lone parent faces additional charges of between 7% and 12% of the maintenance payment.<sup>60</sup>

It is unfair for the burden of cost to be carried by the lone parent with the children, normally the woman, especially where she has no control over the triggers for the charges. Maintenance should be collected at no cost to the lone parent who already bears most of the financial and other costs of raising the children. The proposal to pay may result in some women not pursuing ex-partners. This is even more likely to be the case under the new Universal Credit which will be reduced pound for pound by any maintenance received. Any suggestion to link maintenance to contact with children would be inappropriate – a lone parent should not be pressed to continue a relationship that she is deeply uncomfortable in, even one simply about financial arrangements. In everything, women and children must be protected from violence.

### Lone Parents' Focus Group

*"I don't receive maintenance. I work hard. I am a lone parent meeting the full burden."*

### Conclusions

Most lone parents are already struggling to make ends meet. They have the lowest standard of living of any household type and are more than twice as likely to be poor as other families. This also manifests itself in poor health and well-being. Working lone parents will be one of the losers in the new Universal Credit system. While some may be encouraged into mini-jobs of less than sixteen hours a week, the new system will provide less assistance to any lone parent working more than sixteen hours. Benefit sanctions for not working will be tougher.

The UK Coalition Government's new Universal Credit measures are intended to increase the incentive to work and penalise people for not working, though much of the incentive drive is focused on the primary earner in a couple. Being in work will not solve the poverty trap for lone parents, in-work poverty has been a rising trend since the mid-1970s.<sup>61</sup> Moreover, a working lone parent also receiving benefit will not gain from receiving maintenance. The fundamentals of working poverty need to be tackled by government including low wages, through a higher minimum wage and its enforcement, and the elimination of the gender pay gap.

The UK Government should re-think the implications of what the Universal Credit means for vulnerable groups like lone parents, including revising the proposal only to pay the benefit monthly. The likely outcome is an increased debt burden and stress for lone parents. The Northern Ireland Administration has the power to vary particular arrangements in introducing a parallel benefits system in Northern Ireland to maintain parity with the rest of the UK. The Executive should make it possible for Universal Credit to be paid weekly.

Government, policy-makers and employers should acknowledge and understand the unique position of lone parents in the labour market: the sole burden of care lies with them. With greater numbers of lone parents now being required to



work, and many wanting to work, it is essential that the right infrastructure of support is in place. Most particularly, there needs to be enough childcare provision, including provision that meets atypical working patterns. This needs to be affordable through assistance to low earners from government and the employers. Employers need to embrace flexible working to create reassurance for lone and other working parents. Reductions in state financial support for childcare weaken the already fragile infrastructure and disincentives lone parents seeking work.

Lone parents, including those who have been out of the labour market for a considerable time, must be given equal consideration in training and employment placements to prepare them for work. Support and pastoral care must be solid and consistent to build their confidence and skills for work. A significant effort is needed to tackle the qualifications deficit (27%) among lone parents.

Given the number of children in poverty and the vulnerability of lone parents to poverty it is important that what is happening to lone parents as a result of the economic downturn, public expenditure cuts and welfare reform is tracked. Government should be prepared to put measures in place to mitigate the worst adverse impacts.

### Recommendations

- The Northern Ireland Executive should drive daycare for working parents forward as a priority within a wider childcare strategy as one of its tools for growing the economy as well as assisting lone parents.
- The Steps to Work programme should be monitored closely and its data analysed to evaluate its impact on and its outcomes for lone parents.
- Higher-level training that permits participants to achieve better qualifications should be included in employability training programmes so as to prevent the cycling in and out of work which has been a feature of lone parent employment.
- A Northern Ireland subsidy scheme should be established for lone parents and other low income groups to offset any increase in tuition fees that would prevent their access to higher education.
- The Departments of Employment and Learning and Enterprise, Trade and Investment should actively promote family friendly policies and flexibility in the workplace and ensure that all employers are aware of arrangements, obligations, models of good practice and the Northern Ireland Executive's support for these measures.
- Benefit adjustments should be made more quickly when people's circumstances change, especially where Housing Benefit and Working Tax Credits are concerned. Assessment for the purposes of Working Tax Credits should be undertaken more regularly than once a year.
- The UK Government and Northern Ireland Administration should reintroduce weekly payment of benefits to assist lone parents and others on low incomes to manage their budgets. Whether the UK Government does so or not, the Northern Ireland Administration should make provision for weekly payment of Universal Credit.
- The Northern Ireland Executive should consider and activate measures to offset the impact of the welfare cuts on lone parents and other low income groups, especially at this time of high food and fuel costs. One of the steps that should be considered is the introduction of social tariffs for energy and fuel.
- Lone parents should benefit from the Northern Ireland Social Protection and Social Investment Funds.
- Maintenance arrangements should be established and enforced at no cost to the resident parent, who bears all or most of the cost of raising the child. Child maintenance should not be linked to contact with the child by the absent parent.





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## Migrant Women

### Gathering the data and making it gender specific

There is little data in Northern Ireland that is racially disaggregated. This combined with the fact that data is not always disaggregated to identify gender differences generally means that scant attention has been paid to providing gendered data on migrant women. There is no primary research available on migrant women in Northern Ireland per se, either from the perspective of migrant women or accessible disaggregated gender statistics to allow the differentiated positions of migrant women and men to be assessed. Thus, it can be difficult to determine what is happening to migrant women as a group, including what has happened to them during the recession.

This report has therefore endeavoured to draw gender impacts from the research studies mentioned below as their surveys included a high percentage of women. Their findings were substantiated in discussions with women from different migrant communities who took part in the Migrant Worker's Focus Group hosted by the Northern Ireland Council for Ethnic Minorities for this project.<sup>1</sup> Women in the focus group represented perspectives of women from Eastern Europe, Asia and Egypt. The issues were teased out further with key staff who provide support and services to minority ethnic groups.

Unison in Northern Ireland surveyed its migrant worker members in 2009 about the impact of the recession. Three-quarters of those who took part were women and three-quarters had dependents. Almost all of the women surveyed worked in the health sector, 60% of them in the NHS.<sup>2</sup> Many of Unison's findings were corroborated in research carried out by the Northern Ireland Council for Ethnic Minorities (NICEM) with the support of the Polish Association of Northern Ireland.<sup>3</sup> This research gathered information on the impact of the downturn on the largest group of migrant workers in Northern Ireland and secured responses from equal numbers of women and men. The Equality Commission for Northern

Ireland's Formal Investigation into agency workers included a number of case examples on women's employment.<sup>4</sup>

Given the preponderance of women in some surveys – 75% in the case of Unison's and 50% in the case of NICEM's – these, along with views from the focus group and discussion with NICEM's policy and advice teams, allowed a picture to emerge on what is happening to migrant women. It does not substitute, however, for the sustained approach to gendered research that is needed including in ethnic minority communities. The end of the conflict has enabled Northern Ireland to become more diverse and benefit from the richness of other cultures and backgrounds. Migrant workers and minority ethnic groups contribute significantly, for example, women make a tremendous input to care of people in later life and to healthcare generally. It would be valuable, and should be expected under s75 for the purpose of policy impact assessment, for race and gendered racial data to be collected and made available.

### Minority ethnic community

The 2001 Census figure (14,279) is out of date and at the time when Northern Ireland's first racial equality strategy was developed in 2005, government accepted the estimate of representative organisations that the ethnic minority community numbered more than three times (45,000) the Census figure.<sup>5</sup> Since then numbers have increased but are difficult to estimate as no central body records migration into Northern Ireland.<sup>6</sup>

Whilst the 2011 Census may provide a better picture of Northern Ireland's minority ethnic community, the Census categories will not have captured the current ethnic demographic adequately.<sup>7</sup> The categories are the same as those used in 2001 despite the considerable influx of migrant workers on the accession of many Eastern European countries to the EU. Polish nationals are currently the largest ethnic group in Northern Ireland and NICEM estimates that there are currently over 30,000 Polish people and another 10,000 people from the rest of the A8 and A2 countries. This will not be reflected in the Census as, for example, there is no sub-category of Polish under the "white" category.<sup>8</sup>



NICEM points out that self-identification as a racial group is a human right and it holds that the 2011 Census violates a number of human rights Articles and Conventions.<sup>9</sup> In its view, the Census should have made provision for key ethnic groupings in Northern Ireland to identify themselves.

The inclusive terms 'Black and Minority Ethnic Communities' or 'Minority Ethnic Group' or 'Ethnic Minorities' embrace all minority communities whether they are settled ethnic and religious minorities (including Travellers, Roma and Gypsy), migrants (EU and non-EU), or those with asylum seeker, refugee or other immigration status. The settled Black and Minority Ethnic (BME) community are those from a minority ethnic background who are permanently resident in Northern Ireland.

### Definition of Migrant Worker

*"A person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State in which he or she is not a national."*<sup>10</sup>

A migrant worker specifically is a person who has come to work or seek work. In Northern Ireland the main migrant worker groups include A8 nationals<sup>11</sup> and A2 nationals<sup>12</sup> from the European Union, the latter still require work authorisation, and overseas workers on work permits. Some migrant workers choose to make Northern Ireland their permanent home, while others return home.

### Racial Equality Strategy 2005–2010

*Minority ethnic people, including migrant workers, are welcome here. They have made, and will continue to make, a significant contribution to social, public, economic and cultural life in Northern Ireland. ... Not only do minority ethnic people, including migrant workers, make an important contribution to the economy, but also they more than pay their way.*<sup>13</sup>

### Immigration status

EEA nationals: Immigration status differs for different migrant workers and different categories of status carry different entitlements. There are special Treaty arrangements with EEA countries whose nationals have a 'right to reside'

in the UK which means that they can reside in Northern Ireland provided they are working or can support themselves.<sup>14</sup> Conditions for the right to move and the right to reside are laid out in the European Union's Citizens' Directive which gives EEA workers access to benefits and tax credits after three months, for as long as they are in 'genuine and effective' work.<sup>15</sup>

A8 nationals: It is thought that the largest group of migrant workers come from A8 countries in the European Union.<sup>16</sup> Until 31 April 2011, A8 nationals had to satisfy the UK Border Agency's requirements of the Worker Registration Scheme. However, this scheme has now ended and since 1 May 2011 an A8 national no longer needs UKBA permission in order to work and should be treated the same as any other (non-A2) EEA national in terms of entitlement to healthcare and social security benefits. After a continuous period of five years in the UK an A8 national can apply for a document certifying permanent residence, time spent in accordance with the Worker Registration Scheme which ended in May 2011 counts towards the qualifying period. This also applies to other (non-A2) EEA nationals.

A2 nationals: Migrant workers from the A2 countries of Bulgaria and Romania are expected to obtain authorisation under the Worker Authorisation Scheme (WAS) before coming to reside in the UK as a worker.<sup>17</sup> For most categories of employment an employer must first apply for a letter of approval under the work permit arrangements.<sup>18</sup> If the permit is approved, then the Bulgarian or Romanian woman can apply for their accession worker card. When an A2 national has worked legally without interruption under the Worker Authorisation Scheme for twelve months she is exempt from worker authorisation and entitled to the same rights to benefits and tax credits as other EEA nationals. If the worker changes jobs within the first 12 months, both she and her new employer must re-register within one month. If she does not register within one month then the clock effectively restarts. An A2 national (and any other EEA national) who has resided legally for a continuous period of five years can apply for permanent residence in the UK.

Non-EU nationals: The authorisation for non-EU migrant workers to live in the UK is tied to their



work permit status, usually under the Points Based Scheme.<sup>19</sup> Recent changes in regulations mean that they must have a job offer from a licensed sponsor, a valid certificate of sponsorship and qualify under the points-based assessment. After living legally in the UK for five years<sup>20</sup> an overseas migrant worker can apply for indefinite leave to remain.<sup>21</sup> This is an expensive process starting at nearly £1,000 for a single worker and increasing by hundreds of pounds for a partner and children. In order to qualify for indefinite leave to remain, an individual must meet very strict criteria.<sup>22</sup> Most non-EU/EEA migrant workers need to be able to demonstrate that they have secured indefinite leave to remain in order to have access to 'public funds' which includes Income Support, income-based Job Seekers Allowance and Housing Benefit. Before a worker secures indefinite leave to remain, she has very limited access to benefits.

### Impacts of immigration status

The increasing work bureaucracy surrounding authorisation will make securing a decent job difficult for migrant workers from all but the employers who depend upon their labour and regularly use the registration system. It means that migrant workers are likely to be fenced into low paid and hard manual labour jobs. In a time of economic uncertainty and slow employment climbing through the hoops of special employment criteria can be even more of a barrier. Yet, work is the passport to other things such as healthcare and benefits that the local Northern Ireland community takes for granted.

Bulgarian and Romanians (A2 nationals) face particular difficulties as failure to meet the requirements of the Worker Authorisation Scheme can result in limited access to public services and healthcare. Moreover, a work permit costing £90 can appear out of reach on a minimal income.

The same struggle re-emerges if the family become workless once more, as Bulgarian and Romania nationals do not qualify for unrestricted access to the labour market unless they have worked continuously for twelve months, with no more than thirty days out of work. Many women will carry the triple burden of juggling official bureaucracy with family responsibilities and

work/actively seeking work. A2 nationals will continue to have restricted access to labour markets until they have completed their first registered year under the WAS. The A2 restrictions are due to end 31 December 2011 but it is likely that they will be extended for another two years, which means that the restrictions will be in place until 1 January 2014.

The use of licensed sponsors for non-EU has led to a greater number of arrangements tying migrant worker to agencies external to the UK which broker sponsorships. External agencies are also a feature of some European migration. The contracts of employment of workers employed through agencies in general tend to offer less favourable wages, terms and conditions than for permanent employees, especially in the case of foreign agencies.

Some non-EEA migrant women have costs beyond those that the local population has, associated with securing their right to remain. Regardless of the recession and despite their own personal budget pressures women must save enough money to apply for residency when their current work visa expires. The new income requirements may make it difficult for some non-EU migrants to apply for indefinite leave to remain, especially since applications must be made within a tight timeframe around the expiration of a work visa and the qualification period for settlement in the UK. One participant in the Migrant Women's Focus Group from outside the EU who has been working for eight years needs to reach her target of £1,900 by July 2011 to allow her to go personally to the Home Office to get a visa for herself and her family.<sup>23</sup> She decided against the cheaper option of £1,400 to process the application by post which takes six months to receive a decision rather than in twenty-four hours.<sup>24</sup>

Any migrant woman who is not working, or whose husband is not working, is in a vulnerable position. Depending on her immigration status she may not have access to public services or assistance. A single migrant woman who is made redundant may have limited access to healthcare and to social security benefits. If a migrant woman who is not working separates from her husband or is divorced she may not be able to sustain herself and her children. A woman



suffering domestic violence with no social welfare entitlements will have difficulty accessing services such as Women's Aid refuges. This is because many non-EEA migrants are subject to the 'no recourse to public funds' rule and because access to a refuge requires access to Housing Benefit, which is considered to be a public fund.

Some women, even those from another EU country, choose to go on to apply for naturalisation as a British citizen as they feel this will give them more security. To be eligible for naturalization, a person must first obtain indefinite leave to remain. An A8 national in the focus group who had lived in Northern Ireland for six years was saving for the naturalisation fee of around £800.<sup>25</sup>

### Agency Workers Directive

The EU has issued a European Directive on Temporary Agency Workers<sup>26</sup> to ensure equal treatment in working conditions for permanent and agency workers that Member States must incorporate into national law by the end of 2011. Following a DEL consultation in early 2011 the legislation will come into force in December. On current figures 44% of migrant workers may benefit.<sup>27</sup> It is unfortunate that the rights will not apply for the first twelve weeks in a job, but after that period equal treatment will be guaranteed. DEL estimates that agency workers will benefit to the tune of £19 million. If the Directive had applied from Day 1 instead of after twelve weeks, they would have benefited by £48 million.<sup>28</sup>

On the downside, it is anticipated that hirers will move towards greater use of short-term working (under twelve weeks), thus creating greater insecurity for migrant workers. For some, it will mean switching between employers with the result that, for example, an A2 national and her employer must go through the worker authorisation procedure each time, possibly leading to gaps in employment, income and qualifying periods for residency. This could be averted should the UK Government decide to discontinue the Worker Authorisation Scheme when it reviews it in December 2011.

Minority ethnic groups tend to be over-represented in agency working and women should benefit significantly from the

implementation of the Agency Workers Directive.<sup>29</sup> Full-time minority agency workers earn just 75% of the wage of directly recruited employees.<sup>30</sup> The Directive will be especially important for those who work in the private sector; the category Business Services employs the largest percentage of agency workers and they earn just 68% of the wage of directly recruited employees, compared to a difference of 96% within the health sector.<sup>31</sup>

The differential in paid holiday entitlement for minority ethnic agency workers is 88% of the directly recruited comparator group.<sup>32</sup> All female agency workers are likely to gain more from the implementation of the Directive as their paid holiday entitlement is significantly worse than both those directly recruited and male agency workers at just 88% for full-time and 82% for part-time.<sup>33</sup> The Directive includes protections for agency workers who are pregnant, new mothers or breast feeding.

### Employment

As far back as 2005, government recognised that minority ethnic communities were not accessing jobs in areas such as the public sector and there was significant occupational segregation. The Racial Equality Strategy indicated that more research was needed to get a clearer and up-to-date picture of minority ethnic participation in the labour market to understand and tackle the issues.<sup>34</sup> In 2008 the UK Government, and by implication the devolved administrations, was asked by the UN to intensify its efforts to eliminate discrimination against ethnic minority women, identifying that they are under-represented in all areas in the labour market, and political and public life.<sup>35</sup>

A December 2009 report for the Department of Employment and Learning indicated that employment rates vary widely in the migrant population as a whole across the UK. The analysis is not gendered, with women being referenced just once. That was in relation to the low labour force participation by married women in the Pakistani and Bangladeshi communities in the UK.<sup>36</sup>

There is a preponderance of migrant workers in food processing and in hospitality and catering. Food processing in particular is heavily



dependent on employment through recruitment agencies.<sup>37</sup> Oxford Economics noted that almost half of employers in the hospitality industry in Northern Ireland said they employed migrant workers in junior roles generally, compared to just over a quarter of other employers. Migrant workers fill the lowest tiers in low paid employment. In its survey of six hundred Northern Ireland employers it found 94% of migrant workers in the agriculture sector were in low tier occupations, while 84% of those in manufacturing were similarly in low tier jobs.<sup>38</sup>

**Oxford Economics**

*“[A] striking feature of more recent migrants is their concentration in low-skilled jobs. Despite their relatively high level of education, around 33% of them are employed in elementary occupations and a further 25% in personal service, sales and processing.”<sup>39</sup>*

In research for the Joseph Rowntree Foundation published in 2011, the Institute for Conflict Research indicated that forced labour is a more widespread problem than is realised, extending beyond trafficking of people to exploitation on the basis of migrants’ legal status, English language skills and lack of information and contacts. It predominates in work areas that are isolated and/or low paid such as agriculture, domestic care and catering. The ICR research suggested that, exploitation in some employment sectors was more likely to be gender specific than others.<sup>40</sup>

Forced labour includes: threats or actual physical harm; restriction of movement or confinement; debt bondage; withholding of or excessive reductions in wages; retention of passports and identity documents; and threats of denunciation where there is irregular immigration status.<sup>41</sup> The ICR found examples of all elements in working situations in Northern Ireland. Examples of some of these situations were raised in the Migrant Workers Focus Group for this research project, and the ICR report details many case examples of women affected.

The South Tyrone Empowerment Programme (STEP) has recorded numerous cases of labour market exploitation based on abusing legal differences in labour regulation between the

North and the South.<sup>42</sup> The ICR highlights the debt bondage in the Filipino and Polish communities where workers have to pay fees to agencies in their home country quoting the case of Filipino nurses who owed several thousand pounds making them vulnerable to long anti-social hours.<sup>43</sup> Further research into migrant women’s vulnerability to exploitation in employment sectors such as mushroom picking and social care is needed.

Many migrant women are forced to take low-waged work in formal and informal settings. They have atypical working patterns in factories and agricultural work, doing back-breaking manual work in some cases. Very many are working below their qualification level. They have minimal rights and can find themselves in a doubly insecure position in the labour market open to potential discrimination as a migrant worker *and* as a woman. The precarious hold on employment is an even greater source of stress during recessionary times and keeps migrant workers in jobs well below their skill level.

The Institute for Conflict Research (ICR) looked at the experiences of migrant workers at a time of rapidly changing socio-economic conditions in late 2008. ICR reported that men (87%) were more likely to be employed than were women (72%), and women were three times as likely to be unemployed than men (12% compared to 4%).<sup>44</sup> The jobs pattern followed the traditional gendering of employment sectors. Nearly half of the Unison respondents felt that their jobs were under threat from cuts and efficiency savings, with 77% believing they were more likely than the local community to lose their job. In the Equality Commission for NI’s Formal Investigation more than one-third of employees reported that they had been affected by the recession through reduced hours and an overtime ban; 36% had lost their jobs. In one case a local employer had indicated that they would just be employing local people.<sup>45</sup>

The loss of a job carries serious consequence for anyone, but these are severe for a woman without permanent status who may be forced to return to her home country or face destitution without the safety net of social protection.<sup>46</sup> For the many migrant women who come to Northern Ireland with the intention of



remaining,<sup>47</sup> levels of fear and stress increase with vulnerability. Leaving Northern Ireland means uprooting children from school and perhaps returning to a home country where they gave up their home and job.

### **Migrant Workers, Racism and the Recession, Unison, October 2009**

*"The ideas of people like 'local people first' puts us migrant workers at a disadvantage. Having no residency or citizenship status puts us more into danger of being affected by any job cuts; not being a member of the EU makes us more vulnerable."*

*"[I] would be sent home back to Philippines in no time without enough savings. My family will be deprived of their basic needs."*

*"I will be on the road or we will have to go back to our country – India. As we are not British and can't apply for other jobs as we don't have the right to do that."*

The Polish community make up a significant majority of the A8 nationals in Northern Ireland which in turn is the largest constituent of the BME population. The overwhelming majority of Polish respondents in NICEM's research are in relationships, married or partnered, and just under half have dependents in Northern Ireland.

The majority of Polish respondents to the NICEM survey were employed, but the unemployment level of 20% was almost three times higher than the Northern Ireland unemployment rate of 6.7% at the time of the survey. Two-fifths of those not working lost their job as a result of the recession.<sup>48</sup> The NICEM report suggested that Polish workers might have been brought in to fill specific labour shortages and so were among the first to suffer redundancies.<sup>49</sup> This signifies that migrant women are particularly vulnerable in recessionary times.

About half of all Polish workers were worried about losing their jobs,<sup>50</sup> especially those on fixed-term or short-term temporary contracts. With reductions in working time due to the recession some can only get a few hours work a week. On the other hand some had more than one job to make ends meet; around 10% of respondents to NICEM's questionnaire had a second job.<sup>51</sup>

An ILO paper suggests that migrants and persons of foreign origin are hard hit in terms of being made unemployed first in a recession and identifies reductions in pay or hours of work, poorer conditions of employment, vulnerability because of eligibility requirements for benefits and the possibility of increased xenophobia and discrimination as a result of the economic downturn.<sup>52</sup>

### **'Za Chlebem': The Impact of the Economic Downturn on the Polish Community in Northern Ireland, NICEM/Polish Association, October 2009**

*"Job – I can't find one anywhere."*

*"Really afraid I will lose my job."*

*"I'm afraid I'm gonna lose my job because there are a lot of redundancies."*

*"Too few working hours."*

*"I'm on a short-tem contract. It started .... [in] December 2008 and I don't know how I'm going to keep this job."*

### **Access to employment**

Most migrant workers take whatever jobs they can find to stay afloat. This may result in a further drop down the jobs ladder as many are already doing jobs below their qualification and skill level due to non-recognition of their qualifications.<sup>53</sup> A participant in the Focus Group expressed her frustration that she has a university degree but had been told to do an NVQ. It had taken her three years to have her qualifications recognised, despite the European Union having issued a Directive on Recognition of Qualifications.<sup>54</sup>

In its Formal Investigation of migrant workers employed through agencies, the Equality Commission for NI found that the vast majority of its focus group participants had further education qualifications and one-third had a professional qualification.<sup>55</sup> It is even more vital in a recession that equivalent qualifications are recognised to allow migrant women to have equal access to the labour market, and to deploy their skills properly to assist economic recovery.

Another barrier is discrimination in recruitment (28%) as reported in the ICR report.<sup>56</sup> Although





the report did not identify whether gender was a factor alongside race, it is unlikely that migrant women and men suffered the same levels of discrimination as women are likely to suffer the double discrimination of race and gender. In the Migrant Women's Focus Group there was discussion around women who failed to get their job of choice and must take another for which they are over qualified.

### Terms and conditions

The concentration of migrant workers in low-skilled jobs is reflected in the level of their earnings. In its research Oxford Economics suggested that 68% of the A8 migrant workers working in the UK under the Worker Registration Scheme were in the bottom 10% of income distribution.<sup>57</sup> According to the ICR research, migrant workers on the whole did not appear to be being paid below the minimum wage. However, the median of their gross weekly wages was almost two-thirds lower than the median as reported in ASHE, with migrant women earning slightly less than migrant men.<sup>58</sup>

Recent research by the Department for Employment and Learning indicates that migrant workers employed through agencies earn just 75% of the wages paid to directly recruited employees.<sup>59</sup> It was reported in the Focus Group that the number of migrant workers, many of them women, working informally for £3.80/£4.00 an hour has grown since the recession. Furthermore, women who were once working formally have been told that their employer cannot afford to employ them on this basis and been asked to change over to informal working which means less money and no benefits. These women can be found working in houses, on farms and in mushroom picking.

A recent set of interviews conducted by a team from the Institute for Conflict Research found evidence of exploitation in the mushroom industry, including working without an employment contract; being paid below the national minimum wage; excessive working hours; little or no holiday pay, sick pay, overtime pay or maternity pay; no risk assessment for pregnant women; poor health and safety arrangements; and intimidation at work.<sup>60</sup>

Many women are contracted to an employer through an agency. Although the national minimum wage applies to all people working in Northern Ireland, it does not apply to agency workers who have contracts through agencies outside the jurisdiction of the UK. Many of these migrant workers are paid below the minimum wage with conditions of employment far below the UK standard.<sup>61</sup> The Equality Commission NI found that migrant workers employed through agencies generally fill jobs at the National Minimum Wage, with irregular hours and little job security.

### Equality Commission Formal Investigation

*"Migrant workers employed by recruitment agencies as temporary agency workers will not necessarily have the same terms and conditions as direct employees. We found that their main terms and conditions of service, including their pay, was generally inferior to that enjoyed by direct employees, even when they were employed as agency workers for substantial periods, or when they worked alongside direct employees."*<sup>62</sup>

Agencies were described in the Focus Group as 'ruthless' in their use of short-term contracts and refusal of basic conditions, for example, telling women they are not allowed to take time off if they are sick. Getting time off from some employers for an appointment with the doctor or hospital or to bring a sick child to an appointment was very difficult. ICR's research and Focus Group participants reported that this problem had increased in the difficult economic climate. NICEM has also received an increased number of reports of pregnant workers losing their jobs. A recent report for the Joseph Rowntree Foundation confirmed that women were being told suddenly 'they were no longer needed' when they informed their employer they were pregnant.<sup>63</sup>

A participant in the Migrant Women's Focus Group gave an example of challenging working conditions, particularly for women, which involve heavy physical work lifting 15 kilo boxes all day, sometimes six days a week, in a very cold environment. Women who have been packing and lifting boxes over five or six years have developed health problems such as strained



necks and backs and joint difficulties as a result. In this kind of working environment the pressure on employees not to take time off sick or for medical appointments is likely to have a larger adverse impact on women. Changing jobs in the current climate is a risk women cannot afford to take.

### **Migrant Women's Focus Group, January 2011**

*"Jobs [with my employer] are fairly secure in the current climate. I was advised by the doctor to change my job. But I feel I cannot get a better job at this time."*

ICR quotes a case where a worker worked for several months but was never paid.<sup>64</sup> This is not an isolated example. Similar stories came up in the Migrant Women's Focus Group: some employers not providing payslips, so on loss of employment there is no evidence to prove that the person was working and is owed money; late or no payment for work done; condemning the worker to debt.

Women from the Philippines and India tend to work as nurses and care workers. They face the loss of jobs or hours if the public health service contracts under expenditure cuts and deficit and recession driven cuts to NHS provision may result in more services being privatised. Some migrant workers moved to larger hospitals in England when small units in Northern Ireland closed but most are likely to migrate across to the private sector, for example, to work in nursing home care. The shift from public to private is not likely to be a happy one for migrant women. Terms and conditions of employment are better for women working in the NHS and the public sector generally than those working in the private sector.

The Equality Commission NI's Formal Investigation refers to research for Oxfam in the UK that concluded that many migrant workers were placed in social care work due to its low status and low pay. Workers in this sector reported "exploitation in terms of pay, accommodation and long working hours."<sup>65</sup> Moreover, many recruited by overseas agencies had been deceived about the terms and conditions of work.

## **Racism**

Racism is any system of inequality based on race and it can occur in a society where there is differential access to goods, services and facilities. When differential access becomes integral to institutions it becomes common practice. Sir William Macpherson in his report following the death of Stephen Lawrence noted that '[r]acism in general terms consists of conduct or words or practices which disadvantage or advantage people because of their colour, culture, or ethnic origin. In its more subtle form it is as damaging as in its overt form.'<sup>66</sup>

### **Institutional Racism**

*'The collective failure of an organisation to provide an appropriate and professional service to people because of their colour, culture or ethnic origin. It can be seen or detected in processes, attitudes and behaviour which amount to discrimination through unwitting prejudice, ignorance, thoughtlessness and racial stereotyping which disadvantage minority ethnic people. It persists because of the failure of the organisation openly and adequately to recognise and address its existence and causes by policy, example and leadership. Without recognition and action to eliminate such racism it can prevail as part of the ethos or culture of the organisation. It is a corrosive disease.'*<sup>67</sup>

Racism is a feature of life for minority ethnic communities, but it appears to have heightened since the start of the recession. Migrant workers often move into the cheapest housing in areas of high unemployment and the local population can have misperceptions which they express as 'migrants taking our jobs'. Racism can fester and grow if government does not target regeneration in disadvantaged areas to improve the socio-economic situation of the local and migrant population.

The *Racial Equality Strategy 2005-2010* noted that racism can be 'both subtle and overt. It can range from snubs and exclusion through to discrimination, the creation of barriers to inclusion that can emerge at all levels in public and private institutions, to acts of intimidation and violence.' The strategy document indicated



an increase in racial incidents and crimes well in advance of the recession. It was noted that racial harassment was a persistent feature involving men, women, children and older people and incidents at home, work, in the street and community.<sup>68</sup> The 2004 Hate Crimes Inquiry of the Northern Ireland Affairs Committee corroborated the increase in the rise of hate crime.<sup>69</sup>

There is no Northern Ireland-based comprehensive gendered research but anecdotal evidence suggests that racism takes different forms for women and men. Men undergo physical attacks which they are more likely to report to the police along with criminal damage as this is necessary to make a claim. The racism and harassment suffered by women is rarely reported. Intimidation directed at women is usually ongoing, low-level harassment with verbal abuse, throwing stones and eggs, spitting and such like. Incidents have increased and happen on a daily basis to many and there is anxiety that the economic downturn may worsen it. Many victims do not want to report abuse but it is important to note the long term damaging effects of sustained low level harassment, post-traumatic stress, depression, normalisation and acceptance of abuse.

**Za Chlebem': The impact of the Economic Downturn on the Polish Community in Northern Ireland, NICEM/Polish Association, October 2009**

*"I'm afraid of being discriminated against as locals are more unfriendly because they think we steal their jobs."*

*"I feel more and more unwanted in this community."*

*"Unwelcoming hostile neighbourhood."*

*"It's possible that the harassment of foreign people will get worse because of the crisis (not enough jobs)."*

More than a quarter of the respondents to NICEM's questionnaire said they had been victimised because of their country of origin, colour or religion, and that this was taking place mainly in the neighbourhoods where they live.<sup>70</sup> Almost two-thirds of those Unison surveyed, who were predominately women, reported

increased racist attitudes among the general public in the recession. Fifty-four percent had personally experienced racism while 83% had encountered it in the workplace. Workplace racism took the form of being disproportionately scrutinised and disciplined at work, treated differently or less favourably or humiliated in front of others. Many faced comments about 'taking local people's jobs.'<sup>71</sup> This last point was confirmed by the Northern Ireland Omnibus Survey 2009 in which 47% of respondents felt that migrant workers take jobs away from local people.

**Migrant Workers, Racism and the Recession, Unison, October 2009**

*"It's hard to talk openly because I am not from this country. Even if you work at your best they're still hard to work with. You end up being embarrassed in front of co-workers and even patients."*

*"I am hoping that some day the working environment here in the UK will improve in such a way that migrant workers will be treated equally in the true sense of the word 'equality'."*

*"Sometimes colleagues confirm that their family can't get jobs as there are too many migrant workers."*

Unison points out that 80% of migrant workers employed in the private sector have experienced work-related racism and bullying (between workers or employer/worker), with 25% dissatisfied, and just 40% content, with how it had been handled by the employer. The ICR report corroborates that improvement is needed in the way employers handle discrimination complaints.<sup>72</sup>

**Equality Commission Formal Investigation**

*A Portuguese woman and her daughter said that they were told by the supervisor that as long as he was there they would not get called for work. The supervisor made racist remarks to her— he told her to shut up because she was a "black person". They said that this supervisor had problems with black people and didn't give them equal opportunity to work. She said she had complained to the recruitment agency but did not want to make it formal because of the possibility of not getting further work<sup>73</sup>*



Clearer monitoring and radical action is needed to root racism out, along with political and civic leadership. It is not helpful if a prominent politician suggests that local workers should be given preference over migrant workers.<sup>74</sup> There is a strong economic argument for migration, not least in increasing the working age population given the changing demographics where a quarter of the Northern Ireland population will be over sixty within thirty years. The Scottish Government has recognized that without migration the Scottish economy will not recover.

### Housing and financial pressures

For migrant workers employed in factories, processing, or seasonal work, their accommodation is tied often, but not always, to their employment and employers frequently deduct rent from wages automatically, charging high rates for substandard accommodation. Some migrant women and men live in overcrowded conditions and sleep in shifts to save money. Just 4% of migrant workers are in Northern Ireland Housing Executive (NIHE) accommodation<sup>75</sup> NIHE waiting lists have increased, affording private rentals is expensive and the lack of any right to re-housing or Housing Benefit for some migrants increases their vulnerability.

People with an ethnic minority background frequently experience discrimination from landlords when trying to access private housing. Often the only accommodation available is of a low standard and the increasing cost of heating and routine damp problems has had an impact on the health of many migrants.<sup>76</sup>

The economic downturn has had a significant impact on the housing market and, with a number of landlords becoming bankrupt, tenants have had to move. Loss of a job or reduction in hours can mean rapid loss of housing and drive migrant families into homelessness. NICEM has received requests for assistance from many migrants who have lost their jobs and are either finding it difficult to pay the rent or have been forced to leave their homes.

### Migrant Women's Focus Group, January 2011

*A husband and wife with a thirteen year old daughter could not afford the NIHE rent of £53 per week. Both had lost their jobs. They were not entitled to benefits as neither had completed their twelve months' registration process. They had no money for food, oil, etc. and they were walking around the streets picking things up. Their daughter was placed in foster care.*

Women are the managers of the household budget and often the complete family finances. Juggling bill payments while keeping the family fed and healthy on a low income is tough. They stretch family finances to breaking point and beyond. The fear of facing deeper poverty as economic recovery measures bite on top of the recession increases stress levels.<sup>77</sup> All of the participants in the Migrant Women's Focus Group were concerned about the cost of living relative to their incomes and talked about the impact of increased food, heating and petrol costs.

### Migrant Women's Focus Group, January 2011

*"Mortgage, no savings, everything spent on mortgage and children. Not able to save so no back stop."*

*"Women manage the budget and family finances and there is a lot of stress with this."*

*"Lithuanians go to Tescos after 7pm and look for the yellow tickets." (reduced prices)*

*"Lots of good work is done by St Vincent de Paul. I ask them for help for families needing food vouchers."*

Those with children were concerned about their education and future: on the personal finance side the cost of university fees was a big worry; getting language support for primary school children in the context of constrained school budgets was another.

### Migrant Women's Focus Group, January 2011

*"I got language assistance for my daughter who is aged 9 but only for one month. I was told that teachers do not have the time to do more."*



In addition to being the primary carer for children living with them migrant women frequently support family in their home country through sending money home. The value of their remittances is very important and not an insignificant commitment in an economic recession. This, and not their personal situation, was the first issue raised in the Migrant Women's Focus Group in considering the impact of the economic downturn. The fall in the value of sterling badly affected remittances and these women were required to send more money to compensate for the lower exchange rate, often as much as one-third more than they had been sending previously. This is corroborated in Unison's survey where 85% of those surveyed reported cutting their spending to manage this. Many women were finding it difficult to cope with this and the rise in their own cost of living at the same time. Moreover, the rising cost of airfares puts visiting family in their home country out of reach for many.

**Migrant Workers, Racism and the Recession, Unison, October 2009**

*"Less value for pounds means I need to send more pounds for the same value of peso to maintain what I used to send."*

*"Clothing, leisure, no more movies, seldom going out with the family because everything is expensive. Almost everything is cut down so I can send some money home."*

Debt is a major problem. Most migrant workers have restricted access to benefits and some are not entitled to benefits at all. The most commonly received benefits among those who have entitlements are Child Benefit and Working Tax Credits. NICEM gives two reasons for this: the number of respondents with dependents; and Child Benefit is not means-tested therefore its universal entitlement assists take-up.<sup>78</sup> It found that those who qualify for Working Tax Credits rely on them as crucial to family survival. Child Benefit is an important income for the parent with primary care responsibility, normally the mother. The heavy reliance on tax credits and double jobbing places considerable stress on the family and increases the vulnerability of children to poverty in migrant families.<sup>79</sup>

**'Za Chlebem': The impact of the Economic Downturn on the Polish Community in Northern Ireland, NICEM/Polish Association, October 2009**

*"Little money."*

*"No savings."*

*"There is hardly any money to support my family."*

*"Fear of running out of money for everyday needs."*

*"Stressful situation due to the crisis."*

**Public services and support**

NICEM notes that ethnic minority women face multiple discriminations in access to a range of services and entitlements including employment, education and training by virtue of being a woman and from an ethnic minority.<sup>80</sup>

The *Racial Equality Strategy* noted that, while some minority ethnic people were doing well, there was increasing evidence that some are suffering what the document termed an 'ethnic penalty'. In other words, some suffer from particularly poor outcomes in education, employment, health and other life chances for a mixture of reasons including racial discrimination, lack of opportunities, inadequate thought in how public services address the different needs of different communities ...<sup>81</sup> Among the barriers to be addressed are language barriers, lack of information, staff training and lack of awareness of cultural needs.

In common with local women, securing properly registered affordable, quality childcare is elusive. Focus Group participants spoke about the difficulty of getting childcare places when there were so few available, and the cost of childcare when available. There is no needs-based assessment of what is required in childcare to assist minority women to take up and remain in employment. An additional challenge is the language barrier for themselves and their children. Because childcare is expensive or unavailable migrant women are more likely to make informal arrangements. Some bring their parents over to look after their children, increasing the pressure on the family budget. Alternatively mothers have resorted to sending



their children back to their home country to be looked after.

There is constant stress in minority communities at not being able to speak English well and this is allied with fear that lack of fluency could spell disaster in situations of job cutbacks and competition in a tighter labour market. The ICR shows how lack of proficiency in English also prevents many from taking up a job at a higher level, at least immediately.<sup>82</sup> Migrant workers seek affordable classes that are geared to teaching language for their working environment, with more flexible delivery in times and locations.<sup>83</sup> Bi-lingual advisors in jobs and benefits offices are also important in order to assist migrant workers with finding new skills and employment and to access benefits. Indeed, bi-lingual advisors and community advocates can be a more cost effective method of assisting people than printing reams of materials that go out of date.

Non-national women can experience difficulty in accessing healthcare entitlements. There is insufficient anti-racist training of staff and 'an unintentional and often unconscious but persistent bias'.<sup>84</sup> Completing complex forms is linguistic challenge. Women from a Muslim background need to be able to secure an appointment with a female doctor. A minority woman may be accompanied on medical visits by her husband or his family and be unable to speak about issues such as domestic violence. The lack of sensitive interpretation on very personal health issues can deter women; for example, having to communicate mental health concerns to councillors and psychologists through an interpreter. Indeed, the mental health of the BME population is under-researched, and women face many barriers in accessing help. In 2008, the UN CEDAW Committee, in commenting about the UK, noted that women of minority ethnic communities suffer high rates of depression and mental illness.<sup>85</sup>

### **No recourse to public funds**

There has never been a crisis fund for migrants in Northern Ireland who are unable to access public funds. A UK Migration Impact Fund (MIF), created from a levy on visas, was set up to help ease impact of inward migration. The visa levy

continues but the Fund was abolished in October 2010. Despite a sum of £0.4 million having been transferred to Northern Ireland from the MIF the Northern Ireland Finance Minister indicated that "that all Barnett allocations made to the NI Executive are unhypothecated and are available for allocation in accordance with local needs and priorities."<sup>86</sup> No department had bid for money for a crisis fund. A paper setting out the case for a Migration Impact Crisis Fund in Northern Ireland was endorsed by the Racial Equality Panel in late 2010.<sup>87</sup> The All-Party Group on Ethnic Minority Communities pursued the matter with Ministers in the Assembly. Its chair wrote to the Minister for Social Development seeking an allocation from the £20million Social Protection Fund.

The policy of 'no recourse to public funds' affects people subject to immigration control and potentially leaves men, women and children destitute and in need of short-term or bridging support. It can affect individuals who are working legally, such as A2 nationals and overseas migrant workers. Their situation can be caused by domestic violence, where the victim depends on their partner for immigration status; injury or illness and the consequent impacts on family particularly for those on work permits; the requirements of the various immigration authorisation schemes and bureaucracy. The deputy First Minister has said that "the issue of migrant workers who fall into difficulties through no fault of theirs deserves careful consideration and swift action."<sup>88</sup>

The ICR's research showed how the problem is magnified for women. Many women join their partners in Northern Ireland who handle all formalities including access to benefits and they are left in a vulnerable position when the relationship ends, relying on charitable organisations for assistance for themselves and their children. NICEM, too, noted that much of the work available to migrants is agricultural, leaving many migrant women financially reliant on their husbands. The ICR predicted that "no recourse to public funds in cases of people who have never been registered, or whose registration does not yet cover 12 months continuous employment, will become an even more present issue in the current economic climate and job losses."<sup>89</sup>

The 'no recourse' policy has particularly damaging consequences for women suffering



domestic and sexual violence. The UN Committee on the Elimination of Discrimination Against Women was concerned in 2008 about the lack of provision for vulnerable minority women in the UK, including in Northern Ireland. The Committee raised the situation of women of insecure immigration status and the denial of access to public funds, particularly health care, public housing and social security benefits with negative consequences for the victims of violence. It urged that the 'no recourse to public funds' policy be reviewed to ensure the protection of and provision of support to victims of violence.<sup>90</sup>

Northern Ireland acts as both a transit and destination country for victims of trafficking with vulnerable women 'disappearing' from between countries in these islands. Statistics are not available on the number of people detained or removed from Northern Ireland without access to legal advice to determine whether they have been a victim of trafficking. Immigration changes in April 2011 ruling that anyone applying for settlement must be free of criminal convictions, however minor, may worsen the situation for some migrant women fleeing domestic violence. Vulnerable women and children who have experienced violence and abuse should not be deported, detained or criminalised.

In December 2010, the government announced that it would end the practice of immigration detention of children. However, it subsequently announced a new policy of 'pre-departure accommodation, which will also house families in a 'secure facility'.<sup>91</sup> Critics say this is detention under a different name.<sup>92</sup> There needs to be a review of immigration and asylum laws and policies from a gender perspective with the aim of preventing and tackling violence against BME women and girls without increasing discrimination against migrant communities.

Austerity measures have led to contracted departmental budgets and the Northern Ireland Executive has declared its priority is to protect the health element within the budget for the Department of Health, Social Services and Public Safety. There are also constraints on policing budgets. In this climate, violence against minority ethnic women, especially those with insecure immigration status may continue to be

overlooked. More might be done within the Tackling Violence at Home Strategy and other policies to address the complexity of violence against BME women, including tackling the link between violence to women at home and sex trafficking and harmful traditional practices. Southall Black Sisters believe that violence against women and girls can only be tackled effectively if policies, including prostitution and trafficking, are brought together in a single overarching strategy based on the principles of equality and human rights.

Southall Black Sisters identify the need for specialist provision for BME within mainstream services and the protection and extension of the BME women's sector where women can reach out to other BME women. A pilot initiative, with strict eligibility criteria, funded by the Home Office to assist migrant women suffering from domestic violence has not benefited migrant women in Northern Ireland.<sup>93</sup> Minority women are likely to get more assistance from a local crisis fund for vulnerable migrants provided the fund's policies and criteria are properly gendered. One of the significant hurdles which must be overcome in the drive to tackle violence against minority ethnic women is the under-development of the BME women's sector in Northern Ireland. There are several reasons for this including decades of conflict, increased immigration flows since the peace agreement and government's focus on other aspects of post conflict society building. By contrast in Britain the BME women's sector, although requiring more support, is better developed.

Women's Aid's resources are often severely stretched and the organisation relies on individual Housing Benefit and other public funds to protect and support women in refuges. Because not all migrant women are entitled to Housing Benefit refuges are constrained in using public funds to support them. Surprisingly there was a lack of awareness among staff in Health and Social Care Trusts that Women's Aid is prevented from using its core funds to support 'ineligible' non-UK nationals, while the Housing Executive's response was to refer someone to Women's Aid for the quality support it provides but knowing "the problem is, who is going to pay for it; but that is not our problem."<sup>94</sup> Thus refuges are faced with finding funding sources other than



the public purse or putting a strain on their own financial reserves, although few refugees have been well enough endowed to have built up a reserve. Agencies report a rise in instances of violence against women generally.

### **Migrant Women's Focus Group, January 2011**

*A woman was suffering violence from the mother of a child she was looking after. She went to a refuge. She was not working officially and had not gone through the Home Office regulations process. She was only here 2-3 months. She had no English and no entitlements. The refuge could not accommodate her as they had no money to cover her costs – it was a 'no recourse to public funds' case – and they offered to buy a ticket for her to go home. She has lots of debt in Lithuania which is why she came here.*

The experts in the field – Women's Aid Federation Northern Ireland, NICEM and Southall Black Sisters – agree that women and girls who are victims/survivors of violence should be exempted from the 'no recourse to public funds' policy and other benefit rules to ensure they have genuine access to benefits and public housing to allow them to leave abusive relationships. In the meantime, abused women need immediate access to a crisis fund to prevent destitution or further violence being visited on them.<sup>95</sup>

NICEM has called for comprehensive research, under an independent taskforce, to examine the nature of violence against minority women and its relationship to mental health, suicide and self-harm; and the impact of the cuts in public expenditure and legal aid on BME women and girls. Southall Black Sisters in England quote that in Britain BME and migrant women have a disproportionate risk of homicide, Asian women are up to three times more likely to commit suicide than other women, tens of thousands of women are living with genital mutilation and the majority of forced marriage cases concern women and girls; while just one in ten local authorities in Britain have specialist services for BME women.<sup>96</sup> This clear evidence points to the need for research to gauge the extent and depth of the problem in Northern Ireland.

Importantly, the international landscape on violence against women changed in April and May 2011. On 7 April, the Council of Europe Committee of Ministers adopted a Convention on preventing and combating violence against women and domestic violence. In May the landmark treaty was signed by thirteen Member States, several of which are members of the European Union.<sup>97</sup> It is the first legally binding instrument in the world and it creates a comprehensive legal framework to protect women against all forms of violence, and prevent, prosecute and eliminate violence against women and domestic violence. The Convention also establishes an international mechanism to monitor its implementation at national level. Article 4 of the Convention lays down that the Convention's implementation, especially its measures to protect the rights of victims, should apply to all women including migrant women. It has not yet been signed by either the UK or Ireland, but it should be and the Northern Ireland Executive should be in the forefront of calling on the UK Government to be a signatory.

### **Conclusions**

Northern Ireland's new racial equality strategy is expected to be drafted during 2011 and agreed by the Northern Ireland Executive in 2012. The gap between one strategy and the next is unfortunate, and appears to signify both a lack of priority to minority ethnic communities and of planning and foresight. The race strategy may have been a victim, too, of cross-community disagreement about the overarching framework for good relations and community cohesion in Northern Ireland.

Disappointingly, the *Racial Equality Strategy 2005-2010* made no reference to women. Yet, it is clear that there are different impacts of policies on women and men as is shown by example of the impact of 'no recourse to public funds' on abused migrant women, in this case the oversight can be a matter of life and death.

Preparation of the strategy over 2011 should include gathering data specific to women and taking proper account of all BME women in future strategy and racial equality action plans. The new racial equality strategy should correlate with the *Gender Equality Strategy 2006-2016* and





racial equality plans should interface with gender equality plans across government. At the end of its next period, the new strategy should be able to evidence that it has not just referenced international standards but fulfilled the intention of the standards.

In complying with international standards the new racial equality strategy should take account of the standards that relate to women as well as those specifically focused on ethnic minority peoples. The two work hand in hand. The UN CEDAW Committee in 2008 called on the UK to keep under review and monitor carefully the impacts of its laws and policies on female migrants, refugees and asylum seekers.

The *Racial Equality Strategy 2005-2010* welcomed minority communities, including migrants, to Northern Ireland and sought to end racism, tackle discrimination and barriers to opportunity and improve inclusion and participation to create a sense of belonging. It would assist migrant women greatly if discriminatory practices against migrants were removed from the benefits system, and if their educational qualifications were recognised. Migrant women make a considerable contribution to Northern Ireland society and driving them into poverty will hurt the whole Northern Ireland community.

Groups supporting ethnic minority communities must reapply every year to the Ethnic Minority Development Fund (EMDF) and this makes long term planning difficult. Core funding is not ring-fenced for BME-led groups and only a small number were granted core funding in 2010. Year upon year, the proportion of BME led groups accessing core funding has been reduced.<sup>98</sup> The BME women's sector in particular is highly under-developed. It is a concern that further public expenditure cuts will reduce service provision, and probably the community development funding needed to build the capacity of marginalized communities. This will result in particularly adverse impacts on ethnic minority communities and individuals that will be felt most sharply by women and children.

The Northern Ireland Executive will want to be an exemplar of providing the highest protection against racial discrimination. Yet race legislation

has been less than effective in providing protection from discrimination and harassment on the grounds of colour and nationality than on the grounds of race, ethnic or national origin. Similar disparities in Britain were addressed in the Equality Act 2010 which does not extend to Northern Ireland. Furthermore, other reforms are needed to improve protection including from 'instructions to discriminate'.<sup>99</sup>

Racism persists because of failure by organisations to openly and adequately recognise and address its existence and causes by policy and example. Clear public and private leadership is needed to ensure that job losses are not targeted on the basis of nationality.

### Recommendations

- The new racial equality strategy and action plans should take proper account of minority ethnic women including migrant women. The race and gender strategies and action plans should interface with and inform each other. Both sets of plans should be framed within international human rights frameworks, including CERD and CEDAW.<sup>100</sup> A budget should be attached to the race equality plan when agreed in 2012.
- The Northern Ireland Executive should revisit the Race Relations Order (NI) 1997 and the Race Relations Order (Amendment) Regulations 2003 and strengthen the legislation to afford the same level of protection from racial discrimination as is enjoyed in the rest of the UK.
- The Assembly should scrutinise the Executive's implementation of obligations under international human rights instruments through a committee similar to the Joint Committee on Human Rights in the Westminster Parliament.
- Restrictions on 'no recourse to public funds' should be lifted for victims of domestic violence. Furthermore, access to essential services should be based on need regardless of immigration status to counteract the worst effects of job losses for migrant workers without full resident status.



- The Executive should allocate at least £0.5million annually from the Social Protection Fund to establish a Migration Impact Crisis Fund to assist migrant women who suffer domestic violence and other migrants who have been made destitute through no fault of their own but are unable to access public funds.
- OFMdfM and the Department for Social Development should work with representatives of the ethnic minorities sector and the women's sector to develop and implement a plan to build the capacity of the BME women's sector.
- DETI and DEL should work together to commission research into minority ethnic people's participation in the labour market, including migrant workers', to identify the issues that should be addressed. The data gathered must be analysed by gender to determine what the different impacts, and therefore solutions, are for women and men. In addition, discrete research should be carried out into migrant women's vulnerability to exploitation in employment sectors such as mushroom picking and social care.
- The Minister for Employment and Learning and the Northern Ireland Executive should fast track the recognition of foreign qualification equivalents. There should be access to free English (ESOL) classes for minority ethnic communities.
- Clear public and private leadership should be given to ensure that job losses are not targeted on the basis of nationality.
- Recruitment agencies should implement the full set of recommendations made as a result of the Formal Investigation by the Equality Commission for Northern Ireland that reported in 2010. These include: ensuring accessibility for migrant workers; informing employers where foreign nationals have qualifications equivalent to those in the UK; and not routinely including opt-outs from the Working Time Regulations in contracts. UK recruitment agencies should ensure that overseas agencies they use are reputable.<sup>101</sup>
- The Northern Ireland Executive should urge the UK Government to sign the Council of Europe Convention on preventing and combating violence against women and domestic violence.
- The UK Government should amend the s75 legislation under the Northern Ireland Act 1998 to include compulsory monitoring, thorough assessment of impacts and strong enforcement mechanisms.
- The Northern Ireland Executive should call on the UK Government to end restrictions on A2 nationals by the end of 2011.



## References

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- 2 Unison Northern Ireland, Migrant Workers, Racism and the Recession, Belfast, (October 2009).  
The questionnaire was sent to all Union's black and minority ethnic members, European and overseas migrant workers. Eighty-six per cent of respondents were migrant workers. Three-quarters of the respondents were women, half were aged between 30 and 40 years, with a large proportion being nurses (61%) from the Philippines (51%). Just under a third were from European A8 accession countries.
- 3 R McVeigh, C McAfee, 'Za Chlebem': *The impact of the Economic Downturn on the Polish Community in Northern Ireland*, Northern Ireland Council for Ethnic Minorities supported by the Polish Association of Northern Ireland, (October 2009).
- 4 ECNI, *The Role of the Recruitment Sector in the Employment of Migrant Workers, A Formal Investigation*, Equality Commission for Northern Ireland, September 2008 to March 2010.  
[http://www.equalityni.org/sections/default.asp?cms=Publications\\_Race\\_investigationreports&cmsid=7\\_38\\_757&id=757&secid=8](http://www.equalityni.org/sections/default.asp?cms=Publications_Race_investigationreports&cmsid=7_38_757&id=757&secid=8)
- 5 OFMdfM, *Racial Equality Strategy 2005-2010*, Office of the First and deputy First Minister, para 3.1. Among the strategy's aims were to combat racism and provide effective protection and redress, ensure equality of opportunity to public services and to increase participation and a 'sense of belonging'.
- 6 OFMdfM, para 3.12.
- 7 NICEM, *Submission to the UN Committee on the Elimination of Discrimination of all forms of Racial Discrimination (CERD)*, on the UK 18th and 19th Periodic Report, Northern Ireland Council for Ethnic Minorities (May 2011), p22.
- 8 The Scottish Administration has introduced a Polish sub-category into the census but the Northern Ireland Administration has not done so.
- 9 NICEM's Submission to CERD suggests that it violates Articles 1(1) and 1(4) of the International Convention of the Elimination of All Forms of Racial Discrimination, Article 3(1) of the Council of Europe Framework Convention for the Protection of National Minorities and other International Recommendations.
- 10 United Nations, *International Convention on the Protection of the Rights of All Migrant workers and Families*, adopted by General Assembly Resolution 45/158 (18 December 1990), Article 2.
- 11 From Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia.
- 12 From Bulgaria and Romania.
- 13 OFMdfM, para 3.4.
- 14 EEA countries are the 27 EU Member States plus Norway, Iceland and Liechtenstein.
- 15 Directive 2004/58/EC of the European Parliament and of the Council on the right of citizens of the Union to move and reside freely within the territory of the Member States (29 April 2004) came into force on 30 April 2006. It conferred on economically active and inactive EEA nationals access to benefits in the first three months, but the UK Government changed the benefits rules to thwart this provision.
- 16 This is likely to be the case, but there is an absence of statistics and the information is not being collected under the Census as indicated already.
- 17 Unless they are exempt from registration. The UK Government is to consider in December 2011 if it will discontinue the Worker Authorisation Scheme. Organisations representing migrant workers think this is unlikely.
- 18 The food sector, in which many migrant women work in mushroom farms or in chicken factories, is an example.
- 19 See UK Border Agency website <http://www.ukba.homeoffice.gov.uk/workingintheuk/>
- 20 Four years if the migrant worker applied under the Highly Skilled Migrant Programme (HSMP) before 3 April 2006.
- 21 Indefinite Leave to Remain is also known as settlement or permanent residency.
- 22 The eligibility criteria have been subject to several changes, most recently in April 2011 when a new 'income requirement' was added as well as a requirement to be free from unspent convictions and to have a higher threshold of English language skills. NICEM is concerned that the new 'income requirement' criteria is likely to have a major impact on nurses and care workers. For many care workers their pay may not be much off the new income requirement but employers will not increase their pay.
- 23 It would cost £1,400 by post.
- 24 The fees increase substantially if the worker chooses to go in person, for a decision within twenty-four hours, as opposed to applying by post for a decision within six months. Applicants must get the timing exactly right – the application must be made before the current work permit expires but no more than twenty-eight days before being eligible to apply – or risk forfeiting the hefty application fee.
- 25 Naturalisation is £836 or husband/wife or civil partners applying together £1,294. One child is £540. Two is £810. Each additional is £270. The fee must be paid in full at the time by cheque or credit/debit card; postal orders are not acceptable.
- 26 Directive 2008/104/EC of the European Parliament and of the Council.
- 27 DEL, *Consultation on the Agency Workers Directive: Impact Assessments 2010*, Department of Employment and Learning (December 2010), p12.
- 28 Ibid., p33.
- 29 Ibid., p41. Ethnic minority workers comprise about 33% compared to being 15% of all employees. Different data sources give different information on percentage of female agency workers: 40% in Millward Brown, 43%-45% in the Labour Force Survey and 58% in REC (Recruitment Industry Census).
- 30 Ibid., p43.



- 31 Ibid., pp14-15.
- 32 Ibid., p46.
- 33 Ibid., p45. Male agency workers are 94% for full-time and 91% for part-time.
- 34 OFMdfM, para 4.30.
- 35 CEDAW, *Concluding Observations of the Committee on the Elimination of Discrimination Against Women: United Kingdom of Great Britain and Northern Ireland*, CEDAW/C/GBR/CO/6, (18 July 2008), see paras 45-48.
- 36 Oxford Economics, FGS McClure Watters, *Perceptive Insight Market Research, The Economic, Labour Market and Skills Impacts of Migrant Workers in Northern Ireland*, Department for Employment and Learning (December 2009), p42.
- 37 ECNI, p47.
- 38 Oxford Economics, p44.
- 39 Oxford Economics, p42.
- 40 L Allamby, J Bell, J Hamilton, U Hansson, N Jarman, M Potter, S Toma, Institute for Conflict Research, *Forced Labour in Northern Ireland: Exploiting Vulnerability*, Joseph Rowntree Foundation (June 2011), p4.
- 41 International Labour Organisation definition.
- 42 Allamby et al, p15.
- 43 Ibid., p19.
- 44 J Bell, A Caughey, U Hansson, A Martynowicz, M Scully, Institute for Conflict Research, *A Report on the Experiences of Migrant Workers in Northern Ireland*, Department for Employment and Learning, Belfast, (December 2009), p73.
- 45 ECNI, pp79-80.
- 46 Many overseas workers will not yet have obtained residency status and their authorisation for being in N Ireland is tied to their work contract.
- 47 McVeigh, McAfee, pp14-19.
- 48 Ibid., p36.
- 49 Ibid., p33.
- 50 Ibid., p35.
- 51 Ibid., p53.
- 52 P Taran, *The Impact of the Financial Crisis on Migrant Workers*, International Labour Organisation, March 2009 quoted in McVeigh & McAfee.
- 53 See also J Bell et al, p79 and Oxford Economics, p43.
- 54 Directive 2005/36/EC of the European Parliament and Council on the recognition of professional qualifications.
- 55 ECNI, p40.
- 56 Bell et al, p97. See also p100 that 40% were discriminated against in the workplace.
- 57 Oxford Economics, p42.
- 58 Bell et al, pp84-87
- 59 See above in the section on The Agency Workers Directive.
- 60 L Allamby, J Bell, J Hamilton, U Hansson, N Jarman, M Potter, S Toma, Institute for Conflict Research, *Forced Labour in Northern Ireland: Exploiting Vulnerability*, Joseph Rowntree Foundation (June 2011), p33.
- 61 NICEM, Submission to CERD, p36.
- 62 ECNI, p7.
- 63 Allamby et al, p20.
- 64 Bell et al, p90.
- 65 ECNI, p20 referring to K Poinasamy, L Fooks, *Who Cares? How best to protect UK care workers employed through agencies and gangmasters from exploitation*, Oxfam/Kalayaan. (2009).
- 66 Macpherson Report, *Stephen Lawrence Inquiry*, The Stationery Office, Cmd 4262-I, February 1999, para 6.4
- 67 Macpherson Report para 6.34
- 68 OFMdfM, *Racial Equality Strategy 2005-2010*, Office of the First and deputy First Minister, see chapter 2.
- 69 Northern Ireland Affairs Committee, *The Challenge of Diversity: Hate Crime in Northern Ireland, Ninth Report, 2004-2005* session, HC54 (1 April 2005), para 128.
- 70 R McVeigh, C McAfee, p53 indicated that 108 out of 412 respondents reported racism.
- 71 Unison Northern Ireland, *Migrant Workers, Racism and the Recession*, Belfast, October 2009, p5
- 72 Bell et al, p136 – just 29% of respondents are satisfied with their employer's handling of complaints.
- 73 ECNI, p77.
- 74 Sammy Wilson, MP, MLA remarked "However, when it comes to a downturn, I think if jobs are becoming vacant and you've got people with equal skills, and can do the job, etc., then I think preference should be given to people from Northern Ireland". In fact, Northern Ireland citizens have a corresponding right under EU law to live and work elsewhere in the EU. [http://www.niassembly.gov.uk/standards/2007mandate/reports/Report\\_45\\_09\\_10R.htm](http://www.niassembly.gov.uk/standards/2007mandate/reports/Report_45_09_10R.htm)
- 75 In discussion with the NICEM policy and advice team.
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- 77 Migrant Women's Focus Group held at NICEM on 24th January 2011
- 78 McVeigh, McAfee, p42 See also Bell et al pp124-125.
- 79 McVeigh, McAfee, p53.
- 80 NICEM, Submission CERD, May 2011, p7.
- 81 OFMdfM, para 4.15.
- 82 Bell et al, p94.



- 83 R McVeigh, CMcAfee, p24
- 84 NICEM, Submission to CERD, p39, quoting research report Delivering on Equality, Valuing Diversity.
- 85 CEDAW, see para 45.
- 86 All Party Group on Ethnic Minority Communities, p3.
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- 88 Northern Ireland Assembly Debates, Racial Equality Forum, 6 December 2010, 2:30 pm
- 89 Bell et al, p127
- 90 CEDAW, paras 47-48.
- 91 <http://www.ukba.homeoffice.gov.uk/sitecontent/newsarticles/2011/march/23-barnardos>
- 92 <http://www.migrantsrights.org.uk/migration-pulse/2011/immigration-detention-of-children-rebranded-predeparture-accommodation>
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- 97 The new Convention opened for signature at the 121st Session of the Committee of Ministers in Istanbul on 11th May 2011 and was signed by Austria, Finland, France, Germany, Greece, Iceland, Luxembourg, Montenegro, Portugal, Slovakia, Spain, Sweden and Turkey.
- 98 All Party Group on Ethnic Minority Communities, Annual Review 2010-2011, p4, available through NICEM.
- 99 On 27 June 2007 the European Commission sent formal requests to fourteen Member States, including the UK and Ireland, to comply with the EU Race Equality Directive 2000/43/CE. See <http://www.eubusiness.com/topics/employment/race-equality/> See also NICEM, Submission to CERD, pp22-25 on a legal framework to eliminate racial discrimination in Northern Ireland. The current legal framework is the Race Relations Order (NI) 1997, the Race Relations Order (Amendment) Regulations 2003 and the Race Relations Order (Amendment) Regulations 2009.
- 100 The UN Committee on the Elimination of Discrimination of all forms of Racial Discrimination (CERD). The UN Committee on the Elimination of Discrimination Against Women.
- 101 ECNI, pp11-12.



## Young Women

### Gathering the data and making it gender specific

Part of the information gathered for this project was through a Young Women's Focus Group.<sup>1</sup> It brought together eight young women, five of whom were undertaking an eighteen month long apprenticeship programme in *Community Leadership in Youth Work* and three of whom were participants in Youth Action NI's *Safe and Sound* programme. The young women came from a variety of backgrounds: one had completed university and two had dropped out from university; two, one of whom was a lone parent, had children; some were single while others lived with a parent. There was a rural and urban mix.

The British Youth Council (BYC) gathered views from almost five hundred young people across the UK about the impact of the recession.<sup>2</sup> As with most research, attention was not paid to disaggregating the data to understand if there were different impacts on young women and young men. However, 67% of the respondents were women and almost all of the examples used by BYC were from young women so the report gives some strong pointers from the perspectives of some groups of young women on how they are faring during the downturn. The vast majority were either studying full-time (64%) or employed (25%).

*Still Waiting* is the only substantive piece of research that focuses on young women and captures their stories of growing up in Northern Ireland.<sup>3</sup> It noted in 2005 that there was a lack of published material on training schemes. Where the information existed it showed that young women were considerably under-represented and the schemes that enrol higher numbers of young women are highly gendered.<sup>4</sup> The following year the Department of Education and the Department for Employment and Learning began to include vocational training (Jobskills and Training for Success courses) outside as well as inside the further education sector in their gender disaggregated statistics for participation of 16-17 year olds in full-time education and training. This is a valuable addition.

Collection of gender disaggregated data enables tracking of what is happening to women, and men. Gender disaggregated statistics allow policy-makers to gauge: (i) how women are faring against men; and (ii) how each group is progressing against its own benchmark year on year. If collected and analysed across time in the context of prevailing circumstances the data can help to identify the gaps in policy and provision that need to be addressed.

As is argued below, examination of the gender disaggregated statistics provided by the departments exposed an issue concerning one of the most vulnerable groups in this recession: young women with few or no qualifications. The information should alert departments to a matter that needs attention.

### Understanding young women

*Still Waiting* shows how many young women did not fully see or acknowledge gender inequalities, despite their accounts of their lives in that report being full of examples. The authors describe this as a 'passive acceptance' of continued inequalities and view it as unsurprising given that young women constantly hear about how much women have advanced in education and employment and through equality laws.<sup>5</sup>

Many young women have a healthy expectation that they will have equal opportunities with men in every field. Working to this assumption can empower them to make, demand and seize opportunities which in turn can stretch boundaries and help push institutions and society further forward towards the goal of equality. At the same time it is important for young people to recognise the persistence of gender inequalities that disadvantage women, young women and girls. Despite progress in narrowing the gaps between men and women, cultures and systems move slowly and young women themselves need to become the new generation of champions.

Youth Action NI identified some of the factors that make young women's lives different from young men's: friendship groupings, education, childcare and domestic responsibilities affect young women's social behaviour, expectations and opportunities. Traditional values and limited



employment opportunities also contribute to young women being socially excluded. Many young women suffer from low self-confidence and self-esteem and subsequently limited life choices.<sup>6</sup>

The recession is hitting young women hard. More young women are affected than are women of other ages. The unemployment among 16-24 year-olds has risen sharply in the recession, from 12% in 2008 to 19% in 2010 and is now above its level of the mid-1990s. Around two-fifths of all those who are unemployed are now aged under-25.<sup>7</sup> The worst affected group are young women with no qualifications, yet they are missing out on skills training that could put them in a better place to compete in the labour market. It is important that young women are not left out of the debate on educational under-achievement.

### Education and Training

Young women as a group leave school better qualified than young men: in 2008-2009 58% had two or more A Levels, and 76% had at least five GCSE's Grades A\*-C.<sup>8</sup> They are also more likely to progress to further and higher education, 81 per cent of young women compared to 69% of young men in 2008-09.<sup>9</sup> Both figures are an improvement on the previous year, when the respective percentages were 77% and 57%.<sup>10</sup> The figure for young women went up by four percentage points, and that for young men by twelve – a laudable achievement in reversing the under-representation of young men in education.

The Educational Maintenance Allowance (EMA) of £30 a week is paid to young people over sixteen in low income households in full-time education. EMA provides an incentive to young people to continue with their education by assisting with the costs of transport, educational material and other outgoings. Many expressed concern about the abolition of the EMA during the course of the research for this project giving examples of the impact it would have on young people in the context of tight family budgets. If the EMA is abolished in Northern Ireland following the decision to abolish it in England, young women will be affected in greater numbers than young men as more of them stay on in education and training.

### Higher and further education

Women make up 60% of students at Northern Ireland's universities. Yet they do not benefit in terms of salaries or in career progression; nor do sufficient numbers progress into the most senior jobs. In the 21st Century, well-qualified young women who choose to be mothers still cannot enter employment confident that they can have a career unbroken by childcare responsibilities if they wish.

The lack of childcare represents a considerable financial loss to young women now and over their lifetime. Firstly, they are investing more heavily in their education than at any time in the past, yet student fees are set to rise significantly from the 2012 academic year and their debt burden will be substantial. Secondly, they will have to take time out of the labour market for child rearing as well as child bearing. Thirdly, time out of the labour market costs them dearly in terms of benefits, particularly pensions. The earnings of women graduates with a pre-school child are on average only 44% of the earnings of childless women graduates with the knock-on consequences for their pensions.<sup>11</sup>

The impact of student loans is different on women and men. While young men and women both carry their student loan debt burden into the future, very few men are likely to spend a sizeable amount of time outside employment raising children thus avoiding the negative impact this has on career and finances, and consequently quality of life in old age. Furthermore, the gender pay gap means that it is likely to take a young woman longer than a young man to pay off the debt; or, at the very least, it will take added effort to pay it off on a lower salary.

A pregnant student may find she has to leave university without completing her degree for reasons that can range from lack of childcare support to insufficient means to support her baby and still end up in debt with no qualification for the money already spent and even less means of making a decent income. Some young women may come to the conclusion that there is not sufficient return on their investment to warrant going to university.



Several in the Young Women's Focus Group had student loan debts, including one who dropped out of university when pregnant. The increase in fees to £9,000 was seen by all as a major barrier to going to university and most in the Focus Group would be loath to take on such a large commitment. They were firmly of the view that young people, and even children, are demotivated by the cost of university and the financial impact on their parents. Charging large fees for education creates a mental as well as a financial barrier, especially among those from low income households.

### Young Women's Focus Group

"£9,000 per year is impossible."  
"Fees going up put you off."

Enrolment in some university and further education subjects is highly gendered. This can reinforce occupational segregation in the workplace rather than help to dismantle it. It is important not to be complacent when confronted with a headline figure of 39% female enrolment in science in NI universities and 30% in NI Further Education Colleges. These percentages mask a very deep divide between women's and men's choices within the sciences.

Women are significantly under-represented in computer science, engineering and technology, and architecture, building and planning in the universities. The gender divide in engineering and technology and architecture, building and planning is even wider in further education where the number of men enrolled in 2008-09 was around ten thousand in each compared to less than a thousand women.<sup>12</sup> Women were significantly over-represented in subjects allied to medicine and in non-science subjects in 2008-09, with little movement from the previous year.<sup>13</sup> There is little sign of change in either of these from year to year.

### Careers Advice and Guidance

The Women and Work Commission was forthright that '[c]hallenging these outdated ideas about 'jobs for the girls' is key to breaking down gender segregation in the workplace and changing our culture for future generations.'<sup>14</sup> Gendering of paid and unpaid work influences

young people from a very early age and leads to their own occupational segregation early in life. The combination of traditional role models presented to children and gendered social attitudes have had a significant influence on girls even before they choose GCSE subjects such as health and social care, child development and word processing while boys, mimicking their male role models, choose woodwork, technology or computer studies. The young women interviewed for *Still Waiting* cited school, teacher and societal expectations as the reasons for their choices.<sup>15</sup> Choices at school influence choices at higher education and have significant implications for the occupational routes open to young women and career choices that they make. This, in turn, impacts on their earnings.

The Northern Ireland Department for Employment and Learning has acknowledged that '[ca]reers advice and guidance are recognised as key factors in both individual and economic success'.<sup>16</sup> The Women and Work Commission 2006 noted that careers advice and guidance that successfully challenges gender stereotypes has the potential to open up opportunities for both girls and boys but that too many girls get poor career advice.<sup>17</sup> Poor advice and guidance contributes to the persistence of gender inequalities in the workplace.

The Women and Work Commission made a number of recommendations in 2006 about women in education and training. In its 2009 review of progress, the Commission expressed disappointment that there had not been more proactive work in actually 'challenging' gender stereotypes. It noted particularly that it was hard to discover what the enforcement mechanisms are for the delivery of non-stereotypical careers advice and how quality standards are monitored. It advised training for careers advisors on challenging gender stereotyping and the establishment of a programme of best practice for delivering careers advice in a non-stereotypical way.<sup>18</sup>

The Commission called for an overall strategy setting out aims and objectives in regard to gender stereotyping in the education system incorporating a clear vision of helping young women get a clearer picture of what the world of work is like and the consequences of their choices at an early age on their future career progression.<sup>19</sup>





## Further education and vocational training for 16-17 year olds

The participation rates of sixteen and seventeen year olds across full-time education and training in 2009-10 were 89% for young women and 84% for young men. However, behind these headline figures is a worrying trend. Figures over the last six years show a small but steady decline in young women's participation. Over the six years from 2005-06, while young men have gained four percentage points young women have lost four percentage points. More worryingly, young women have lost eight percentage points from their high point in 2006-07, and unlike the pattern with young men they did not reverse the trend in 2009-10.<sup>20</sup>

Taking 2005-06 as the baseline, 93% of young women were in further education and training. This jumped to 97% the following year and has fallen off since, at first marginally down to 96% in 2007-08, then a fall of five percentage points to 91% and a further fall to 89% in 2009-10. Slipping out of education and training at this early stage in their lives, will impact severely on young women's future and on their ability to find and retain employment in a slow labour market.

The gender disaggregated statistics reveal how young women have fared against young men and how each has progressed year on year and how young women's participation is falling back. Had gender disaggregated statistics not been available the single figure combining young women and men would have presented a very different picture: showing participation rates for young people as a whole to have reduced by just -0.7% between 2008-09 and 2009-10 and just -0.5% over the five years between 2005-06 and 2009-10. In reality this masks a rise in the fortunes of young men and a fall in the fortunes of young women that cancel each other out. Young men are continuing to progress, but young women are regressing.

Insofar as Jobskills and Training for Success courses are concerned in particular, DENI's statistics shed light both on how young women and men are doing and on the provision that delivers best for young women. Young men have always had between 74% and 78% of places on

these programmes compared to young women's share of between 22% and 26%. Young women's share has declined by four percentage points since 2007-08.

In the under-representation of young women in Jobskills, FE Colleges are by far the worst offenders. From a small 10% share in 2005-06 young women now get just 5% of FE Colleges' Jobskills provision. Non-FE providers are better at providing for women, but even here where young women once had a 41% share from other providers, this had fallen to 35% by 2009-10.<sup>21</sup>

The training opportunities provided by gender aware organisations such as Youth Action and women's centres are critically important to opening up opportunities for young and older women throughout training and apprenticeship. An Education and Training Inspection of Youth Action's apprenticeship programmes recognised the value of the holistic nature of the organisation's training support which included a strong element of pastoral care and personal development and the outstanding standards achieved by young people as a consequence.<sup>22</sup> Many of the young people on the programmes they inspected did not have the basic five GCSEs yet with the right support and the quality training provided they achieved a Level 3 qualification. This contrasts sharply with the examples cited in the *Still Waiting* study where one young woman had left a male dominated class because of treatment by the tutor and another had dropped out of another course because being the only female made her feel uncomfortable.<sup>23</sup>

*Still Waiting* referenced several researchers who had noted problems in training provision for women and identified lower percentages of young women intending to take up training. For example, the vast majority of training centres have predominately male trainees and there are few training organisations with crèches.<sup>24</sup> To this list can be added: the preference and priority given to male-centred vocational training over female-centred programmes; the lack of gender-awareness training and attention to tackling gender stereotyping; and the underpinning of occupational segregation in the workforce as the cultural norm provided by the current arrangement.



There are more young women than young men in mainstream FE courses, but nevertheless vocational training, job skills and apprenticeships are important to a stratum of young women who are not in either further or higher education and are not getting the opportunity to get qualifications, develop skills and gain experience. As can be seen below, these young women are particularly badly affected by the recession.

### Unemployment

At the other end of the spectrum from those entering higher and further education, are the 24% of young women who leave school with less than five GCSEs Grades A\*-C; 2% left with no qualifications at all.<sup>25</sup> While, in general, young men, whether with qualifications or not, are faring worse than young women,<sup>26</sup> the Institute for Public Policy Research found that the worst affected across both genders and all age groups are young women with no qualifications whose unemployment rate is 46%, an increase of nearly 18% since March 2008.<sup>27</sup> In the tough economic climate, with little share of vocational training and work-related opportunities, these young women will find it difficult to reverse their fortunes.

The knock-on effect of this is substantial. Young women who are not able to enter the labour market in their twenties may find that they cannot work in their thirties due to caring responsibilities, or may have to choose between work and children due to low wages and inadequate and expensive childcare. If they are not able to work when they are young, women can be locked out of the labour market, skills development and an adequate pension.

Young adults' unemployment doubled between September 2006 and September 2009 and accounts for 40.7% of the total unemployment in Northern Ireland,<sup>28</sup> and they make up around one-third of claimants on Job Seekers Allowance (17,000). The unemployment gap was already widening for young people before the recession which affected the under-25s most. Northern Ireland has seen one of the largest rises in youth unemployment in the UK;<sup>29</sup> for young adults the rate is 12%, four times greater than the rest of the working population, while their contemporaries in Britain have a rate three times the rest of the population.<sup>30</sup> Young men have

been badly affected, but female employment rates in the under-25 group have also declined significantly, with a correspondingly sharp increase in unemployment.<sup>31</sup> A higher proportion of young women are unemployed compared to other age groups of women.<sup>32</sup>

At its highest in ten years, the persistent youth unemployment problem in Northern Ireland, which has never dropped significantly below 10% since 1997,<sup>33</sup> is worsening as a result of the economic downturn. The fear is that the recession will condemn young women and men to long-term joblessness and blight their futures. The seemingly intractable problem is well-known to the young women who took part in the Young Women's Focus Group for this project and articulated even greater challenges for them since the onset of the recession.

A study for the Department of Work and Pensions in 2010 noted that all interviewees reported an increase in redundancies among young people, many suggesting that companies were prioritising junior roles and peripheral positions for redundancies.<sup>34</sup> There was concern about apprenticeships drying up with a drop-off in SME apprenticeships noticed. Graduate unemployment and lack of opportunity may mean that they will take lower-skilled jobs and displace less qualified young people who may become disheartened and disengage from employability programmes.

Those in the Young Women's Focus Group were in the position of seeking rather than having work. The Community Leadership Programme in Youth work was coming to an end and participants felt fulfilled and empowered. Yet, despite the level of skill developed through gaining an NVQ Level 3, a Technical Certificate Level 3 and valuable work experience, they were not confident about future employment prospects.

With little opportunity in the Derry labour market, most had personal experience of redundancy and worklessness individually and within their family and friendship networks. One described the knock-on effect of redundancy on women in the informal economy by giving an example of a relative losing her income as a childminder when the father of a child she minds is made redundant.



Several of the young women had been made redundant and were aware of hundreds of layoffs in the city, and knew people who were working below their educational and skill level. Call centres had provided a significant proportion of Derry's jobs and with closure, a great many jobs were lost by women; one young woman had been working in a team of fourteen women and two men all of whom had been made redundant. Their hope was to get a job in a new call centre. The competition would be tough and the jobs are insecure and temporary; call centres' practice is to offer 6 month contracts, which restricts rights and benefits.

#### Young Women's Focus Group

*"I'm on the minimum wage when doing the CLP. I'm now starting to look for jobs and there are none there. It is worry and stress."*

*"Derry was already a tight job market but it is getting tighter. Employers are looking for desirable as well as essential criteria and you need experience."*

*"There used to be a lot of call centres and lots of turnover in staff. Now there are only two call centres and they are not recruiting."*

#### Employment and seeking work

BYC respondents who are in employment were doing their best to 'recession proof' their jobs with relevant training, updating skills, networking and updating their CVs. Many felt they had to do more than this, over 40% going beyond their basic job responsibilities. Nevertheless, one-third did not feel secure in their jobs and for young unemployed women it was not a rosy future at all; they could not see a way out of the vicious circle of no experience no job and no job no experience.

#### Weathering the Recession, British Youth Council, January 2010

*"[I've been] working all hours possible to get into the manager's good books." (Female, 19)*

*"I feel down. Depressed and annoyed as I cannot get a job without any experience but I haven't had any because I've been in education." (Female, 16, unemployed)*

The women who took part in the Young Women's Focus Group for this project were checking job

websites regularly, sending off considerable numbers of applications, getting few interviews, getting practically no acknowledgement from employers for their effort in applying (recruitment agencies perform better), and felt excluded from government long-term unemployment initiatives. Some were prepared to relocate or travel a distance to work. Others, particularly those with children, were not in a position to move away from their support networks.

Several looked for jobs regularly but found it demotivating. Their common experience was that 200-300 others were chasing the same jobs,<sup>35</sup> and employers were looking for six to twelve months' experience for even low-level work. One had applied for sixty or seventy jobs over two months, securing just three interviews. One of the most disheartening things is the failure of employers to acknowledge applications. It was rare to get a response – "Recruitment agencies get back to me, but not employers." They were disappointed not to be able to find the kind of work they wanted but they were realistically following up all available avenues. At the same time, recruitment agencies were telling them not to expect anything soon.

The young women were alert to keeping their future prospects alive by maintaining an up-to-date CV, staying mentally alert and actively seeking experience through volunteering. They were concerned about the cost of maintaining their job-readiness, for example, being required to pay for their own travel which would make volunteering on a low income impossible. Some were prepared to travel to find work: moving to or travelling daily elsewhere in Northern Ireland for a job; moving to Dublin or England to look for work if they had friends there who could provide accommodation. One or two were considering following the example of friends who had emigrated but were tempered by stories from friends and relatives of mixed fortunes from temporary full-time work, to casual work to no work at all for months on end.

Relocating was not an option for others. Some could not conceive of leaving family and friends, while those with children had support networks in Derry which they feared losing.



### Young Women's Focus Group

*"I feel pressure to emigrate."*

*"I'm looking for jobs in Dublin. My friend lives there and travels to Derry at the weekend. I don't want to go but ...."*

*"I'd never leave Derry. I lasted two weeks in university in Liverpool. My family and everything I want is here."*

*"My whole support network is here. [My daughter] is settled and has her own friends."*

### Standard of living

If successful in finding work, many young people will be on low wages. The National Minimum Wage for those over twenty-one is £5.93 per hour, young people can find themselves on £4.28 (age 18-20), £3.64 (age 16-17) or even £2.90 on an apprenticeship (under 19 years or for the first year if over 19). From October 2011 these amounts will increase by just a few pence.

However, research by the Joseph Rowntree Foundation (JRF) demonstrates that a single person working full-time requires £7.12 an hour to achieve a minimum standard of living in Northern Ireland and points to a number of gender differences in maintaining a minimum income standard. JRF found that costs for men are slightly lower in Northern Ireland than in Britain, while for women they are higher. For a single female personal goods and services are 30% higher than in Britain and 89% higher than for a single male of working age in Northern Ireland, while clothes are 38% higher than for the single male in Northern Ireland.<sup>36</sup>

Every one of the young women in the Young Women's Focus Group found it a struggle to manage on their income paying rent, energy costs, groceries, personal items, children's needs and transport costs. Those reverting to Jobseekers Allowance from the minimum wage they received while on their training programme could not see how they could manage to pay their bills.<sup>37</sup> Some had given up independent living in a household with their partner to return to their mother's house. Many, including those with children, depended on their mother to feed them at the end of the week or month.<sup>38</sup>

Those living independently from parents, particularly those with children noticed a significant increase in their shopping bills and the impact of the increased VAT rate in January 2011. They noted higher prices for groceries, washing powder, materials for cleaning the house, energy costs, clothes, necessities for children, cosmetics and petrol. All were aware of healthy eating and those with children were doing their best to buy decent food but found it expensive.

### Young Women's Focus Group

*"My wages are not going anywhere. Diesel has gone up. I've had to use the tumble dryer in bad weather. The cost of nappies has gone up. And I'm expecting another child."*

*"The money is gone when you pay for the rent and groceries. You can't have fun."*

*"We're told to eat fruit and vegetables but it's expensive to eat healthily."*

*"Poor food has an effect on health but Tesco's fresh food and vegetables for a week cost £20-£30."*

*"I shop for myself and my partner and after the VAT increases it was £20 more expensive. Fresh meat is dear so I buy more processed food now. Two fillet steaks cost £14."*

Even with child tax credit of £110 to help with childminding one young parent was struggling to make her money stretch from one pay packet to the next. Every week she had to find the shortfall of £40 between the child tax credit income and the cost of childcare. Another participant was finding it difficult to run the car she needs for her job between the cost of repair and the increase in insurance.

### Young Women's Focus Group

*"I'm struggling to find the money and waiting for my wage to come in. Childminding is expensive, about £150 a week."*

*"My child benefit comes monthly. It comes a week before the wage comes in. This is the only time I have money."*

*"I live on tax credit and child tax credit to pay transport, nappies, etc. The wages pay for the heating and groceries."*

*"My child benefit of £20 comes weekly and it pays for my gas and electricity."*

*One young mother described her life:*

*"I use coal and oil. I don't use oil much, just £60-*



*£80 per month. The fire has a back boiler; the coal is £15.20 a bag and I need 2 bags a week which is £120 a month. I bought 500 litres of oil in August for £247, and in January 500 litres cost £279. Usually I put £10 a week in the electricity meter, but it takes £20 a week in winter with tumble dryer. If you put £40 in you seem to get more out of [the meter]. When the meter beeps it has run out of credit but it will not actually run out at nights or at the weekend; you are on emergency supply. When you top it up then it seems to be double. If you live in the country you can only top up by phone or online with a minimum of £15 – otherwise you have to drive to the nearest town to get £5 or £10.”*

It was not solely the young women in the group who relied on their mothers to fill the gap between income and expenditure at the end of the week or month. They reported that their friends and siblings did as well, and it was the same story whether they were single, lone parents, had a husband/partner and children. They simply did not have enough money for groceries or for heating the house. Some visited their mothers for meals while others slept over for periods, some taking partners and children with them. Not only are young women under pressure but that pressure is feeding back up into the family, mainly mothers, who are providing the social protection safety net.

#### **Young Women’s Focus Group**

*“I go to Mum’s for dinners, especially in the last week in the month – I can’t afford to do a grocery shop that week.” (young mother)*

This is corroborated in the BYC survey where more than half admitted that they and or their parents/carer were under pressure in trying to pay their bills, especially fuel and housing. BYC reports that young people are still doing some leisure and sports activities, but that the cost – whether entry fees, equipment or transport – is becoming a barrier; it exceeded by far other reasons as an obstacle to participation.

#### **Weathering the Recession, British Youth Council, January 2010**

*“It’s painful to watch them [parents] struggle to pay the bills. My mother is making less than half of what she did a few years ago.” (Female, 15)*

*“Because it’s affected my parents it affects me as well, because I have bills of my own to pay for and I can’t pay it because NO-ONE will hire me and my parents are doing everything they can to keep a roof over my head.” (Female, 17)*

Perhaps prompted by the recession and forecasts of long-term job insecurity, a lot of the respondents in the BYC survey said they were trying to save. However, more than 60% were finding it hard to save and were living in debt from student loans, bank overdrafts, credit and store cards and other loans. All in all, one-third of them were worried about the state of their finances and a debt-burdened future.

#### **Weathering the Recession, British Youth Council, January 2010**

*“I live on my overdraft, and am constantly on or over the limit of it.” (Female, 19, studying for a degree and working part-time)*

*“I used to be responsible in my attitude towards saving, but since I have got around £9,500 debt for every year I have been at university, despite the fact that I work full time alongside studying full time, I still don’t have enough spare cash to save much.” (Female, 20, studying for a degree)*

*“I am in debt exceeding £20k, even before student debt!! I have nothing saved and worry about my pension/old age.” (Female, 25, studying for a degree)*

*“I never seem to be able to save much and worry about being able to buy a property.” (Female, 24, employed full-time)*

The Young Women’s Focus Group corroborates the BYC findings. Not one of the young women had been able to save. Quite the reverse, one parent had taken everything she had out of the Credit Union to pay for Christmas. Some had debts such as student loans; young women can carry a student loan debt burden yet fail to get a degree due to dropping out for reasons of pregnancy – they have the pain (debt), but not the gain (degree). Moreover, paying off their student debt is harder for women given the gender pay gaps and their interrupted working cycle for child rearing. All considered taking on a student debt of £9,000 to be prohibitive.



### Economic impact on home circumstances and access to services

When young women in the BYC survey described the impact of the recession on their lives, relationship tensions came through strongly: tension in the house as a result of the extra stress with constant worry about bills; arguments between the young person and her parent; tension between friends who were hanging about doing nothing.

Very many young women in Derry share a similar unemployment history and their lack of prospects impact their relationships. They have insufficient income to maintain an independent living apart from their parents. Stories of friends who had intended to set up house with their partners but changed their plans out of fear of being unable to afford the rent if made redundant, or a household where both husband and wife had been laid off with little redundancy money and children and an older dependant to care for had made them cautious.

One young woman had moved back to her parents when she and her partner could no longer afford to live together. Another had lived in a shared house in Derry but moved back to live with her mother in the country when she was laid off. Without a car and poor public transport, mobility to seek work and take up training was a challenge. Another was watching her budget carefully but spoke of potential homelessness and separation from her partner when her rental contract comes to an end; her partner had a part-time job but as he is not entitled to any benefits and she cannot get a job they will be unable to make ends meet.

Several in the Young Women's Focus Group were unable to afford necessary dental work reporting that no dentists in Derry undertake NHS work. One had been advised to travel to Coleraine or Belfast, to see a private dentist. Dental fees and travel costs are beyond their ability to pay.<sup>39</sup> The transport system in rural areas does not make training, employment or shopping accessible, with infrequent services and no buses beyond the morning and evening which meant having to wait for several hours to return.<sup>40</sup> Finding the money from a low income

to travel to interviews or maintain social relationships was problematic.

#### Young Women's Focus Group

*"It cost me £21 return to go on the bus to Belfast for an interview."*

*"I don't drive and I cannot afford to learn. I need transport for job interviews and shopping."*

### Conclusions

Young people's job prospects are poor at the time of writing this report. They struggle daily with living on low incomes and little prospect of getting work immediately. As a result many are unable to live as independent adults. They need to be treated with more dignity and equity in terms of income. Additionally, if the Educational Maintenance Allowance is abolished, more young women than young men will be affected by the loss of this as more are in education and training.

Educational under-achievement is an important issue for young women as well as young men as is evidenced by the fact that young women with no qualifications are the group worst affected by the recession. Young women must not be left out of the debate on under-achievement and should benefit from measures to tackle it.

There appears to be a trend of reduced take-up of further education and training by young women which needs to be monitored and explained. Gender stereotyping and occupational segregation and their effects are worse in vocational training. They have resulted in a paucity of opportunities for women and this should be a matter of concern for the Department of Education and Learning.

Well-resourced youth service provision is more important than ever at the present time for many vulnerable young people, including young women. It is an important source of employment related support, and the opportunities for young women provided by gender aware organisations like Youth Action and women's centres should be protected and expanded as they offer the right kind of support and pastoral care and achieve excellent outcomes. Their training results are often considerably better than mainstream programmes and it is important to see what



lessons can be learned so they can be disseminated to statutory and private providers.

Any suggestion that youth policy should shift from a cut-off point of age twenty-five to one of age eighteen is unwise especially in the current economic climate. Most of those who are being made redundant from trades, are having apprenticeships suspended before they complete or are on FE college programmes but no placement can be found for them are all likely to be over eighteen. Youth service support has been invaluable for many young women over eighteen who are mothers or carers, and for whom this support is unlikely to come from elsewhere.

### Recommendations

- The Department for Employment and Learning should pay special attention to young women with no qualifications and ensure that the needs of young women are included in policy formulation and service delivery to overcome educational under-achievement.
- The Department for Employment and Learning should review Jobskills and apprenticeships and take steps to open up opportunities for young women. This should be accompanied by gender-awareness training for programme leaders and tutors.
- The Department of Education should develop a strategy to tackle gender stereotyping in the education system, including the careers advice and guidance service. It should include clear mechanisms for enforcing the delivery of non-stereotypical careers advice and for monitoring quality standards.
- Careers advisors should receive training in challenging gender stereotyping and a programme of best practice for delivering careers advice in a non-stereotypical way should be established.
- Actions to increase the number of women into science, technology, engineering and maths should drive down into specific areas of gender imbalance in science and technology and be extended to architecture and planning.
- Youth service policy and priorities should incorporate a strong, visible gender focus which should be seen to permeate down through programmes.
- The healthy start vouchers for milk, fruit and vegetables which midwives used to give to pregnant women should be reintroduced.
- The UK Government should not make any more cuts to welfare benefits, especially those that affect lone parents.
- The UK Government should introduce an equal minimum wage for young people. As many jobs are very low paid, young people should be able to claim Working Tax Credit before the age of 25.



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- 38 The common term they used was 'mother' rather than 'parents'.
- 39 They quoted figures of £50 for a check-up in the dentist and £70 for the first x-ray; as well as £35 for an eye test.
- 40 The example was given of travelling from Feeny to Derry via Dungiven to get to the CLP course in time, and travelling home.



## Older women

### Gathering the data and making it gender specific

Those aged 60+ account for 19.4% of the Northern Ireland population. Over the ten year period to 2009 the pensioner population has increased by 17% overall with those aged 85+ rising by 23.4%.<sup>1</sup> The demographic landscape is changing with our increasing longevity and this will require new ways of thinking and working. It is estimated that the over sixty-fives will comprise almost a quarter of the population by 2041.<sup>2</sup>

**Stephen Webb, Minister of State for Work and Pensions, Liberal Democrat**

*"The pace of improvement in longevity is breathtaking. Between 2004 and 2008 ... life expectancy at pension age increased by well over a year in just four years. It is almost like a runaway train."<sup>3</sup>*

Gendered information is not always available, but an example of where it is available serves to illustrate the importance of gender disaggregated data and analysis. The Joseph Rowntree Foundation undertook a systematic piece of work on a minimum income standard tailored to different groups in Northern Ireland (and in other regions of the UK).<sup>4</sup> The income standard in Northern Ireland was developed through public consultation in Northern Ireland on the essentials necessary to maintain a decent standard of living and the means to participate in community and society. It arrived at an average single pensioner minimum income standard of £140 per week. As the data collection was also gendered it was clear that this average figure concealed a £20 per week differential between women and men – in other words, a female pensioner required an additional £1,000 a year to maintain the same standard of living as a male pensioner.

An Older Women's Focus Group formed part of this project.<sup>5</sup> The women who took part were of various ages with the oldest being 90 years. They live in a variety of accommodation: houses,

apartments and one in sheltered accommodation provided by a housing association. Most live on their own, with one having her son living with her. All looked forward to their weekly trip to the Footprints Women's Centre.

The majority of those aged 60+ are women (55.6%) and the proportion of older women compared to older men increases with age – they account for 59% of those aged 70+ and nearly seven in ten of people in later life aged 85+. With the expansion in the numbers of older people, these latter two age bands are expected to increase between three and fivefold.<sup>6</sup> Thus, older age problems are likely to be experienced by much greater numbers of women than men.

### Agenda for older people

Ensuring that older people as a group have good living conditions and the best opportunities for a rewarding life can make a significant difference for older women. At the same time attention must be paid to gender differences in needs and wishes and in conditions of life. Many of these gender differences are a result of gender inequalities in earlier life, such as low and unequal pay and a culture of caring that carries on into later years. Many older women over eighty-five years come from a generation that was less likely to work and spent most of their lives managing a home; some were required to give up their jobs when they married.

On the other hand the contribution that older women, and older men, make to society, in employment, as consumers, in their communities and to their families should not be underestimated. Older women have expectations as citizens and diverse needs to be met across the spectrum of policy areas and issues. Moreover, as longevity increases older people will want, and will be expected, to remain in the workforce for longer. They will want to see an end to direct and indirect age discrimination that prevents their full access to goods and services, and their full enjoyment of life.

The Northern Ireland Executive's strategy for older people was launched in 2005.<sup>7</sup> *Ageing in an Inclusive Society* set the vision: 'To ensure that age-related policies and practices create an enabling environment, which offers everyone the



opportunity to make informed choices so that they may pursue healthy, active and positive ageing.' The strategy had six strategic objectives covering financial and economic resources, integrated services, a decent and secure life, access to services and facilities, equality of opportunity, participation and coordinating with social partners.

Northern Ireland has been described as having the 'most disjointed and limited approach to ageing issues' in the UK.<sup>8</sup> In a 2008 Life and Times Survey, a large proportion of the Northern Ireland population agreed that authorities were not doing all they should for older people. Specifically identified were issues of dignity and respect in health and social care, and treatment by employers and by people in the financial sector.<sup>9</sup>

In December 2008 the Executive appointed an interim Older People's Advocate and embarked on a consultation process that ended in legislation and the appointment of a permanent Commissioner for Older People in mid-2011. As well as a new agenda for the Commissioner it is time for the Executive's 2005 strategy to be refreshed. The call from the Age Sector is for public policy to "promote the positive construction of ageing which can reinforce the social, economic, political and cultural benefits of an ageing population"<sup>10</sup> alongside the range of vital services needed to enable older people to remain independent and to participate in their families, communities and society.

## Poverty

Older people say that the main problems they face are: fear of crime, keeping warm in winter, making ends meet, loneliness, lack of respect and access to healthcare. Significantly more reported winter warmth as a problem in 2008 than in the same survey five years previously – 70% of those aged over sixty-five.<sup>11</sup> There were 756 excess deaths amongst older people during the winter of 2009-2010.<sup>12</sup>

Fuel poverty is higher in Northern Ireland than in the rest of the UK – affecting 44% of people compared to 16% – and the number of older people in fuel poverty is increasing relentlessly. At 61.5%, this is an increase on the 2006 figure of

47% for older people in fuel poverty which itself had increased from 2001.<sup>13</sup> The proportion of those aged 75+ in fuel poverty is extremely high at 76% and for single older people the figure is 83%. Women comprise the considerable majority of those affected, especially in later life.

### Older Women's Focus Group

*"Electricity prices were the biggest shock. My bills increased to £300 a quarter. I top up my meter weekly and I've been doing this every Monday until recently when I had to top up on a Sunday." All the participants in the focus group were convinced of the need for the winter fuel payment and were very concerned that it might be a casualty in public saving measures. Everyone had noticed the rise in electricity prices since the summer, and they found the price of gas and oil extremely costly.*

Older people in Northern Ireland are at significant risk of poverty; in 2008/09, 23% were deemed at-risk compared with 16% in the UK and 11.1% in the Republic of Ireland. The number of single pensioners at risk has risen by 10,000 (57%) in the last six years and pensioner couples by 8,000 (26%). Older women have a higher risk of poverty than men and pensioners living alone are most at risk at 28%. The at risk poverty rate for women aged seventy-five and over is considerable.<sup>14</sup> Lack of income restricts many older people in retirement. Of older people living in households whose income is less than 60% of the median income two-thirds are women.<sup>15</sup>

Hillyard et al note that one of the most pervasive gender inequalities is in pension provision and this is one of the major reasons why women in retirement, especially single women, are at greater risk of poverty.<sup>16</sup> Many older women also live in poverty due to the complexity of the social security system. As the age at which women qualify for the basic state pension increases, so does the age at which they qualify for the winter fuel payment and Pension Credit. Moreover, with changes to disability benefits there is a prospect of older people with disability being stranded between unemployment and retirement on increasingly inadequate benefits.<sup>17</sup>

Evason et al advance the argument that the Family Resources Survey does not accurately



measure the extent of poverty for older people as the method for calculating Disability Living Allowance and Attendance Allowance overstates the standard of living of those with disability.<sup>18</sup> This not only disadvantages persons with a disability, who are likely to be older people, but most particularly a greater number of women pensioners pushing them into poverty.

Evason et al suggest that an in-poverty percentage of 41% for single women pensioners is more accurate. Kelly and Tomlinson note that 47% of women aged 75+ live alone compared to 30% of men.<sup>19</sup> The differential impact on women can be fully appreciated by applying both sets of percentages to the numbers of women and men aged 75+. Thus, almost four times as many women are affected as men – 13,760 women to 3,525 men.<sup>20</sup>

The consequences of this are severe for women given that they live longer than men and face a greater risk of disability into older age. Moreover, the Institute for Fiscal Studies estimated that the 2010 Budget changes to tax and benefits means that the poorest fifth of pensioner households in the UK will experience a 2.4% reduction in net income.<sup>21</sup>

### Older Women's Focus Group

*"My mother lives in constant fear of it [the DLA] being taken away and her anxiety levels are very high at the moment with the talk of benefits cutbacks."*<sup>22</sup>

*Every focus group participant lives on her pension supplemented by Pension Credit. Two receive Disability Living Allowance as well. All felt they were able to manage in January 2011, but were uneasy about what might be in store. They were concerned about pensions failing to keep pace with inflation and being unable to maintain a reasonable standard of living.*

### Income, Savings and Expenditure

Twenty per cent of pensioners are on low income in Northern Ireland, a slightly higher proportion than elsewhere in the UK.<sup>23</sup> It is estimated that 45% of single pensioners have an annual income of £10,000 or less and 61% of couples £15,000 or less.<sup>24</sup> The Prudential published figures that show that women retiring currently could have

an average annual pension of £12,170 compared to a male average of £19,590.<sup>25</sup> Moreover, both the Prudential and Scottish Widows found that the pension gap between women and men is increasing.<sup>26</sup> On top of this, 58% per cent of single female pensioners and 44% of couples in Northern Ireland have no savings. A further 10% and 11% respectively have savings of less than £1,500.<sup>27</sup>

There is a considerable difference between the average income received by women and that received by men. Single female pensioners receive on average £53 per week from private pension income and £211 in overall income compared to single male pensioners receiving on average £80 per week in private pension income (occupational and personal pensions) and £242 in overall income. Income is not distributed equally within a couple household. Women who are part of a pensioner couple receive an income on average of £146 per week compared to £334 per week for a man in a pensioner couple.<sup>28</sup>

The Pensioners Income Series 2006-2007 report published in March 2009 revealed that sources of income for single female pensioners differed to those of single male pensioners. As a percentage of gross income, benefits form the largest percentage of single female pensioners' incomes: 75% compared to 48% for single male pensioners. They are also less reliant on personal pensions (1% compared to 6%), investments (4% compared to 10%) and earnings (6% compared to 21%). Women are equally reliant on occupational pensions (14% and 15% respectively)<sup>29</sup> but, as seen above, receive much less in income from this source than men.

The recession and galloping prices are having an effect on pensioner purchasing power. While those in the Older Women's Focus Group said they were managing at the moment, 47% of older women compared to 38% of men told Age NI that they struggle to get by on their income. One in ten stated that they had skipped meals to cut back on food costs in the twelve months 2009-2010 compared to 5% of men.<sup>30</sup>

### Older Women's Focus Group

*"I shop in Tesco's because it is cheaper. But my last grocery bill was £85. It has gone up by £15-£20"*



over the recent past.”

*“I’ve been trying to replace my cooker, but I can only spend so much money. I’ve been searching around for the cheapest I can find, which so far is £329 in Belfast city centre.”*

*The participants really noticed the cost of the weekly shop going up and the increase in VAT since January 2011, and discussed the difficulty of replacing large household items.*

Older people who own their own homes suffer rises in the cost of living but do not benefit from falls in interest rates as they are less likely to have mortgages. Overall costs for older people have not fallen as greatly as for the population as a whole and they have also seen increases in items where they spend proportionally more, such as utilities. Age UK’s Silver Retail Price Index indicates that 55+ have a real RPI rate of between 1.8% and 4.1% on top of the ONS headline rate, with those age 75+ suffering the highest rate of around 4%. A typical sixty year old is on average £620 a year worse off.<sup>31</sup>

The recession is impacting on older people through the government’s decisions on welfare and pension reform causing worry and stress about reduced or frozen incomes, cuts in services and charges for services that are now free. Many fear that increased financial hardship is their future. The increased drive to save on public expenditure and grow the economy comes just as the default retirement age has been removed and the age at which women qualify to receive a state pension is moving further away at an accelerating rate, and with it their entitlement to other benefits as noted previously.

### Age NI

*“83% of older women have told us they are worried they will be affected by spending cuts compared to 74% of men. There is a real danger that new budgets will have a considerably adverse impact on older women, especially those who may need extra care and support to live active and fulfilled lives.”<sup>32</sup>*

Age NI is particularly concerned about cuts to health and social care budgets and to the Warm Homes Scheme. While some money has been identified through the Innovation Fund for benefit uptake initiatives, sustained action is

required to reach all older people in need. Health and welfare cuts are likely to have a disproportionate impact on older women given their higher levels of income poverty and long standing illnesses.

### Employment

As it becomes increasingly common for older people to work beyond sixty-five, it is likely that women will remain in the labour market for longer. For some it will be a choice and for others it may be a necessity in order to avoid a lengthy old age spent in poverty. The final legal impediment to remaining in the workforce into older age has been removed with the abolition of the default retirement age, but it remains to be seen whether women are able to overcome sexism and ageism and retain their jobs. Once out of employment for a period of time it is more difficult to secure another job when one is older.

Labour market participation into older age has in fact been rising over a decade, and steadily since the introduction of the Employment Equality (Age) Regulations (Northern Ireland) 2006, and the default retirement age change in 2011. Those aged 60+ have weathered the recession so far,<sup>33</sup> but the impact of the public sector retrenchment may not see that last. In relation to labour market participation rates over the recessionary period men’s economic activity rate has outperformed women’s in the 60+ age bracket, although as McGill notes women are eligible for a state pension and cannot claim unemployment benefit.<sup>34</sup>

In previous recessions, weak demand in the labour market has led to the encouragement of early retirement amongst older workers and the marginalisation of older jobseekers.<sup>35</sup> Research for the Equality Commission for Northern Ireland indicates that ILO unemployment rate for those who are 50+ in Northern Ireland has been consistently below the rate for younger age groups since the start of the recession.<sup>36</sup> Thus those aged over fifty seem not to have been disproportionately affected by weaker labour market demand. In a challenging economic period employers may be holding onto their experienced workforce where they can, though there is always a danger of firms saving on their



employment bill by replacing older workers with less costly younger entrants.

Nevertheless, examination of the last three years of claimant count figures for those aged 50+ indicates that the employment situation for older people has deteriorated during the recession. A gradual decline in the claimant count numbers came to a halt in the summer of 2008 and, with the exception of occasional monthly variation, has since been on an upward trend. The trend has been more gradual for women but it is there nevertheless and with significant job losses expected in the public sector which is a large employer of women this is likely to increase. Contraction of public sector employment will also bring repercussions in terms of women's pensions.

### Caring and 'grandparenting'

Around 46,000 people aged 60+ are involved in caring (not including childcare) in Northern Ireland.<sup>37</sup> They comprise about one-quarter of all carers. At age 65+ the number of older carers reduces to around 22,000 or 12%, which is one in eight of all carers. Almost half were care-givers for more than twenty hours per week, and 36% provided more than fifty hours. Fifteen percent reported they were not in good health themselves. The carer role is typically carried by older women; 57% of women aged over fifty are carers and at 60+ it is 29%.<sup>38</sup> Evason et al noted how grandparents were reducing pressure on statutory services by looking after their own parents. One in five cared for someone who was sick, disabled or elderly.<sup>39</sup>

In work for Carers Northern Ireland, the University of Leeds estimated that unpaid care provided by friends and family members to ill, frail or disabled relatives is now worth £4.4 billion a year. It has risen by over a third since 2007 and now exceeds the total cost of the health and social care service in Northern Ireland (£3.6 billion). The University estimates that there are over 207,000 people in Northern Ireland (1 in 9) providing care for ill or disabled people which would otherwise cost the state £18 an hour, based on UK average rates. This means that each carer saves the state on average more than £21,000 a year.<sup>40</sup>

### Age NI

*Client's daughter has been advised that there is no money available to be able to offer her mother a place in a nursing home. The client has dementia and her family can not cope with the amount of care needed to keep her at home.*

Many older women provide informal, unpaid care for children. They mind their grandchildren to assist lone parents to rejoin the workforce or generally help daughters and sons to juggle work and home responsibilities and/or to keep the cost of childcare within bounds. Evason et al note that 'the standards of many two-parent families would clearly be lower – and their entitlement to various benefits higher – without the help with childcare that grandparents contribute.'<sup>41</sup>

A quarter of the respondents to the 2004 Life and Times Survey were grandparents, split 50/50 between the under and over 65s. Almost twice as many grandmothers (40%) as grandfathers (22%) had given regular help with babysitting or childcare. Over a quarter of retired grandparents were still working. Fourteen percent of all grandmothers had reduced their working hours or given up work completely to look after grandchildren – this is clearly a significantly higher proportion of those grandmothers still working – the figure for grandfathers was 5%.<sup>42</sup> Moreover, informal caring can be a cost burden for older women surviving on low incomes who are not entitled to receive the childcare element of tax credits.

The increasing economic pressures on working families over coming years could result in inter-generational strain focused primarily around the expected role of grandmother. Younger adults with children may turn more often to the older generation for assistance at a time when older women expect, and are expected, to remain in the workforce for longer before they qualify for a pension. Older women may be torn between competing pressures: whether to continue to earn a living and provide for a more comfortable old age or to sacrifice themselves for their children and grandchildren.



## Health, well being and social care

A UK study that coincides with the economic downturn suggested that life satisfaction and quality of life has deteriorated for older women. Women aged 75+ have particularly poor well-being, with high rates of depressive symptoms, low life satisfaction, poor quality of life and high ratings of loneliness. The research found that the link between wealth and well-being was particularly striking in single older women at the bottom end of the wealth scale as they coped with the significant rise in spending in life's basics of food, fuel and clothing over the last few years.<sup>43</sup>

McGill estimates from available statistics that those aged 65+ make up 43% of all single adult households in Northern Ireland, half of whom are in the 75+ age group which is comprised of more than 60% women.<sup>44</sup> About a third of women in this age group have poor mental health while two-thirds have a longstanding illness or disability.<sup>45</sup>

### Older Women's Focus Group

*The women rely on their bus passes to get around, otherwise they would be more confined to their houses. As it was, their ability to participate in community and social activities was hampered by the lack of public transport in the estate.*

*They rely on Footprints Women's Centre and other community organisations for social networking and really appreciate their weekly lunch and bingo. Each one coming to the Footprints Centre travels at her own cost, making a significant weekly financial outlay from a low income to pay for or share a taxi. The cost can be £5-£7 every week to come to the centre; and another £5 to go to another programme. They look forward to the bus trips that Footprints organises and regret the summer months when activities cease for a period.*

As Engage with Age points out living alone, social isolation and loneliness are three separate concepts.<sup>46</sup> Older people's ability to participate in community life and overcome social isolation relies on their capacity to get out and about, and on an approach from others that encourages social connectedness. Both the Northern Ireland Life and Times and the Engage with Age surveys found that most older women express positive

attitudes towards their lives and often look forward to every day, although others are isolated or lonely.

Older people aged 65-74 years are slightly more likely to use libraries and mobile libraries than other age groups, and in 2005-06 the over sixty-fives made up 21% of those taking non-vocational courses.<sup>47</sup> Libraries have been seen as a 'soft touch' when it comes to public expenditure cuts while changes to age regulations and the refocusing of FE Colleges' priorities have resulted in older people being denied free access to further education courses. Both of these outlets have been important traditionally to older people's enjoyment of life and socialising.

### Older Women's Focus Group

*'Good Morning Colin' rings around 200 senior citizens every day, about 170-180 women and 20-30 men. Several participants said "We all look forward to hearing their [the volunteers'] voices and having a chat. These calls are lifelines to people."*

*Participants reported that one local befriending group's funds were being cut in the current climate. Another service was trying to secure its future funds.*

Incidence of disability rises sharply with age. The 2004 Life and Times Survey found that almost a third of grandparents had a long-standing illness, disability or infirmity. Pensioner couples and single female pensioners are most likely to be receiving at least one disability related payment (38% and 37% respectively).<sup>48</sup> The differences in mobility difficulties between women and men 70+ are significant. In the 70-80 age range women were almost twice as likely to have a disability as men (27% to 14%), and in the 80+ group the divergence is twenty-eight percentage points (45% to 17%) to the disadvantage of women.<sup>49</sup> Thus almost half of women over eighty are affected.<sup>50</sup> Moreover, there have been incidences of older people being turned down for operations due to their age and a lax attitude taken to illnesses and ongoing conditions on the grounds of 'what do you expect at your age?'

### Age NI

*The client is currently in hospital and she has been deemed medically fit but requires residential care.*



*Her case has been put to the Trust twice and refused on both occasions. She has been told that it is due to finances and there are 86 people waiting ahead of her.*

Just over half of the Northern Ireland population think that older people are disadvantaged in health and social care, whether in the treatment of illness or in being placed on waiting lists for tests and operations.<sup>51</sup> There were around 15,100 care packages in place for older people ranging across residential, nursing homes and domiciliary care in 2008/09.<sup>52</sup> Of those aged 75+ just 35% rated their general health as good<sup>53</sup> and 64% of women in that age group along with 57% of women between sixty-five and seventy-four have reported a long-standing illness.<sup>54</sup> More older women than older men told Age NI that their general health and well-being would benefit from assistance with practical tasks of cooking, shopping and cleaning.

Given this level of need it is concerning that Hillyard et al, in their focus groups, found considerable dissatisfaction among older people with the health service, particularly waiting lists, and home help and quality of care. They expected all would worsen with the spending cuts.<sup>55</sup> The recession has increased older people's concern about what they can expect in future.

### Age NI

*Client called for her mother who is disabled after a stroke. For a number of years she had a care package in place with carers going in twice a day. However, after a visit from a district nurse and an informal chat the whole care package was removed. The Trust said that her care needs were not 'critical or substantial' even though she could not bathe herself, dress herself or prepare food.*

The Department of Health Social Services and Public Safety estimates that the cost of treating older people is expected to grow by 30.6% over the next ten years.<sup>56</sup> Iparraguirre argues that the DHSSPS estimate is a conservative one and that maintaining health and social care services at the current level of service provision would require an increase in public expenditure of between 145% and 218% between 2011 and 2041.<sup>57</sup> The proposed allocation for the DHSSPS in the draft budget represents a real-terms reduction in

current expenditure of more than 2% by 2014-2015 when compared to 2010-2011. The proposed allocation is insufficient to maintain existing service levels for the level of demand. Capital investment will reduce by 19%.<sup>58</sup>

### Older Women's Focus Group

*One woman's life had changed since her husband had gone into a residential home. Their couple's benefit had been divided to use his share towards his living costs in the home. Her husband is in a home in Bangor and she travels by train to visit, accompanied by a friend. She wants him relocated to a home closer to her so she can visit more often but has not been successful in achieving this.*

*"It is difficult to visit him more than once a week because he is so far away."*

*"It was cheaper and more pleasant to cook for two. I'm not eating the same now that he isn't at home."*

There is evidence from the 2008 Life and Times Survey that the picture of how older people are perceived and respected in society generally is improving, although this sits alongside concern about unfair treatment and discrimination especially in goods, facilities and services – including health and social care – and employment. Within twenty-five years the number of people in the +75 range will almost double compelling the need for an immediate review of social care to ensure a robust system fit for the numbers and challenges ahead. The great majority will be women. Older women should not have to pay the price of the recession with cuts to services.

### Age NI

*"53% of older people have told us they are worried about the future. It is imperative that a new social care system is put in place, and that spending on social care is safeguarded over the next few years until such a time."<sup>59</sup>*

### International frameworks

The United Nations Principles for Older People outline key principles which the new Northern Ireland Commissioner for Older People is required to take into account in safeguarding and promoting the interests and rights of older





people. The five themes under which the eighteen principles are grouped are: independence, participation, care, self-fulfilment and dignity. The principles cover a diverse range of situations from "being able to live in environments that are safe and adaptable to personal preferences and changing capacities" and "access to health care to maintain the optimal level of physical, mental and emotional well-being" to "being able to pursue opportunities" and "being valued independently of their economic contribution".<sup>60</sup>

In October 2010 the UN's Committee on the Elimination of Discrimination against Women passed a General Resolution on Older Women.<sup>61</sup> The Committee noted that older women suffered multiple discrimination and recognised the need for data disaggregated by age and sex "as a way to better assess the situation of older women". The CEDAW Committee provided guidance for Members States to include the situation of older women when making their reports on progress to the Committee about implementing women's human rights.

The Committee drew attention to women's experience of ageing differently from men, with gender inequalities throughout their life exacerbated in old age "often as a result of unfair resource allocation, maltreatment, neglect and limited access to basic services."

**CEDAW Recommendation on Older Women**

*"The full development and advancement of women cannot be achieved without taking a lifecycle approach, recognizing and addressing the different stages of women's lives – childhood, adolescence, adulthood and old age – and their impact on enjoyment of human rights by older women."<sup>62</sup>*

**Conclusions**

Northern Ireland must 'up its game' in future planning for older people. Our increasing longevity will require new ways of thinking and working based on the twin pillars of empowering active older people to live a fulfilling independent life and providing support and care for those who need it. This generation of older people will be

the first to work into older age in significant numbers. They will want new opportunities and to be respected and treated as equal citizens.

Older women must be part of designing the future. In the changing demography older women will lead the increase in the number of older people. Thus, older age problems are likely to be experienced by much greater numbers of women than men. Ensuring that older people as a group have good living conditions and the best opportunities for a rewarding life can make a significant difference for older women, but these must be developed with women at their heart.

A modern and responsive care system fit for the future is a priority. It must be informed by the principles of dignity, independence and choice. Older people must be treated with respect and get the care they need. They should have the same choices as other people about where and how they live. Investment in social care, prevention and enablement will pay dividends over the long term. Northern Ireland's population of over-eighties is expected to reach 130,000 by 2030.

The new social care system must emerge alongside protecting the health and social care of the people in later life now. Older people are entitled to fairness and the right to equal treatment and access to services. Access to the range of public and private services is vital to enable older women to remain independent to participate in their families, communities and society for as long as they are able to. A new approach to intervention could provide the aids, adaptations and support in the home and community that will underpin independence.

A concerted effort is needed to eliminate pensioner poverty using all the tools at the government's disposal. Interim steps towards reducing poverty can be taken immediately through benefit take-up campaigns and targeted actions on Pension Credit. All older women could and should be helped in the future through inclusion in the proposed single-tier flat rate state pension scheme.

In riding out the economic storm the right hard choices need to be made to avoid costly problems arising from the social and economic impact of the ageing demographic at a later date. A level of



fairness and a framework for prioritization that protects those at greatest disadvantage, including older women, should be core to decisions.

It is likely that few in government are aware of the passage of the CEDAW Committee's General Recommendation 27 on the protection of older women and their human rights. The Office of the First and deputy First Minister should take the lead in raising awareness across government and ensuring that departments are ready to comply with reporting requirements in relation to older women for UK's CEDAW examination in 2012 and thereafter.

### Recommendations

- The Northern Ireland Executive should refresh its strategy on ageing in consultation with the Commissioner for Older People, the age sector and individual older people, making sure that older women are closely involved.
- The Department for Social Development should maintain support for benefit take-up programmes. In addition it should introduce an automatic payment initiative to increase the take-up of Pension Credit targeted at single older women as this group is at the greatest risk of poverty.
- The Executive should introduce a form of social price support for fuel costs targeted at older people.
- The Department of Health, Social Services and Public Safety should prioritise a fundamental review of the social care system in Northern Ireland to develop a modern responsive care system for the long-term making certain that it is fair and ensures older people have their rights and entitlements.
- The Executive should maintain health and social care spending on older people in real terms and respond to the changing demographic by investing in preventative and enablement initiatives to enable people to live independently at home.
- The Assembly should pass legislation to ban discrimination in goods, facilities and services. In the meantime, the Office of the First and deputy First Minister should regulate and provide guidance across government departments and to public services that they must not apply an upper age limit or in other ways discriminate against older people in services or treatment.
- The Department for Employment and Learning should monitor what is happening to older people in employment to ensure that they are not being discriminated against and there is compliance with the new legal position abolishing the retirement age.
- Ministers in the Office of the First and deputy First Minister should ensure that all Ministers and their departments are prepared to report on progress on older women in the UK's CEDAW examination in 2012 and thereafter. To prepare for this, departments and public bodies should gather data disaggregated by age and sex and provide gender sensitive analysis of policies and initiatives.
- The Executive should urge the UK Government to pay the proposed single-tier flat rate pension to all pensioners, including all existing pensioners, to avoid large numbers of women pensioners continuing to live in poverty. The Executive should liaise and consolidate on the issue with other devolved administrations to press that all citizens across the UK have the same access to a fair state pension scheme.



## References

- 1 NISRA, *Population and Migration Estimates Northern Ireland (2009)* – Statistical Report, p4. Pensioners are defined as males over 65 and females over 60. NISRA identifies those over 85 years as the 'very elderly'. The Age Sector does not use this term, referring instead to 'older people' or 'people in later life'. The total population increase was 5.7% and the working age population increased by 9% over the same period.
- 2 P McGill, *Illustrating Ageing in Ireland North and South: Key Facts and Figures*, Belfast: Centre for Ageing Research and Development in Ireland (2010), p15.
- 3 Debate on State Pension Age (Women), Westminster Hall on 11 May 2011.
- 4 N Smith, VH Phung, A Davis, D Hirsch, *A Minimum Income Standard for Northern Ireland*, Joseph Rowntree Foundation, York, (September 2009). See p14: the difference is a result of different usage/consumption patterns by women and men in relation to clothes and, particularly, food and personal goods and services.
- 5 Older Women's Focus Group held in Footprints Women's Centre on 10 January 2011.
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- 7 OFMdfM, *Ageing in an Inclusive Society*, Office of the First and deputy First Minister (2005), p13.
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# Pensions

## Occupational pensions

Gender poverty in retirement is intrinsically linked to pensions. In the UK women have lower rates of participation in private pension schemes than men. Thirty-nine per cent of women of working age contribute to a private pension, compared to 46% of men of working age.<sup>1</sup> Women who have the benefit of a final salary scheme pension are mainly to be found in the public sector. Around three-quarters of low-income pensioners have no occupational/personal pensions, and pensioners living in households not in receipt of such pensions have a much greater risk of low income.<sup>2</sup>

Hillyard et al point out that many with an occupational pension will have suffered depletion in asset values in their pension funds in the economic turbulence over recent years.<sup>3</sup> The increased uncertainty also saw a shift in financial risk from employers to employees, most visibly in the closure of final salary schemes. Women could ill-afford damage to their already low pensions, and some will likely face further pension shock in the downsizing of the public sector, which is the largest employer of – and therefore pension provider to – women.

Few women on low pay or single earners such as lone mothers can afford to contribute to an occupational or personal pension. Women's pension contributions are affected by the gender pay gap and high levels of participation in part-time work, which affect both women's ability to contribute and the employer's contribution which is normally set at a percentage of salary. Women's paid work, time out of work for child and dependent care responsibilities and changing patterns of partnership reduce their ability to build up an adequate private pension.

Women graduates with a pre-school child earn on average only 44% of the earnings of childless women graduates with consequences for their pensions. The biggest impact of motherhood on private pension prospects is on mid-skilled women educated to GCSE level who comprise

around one-third of working age women. Surrey University's Centre for Research on Ageing and Gender concluded that allowing state pensions to decline, while increasing reliance on occupational and private pension schemes, would perpetuate disadvantage for women in older age.<sup>4</sup>

Some 11% of people stop contributions to pension schemes when they have a family, rising to 17% for low income households. Women are twice as likely as men to make adjustments to their pension contribution levels when they have children; 24% of men maintain their contributions at the same level compared to just 12% of women.<sup>5</sup> This compounds the pension problem for women who are twice as likely as men not to be making pension contributions in the first place.<sup>6</sup>

Divorce also affects women's chances of having private pension coverage, with divorced women in the twenty to thirty-nine age group half as likely to have pension coverage than married women. On average, children are aged four to five years at the time of divorce, and can restrict women's employment opportunities and pension accumulation particularly where childcare is inaccessible or unaffordable. Although divorced women begin to catch up on lost employment, earnings and pension-building when their children are independent, they remain at high risk of poverty in later life. It is argued, therefore, that legislated pension-sharing on divorce in itself is unlikely to end disadvantage for these women. State pension at least provides a safety net.<sup>7</sup>

## State pension

A considerable majority of people in Northern Ireland think that the pension safety net is not good enough. In 2008, 87% thought that the state pension was a poor deal, backed up by 79% believing that financial provision by the state for pensioners generally was inadequate.<sup>8</sup> Since April 2011 the basic state pension is £102.15 per week, which is below the official poverty line, and calculated to be worth only 16% of national average earnings.<sup>9</sup>

Annual up-rating of pensions will in future be based on the Consumer Price Index rather than



the Retail Price Index. The CPI is consistently lower than the RPI meaning that pensioners will see a long-term decline in the real value of their pensions, estimated as a total loss of between 7%-15% of retirement income for every individual pensioner over a five year period.<sup>10</sup>

### Pension Credit

The means-tested Pension Credit top-up, which as of April 2011 is worth £137.35 per week, has been described as a 'gender friendly benefit', helping almost one and a half million single women pensioners, over 600,000 couples and more than half a million single male pensioners in 2007-08.<sup>11</sup> However, many pensioners fail to claim Pension Credit, including up to 34% of older people in Northern Ireland.<sup>12</sup> Advice NI estimates that the total amount of Pension Credit unclaimed annually is between £74m and £234m. The average number of pensioners entitled to but not claiming it is between 39,000 and 74,000.<sup>13</sup>

#### Age NI

*"Older people do not know what they are entitled to or how to access it. Older people are losing out; the economy is losing out. The additional income could afford older people a better quality of life, increase local spending and boost the Northern Ireland economy. An innovative approach to benefit uptake is urgently needed with the ultimate goal being automatic payment of Pension Credit, if this issue isn't addressed, pensioner poverty is only set to get worse."<sup>14</sup>*

Maximising the take-up of Pension Credit is critical to lifting older women out of poverty and providing them with a better quality of life. The automatic payment of Pension Credit – that is enabling older people who are entitled to the payment to receive it automatically without having to make a claim – would help to address pensioner poverty. As a step towards full implementation Age NI suggests trialling an automatic Pension Credit initiative targeted at female single pensioners over the age of seventy-five, who as a group have relatively low incomes and 30% of whom live in poverty. The most recent data from the discontinued Pensioner Income Series showed that single females had lower incomes than single males by more than

£90 per week and thus would benefit significantly.<sup>15</sup>

### More women qualify

A significant improvement was made in women's access to the state pension following pension reforms in 2007 by the Labour Government. The reforms reduced the number of years needed to qualify for a state pension to thirty, made it easier for parents and carers to build entitlements and changed contribution conditions so that both paid and credited contributions count.<sup>16</sup> Around 70% of women immediately qualified for a full state pension in their own right, almost two and a half times more women than had qualified before the change.<sup>17</sup> Some legacy issues remain, such as the married women's stamp, and it is anticipated that it will take until 2025 for more than 90% of both men and women equally to receive a full basic state pension.<sup>18</sup>

Further Labour legislation in 2008 sought to close an under-representation gap in occupational pension schemes by introducing automatic enrollment into qualifying workplace pension schemes. This will be phased in over the period 2012 to 2016 and should benefit women provided they are not encouraged to opt out. A recent round of reforms was announced by the Coalition Government in early April 2011, some of them controversial, and this will change the pension picture once again.

### Accelerating to sixty-six

Since April 2010, steps are underway to bring women's qualifying age for the state pension up to age sixty-five into line with men's, and then to raise both women's and men's pension age to sixty-six. Labour had proposed doing this in two long phases, the first stage for women to equal men by 2020. Then both pension ages would gradually have gone up by 2025. The Coalition Government decided to accelerate the original deadline of 2020 for completion of phase one by two years. It then proposes to accelerate the deadline for phase two by six years so that by 2020 women must be sixty-six to qualify for a state pension.



**Mark Durkan MP, SDLP**

*“... if those women do not hear the Minister say that he is revising these proposals because they represent an unintended anomaly, they can only conclude that they are being selected as the victims of an intentional injustice and that they are to suffer a drive-by hit on their pension rights ...”<sup>19</sup>*

Speeding up the timeframe for the equalisation of women’s retirement age with men’s and raising the state pension age to sixty-six has a disproportionate impact on women. Women will be hit by two accelerations, and men by one. More women than men will be affected overall, and a small cohort of some half a million women will be hit harder than anyone else.<sup>20</sup> Uniquely, this small group will have to wait more than a year, and some almost two years, to qualify. Making women the sacrifice will help Government to shave £10billion off the national debt.<sup>21</sup>

Time is needed to plan and make provision for a later pension age which is why the Turner Commission recommended a lead-in time of fifteen years. The Pensions Policy Institute expressed concern about the new timescale for pension changes which have left women with insufficient time to plan for a later retirement. For example, women tend to become part-time workers sooner than men of the same age and thus need time to factor in working longer or saving for the change.

Very many women are still unaware that they are going to have to work for longer than they had thought previously. Even if they knew that the state pension age was going to rise to age sixty-five for both men and women by 2020, most are ignorant of the fact that the Government’s recent plans mean that they actually have to be sixty-six to retire in 2020. Women are continuing to make future plans unaware of the change to their circumstances.

**Annette Brooke MP, Liberal Democrat**

*“Obviously, the proposals to speed up the increase of the pension age will deny large numbers of people the notice they need to plan effectively for a later retirement, and I am concerned that*

*the poorest and the unemployed could face real hardship as they struggle to manage without the state pension and benefits on which they were relying ... what do these women do?”<sup>22</sup>*

**Too late for some**

Some women will have taken early retirement on a reduced pension already, believing that they would receive their state pension by a certain, earlier date. Some may already have moved to part-time working, or planned to, so they can care for parents or grandchildren. They may have to revisit this decision in light of the changed economic circumstances and the later payment of their state pension to recalculate if they can afford it. However, if they find they need more money, it may not be easy to increase their hours or find another job to fill the two-year gap, especially in a contracting market.

Others may not be able to return to work and will have to wait it out until they qualify for the state pension. If they were in low-paid jobs, had interrupted careers or worked part-time at some point because of caring responsibilities they will have accumulated less workplace pension or other savings to assist them. During the parliamentary debate on women’s pension age it was noted that women have much lower private occupational pension savings.

The median pension saving for a 56 year old woman is £9,100, six times lower than a man’s which stands at £52,800. Pension savings of £9,100 work out at £564 a year and just £11 a week.<sup>23</sup> Moreover, many women affected will have worked part-time at a time when part-time workers were unable to take out an occupational pension and these women relied on getting their state pension on the date it was previously due. In response to a survey questionnaire by Hillyard et al a large proportion of respondents, who were more likely to be women, were solely in receipt of the state pension.<sup>24</sup>

**Rachel Reeves MP, Labour**

*“These women have earned far less during their lives than men of the same age. In 1980, the gender pay gap was 28.5%. When the women were in their 20s, they were earning on average almost 30% less than men of the same age. The*



*gender pay gap has been closing since 1980 and it is now about 16%, but the point is that these women have suffered inequality throughout their working lives. They now face a double whammy and are paying the price for getting us there too quickly.*"<sup>25</sup>

The cost to the women who must wait two years is estimated to be up to £10,000 in state pension and could be up to £15,000 if they were entitled to Pension Credit.<sup>26</sup> This does not take account of other passported benefits that come with a pension. Some experts put the sum higher with basic pension losses of £15,000. It will be much more for those with entitlements to SERPS or the second state pension.<sup>27</sup> While some older women will qualify for Job Seekers Allowance this provides much less income than the basic state pension, and if they have a small occupational pension or savings their access to JSA will be limited or non-existent. Some women may find themselves having to turn to family members for assistance.

### **Teresa Pearce MP, Labour**

*"In making any changes to legislation, the Government should ensure that no group is disproportionately impacted on, and none more so than the post-war generation of women, who have had to battle for rights all their lives—from the Equal Pay Act 1970 to the Sex Discrimination Act 1975 and the Employment Protection Act 1975. Women born in the 1950s have seen so much change that they did not expect to be battling still—battling against a rapid acceleration of the pension age, which falls purely on their shoulders."*<sup>28</sup>

### **New flat rate state pension**

The UK Government released a Green Paper on state pension reform: *A State Pension for the 21st Century*.<sup>29</sup> It proposes a single tier flat rate state pension of £140 per week for all future pensioners (and another two-tier option that appears less popular). Although no figures are available showing how many women and men will be affected by the change, a single-tier flat rate is likely to be better for women. On the positive side, the simple flat rate system is expected to be set at a higher level than the current pension and it is designed to offer the

opportunity to save without fear of means-testing. It must be said, however, that the latter is more of an incentive for middle to high income people. The evidence shows that vulnerable workers living on low incomes find it hard to save and there is no reason to believe that this pattern will change unless they are lifted out of poverty.

### **Stephen Webb, Minister of State for Work and Pensions, Liberal Democrat**

*"At the moment, women draw a state pension of £40 a week, on average, less than men, but under the single-tier pension proposal many women would be the main beneficiaries.*

*[U]nder the single-tier pension a year spent at home with children or a relative will be worth just as much to a state pension as a year spent running a FTSE 100 company.*

*[I]t stands to reason, for example, that paying a flat-rate state pension rather than an earnings related one will, on average, benefit women. It must, because women earn less on average."*<sup>30</sup>

### **Second-class women**

However, many older people will not benefit from the new flat rate state pension. Existing pensioners will not be included in the new system when it is introduced. The majority of these are women. Those who are worst affected by their exclusion are older women who do not currently qualify for a full state pension but could have benefited greatly from a universal pension scheme that was based on the reduced number of qualifying years (seven years) that has been proposed. It will also have a profoundly disproportionately negative impact on women who are about to qualify for a state pension shortly for two reasons: currently women still qualify earlier for their pensions and secondly their life expectancy is longer meaning that they will live all their pensionable years on a 'second-class' pension.

### **Stephen Webb, Minister of State for Work and Pensions**

*"I do not dispute for a second that that set of women [women born between 1953 and 1960] will be affected by the changes [to pension age],*





*but the pension that they will get under our proposals will be significantly better on average than that received, for example, by women who retired a few years earlier.”<sup>31</sup>*

The National Pensioners Convention drew attention to the fact that the new rate of £140 proposed for the single tier flat rate pension is below the official poverty line. In its work on a minimum income standard tested for specific groups in various locations throughout the UK, the Joseph Rowntree Foundation concluded that a single female pensioner required a minimum weekly income of £150 in Northern Ireland.<sup>32</sup> This was £20 per week higher than for a male single pensioner which amounts to an additional income requirement of more than £1,000 a year for women pensioners. At the same time, women have lower incomes than men in retirement. All in all, women suffer particularly badly when the pension rate is below the poverty line.

In April 2011 Government announced there would be an ongoing process of pension age rises that would tie state pension age to increasing longevity. This introduces uncertainty into the age at which a pension is received. This will have implications for women as sudden changes in qualifying status for a state pension create greater difficulties for women who have fewer or no private pension resources. Where they are unable to remain in employment and do not have a private pension they may have to rely on a partner's income or suffer a drop in living standards until they can claim their state pension. They will not be able to claim Pension Credit to supplement their income either as this is tied to qualifying for the state pension.

### Conclusions

The gender pay gap, part-time working, interrupted careers for child and dependent care responsibilities all interfere with women's pension contributions and depress their eventual pensions. For a great many women the passport into a pension scheme has been through joining a final salary scheme while working in the public sector. The substantial job losses in the public sector will impact on women's pension entitlements. Women will also be adversely affected by speeding up the timeframe to arrive

at the new state pension age of sixty-six years by 2020.

There are still too many women, and men, who are not aware of their entitlement to Pension Credit. Many are also ignorant of the passported benefits that come with the state pension. This calls for more investment in benefit take-up campaigns. Information and advice campaigns and assistance by independent advice centres can bring additional income to older people and more money into the Northern Ireland economy that would not otherwise come. Such steps will also help the Northern Ireland Executive to reduce poverty. In particular single female older people, too many of whom are on low incomes, would benefit greatly from a pilot on automated access to pension credit which is especially targeted to reach them.

Providing a state pension at a higher level is an important element in lifting older people out of poverty.<sup>33</sup> However, this good step is marred by the failure to extend the new provision to all pensioners. It is unjust that not all will benefit from this development, especially since the greatly reduced qualifying period could have assisted many older women to attain a better income level. It will also establish firmly that there are first and second class pensioners. Given their greater longevity women will live in this situation for a larger proportion of their lives than men. Those who will be retiring in the next few years and just miss the qualifying date will be the most disadvantaged.

It is important that young women are encouraged to join the occupational pension schemes.

### Recommendations

- The Department for Social Development should maintain support for benefit up-take programmes. In addition it should introduce an automatic payment initiative to increase the take-up of Pension Credit targeted at single older women as this group is at the greatest risk of poverty.
- The Department for Employment and Learning should monitor what is happening to older people in employment to ensure



that they are not being discriminated against and there is compliance with the new legal position abolishing the retirement age.

- The Northern Ireland Executive should urge the UK Government to apply the proposed single-tier flat rate pension to all pensioners, including all existing pensioners, to avoid large numbers of women pensioners continuing to live in poverty. The Executive should liaise and consolidate on the issue with other devolved administrations to press that all citizens across the UK have the same access to a fair state pension scheme.
- The UK Government should increase the state pension to give older people the resources to get out of fuel poverty and to cope with the rise in the cost of living now. When it is introduced the Government should apply the single-tier flat rate pension to all pensioners to avoid large numbers of women pensioners living in poverty.
- The UK Government should slow down the acceleration towards a state pension age of sixty-six years by 2020 so that a single cohort of women does not uniquely bear the brunt of public savings in the pension system.



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# Welfare and Welfare Reform

## Cuts to the welfare budget

The Coalition Government's Emergency Budget in June 2010 and Comprehensive Spending Review in October 2010 delivered cuts to social security and welfare services that will hit women hard, especially pregnant women, single mothers and single female pensioners. Setting the scene for the coming years the Spending Review determined that 73% of the budget deficit would be met by spending cuts and 27% by increasing taxes. Of the £80 billion a year spending cuts £18 billion will be found from welfare cuts by 2014-2015.<sup>1</sup>

Earlier in 2010, House of Commons Library researchers analysed the Emergency Budget to assess the distribution between women and men of the £8 billion changes to direct taxes and benefits to raise additional revenue. They found that women would pay £5.8 billion to men's £2.2 billion.<sup>2</sup> That is, women would pay roughly 72% of the net cost of the changes in taxes, benefits and tax credits identified in the budget.<sup>3</sup>

### Judicial Review of the Emergency Budget June 2010

*The Fawcett Society brought a Judicial Review as it believed the Government had not assessed the impact of the Budget on equality between women and men. Had it done so, it would have realised the budget was going to hit women disproportionately hard in such a way that undermined equality between women and men, and so would have been forced to amend the Budget.*

*The Government conceded that it had not met all the requirements of the Gender Equality Duty when drawing up the Budget, expressed regret for not having done so, and pledged to take a different approach in future.*

*The Court did not grant the judicial review but made clear that government budgets, regardless of the economic context in which they have been drawn up, are subject to equality law. The Court agreed that the Budget needed to be looked at*

*again given its skewed impact and decided that the Equality and Human Rights Commission, which was separately examining the Government's Comprehensive Spending Review, was best placed to do this.<sup>4</sup>*

The calculation by which working age benefits are increased by the rate of inflation has shifted from the Retail Price Index (RPI) to the Consumer Price Index (CPI) which reduces their value. The RPI was 5.1% in January 2011, while the CPI was just 4%. This means that benefits will fall further behind the real cost of living. In an article on the Spending Review, researchers from the Institute for Financial Services (IFS) suggest that the largest single saving in the £18 billion of welfare benefits comes from the change from RPI to CPI.<sup>5</sup> In earlier calculations the TUC suggested that, discounting benefits and tax credits related to children, women paid two-thirds of the price of benefits cuts to men's one-third as they are the hardest hit by housing benefit cuts and the switch to CPI up-rating for public sector pensions.<sup>6</sup>

It is the balance of spending between benefits cuts and tax rises, almost 3:1 outlined in the October 2010 Spending Review, which skews the burden towards women. The UK Women's Budget Group (WBG) suggested that a 'Robin Hood' tax on financial institutions, raising from the rich to potentially give to the poor, could be turned into a 'Maid Marion Tax' by redistributing that revenue to avoid cuts in benefits and public services that are disproportionately detrimental to women.<sup>7</sup>

### Professor Eileen Evason

*"Of the twenty-nine proposed changes to current welfare provision, only two can be viewed as being positive. The changes to the welfare system will negatively impact most on women and children, low income/low paid families and people who are sick or disabled."<sup>8</sup>*

The Treasury produced an Equalities Impact Assessment of the Spending Review but provided almost no quantitative data on how women and men would be affected by its decisions on cuts to services and public expenditure generally. The WBG's analysis shows that lone parents and single pensioners, the majority of whom are women, will suffer the greatest reduction in their



standard of living. Lone parents will lose services worth 18.5% and single female pensioners 12% and, overall, single women will lose services worth 60% more than single men.<sup>9</sup>

Women's and men's lived experiences are different. Unequal employment opportunities, the gender pay gap and unpaid caring responsibilities are just some of the examples. Key inequalities have always existed for women and mean that cuts in public services and expenditure generally damage women more, including services that enable women to combine work and unpaid care.

- Inequality exists between households with large caring responsibilities and households without. Caring benefits society as a whole and is carried out mainly by women who will find they have to fill more of the gap as public services are cut.
- Intra-household inequality and lack of financial autonomy arises from where unpaid care work, household duties and earnings from employment are unequally divided.
- Inequality is evident between the sexes in paid work where rates of pay are lower, especially in the private sector.<sup>10</sup>

### Impact of the benefit cuts

Women comprise 55.3% of benefit recipients in Northern Ireland.<sup>11</sup> Given that more women work part-time and are on lower wages, they rely on benefits and tax credits more than men do and these make up a larger share of their income. Cuts in benefits will exacerbate existing inequalities in income between men and women. Women and their children have been hit by the following:<sup>12</sup>

- **Health in Pregnancy Grant:** The universal payment of £190 for a woman who is 25 weeks pregnant was abolished in January 2011.
- **Sure Start Maternity Grant:** From April 2011 this grant of £500 paid to a low income mother who is 29 weeks pregnant to help with the cost of a new baby will only be paid for the first child and not subsequent children.

- **Child Benefit:** A three-year freeze on Child Benefit was introduced from April 2011 and from January 2013 it will be withdrawn from women living in a household where one adult is a higher rate taxpayer.
- **Child Trust Fund:** The schemes will be phased out from 2011. It is worth up to £500 following birth, with an additional payment at age 7.
- **Child Tax Credit Baby Element:** This benefit for a child under one year was abolished in April 2011 and the Toddler Tax Credit, for households with children ages one or two, will not be introduced as promised by the previous Labour Government. The baby element of tax credit is worth up to £545 for eligible families and the toddler element would have offered up to £208.
- **Child Tax Credit Family Element:** The second income threshold for the family element of Child Tax Credit was reduced from £50,000 to £40,000 in April 2011. From April 2012 the Family Element is being withdrawn immediately after the Child Element.
- **Working Tax Credit Childcare Element:** This tax credit provides assistance with the cost of childcare. From April 2011 the percentage of childcare costs covered was reduced from 80% to 70%.

### Tax credits and employment support

There are myriads of other changes. The basic and thirty hour elements of Working Tax Credit was frozen for three years and it is calculated that the loss to low paid workers entitled to both elements will be almost £400 a year from 2013.<sup>13</sup> This will have significant impact on women especially those working for private sector companies in Northern Ireland where wages are much lower than in the private sector in Britain.

From April 2011 the tax credit taper became steeper and the disregard for in-year rises in income was reduced significantly; it will be reduced by half again in two years time. From April 2012 the first £2,500 in-year fall in income will no longer be counted in calculating a new tax credit, and this will be extended again in April 2013.<sup>14</sup> Tax credit backdating will be limited to one month instead of three from April 2012. Allowing tax credits respond quickly to rises and



slowly to falls in income and less time for backdating will save significant sums.<sup>15</sup> The Institute of Public Policy Research (IPPR) estimates that families claiming the maximum support for childcare could lose up to £1,500 per year.<sup>16</sup> From April 2012 couples will have to work an additional eight hours a week, from sixteen to twenty-four hours, between them to be eligible for Working Tax Credit. If this does not prove to be possible in the current economic climate they could see their entitlement cut, incurring a loss of over £1,000 each year and making work less worthwhile.<sup>17</sup>

### Child Benefit

Child Benefit is paid almost 100% to women and it is an investment in future generations for everyone's benefit. Changes to Child Benefit are symbolic of the stripping away of women's rights and entitlements and re-introducing the out-dated 'male bread-winner, dependent female carer' model of family life. The principle of universality that has been the hallmark of Child Benefit is being thrown away and the freeze will mean that its real value will fall, saving £2.5 billion. Single-earner households just over the cut-off point will be hit harder than two earner households where each earns just under the limit. The non-earner in a high-earner household is almost always the woman and Child Benefit is likely to be her only independent income.

#### Professor Ruth Lister

*"Although lower income women will benefit from the increase in child tax credits, the eligibility test for means-tested financial support for children cannot take account of where income is not shared fairly within families and hence of any hidden poverty within families. In contrast, Child Benefit provides mothers directly with a secure source of income, which is particularly important if they do not have an independent wage."*<sup>18</sup>

One up-rating among the benefit changes is a small rise in the Child Element of Child Tax Credit from April 2011, with further up-rating in 2012. Commentators suggest that any gain is a negligible contribution when seen against the raft of cuts.<sup>19</sup>

### Housing

In October 2010 Mortgage Interest Rate Support was almost halved<sup>20</sup> and from January 2011 Job Seeker Allowance (JSA) claimants who have been on benefit for two years will lose it altogether. This could leave lone parents who own their homes in severe difficulty, and potentially homeless with children. All lone parents with a child over the age of seven are on JSA and from October 2011 they will be joined by lone parents with a youngest child aged five or over who will no longer be eligible for Income Support.

Non-dependent deductions from Housing Benefit were increased in April 2011 and further increases are expected. This will impact severely on family lives at a time when young people are remaining at home for a prolonged period because of the economic downturn and a contracted jobs market. During the focus groups and interviews for this project it was clear that young women relied on parents for assistance and there were examples of young women giving up an independent life to return to the parental home. It will be a particular hardship for lone parents to support adult children on an ever diminishing income.

Lone parents will be hit indirectly by further changes to Housing Benefit. One change due in 2012-2013 means that single people under the age of thirty-five (raised from twenty-five) will be entitled to claim only for the cost of a room in a shared house. This will restrict the absent parent, usually the father, in having his children to stay and the lone parent, usually the mother, from getting assistance with childcare from her ex-partner.

### Education and welfare

The abolition of the Educational Maintenance Allowance (EMA) of £30 per week to encourage and assist young people to remain in education will be abolished in England from October 2011. The EMA is a devolved matter and its abolition is one of the options being considered to reduce the deficit. If the Northern Ireland Executive decides to abolish it this is likely to happen in April 2012.<sup>21</sup> Young women and lone parents involved with this project spoke out vociferously against abolition. For lone parents it would be a



significant blow to the family budget. For both groups this along with the increase in student fees clearly spelt an end to educational opportunity for young people and neither saw a bright future for children.

A cap on the total amount of out-of-work benefit that a family will be entitled to receive will mean that larger families will experience greater loss. From April 2013, household welfare payments (excluding one off payments) will be capped to the level of median earnings after tax for most working households. The combination of changes directly cuts women's income and poses additional challenges in making ends meet on a smaller family budget. Women are generally the budget managers in the household and many told this research project they had difficulty already making their money stretch to the end of a payment period.

### Additional Northern Ireland impact

The June 2010 Emergency Budget resulted in a reduction of £128 million on top of efficiency drives already carried out by departments over previous years.<sup>22</sup> The Comprehensive Spending Review will result in a total reduction of £4 billion across the Spending Review Period to 2014-2015. This works out at a reduction of 8% in recurrent expenditure and of 37% in capital expenditure. The IFS found that, after London, Northern Ireland will be the hardest hit by the tax and benefit cuts being implemented between January 2011 and 2014-2015, particularly due to the high proportion of people on Disability Living Allowance and families whose benefits will be reduced.<sup>23</sup>

The IFS considers that Northern Ireland is affected in the same way as the rest of the UK in the tax and benefit measures announced to take effect from 2010 to 2013, but from 2013 those with the lowest incomes in Northern Ireland lose more on average than their counterparts in the UK.<sup>24</sup> Twenty-four percent of the population are in the poorest quintile of UK households.<sup>25</sup> Large proportions of individuals claim Disability Living Allowance, for example, and are likely to be affected by the stricter medical test.<sup>26</sup> Northern Ireland has a high proportion of households with children and these are losing out in the reform of tax credits.<sup>27</sup> In coming to these conclusions, the IFS did not take account of the impact of the

government's proposals for Universal Credit which will bring more loss for some people, especially for lone parent families.

### Institute for Fiscal Studies

*"Northern Ireland, however, loses more than average from the measures announced in the June Budget – this is because Northern Ireland is one of the poorest regions in the UK and will inevitably be hit hardest from the welfare cuts that were announced in the June Budget, most importantly the shift from using the RPI and ROSSI indices to uprate benefits to using the CPI. Also, Northern Ireland has a relatively large proportion of households with children, which ... is the group that loses most as a percentage of income from these changes across the income distribution."<sup>28</sup>*

The impact of the decisions on the UK Budget highlights women's unequal position. It has shown unambiguously that women, more than men, rely on means-tested and other benefits. In 2011, government must subsidise women's income through tax and other credits so that they can have a minimum standard of living. It is clear that many women, and their children, live in a 'managed' state of poverty.

Women use public services more, including for their children, and they contribute to the public benefit through their caring role. Women are likely to have to take up even more of the unpaid caring role, in some cases reducing their employment and sacrificing their income to do so. It begs the question: how far have women really come in terms of equal social and economic participation in Northern Ireland and the rest of the UK?

### Transforming Welfare

*"Inequalities may serve the short-term interests of a capitalist economy, but they erode the capacity of society as a whole to succeed at all levels in the medium and longer term. And in the New Economics analysis, they are unethical, unjust and unsustainable.*

*There is also some evidence that countries with strong welfare systems and regulated economies are not only more equitable, but are also more resilient – in that they are better at adapting to external pressure such as climate change, and at*



*planning for environmental sustainability. It is building equality to effect this larger resilience that matters, not just trying to make poor 'communities' resilient in hard times that are not of their making.*"<sup>29</sup>

### The Universal Credit

A new benefits system will be introduced in stages between October 2013 and October 2017.<sup>30</sup> The stated intention is to simplify the benefits system, strengthen financial incentives to work and deter fraud. The Universal Credit will be backed up by a strong system of conditionality and strengthened financial sanctions. The proposals in fact increase incentives to get one adult into work, but reduce incentives for the second earner. From the benefit changes announced in the Emergency budget to the proposals for the Universal Credit, the effect has been to increase the dependency of women on men.

#### Universal Credit

*"Where an existing award to a current benefit ends and the recipient is instead to be awarded Universal Credit, that award will be a household award. In couple households, therefore, the other member will cease to be entitled to existing benefits and will become part of the household award for Universal Credit."*<sup>31</sup>

The Universal Credit will be paid as a means-tested single monthly payment to a household replacing core means-tested benefits, some other benefits and tax credits for working adults.<sup>32</sup> Elements of the Social Fund that 'require more intensive scrutiny and discretion' will be reformed and devolved to Local Authorities in England.<sup>33</sup> Budgeting Loans will become an advance-of-benefit facility available in certain circumstances. Consideration is still being given to how to support childcare costs in future.

The Universal Credit is GB-wide and the Devolved Administrations in Scotland and Wales will decide their own arrangements for the Social Fund. As social security is a fully devolved matter in Northern Ireland, the Executive and Assembly have wider powers to make all decisions about Universal Credit and its design. The practice has been, however, to maintain parity with Britain

and the Northern Ireland Act 1998 requires Northern Ireland to maintain a single system of social security, child support and pensions.<sup>34</sup>

#### Institute for Fiscal Studies

*"Social security is an area in which power is devolved to the Northern Ireland Assembly, meaning that Northern Ireland may choose not to adopt this new structure of benefits when it is introduced to the rest of the UK, though we recognise the constraints that apply as a result of Treasury financial arrangements for dealing with significant divergences from the social security system in Great Britain."*<sup>35</sup>

In summary, the Universal Credit will be a 'basket of benefits' consisting of a basic amount with additions according to circumstances, e.g. children, housing, disability. There will be a benefits cap according to family type. As in Income Support, the Universal Credit will offer a couple rate, with two tiers of lower rates for single people, with young single people on the lowest rate. Universal Credit does not provide individualised benefits, safeguard personal access to welfare support for women in couples or advance women's economic independence.

### No route out of poverty

One of the reasons for the complexity in the current social security system is that benefits must respond to the complexity and variety in people's lives. The Institute for Public Policy Research points out that Universal Credit will not be able to address the real cost of work because it cannot be adjusted to take into account local differences in transport and childcare.<sup>36</sup>

All those on Universal Credit, whether winners or losers in the new system, will already have lost £18bn in the welfare cuts that are already underway and which will be retained permanently. Moreover, seeing employment as a route out of poverty, ignores the reality that the majority of children in poverty are in working households.<sup>37</sup> The primary challenge in tackling poverty is low pay.

The Child Poverty Action Group (CPAG) identifies a number of principles on which a national social security system should be founded, among them:





- Protect all people of working age and their families against adverse changes in their circumstances.
- Enhance protection against poverty.
- Provide a statutory entitlement to high quality and personally tailored support that helps more claimants realise their aspirations to enter decent jobs.
- Be flexible to meet the diverse and ever changing needs of claimants throughout the life cycle.<sup>38</sup>

The Universal Credit is unlikely to reverse the upward trend in in-work poverty, which was in evidence even in prosperous times and has been a rising trend since the mid-70s.<sup>39</sup> Women are susceptible to in-work poverty due to entrenched low wages, part-time working and wage reductions for flexible work arrangements for caring responsibilities (e.g. no or reduced hours for school holidays).

**Peter Kenway in The Guardian**

*“Work that does not provide a sufficient income is now much more to blame for poverty than worklessness. If the new government is serious about poverty reduction, it will need to direct its reform efforts not just at the world of welfare but at the world of work, too – starting with the public sector.”<sup>40</sup>*

**Tapers and disregards**

The Universal Credit will be withdrawn more slowly against earned income than is the case with means-tested benefits currently, so the Government can do away with Working Tax Credits. The withdrawal rate against earned income will taper from 65% of net earnings after a disregard. This is a positive development for those on out-of-work benefits. However, as the taper will apply to net rather than gross earnings, which is the case at present, those in work who currently rely on tax credits will lose out.<sup>41</sup> Unearned income will be applied at 100%.<sup>42</sup>

The new taper rate, combined with the earnings disregards, is designed to provide more incentive to out-of-work benefits claimants to return to work. Single earner couples, with or without children, will benefit substantially from the reform<sup>43</sup> but it will weaken the incentives for

couples to have two people in work.<sup>44</sup>

**Universal Credit Impact Assessment**

*“In general, second earners face higher Participation Tax Rates (PTRs) because the earnings disregard is exhausted by the earnings of the main earner. Furthermore, two earner households are likely to have a higher income and therefore are less likely to face simultaneous tapers on more than one benefit or tax credit. For this reason second earners do not benefit as much from the reduced taper under Universal Credit.”<sup>45</sup>*

**Women hardest hit**

The Institute for Fiscal Studies points out that the Government made a deliberate decision to increase the amount of support for working couple families, in line with the Conservative Party manifesto pledge for the 2010 General Election to end what it regarded as the couple penalty in the tax credit system. However, this ‘couples’ benefit translates into a male rather than a female benefit. As long as a spouse/partner does not work, or works no more than ten hours a week, then the family will be better off under Universal Credit than the current system.<sup>46</sup>

Thus, while the Universal Credit strengthens work incentives for the primary worker in couples it weakens incentives for women to work as, in most cases, they are the second earner and will see the family Universal Credit withdrawn more quickly than happens currently with tax credits.<sup>47</sup> In addition, low earners whose partners work will see a rise in their tax rate while low earners whose partners do not work will see it fall. In other words, the welfare reform could discourage working mothers in particular as they will have to pay for childcare, thus reinforcing their roles as unpaid carers in the family.

**Universal Credit, Equality Impact Assessment**

*“Universal Credit will be calculated to incentivise work at a household level, and it is expected to reduce the number of households in which there is no-one working by 300,000. Because the reward is for the first earner into work, there is some [sic] second earners might choose to reduce*



*or rebalance their hours of work more in line with their families needs.*

*The Government believes that **any such risk of decreased work incentives for women in couples is justified**. The focus of Universal Credit is to help workless families into work, since having no parent in work has been shown to have an impact on young people's lives and attitudes to work. Helping at least one person into work could break the cycle of worklessness in a family."<sup>48</sup>*

Given that the primary earner is normally the man the impact of this is three-fold for women: women will have less incentive themselves to work, more men may encourage their partners to give up work and more will discourage their partners from taking up work as it affects their income. All three adverse impacts lead to one result: it will stall, if not completely reverse, progress towards achieving the goal of women's independent income and economic independence. Women and men do not always pool their income and share it equally. Individual incomes matter because they affect, among other things, the bargaining power in household decision-making.

Moreover, as well as undermining women's equal rights and entitlement to work, reducing a woman's individual economic access and control over her own resources carries other serious consequences. Studies show that money going to the family via the purse rather than the wallet is targeted more effectively on family, particularly children's needs. It is a similar story in relation to carers, the majority of whom are women. When a relationship breaks down a woman with children who has been out of the workforce for a considerable period will have greater difficulty in re-entering the world of work. Another alarm bell should ring in relation to women in abusive relationships; exit routes are closed off where women do not have some independent access to resources.

### **An abuse of work-life balance principles**

The Government's primary answer to providing a new benefits system that discriminates against women is that it is justified for 'the greater good.' The positive spin put on it is that at least one earner will be able to provide better financial

support than was the case in the past. The Coalition Government tries to assume the mantle of being progressive in supporting work-life balance but completely ignores the genesis for policies on balancing work and family life and thus distorts their purpose. Work-life balance is about reconciling work and family life to enable women to have equal access to employment and to progress through a career path on the same footing as men. It is not about a family work-life balance where women are returned to the home while men go out to work.

### **Universal Credit Definition of Work Life Balance**

*"Although the number of workless families will reduce, it is possible that, in some families, second earners may choose to reduce or balance their hours or to leave work. In these cases, the improved ability of the main earner to support his or her family will increase the options available to families to strike their preferred work/life balance."<sup>49</sup>*

### **Conditionality**

All women must be prepared to seek work. In the case of parents, couples must nominate their lead carer who in all likelihood will be the mother. The lead carer and lone parents with children over 5 must be employed or actively seeking work. Where they have a child aged 1-5 years, they must keep in touch with the labour market, attending work-focused interviews and perhaps Mandatory Work Activity for four weeks of full-time work. Yet the Government is considering restricting childcare support to those in work.

### **Universal Credit Conditionality**

*"Each adult in a household will have conditionality applied to them as an individual. That is, they will be placed in their own conditionality group with appropriate requirements. In the case of a couple with children, the couple will need to nominate which of them is the lead carer."<sup>50</sup>*

While first earners in a couple have financial incentives to encourage them to seek work, the impetus for second earners, almost all women, to work may be the severe financial sanctions they would otherwise face. There are tough



penalties for failing to meet a requirement to prepare for or seek work. This adds further stress, especially at a time of economic downturn and increasing unemployment when an Ulster Bank report has highlighted the growing divergence between the Northern Ireland and UK economy suggesting a longer time of recovery in Northern Ireland.<sup>51</sup> Targeted effective support will be needed to assist women into work but as indicated previously women may be working for very little return when they get a job.

The IPPR has identified that "in work poverty is linked to family type and working pattern as well as ethnicity and place".<sup>52</sup> Women are often in low status, low quality jobs, comprise 83% of all part time workers in Northern Ireland and continue to be concentrated in the 5 'c's – cleaning, caring, cashiering, clerical and catering.<sup>53</sup> It is important to understand that entry into work and participation in the labour market is not equal and that inequalities for women exist, particularly, in relation to gender segregated labour markets, the gender pay gap and in-work poverty.

**Institute for Public Policy Research**

*"The Universal Credit will not be able to address the real cost of work because it cannot be adjusted to take into account local differences in childcare and transport costs. This could seriously undermine the assertion that people will always be better off in work."*<sup>54</sup>

**Lone parents are losers**

Lone parents will, on average, be worse off in the long run.<sup>55</sup> Working lone parents especially will be one of the losers in the new system. Currently, their basic entitlement to Working Tax Credit is greater than their basic entitlement to out-of-work benefits but this will not carry over into the Universal Credit with its simpler structure of basic entitlement, single withdrawal rate and earnings disregard. The IFS suggests that the Universal Credit incentivises a lone parent to work less than sixteen hours a week. If she works more than thirty hours she will be worse off in the new system and the losses increase the more hours she works above thirty hours.<sup>56</sup> The Department of Work and Pensions agrees.

DWP Universal Credit Impact Assessment For a lone parent with two children: "The household is financially better off under the Universal Credit up to 16 hours worked. From 16 to 30 hours worked the individual is better off under the current system...."<sup>57</sup>

The Law Centre (NI)'s Welfare Reform Group welcomed the more generous 'earning disregard' for some people in the new Universal Credit but wanted to see the inclusion of lone parent families within the group.

**Institute of Fiscal Studies**

*"It is impossible for Universal Credit to replicate the way in which the current system treats lone parents. ... Inevitably, therefore, some working lone parents will lose out from the move to Universal credit."*<sup>58</sup>

Women will be significant losers also under more stringent rules that apply to unearned income. There is to be no recognition for women's unpaid caring role when it comes to children a woman is raising single-handedly. Maintenance payments, mainly paid by men to women who are the main care-givers, and widow's pensions, will be categorised as unearned income. These will be tapered at 100% with entitlement to Universal Credit reduced pound for pound.

Lone parents involved with this project were carrying a heavy financial burden while, in many cases, their former partners had a good lifestyle but made no regular payments towards their children. It is not socially just that male partners, usually with much higher incomes than female lone parents, do not contribute to their responsibilities. Change in the system of maintenance administration means that it will cost a lone parent money to get an order for payment in future (see chapter on lone parents), yet she will benefit little from it. There is little incentive for those on Universal Credit to pursue payment, so justice and some potential extra income are now out of reach.

**Childcare**

Access to affordable childcare is often the make or break factor for entering and retaining work and is as significant as taper rates and earnings



disregards as a work incentive, but Government has not decided yet how it is going to manage childcare support in the new system.<sup>59</sup> The cut from 80 per cent to 70 per cent of Working Tax Credit for childcare costs is already a disincentive.

Northern Ireland has no corresponding legislation to the Child Care Act 2006 in England and Wales which imposes a duty on local authorities to identify and meet childcare needs and it does not have a 'fit for purpose' childcare infrastructure in place to facilitate a large-scale move to work (see childcare chapter). It is in this context that the use of sanctions against lone parents and other women with children for not working will operate and women will have to pay the price for an infrastructure failure.

### Carers

Carers play a pivotal role in providing community care within society but how they will fit into the new system remains unanswered. The Northern Ireland Life and Times Survey 2006 findings suggest that informal care is increasingly being provided only within the immediate family<sup>60</sup> and it is estimated that carers in Northern Ireland are missing out on £4 million in unclaimed benefits. The Government has not decided what to do with Carer's Allowance. If fully means-tested in future, this would be against the combined family income and lead to losers among existing recipients whose partners have sufficiently high earnings or other income.<sup>61</sup> In other words, there would be transfer of income from women to men, with women probably continuing to undertake care but with absolutely no independent financial support at all. For many it would add to their already heavy burdens.

#### Carers NI

*"I am now hugely in debt, my savings have gone, I cannot pay essential bills like gas and electric, I cannot meet my full mortgage payments. Today I would have walked off a bridge if it weren't for my children."*

*"I cannot work and this means my home is at risk of repossession. The person I care for will also be made homeless. We live in poverty."<sup>62</sup>*

The unpaid care provided by friends and family members in Northern Ireland to ill, frail or

disabled relatives is now worth a staggering £4.4 billion every year and exceeds the total cost of the health and social care service in Northern Ireland (£3.6 billion). There are over 207,000 people in Northern Ireland, one in nine, providing care for ill or disabled people which would otherwise cost the state £18 an hour, based on UK average rates. This means that each carer saves the state on average more than £21,000 a year.<sup>63</sup>

The All Party Parliamentary Group for Carers at Westminster expressed concern, saying that including the Carers Allowance in the Universal Credit would "strip carers of their only recognition of the contribution they are making to society".<sup>64</sup> That contribution is estimated at some £87bn, or £15,000 for every carer, much more than the £2,800 given to carers through the Allowance. Around three quarters of claimants are women, who would be left without any independent income of their own, and financially dependent on their partners

### Administration and payment

There is a fatal flaw at the heart of the proposal on Universal Credit which could dramatically impoverish women and children. Universal Credit involves integrating in-work and out-of-work payments that currently go to both members of a couple into one single payment to be paid to the nominated person. It is inevitable that the man will take on the 'main applicant' status in most couples. Yet money going into a family through the mother is more likely to be spent on the children.<sup>65</sup>

#### Alison Garnham, Child Poverty Action Group

*"Payments in tax credits that are specifically for children's needs and childcare currently go to the parent with care, usually the mother, but the Universal Credit will be paid to the main earner because of the IT system. This transfer of thousands of pounds per family 'from the purse to the wallet' will threaten allocation within household budgets to meet children's needs."<sup>66</sup>*

Basing the new Universal Credit on monthly payments is likely to cause considerable hardship. Considerable opposition to monthly payments



was expressed by young women and lone parents during this project who said even fortnightly payments made budgeting difficult to manage. There was a universal plea to return to weekly payments. Weekly payment of Child Tax Credit was mentioned by many as the lifeline that helped them to survive and there were plenty of examples of women who moved back to parents towards the end of their payment period as they had completely run out of money until their next payment came through.

It is important that the new system reduces overpayments as it suggests it will. The difficulties that women had encountered with overpayment were raised by several interviewees during this project. In some cases, women were so concerned about the impact of the repayment on their budgets, and had been under considerable stress to manage the repayments on a small income, that they vowed not to claim some entitlements in future.

Payments will be made monthly, based on circumstances/income in the previous month. How accurate the system is in doing this without running into overpayments and how nimble it is in responding to changing circumstances such as job loss or a couple's separation remains to be seen. Given the reliance on one payment rather than a number of benefit sources as at present, one glitch in the payment, caused by delays, reduced payments, incorrect decisions or appeals processes could have extensive and severe consequences.

### Conclusions

The cuts to welfare offer a significant loss of social protection for women, and welfare reform strips away their equal right to access work along side men. Symbolic of this is the dismissal of the universal principle of Child Benefit along with total disregard for second earners in households under the new Universal Credit. The conditionality attached to lone parents' entitlement to benefits, accompanied by tighter sanctions and less reward for working, is another signal.

The most fundamental shake-up in the welfare system in its history, combining all tax credits and benefits into a single household payment and focusing on a primary earner, means that

women are the main losers well into the future. Women are being driven back into dependency mode in favour of a male bread-winner model in the public welfare system. This is an inadequate, unequal and grossly unfair model for a national Government to demonstrate as its blueprint for society in the 21st Century. The Government should revisit this model and certainly the Northern Ireland Executive and Assembly should consider at least how it can avoid the most damaging impacts on women.

Cuts to public services are not just going to mean less support but also that women will be expected to pick up most of the challenges, for example gaps in caring. In doing so they are likely to reduce their own employment and sacrifice their income. The policy to reduce the state can only be afforded if women take up more unpaid or low paid caring work to fill the gap.

Women have been targeted to carry the burden of reducing the state. They lose in public sector reductions across the board and they do not gain from rebalancing the economy in favour of the private sector where terms and conditions and wages are lower, especially in Northern Ireland. Thus this is a direct transfer from women to men in terms of income and other resources. These consequences need to be addressed and steps taken to mitigate their severity. One example, is taking equally aggressive action to root out unequal pay for women and to raise the minimum wage so that the state is not subsidising enterprise to offer poverty wages. In-work poverty needs radical action.

Women must have access to childcare not only to work but also to take up education and training opportunities, work experience and preparation for work interviews. Government must demonstrate some goodwill towards women in the labour market. In the new system Government must provide better childcare support than the 70% of childcare costs that are now provided for under the Childcare Element of Working Tax Credit. In addition in Northern Ireland, priority needs to be given to building a childcare infrastructure that is fit for working mothers.

Government should go further than its current proposal to step in and vary the nominated person



who will receive the Universal Credit in couple households. It should require this to go to the non-earner or the second earner, who is on the lower income, in the household. This would go some way to reversing the secondary status to which women have been relegated. If the Northern Ireland Executive and Assembly decide that they will follow the UK Coalition Government in introducing the Universal Credit model, it could still put its own stamp on it and make innovative changes such as the one described here.

Following welfare reform proposals the question must be asked: how far have women really come in terms of equal social and economic participation?

### Recommendations

- The Northern Ireland Executive should urge the UK Government to reverse the cuts in the Childcare Element of Working Tax Credit so as to increase support for women to enter and remain in work. The Executive should seek to protect childcare support in its application of any new Universal Credit system and urge the UK Government to do the same.
- The Northern Ireland Executive should develop urgently a childcare strategy that includes daycare and wrap-around care for the children of working parents. It should prioritise investment in rolling out the childcare infrastructure across urban and rural Northern Ireland to enable women to take up work opportunities.
- The Northern Ireland Executive and Assembly should examine the Universal Credit proposals thoroughly and develop better proposals around implementation and delivery so as to design fairness for women as well as for men into the system. The Executive and Assembly could introduce innovations and adjust some of the delivery mechanisms, including on making the single Universal Credit payment to the non-earner or lower income second earner in the household.
- The Carers Allowance should be protected outside the Universal Credit system and not be subject to means-testing.



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## Debt and Credit

### Gender disaggregated information

While there is little gender disaggregated information on women and debt in Northern Ireland there have been some pointers in various studies. Research carried out by PSC Management in 2009 for Citizens Advice Bureau indicates that while men tended to have higher levels of borrowing women made up the majority of those in debt.<sup>1</sup> A report by PMC Management Consultants for the Office for the First and deputy First Minister identified two-thirds of those in debt as female and one-third as male. The report went on to say that the majority had significant debts over £10,000 and the majority were expected to pay considerable sums to service the debt.<sup>2</sup>

Your Money Garden is a Women's Financial Education Project that was established in 2009 to provide women with the skills and knowledge to manage and budget their money effectively. It has delivered financial capability sessions in a number of women's centres and groups throughout Belfast and surrounding areas. It commissioned Trademark to carry out a qualitative study interviewing twenty-eight women in Northern Ireland about debt and credit in 2010. It appears that this small project is the only investigation dedicated to how debt impacts on women specifically. Their work has been of great assistance to this project.

A number of advice agencies assisted this research. During the course of interviews with the Housing Rights Service, Advice NI and Citizens Advice Bureau, there were some pointers to specific impacts of financial stress on women. For example, casework shows a consistent recording of domestic violence as an element (see following chapter). Interviews with women in Footprints Women's Centre and with Women's Aid as well as individual interviews and focus groups with women in a range of circumstances helped to gender this work.<sup>3</sup> Where possible, efforts were made to see the debt issue through the eyes of women and the stories they told of their situations during the research.

Women live their lives in the context of all the debt and credit challenges outlined and there are specific gendered impacts. They are on lower incomes than men generally, a primary cause of debt. The woman is often the one in the couple lowering her income further by sacrificing income in work-based salary sacrifice schemes for childcare, taking unpaid flexitime in the school holidays or bridging the gap between the 70% childcare support through Working Tax Credits and the actual cost of childcare. Women are likely to be the parent at home with the children depending on having enough money for the electricity meter and juggling the family budget along with the debt problem.

### Recession and debt arrive together

The Institute for Public Policy Research (IPPR) notes that in the decade to 2008 average household debt in the UK grew from 93% to 161% of disposable income and widened to include low-income households who are the most vulnerable to debt problems: 'This is the first time the UK has entered a recession with families from all income groups in considerable debt.'<sup>4</sup>

The UK officially entered recession in the October to December quarter of 2008. During the 2008-2009 year there were increased redundancies, mortgage repossessions and numbers of people relying on social security benefits. At the first quarter of 2009 Northern Ireland had the lowest employment rate in comparison to England, Scotland and Wales at 66.9% and the largest fall in employment at 2.7%.<sup>5</sup>

In Northern Ireland in 2008 there were 2,777 confirmed redundancies, an increase of 45% on 2007 (1,912). A total of 3,628 notices of mortgage arrears were issued to people struggling with repayments, a rise of 64% on the previous year. In February 2010 the number of people claiming unemployment related benefits increased to 54,000 up from 42,000 in February 2009, itself an increase on the previous year.<sup>6</sup> MLA Lesley Cree noted that the economic crisis was crossing all geographical areas, industries and social groups.<sup>7</sup> There were unprecedented increases in electricity, heating oil and gas prices and the average grocery bill rose by 30%.<sup>8</sup>



Citizens Advice Bureau (CAB) and Advice NI centres offer money advice services. At the frontline of helping increasing numbers of people to manage their debt, they witness first-hand the results of mortgage repossession actions, redundancies and unemployment. The number of clients coming to them continued to rocket during 2008-2009. The Housing Rights Service had a 300% increase in demand for its specialist debt service.<sup>9</sup> The agencies expect to see even more people coming to them as a result of welfare reform and ongoing public expenditure cuts.

Enquiries to Advice NI members jumped 13% over the year to 227,800. Social security benefits (51%) remained at the top of the list, with housing (15%), debt (9%) and employment (8%) all showing increases.<sup>10</sup> CAB's total enquiries were almost 317,500 and included almost 65,000 new clients.<sup>11</sup> Redundancy enquiries (3,333) rose by 42%, a sign of the economic downturn, and accounted for 19% of all their employment-related enquiries. While benefit queries continued to be the largest area of work at 56.5%, debt cases were up 21.3%, over five percentage points on the previous year (16%).

As testified to by advice agencies, the impact of the economic downturn on individuals has been extensive and substantial with a daily and weekly struggle to meet fixed outgoings on reduced incomes. The recession brought in a new group of stressed and anxious clients unfamiliar with the benefits system, representing individuals and families who had never been in this situation before. Both Advice NI and CAB report that the impact of the recession and the contraction of available credit have propelled more affluent as well as low income clients through the door seeking debt advice. Significantly, 56% of CAB clients were owner occupiers, an increase on 45% in 2008-2009 but continuing the upward trend.<sup>12</sup>

### Behind the debt problem

Most debt is owned by high income earners but problem debt is associated with those who have a low income; those who are on low wages, who have a sudden fall in income or whose benefits are inadequate. Poverty, job insecurity and low wages increase vulnerability to debt problems.

IPPR noted that the 'over-indebted' include a higher proportion of single parents and families with a single earner and that those most likely to borrow to make ends meet after a drop in income are low-income households and people who already have high levels of unsecured debt and mortgages.<sup>13</sup>

Loss of wages can arise from a range of circumstances: unemployment, sickness or injury, reduction in pay or hours worked or self-employed income. Income can be lost through relationship breakdown or bereavement. Women are particularly vulnerable to income reduction from relationship breakdown. Their income falls on average by around 12% while the separating father's increases by 31%.<sup>14</sup> Your Money Garden's study found that while some women had made consumer purchases they later acknowledged as unwise, a majority of the women had got into debt due to a serious financial crisis such as loss of their own or their partner's employment. When this loss happened, their debt spiralled out of control quickly from reaching borrowing limits on credit cards to going to loan companies.<sup>15</sup>

### PMC Management Consultants Report for OFMDfM

*"I was offered credit and took it and got into debt because I wanted to get things for my kids."*

*"I am a lone parent and my salary was too low and because I broke up with my partner. Loans were too easy to get and I didn't think of the implications of paying it back – you don't think about it if you can afford it."*

*"I gave up work to look after my children because the cost of childcare was too expensive."*

*"I'm a single parent with 2 kids – I can only do 16 hours and I'm working to pay my rent – so it doesn't make sense to work."*

*"Because I split up from my husband and with 2 boys I felt I had to buy them things."*

*"I had a part-time job which I lost and it became a big problem."*

*"I became pregnant and my hours were lowered."<sup>16</sup>*

Low pay and contractual conditions such as temporary and zero-hour contracts<sup>17</sup> can create considerable financial insecurity. So too can requiring people to undertake regular work on a self-employed basis, which does not provide



entitlement to sick leave and pay, for example. Research by IPPR shows that low quality employment increases vulnerability to cycles of debt: the problem of high levels of low pay and in-work poverty; and the persistent lack of secure jobs in low-paying sectors such as security, catering, childcare and retail – the last three employing large numbers of women – where workers often find themselves in a cycle between work and benefits.<sup>18</sup>

Interviews and focus groups with a range of workers during this project revealed considerable insecurity and changes to work contracts being negotiated. Unison reports that some women providing community care on zero-hours contracts are getting very few hours per week; an example was given of a zero-hours worker getting five hours per week. In the health care sector there are reports of redundancies in catering and cuts in hours for domestics and receptionists and reductions in nursing cover at night.<sup>19</sup> Most of these are women and many are lone parents.

Debt can mount up when trying to meet household costs in the transition periods between work and unemployment, especially where gaps in income occur for people caught between waiting to receive backdated wages and eligibility for benefits. When finances are strained, everyday occurrences can become a crisis: a slate off the roof, a leaking pipe, a repair to a fridge, a cooker that needs to be replaced or a child who needs new shoes. Many women have no financial resilience to these 'shocks', not due to 'bad' budget management but often to insufficient income. It is not always possible to save 'for a rainy day' on a low income. In any event where there is a sustained reduction in earnings, savings are quickly used up and replaced by debt and arrears.

Much of the money women borrow is for family expenditure, to meet household bills, and to spend on children – for clothes, school uniforms, birthdays and Christmas. This is a constant theme across the Your Money Garden report. It also came up during the course of work on this report: several women told the author proudly that, while they did not have savings, they had managed not to go into debt for Christmas for the first time. This had been their financial goal for the year.

### Your Money Garden Interviewees

*"I use my credit card for food, heating, bills. I never get into debt for luxuries but there's always more going out than coming in ..."*

*"I got a loan to get a loft conversion as my young daughter of 15 announced she was pregnant, that was a very stressful time, this was a necessity ..."*

*"I get into debt every year, Christmas, birthdays and even July (new clothes for the kids for the 12th) ..."*

Retaining work may be difficult for people with caring responsibilities or those with a disability or health condition; and research conducted in 2008 by Carers UK, shows that almost a third of carers who pay rent or a mortgage struggle to meet the cost, three out of four carers struggle to pay their utility bills as a result of caring and over half cut back on food to make ends meet.<sup>20</sup>

The profile of advice agency clients evidences that debt is linked to social need and dependence on benefit income. Forty-three per cent of those seeking advice from CAB relied on benefits as their main source of income while 58% received some type of benefit; 32% have some form of disability.<sup>21</sup> Their debt situation is made worse when they do not receive all their entitlements. An estimated £30million in unclaimed income was identified by Advice NI over the year.<sup>22</sup>

### Advice NI

*The total amount of Pension Credit unclaimed annually is between £57m and £134m. The average number of pensioners entitled to but not claiming it is between 39,000 and 74,000.<sup>23</sup>*

The availability of Working Tax Credit has influenced women's decisions to go back to work. However, the cut-off point for tax credit can cause hardship for many women and make it more likely that they will fall into debt despite their best efforts. Moreover, the impact of Childcare Vouchers and Salary Sacrifice Schemes on tax credit awards has led to numerous problems with claimants not understanding how one affects the other, leading to debt. It is likely that it is women more than men who are paying the cost as women are usually in charge of covering the childcare costs.



### Project Interviewee

The interviewee used to receive working tax credit of £150 per month but she got a small salary increase in 2009 and since April 2010 no longer qualifies for the payment. Her small salary increase does not make up for the £150 per month (£1,800 per year) which she has lost. For the last three years she has been debt-free after Christmas. Prior to this she had started each new year with a Christmas debt. She has opened a savings account but has been unable to put aside any savings yet, but is going to try to start in 2011. Each month she looks forward to the end of the month when her wage comes in. She receives £50 per week child tax credit which she describes "as a lifeline. Otherwise I would have to make my wages elastic. Now, I can buy the odd thing with the £50."

### Citizens Advice Bureau

Kerrie returned to work in December 2008 after maternity and contacted Tax Credits to provide them with an estimate of earnings, showing a reduction in household income due to Statutory Maternity Pay and the increase in childcare costs. She finalised her tax credits award in July 2009 and then received a renewal pack and guidance notes and became aware that the Salary Sacrifice Scheme she had with her employer may affect her tax credit award. She was then told she was in an overpayment situation. In August a finalised award notice showed an overpayment of £2,146. It also showed no childcare costs from November 2008 to April 2009. On review, the Tax Credits Office had made a mistake in leaving out the childcare costs and made this adjustment to the claim, but still required repayment of £796 for overpayment.<sup>24</sup>

In the twelve months to March 2010 CAB helped vulnerable people to identify and claim £6.1 million in benefits which will amount to £38.8 million over the length of the claims.<sup>25</sup> While gendered statistics are not available, its benefit uptake drive focused on Attendance Allowance, Pension Credit and on carers and families with children, areas in which women predominate. CAB enabled clients to increase their incomes by an average of £55 per week and on average an arrears payment of £535 due to them. This is a significant boost for vulnerable women, but also

illustrates why so many may find themselves in debt.

### Citizens Advice Bureau

"The impact of £6.1m on the local economy in a recession cannot be understated. This is money which will be spent in local businesses and the exercise [benefit uptake drive] has made a significant impact on poverty in Northern Ireland."<sup>26</sup>

### Analysing the debt

Citizens Advice Bureau dealt with over £33 million of debt to March 2010, helping more than 2,500 people with financial problems.<sup>27</sup> CAB has five years of debt statistics which reveal significant trends: mortgage debt, for example, that was £475,000 in 2006-2007 and 2007-2008 is now £4.5million. Credit card debt was the most common problem accounting for 30% of overall debt and almost 40% of the number of debts. The three largest sources of debt – credit cards, personal loans and mortgage debt – all increased over the year.<sup>28</sup> The sums are considerable: almost £10m in credit card debt, £5.7m in personal loans and almost £5.5m in mortgage debt. Among other debts there is £2.4m in business debt.<sup>29</sup>

This confirms Your Money Garden findings in late 2010 on women's relationship with credit and debt. Your Money Garden found that credit and store cards were the most common form of debt among the women interviewed who reported debts ranging from several hundred to many thousands of pounds. A significant number had loans from other lenders such as banks, building societies and private loan companies. There were repayments for items bought by hire purchase and from catalogues. A large proportion had problems with utility payments while a smaller number had rent and mortgage arrears. Half of the women reported debts in excess of £10,000, exclusive of mortgage debt.

CAB converted almost 33,000 records of advice sessions into a database of almost 6,000 clients to analyse the debt problem in Northern Ireland. Those in full-time and self-employment had higher levels of debt and those with earnings had higher borrowings than those living on benefits.



Higher levels were also more characteristic of owner occupiers. CAB suggested the data pointed to two kinds of debtor: those in difficult circumstance falling into debt from deficiencies in income while trying to maintain spending and/or to deal with unforeseen expenditures; and those higher up the income scale who availed of cheap and easy credit.<sup>30</sup> CAB found that unemployed people were over-represented in the indebtedness group while over half of the group were on benefit.<sup>31</sup>

Men tended to have higher levels of borrowing (around £680 higher on average) but women made up the majority of those in debt with an average female debt of around £15,400.<sup>32</sup> Women who were employed or self-employed tended to have the same levels of debt as men did.<sup>33</sup> Around 1,800 people reported over 5,000 different debts and 69% reported experiencing more than two debts and over a quarter (27%) seven or more.<sup>34</sup>

An individual can be considered to be indebted if spending more than 25% of gross income on monthly repayments servicing consumer credit commitments. A second, more indebted, indicator is when an individual is spending more than 50% of gross monthly income on total borrowing repayments (consumer credit and mortgages). In research conducted by OFMdfM women formed the great majority of those in debt: they were 60% of the indebted group on the 25% indicator and 73% on the 50% indicator. Those with dependents were more likely to be indebted on both measures. More than two-thirds of the indebted were on lower incomes.<sup>35</sup>

The 25-49 age group formed more than 60% and 77% of those under the respective indebted measures, and around 20% of older citizens over sixty-five years were over-committed. Servicing mortgages was difficult for almost half of debtors overall and almost three-quarters of the highly indebted group on the 50% indicator. People who owned their house outright were the next group in most trouble and it could be assumed this group contains a high proportion of older people, the majority of whom are women.

Thirty-nine per cent of all individuals in the survey – not just those who are indebted

according to the two indicators – always, often or sometimes run out of money before the end of the month. Forty-three per cent, said they never, hardly ever or only sometimes had money left at the end of the month. The Family Resources Survey estimated that 13% of Northern Ireland households have no type of savings or bank account, twice the UK rate, thus reducing their ability to access credit.<sup>36</sup>

Interviews and focus groups for this report back up these findings. Many young women and lone parents said they had no savings and had difficulty in making their money stretch to the end of the payment period. In different locations and independently from one another there were several stories, even from those with their own children, of returning home to mother for meals until the wage or benefit payment arrived or to sleep over to save on heating costs during the winter.

### Impact of debt

The Consumer Council for Northern Ireland found that 52% of the adult population is worried about making ends meet now, and 64% are worried about their finances in the future. Only four in ten are managing to keep up with bills and credit without difficulties.<sup>37</sup> One-third of people believe they are just one month away from financial hardship if they had a sudden drop in income or an unexpected expense were to arise.<sup>38</sup>

#### Your Money Garden Interviewee

*"I'm careful. I've been in debt before, but if I lose my job god knows what'll happen, we can't afford to save as it is."*

Having problem debt can be traumatic, extremely stressful and drive people to the brink of suicide. Serious debt can panic people. Depression is a common feature and can lead to sleepless nights and an increase in drinking and smoking. It can impact severely on children, and mothers' concern for children can double their own distress, and on the wider family circle. Some people feel embarrassed and ashamed and can be reluctant to seek help because they do not want others to know they have a problem. Money advice is very personal and it requires



relationship building and a level of trust between advice agency and client. Some advice agencies expressed concern to the author that while debt was hugely stressful for their clients, people were having to wait a long time for an appointment because of the small size of their staff teams and the volume of clients now presenting with debt.

### PMC Consultants Report for OFMdFM

*"My stress levels went up through the roof. I was living on beans and toast for 8 months. I didn't have a penny to myself."*

*"It's got to the point where we are struggling to feed the child."*

*"Problems with my husband because of it."*

A PMC Management Consultants' report for the Office for the First and deputy First Minister identified two-thirds of those in debt as female and one-third as male. The vast majority had significant debts over £10,000 and the majority were expected to pay significant sums of money to service the debt: 41% had monthly payments of £200-£500 while 19% had monthly repayments of at least £1,000.<sup>39</sup> Women interviewed by Your Money Garden explained their difficulty in making payments, and that the borrowing cycle never seemed to end.

### Your Money Garden Interviewees

*"After I pay out all my month direct debits and money I borrow I'm back to square one borrowing to get me through the month again ..."*

*"The incoming money does not cover all outgoing payment so I have to miss some payments each month, then the debt gets bigger and bigger with the interest added on and the late payment charges ..."*

PMC Consultants noted that some households were 'constantly living at the limits of their resources' and that for one parent households in particular the risk of debt was persistent. Some women told Your Money Garden that they had sold jewellery, including wedding and engagement rings and that they were dealing with partners' gambling debts.<sup>40</sup>

### Your Money Garden Interviewees

*"When you are this deep in debt the thought of a way out seems impossible."*

*"It will be 20+ years before I see the light at the*

*end of this tunnel."*

*"I feel sick at the thought of the amount of interest I have paid to loan companies and the stress I was under at the time ..."*

Many women are afraid to tell their partners about 'their' debts, and many keep it a secret from their families. They feel ashamed that they had not been able to balance the family budget. Some who relied on partners for money and found they did not get enough acknowledged that "some men don't realise the cost of living and that the amount of money simply doesn't cover the costs."<sup>41</sup> Your Money Garden reported relationship pressures and domestic abuse as well as mental health and other quality of life issues.

Footprint's Family Support Worker found that previously it was easier to close case files on cases after three months, but as 2010 progressed more cases have been ongoing as situations at home appear to be getting more difficult. Women's partners' hours are being cut at work so there is less money coming into the house. Schools, whose budgets are under pressure, are asking parents for more contributions. There is an element of domestic violence in very many of the cases and the relationship breakdown can lead to a break in income for women.

### Footprints Case Study

*F is an unemployed lone mother with one small child who had faced a history of domestic violence and separated when her partner was made redundant and arguments increased over money. She had reached her limit on a social security crisis loan and was borrowing from family. She had a loan, which was to have been a joint loan, from a loan company on which the interest had grown to be more than the loan and she found it difficult to repay. F had no money for heating before Christmas but a donation of oil was secured in the interim followed by support from St Vincent de Paul. Prior to this she had been on top of her financial situation, knowing what was in her account and what to set aside.*

In one-to-one meetings in the Footprints Women's Centre many women, the majority of whom are lone mothers, admit that it is very difficult to make ends meet, commenting on how



the price of shopping has gone up, including essential items for children such as nappies. The same issues came up in the focus groups for lone parents and young women. In the run up to Christmas 2010 Footprints made more requests than usual to St Vincent de Paul and the Salvation Army for Christmas gifts for families in need; and continue to make a steady stream of referrals for financial assistance to the South Eastern Trusts' Family Support Panel.<sup>42</sup> Increased reliance on St Vincent de Paul was a common thread across several focus groups and interviews.

### Credit and saving

#### Your Money Garden Interviewee

*"I think it is much harder for young mothers today, the cost of living is so high, children get so much and mothers feel pressured into buying their children the latest stuff because of pressure from their own children ..."*

Credit was more affordable in the strong economic conditions pre-recession with low interest rates, a strong labour market and a buoyant housing market. Now, many households are under pressure in very changed circumstances with nil or slow economic growth, rising interest rates, higher prices and poor employment prospects in the immediate future. Add to this the cuts to the welfare budget as government reins in spending on the poorest to cut the public debt in the aftermath of the collapse of financial institutions and a severe economic downturn. Income inequality appears to be on a trajectory for a long-term rise.

#### Your Money Garden Interviewee

*"We've no capacity for any increase to be honest, we thought that negative equity was bad enough, but a big hike in interest would finish us off ..."*

Debt and credit are features of every day living. This is so, whether it is those in higher income brackets who take out loans for major items and pay their bills by credit card, or those who borrow to top up their electricity metre in winter or to see them through with food at the end of the month when their benefit payment has run out. Debt has become a central part of the economic survival strategies of those locked into

poverty, where it is used to buy goods and services which are essential.

Generally, low-income families' access to mainstream lenders is limited. It has become increasingly difficult to access unsecured credit and therefore probable that more people than ever are turning to alternatives, to doorstep and other lenders targeting low-income households. The rates of interest are higher but they offer flexible terms and do not have the same qualifying requirements as mainstream lenders.

Doorstep lending or the 'tick man' has always been a regular feature of some women's lives. There is evidence of difficult and threatening relationships between the lender and debtor, and in Northern Ireland there is the added dimension of paramilitary links. At the same time, the Institute for Public Policy Research (IPPR) indicates, weekly payment plans allow poorer consumers to buy goods they could otherwise not afford and to pay in a way that is compatible with weekly budgeting.<sup>43</sup>

Saving is important as it provides a cushion for people in difficult times and increases their resilience to financial shocks, but it is exceedingly demanding for low-income families. In a study on income, spending, saving and borrowing most low-income families, of whom 40% were one-parent families, had a positive attitude to saving but found it difficult to do.<sup>44</sup> Some families can manage short term saving plans for Christmas and birthdays, but cannot build up precautionary savings for unplanned and unexpected events such as major repairs or replacements.

The possibility of asset-building for the future through a savings plan or pension is out of the question. The recession along with budget cuts and higher prices has made the likelihood of saving more remote. IPPR's findings match what women have said during the focus groups for this report.

#### IPPR: lone parent with two children

*"The only time I save is when we are going on holiday. All I do is – it is quite sad really – I put all my change, 20p, 10p, 5p, 2p, 1p, 50p all in a pot. And when we are going, I change it up [sic] and I split that between my kids." <sup>45</sup>*



### Lone Parents' Focus Group

*"I had hoped to take out a pension but I haven't enough money to pay into a company pension scheme."*

IPPR contends that disparity between low-pay structures and consumer driven growth is an integral part of the story of debt in low-income households.<sup>46</sup> Furthermore, that reliance on debt, far from creating opportunity has created vulnerability during the recession. IPPR also argues, however, that low-income families need access to credit. Consumers need to be protected with a combination of market regulation and measures to provide fair, sustainable and safe alternatives to high-end credit.

As Northern Ireland moves forward to rebuild its economy post-conflict and post-recession, arrangements should be put in place that will assist and protect low-income households in regard to credit. The Debt Relief Act (Northern Ireland) 2010 offers some assistance including a one-year moratorium to protect them against legal proceedings or enforcement action by creditors. When steering the legislation through the Assembly, DETI Minister Arlene Foster said she expected around 1,000 applications for debt relief each year and that most of those who would avail of the scheme would be in receipt of benefits.<sup>47</sup>

### Citizens Advice Bureau

*"We believe that the Northern Ireland Assembly could now usefully consider an integrated strategy on debt which would begin in the schools, and which would equip the public to deal with financial issues. The finance industry in Northern Ireland has much to contribute to such a strategy, and should follow the example of the Ulster Bank in making available the finance to bring such a strategy to fruition."*<sup>48</sup>

## Conclusions

Debt is often not the result of bad financial management. Indeed the evidence from this and other research projects point to women's budget management skills being extremely good; they make a small income stretch a long way. Social Market Research has drawn attention to the fact that poor literacy, numeracy and IT literacy and

the lack of a bank account can increase risk.<sup>49</sup> There may be some room for improving financial capability in Northern Ireland as the Consumer Council for Northern Ireland reported that people in Northern Ireland know less about financial management than people in Britain and this is confirmed in other research.<sup>50</sup>

However, these alone will not resolve the 'problem debt' that many women carry because they work in the low wage economy, or as young women they cannot find a job, or as migrant women they are more vulnerable in under-regulated employments, or as lone parents with young children they are a single earner in part-time work, or as carers they rely on benefit or as older women they may not be claiming the Pension Credit they are entitled to.

There needs to be focus on increasing incomes above the poverty level, ensuring there is safe and affordable credit for low-income households and regulating the finance industry to protect consumers. In making the recommendations below it is important to remember that a greater number of women than men are in debt, and women form the majority of low income people in debt. Therefore these measures will assist women greatly. However, in order to ensure that action will be effective and will reach those who need it most, women should be involved in designing any new strategies and schemes to cope with debt.

A number of steps that need to be taken can be taken within Northern Ireland by the Northern Ireland Executive. Others, some of which are encapsulated in the recommendations, require action by the UK Government. Where this is the case, the Northern Ireland Executive, as one of the governments representing citizens in the UK should make the strongest representations possible to the UK Government, if necessary garnering support from counterparts in Scotland and Wales for the necessary course of action.

## Recommendations

- The Northern Ireland Executive should develop an integrated strategy on debt in Northern Ireland. Women should be involved in designing any new strategies and schemes to cope with debt in order to ensure that





action will be effective in reaching those who need it most.

- The Executive should bring together a forum of banks and other lenders to develop policies of affordable credit with flexible repayment plans and to negotiate an arrangement with them to co-partner the Executive in funding independent debt advice services.
  - The Executive should establish a Northern Ireland Loan Guarantee Scheme to help Credit Unions in Northern Ireland offer affordable credit to people on low incomes, irrespective of whether they have savings or not, based on people's current income and not on past credit history and with flexible repayment plans.
  - The Executive should work with lenders to develop accurate monitoring of the impact of the developing financial situation on borrowers and create a mechanism for offering immediate advice and support for those who get into financial difficulty.
  - The Department for Employment and Learning should oversee the integration of advice and support at the crisis point by ensuring that personal advisors working with the unemployed in any agency are trained to signpost those in need and at risk to independent advice centres and family support and counselling services for debt advice and mental health support.
  - The Executive should prioritise face-to-face advice services as frontline services assisting people in need and ensure that their funding is protected. Advice agencies should be resourced to help to maximise incomes for the vulnerable and assist the Executive in addressing housing and fuel poverty and reducing individual debt, including by providing appropriate assistance for those for whom advice by telephone is not accessible.
  - The Executive should ensure that one of its Ministers and departments regularly monitors the funding situation of local women's centres to ensure that they continue to receive funding as front-line
- service providers offering advice and support to women.
- The Executive should invest in the delivery of sustained benefit take-up programmes that creatively and innovatively target those in need, vulnerable and hard to reach in order to increase incomes, reduce individual debt and bring new money into the Northern Ireland economy from the UK Exchequer.
  - The Executive should liaise with the Scottish and Welsh Administrations to urge the UK Government to address income inequality by increasing benefits, tax credits and the national minimum wage to at least the minimum income standard to allow people to live above the poverty line. The UK government should uprate these regularly to take account of the increasing pressures on incomes.<sup>51</sup>
  - The UK Government should build financial strength and reliance in families by introducing a lifelong savings account for low-income families funded through limiting the tax relief on pension contributions to the basic rate for everyone.



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# Housing and Energy Debt

## Increasing housing debt

The numbers of people coming to advice services who are in housing need have increased substantially since the economic downturn. The Housing Rights Service saw an increase of 300% in clients for debt advice during 2008-2009. In the first quarter of 2011 their client group increased again, by 30%. Overall in 2010-11 the Service dealt with 28,400 housing enquiries in comparison to 15,000 in 2009-10. Those coming for advice have rent arrears or mortgage debt and are struggling with paying for utility bills and household and family expenses generally. They may have already had high levels of borrowing, particularly where mortgages are concerned. Whether in rented or owned accommodation the difficult economic climate has exacerbated their situation due to higher prices and loss of or reduction in income as jobs and hours of work are cut. Most are extremely concerned about how to keep a roof over their heads.

### Housing Rights Service – Social Housing Rent Arrears

*C was referred to the Housing Rights Service Tenant Debt Advice Service by her Housing Association because of rental arrears. C told the Adviser that she lived in the property with her 2 sons and her husband.*

*C disclosed that she was subjected to domestic violence and that her husband had repeatedly taken all the money for the bills, leaving her with no money to pay the rent. As well as C's husband taking the household money, her 2 sons were found to be withdrawing money from C's account without her permission. This lack of access to money left C in rental arrears. She also had to take out a substantial loan through a money lender to get by.*

*C advised that the combination of repeated domestic violence, rental arrears, debt and her husband eventually leaving her led to a rapid deterioration of her mental health. As a result of this deterioration, C was admitted to Acute Mental Health Inpatients Service at Belfast City Hospital. C has since been discharged. Housing*

*Rights Service has tried repeatedly to engage with C but has had no success.<sup>1</sup>*

Mortgage debt is especially problematic because of the size of the debt and the possibility that families will lose their homes if they default. Mortgage repossession figures show the immediate impact the recession had on home owners, and they are on the rise again at the time of writing this report. Official statistics issued by the Northern Ireland Court Service confirm that during 2009 there were 3,902 mortgage repossession actions taken in the Chancery Division of the Northern Ireland High Court. This represents a 77% increase on the level in 2007 and a 64% increase from 2008.

There was a slight decrease in mortgage repossession actions in 2010, but the downward trend is not likely to continue. The statistics for the period January to March 2011 show an increase of 11% on the same period in 2010 and a 51% increase over 5 years. The Council of Mortgage Lenders predicts there will be a further increase in 2011 to 40,000 repossessions in the UK.<sup>2</sup> The increase reflects continuing pressure on household finances, persistence of cases of long term arrears and government decisions to cut the level of help, for example, through reduction in the Support for Mortgage Interest scheme from 6.08% to 3.63%.

### Mortgage Repossession statistics<sup>3</sup>

Year	Q1	Q2	Q3	Q4	Total
2011	856				
2010	773	929	863	825	3390
2009	1020	954	1124	807	3902
2008	754	929	1006	939	3628
2007	566	584	521	542	2213

The Your Money Garden investigation into women and debt found that a large proportion of the women interviewed had problems with utility payments while others had rent and mortgage arrears.<sup>4</sup>



### Your Money Garden Interviewees

*"Yes, we have had our home repossessed, ... we actually handed the keys back voluntarily as we couldn't afford the mortgage repayments anymore, they were crippling to us ... The sad bit is, the big loan we got was to refurbish our home, we spent thousands on it, but now we no longer own it, but we still owe all the debt. We have nothing to show for it ..."*

*"I had to go to court with the mortgage about 5 years ago. And it was the most humiliating experience as I had to tell the judge what I spent my money on. At that time I had three kids of school age and he suggested that I cut down the money for their lunches and travel. I agreed to pay off the arrears over three years and did so but I am now in arrears again ..."*

### Post-conflict housing boom

Because of low house prices and the conflict, sub-prime mortgage lenders stayed out of the housing market in Northern Ireland for many years. Then, with a peace process underway and the credit boom this changed. There was an explosion in the number of mortgage products available and with high-risk loans accounting for a significant share of the market. Many people were sold these through intermediaries working in the sub prime sector.<sup>5</sup>

This was borne out during the course of work on this project. Women told stories of lenders targeting a low income area knocking on doors offering mortgages and additional loans for home improvement to unemployed women. Most of these women lived in social housing owned by the Northern Ireland Housing Executive. One local example was given of a woman who had taken both options of a mortgage and home improvement to buy and improve her Housing Executive house. The loans had been beyond her means and she was being evicted for inability to pay. Having previously lived in social housing in the area all her life, she would have to go into a hostel and start again on the Housing Executive waiting list.

Several women interviewed or who took part in a focus group for this project had interest-only mortgages. One interviewee noted that she and other acquaintances were encouraged to buy

their Housing Executive houses without understanding fully what they were getting into.<sup>6</sup>

### Project Interviewee

*The interviewee had lived in the same house for 16 years and had been a Housing Executive tenant, paying a monthly rent of £200. She bought her house five years ago which she thinks now was foolish. She pays £450 per month currently simply to cover the interest; she is not paying anything off the capital. She realises she is lucky to have a job and is worried in case she gets sick or loses her job.*

Many of those at the bottom end of the income scale have been encouraged into homeownership through sub-prime mortgages. Many of these are interest-only mortgages where no financial provision has been made for paying off the capital at the end. Moreover, they were taken out when interest rates were low and are held by people whose income has no headroom to accommodate interest rate rises. While short-term interest-only arrangements can be helpful to see some struggling families over the worst of the downturn, several people who were interviewed during this research had no foreseeable means of ever paying off the capital.

Those who were once secure renting their Housing Executive house are likely to have to sell their home at some point to meet the capital payment. If they bought at the wrong time, when prices were high, they may be in negative equity and will be carrying this debt burden with them. It is clear from advice agency casework and research that many people coming to the end of fixed rate mortgages have found it hard to secure a new deal and, generally, low-income families' access to mainstream lenders is limited.

### Causes of housing debt

The housing market and people's financial problems have been affected by the reduction in Support for Mortgage Interest scheme (SMI) and the drop in house prices, sharper and deeper in Northern Ireland than in Britain. The latter has resulted in high levels of negative equity as the Northern Ireland housing market had recorded an annual growth of 47.5% to February 2007.<sup>7</sup>



SMI is available to homeowners on means-tested benefits. In October 2010 the Mortgage Interest Rate Support was almost halved from 6.08% to 3.63%. In 2007-08, 56% of people in mortgage arrears in Britain were in that situation due to a loss of income.<sup>8</sup> Shelter noted that, while not necessarily from the lowest income groups overall, those at risk of repossession tend to have the lowest incomes among home-owning householders.<sup>9</sup> Advice NI concurred that, given rising unemployment and the cut in SMI, the risks of more home owners being unable to make regular repayments were increasing. It was concerned about the implications of public sector cuts and redundancies on further financial difficulties and repossessions.<sup>10</sup> This is a particular danger for women, given their higher share of public sector jobs.

According to Advice NI there are 14,270 recipients of SMI in Northern Ireland of whom 51% are in receipt of Income Support, 39% of Pension Credit and 10% of Jobseekers Allowance. Advice agencies warned that the new SMI rate from October 2010 would be too low for around half of those depending upon it. They estimated that a person with an average mortgage of £150,000 with an average interest of 5.5% would have a shortfall of £163 per month.<sup>11</sup> To make this up a person will have to squeeze an already low income even further, go into debt or risk losing their home. Those on Job Seekers Allowance (JSA) have been particularly badly hit – from January 2011 JSA claimants who have been on benefit for two years will lose SMI altogether.

### Advice NI Case Studies

*Client is on a mortgage of £100,000 and attracts SMI. She is currently paying £437 a month on an interest only mortgage. She was receiving the full SMI assistance. In future she will only receive the £303 a month and must find £134 from elsewhere.*

*Clients have a small mortgage of £30,000. Husband and wife receive Income Support. They already pay, with difficulty, £100 towards their £206 monthly mortgage payment. They have mortgage arrears and notice of legal proceedings. They fear they will not be able to make the additional payment.*

There are myriads of issues which lead women and men into housing debt: unemployment (21% of all cases), reduced remuneration (17%), ill-health (13%) and relationship breakdown (11%).<sup>12</sup> Most people coming to the Housing Rights Service for advice are already in debt, but the type of client in debt and the type of circumstances have changed due to the credit boom and the recession. Before the boom, illness was a major concern for those seeking advice. After the boom, more struggling double income families have turned to the Service because they are over-stretched. Circumstances such as having a new baby and suffering a loss of income are factors.

### Cases presented by CAB to the Treasury Select Committee

*A County Antrim client was in mortgage arrears because her estranged partner was able to extend the loan without her consent. He left the property and the client has been left with unaffordable mortgage payments and arrears.*

*A Belfast client cannot cope with the interest on her mortgage and unsecured loans. She is on a low income and had previously re-mortgaged, however now her debts are too difficult to manage and the bank will not freeze the interest. The client has attempted to take her own life as a result.*

People face housing debt not just as a result of the reduction in mortgage interest rate but the combination of cuts to welfare benefits. Moreover, new Housing Benefit rules create added difficulty for lone parents and their former partners. All single people on benefit up to the age of thirty-five (previously it was twenty-five) are likely to be in a room in a shared house. This includes the parent who is not residing with the children who is normally the father. The impact of this will be that fathers may see less of their children as they will have nowhere to accommodate them. It will affect mothers too as it increases the likelihood that they will have 100% of the care of the children 100% of the time given there will be less possibility of children visiting and staying overnight with their father.



**Housing Rights Service Case Study – Homeowner mortgage arrears**

*B is a single parent with two children and is a full time carer to her two children who are both disabled and in receipt of Disability Living Allowance. B contacted Housing Rights Service Mortgage Debt Advice Service in relation to her mortgage arrears and advised us that she experienced a messy divorce. B advised that she suffered a nervous breakdown due to the stress of the relationship breakdown and as a result also receives Disability Living Allowance. The client’s ex husband was the sole earner and as the client has caring responsibilities she is unable to work herself.*

*B advised that she had to raise a mortgage to buy out her husband’s share of the property and because she is on a low income, she had no choice but to borrow from a sub prime lender. B borrowed £90,000 from them at an interest rate of 10.9%. The mortgage is interest only and the contractual monthly instalment is £794.63. B claims Income Support and receives Support for Mortgage Interest (SMI) however as a result of recent reductions to SMI from 6.08%- 3.63%, B has had her payments reduced and as a result has gone into arrears.*

*B’s ex husband doesn’t provide her with maintenance for the children and hasn’t seen the children since he left. B advised she struggles with money management as her husband would have done all this and as a result of this has been relying on credit cards to get her through. She now can’t afford to pay her secured as well as her unsecured debts.<sup>13</sup>*

Unlike in England, Scotland and Wales, public funding is not available in Northern Ireland to provide free representation on the day of a court hearing to people facing repossession. The reason given is that legislation governing legal aid precludes such funding.<sup>14</sup> However, it has been suggested that this may not be an accurate interpretation of the legislation on housing repossession cases and, in any event, the policy could breach the principles enshrined in the European Convention on Human Rights. The Housing Rights Service believes that this, along with the scale of the debt problem and the limitations on existing sources of help, makes a compelling argument for urgent review. The Service tries to fill the gap currently by providing an in situ Court

Representation Service funded entirely by charitable sources. They note that their resources are inadequate to deal with the demand.

**Struggling with fuel debt**

In trying to understand the reason for energy debt, Social Market Research (SMR) came to the conclusion that no single issue causes debt. Debt can be driven by: low income, fuel poverty, need for greater usage of energy, sudden changes in circumstances/income level, disconnection/reconnection fees, accommodation that is not energy efficient, higher energy costs, inaccurate billing, an increase in direct debit amounts, unaffordable repayment plans and problems with pre-payment meters. A combination of factors coming together can increase vulnerability to debt.<sup>15</sup>

**Case presented by CAB to the Treasury Select Committee**

*A County Down client who was living on sickness benefits contracted pneumonia because she was unable to afford oil to heat her home.*

In a survey of energy customers who were either in debt or struggling to pay their bills, SMR reported that self-disconnection appeared to be highest amongst vulnerable customers, with low income proving to be a major factor for self-disconnection and self rationing. Almost a quarter of the electricity customers and 41% of gas customers surveyed had gone without energy in the previous twelve months because they could not afford a top-up, and the majority did not use as much energy as they needed because of the cost.<sup>16</sup>

The vast majority of people in arrears were trying to repay them but the majority found it difficult to repay.<sup>17</sup> Just under half of electricity customers and 40% of gas customers paying arrears via a pre-payment meter considered the repayment rate too high.<sup>18</sup> Of those in the survey 28% reported being in arrears, with the figure rising to 78% of those in fuel poverty.<sup>19</sup> The majority worried a lot about this.

**Where women figure in fuel debt**

SMR reported that 23% of women compared to 32% of men were in arrears.<sup>20</sup> Unfortunately,



there was not sufficient gendered data in the report to know if there might be a specific reason for this. Women are generally on lower incomes than men, and the lone parents, young women and older women who were participants in the study for this project all independently from one another and without prompting raised the issue of high fuel prices. So it would be reasonable to assume that women are having the same, if not more, problems with fuel costs than men.

A possible explanation might be that women are doing everything they can not to get into arrears. For example, it is notable that several women in our study talked about regularly sleeping over in their mothers' houses to avoid paying for fuel, and gave examples of friends and relatives doing the same. More women than men in the SMR survey had an electricity pre-payment meter installed.<sup>21</sup> Might it be that women are self rationing more than men are or using less energy than they need? Might they prioritise paying for fuel to provide heat for their children but put stress on another aspect of their budget? Given that the general picture of debt is that more women have debt than men it may be valuable to understand why the reverse is true in relation to arrears in the SMR study.

### **IPPR: lone parent with one child**

*"The [electricity company] have put me an electricity meter in and it's just ridiculous. I'm spending so much on it because it isn't just taking the electricity that I use. It's taking off the debt."<sup>22</sup>*

Moreover, gendered data would have provided information on whether the 20% of those aged 65+ using pre-payment meters for electricity who reported having gone without electricity were women; and similarly for the 51% of those who were separated, widowed or divorced?<sup>23</sup> It is likely that the majority are women given that the majority of the older age group are women and that women suffer a greater loss of income on relationship breakdown than men.

It is notable that awareness of easy saver/budget cards was higher among women (25%).<sup>24</sup> This adds a further dimension to women's debt – despite women being better than men at money management on the whole, as this use of saver

options suggests, more women are still in debt. This raises a further question about women's debt: if women are better than men at money management on the whole, as this use of saver options suggests, why are more women still in debt? This surely evidences once more that it is a matter of insufficient income, due to reliance on low wages or benefits both of which are below an acceptable minimum income standard.

The impact of fuel debt on women and children should not be under-estimated. Citizens in Northern Ireland are at higher risk of fuel poverty than are citizens in the rest of the UK. Scottish Power announced a 19% rise for gas and 10% for electricity<sup>25</sup> while in Northern Ireland Phoenix Gas increased its prices by 39% from 1 May 2011<sup>26</sup> and a significant rise is expected in electricity bills.<sup>27</sup> It seems that the number of women and families in debt, and the severity of that debt, can only increase in the current financial climate.

### **Stress and ill health**

There are significant costs, beyond financial costs, as a result of homelessness because of housing debt. As the Housing Rights Service points out, it is not only the cost to the public purse and to lenders. Homelessness has a devastating impact on a family and has implications for the stability of the wider community.<sup>28</sup> The threat of homelessness and overwhelming debt adds considerable stress to individuals and family relationships. There are also physical and mental health issues.

### **Citizen's Advice Bureau**

*Paula and her husband had a number of loans and a mismatch between dates of receiving income and paying out direct debits in their bank account and difficulty in finding a bank that would make the necessary arrangements. Paula was becoming more and more stressed about their financial situation to the point where she was afraid to open letters as she felt she was going to lose her home. She was dealing with a lot of the debt issues by herself as her husband worked away from home, and by this time was being treated for depression and had to stop work. At one point her doctor advised she should be admitted to hospital but she could not do this because of her children.*





## Domestic violence

Relationship breakdown accompanied by violence against women was a recurring theme in cases identified by generalist and specialist advice agencies and in interviews carried out with Footprints Women's Centre and Women's Aid.<sup>30</sup> The Mortgage Debt Advice Service in the Housing Rights Service reported relationship breakdown to be a central issue in their casework. Job loss and reduction of income as a result of the economic downturn are causing more stress in relationships. Some callers to Women's Aid Helpline disclosed that while they were experiencing domestic violence before the recession, the abuse had become more frequent and severe. Some abusive men were using the recession to justify their behaviour.

Domestic violence is the expression of power and control. Financial stress as such does not cause domestic violence – there are many families under stress where there is no violence – but periods of financial pressure can escalate the abuse women face and can be used by the perpetrator to legitimise his behaviour; for example, excusing it through depression due to redundancy or falling income. Increased financial pressure and unemployment can escalate stress, lead to the greater use of alcohol and other substances which reduce inhibitions and can lead to the abuse becoming more frequent and severe.

All forms of domestic violence – physical, emotional, sexual and financial – are a feature of some women's lives during boom times and times of recession but Women's Aid has heard from women living in abusive situations whose ability to escape domestic violence is being hampered by the economic downturn. Women feared increased impoverishment, losing their home and the effect of poverty on their children.

### Footprints Case Study

*D is a woman who has been unemployed since having children. Her husband worked part-time as a window cleaner but lost his job. She suffered domestic violence which had been going on for a while, but the husband's job loss added to the pressure. She had been under pressure from her mother to stay in the marriage but separated in*

*early 2010. She and her husband were home owners and the house was put up for sale but it is not selling because of the economic climate. D has managed on benefits until now but is finding it a struggle. She was turned down for a community care grant of £800 for essential items. She received assistance from St Vincent de Paul and stays with her mother a few nights a week to save on oil and electricity.*

The barrier to leaving can be exacerbated by the use of financial abuse by a controlling boyfriend, husband or partner. Financial abuse, where the abuser controls the household's finances, even their partner's salaries and bank accounts to an excessive degree, is one of a range of controlling behaviours in domestic violence. It can rob partners of their independence and, crucially, prevent them from leaving the relationship.

When a relationship breaks down, with the economic downturn, negative equity and inability to get other work some couples are finding that they cannot sell their house and make a clean break in their relationship.<sup>31</sup> There is stress on any woman unable to get the family house sold, but this can become unbearable where there is violence in the household. A woman might be subjected to an ongoing level of domestic abuse if her violent ex-partner is still living in the house because they cannot afford to live separately. She may not want to get a barring order to exclude him as she will have to negotiate with him later in splitting the assets and making arrangements. Even where he has left he may call by to argue and blame her for not getting the house sold more quickly.

### Women's Aid

*"There are several examples where domestic violence is involved and couples want to separate, sell the house and split the assets, but they find they cannot sell to make a clean break. The woman could get an order to have her partner removed for a period of time or she could go to a refuge. This is a problem that was not seen several years ago, but which has arisen over the last 2-3 years."*<sup>32</sup>

Those women who can move out of violent relationships, or have their partner move out must still pay a financial price. Selling the house



which is in negative equity and a market that is still falling could mean that she will carry an additional debt burden into lone parenthood. Or she may be unable to keep up the repayments on her own and lose her home.

### Footprints Case Study

*E is a woman, married with four children, suffered domestic violence for five years, and separated when the violence escalated when her partner turned to drink because of redundancy. She works as a carer and is the sole earner for the family, and is working every hour she can, including weekends, to get by. Her house was repossessed because she missed a number of mortgage payments; and she is now renting elsewhere.*

### Money lenders

As lending practices have tightened Advice NI is concerned that homeowners will be compelled to turn elsewhere for loans and this may be to illegal lenders or loan sharks with extortionate rates of interest where repayments may be enforced by blackmail or threats of violence. Advice NI's experience of working with clients using illegal lenders is that this leads to spiralling debt, a detrimental impact on mental health and relationship difficulties.<sup>33</sup>

The Housing Rights Service has seen that alongside inability to meet mortgage payments pressure mounts on other expenses and this is followed by threatening letters and phone calls. Debt collection is a growing industry with some businesses selling on bad debts to debt recovery agencies. The Your Money Garden study demonstrates what the advice centres know from the cases which come through their doors daily. Some women in its study had approached money lenders because they had been refused credit by their banks and turned to other lenders. The women reported nasty phone calls, threats and insults from debt collectors.

### Your Money Garden Interviewees

*"I have felt suicidal. I used to hide behind curtains or a sofa when they came calling at the door, they rang me constantly and sent letters not knowing or caring that I was going through hell in my life ..."*  
*"...because they call to the door they kind of frighten me because he knows it is me and the*

*kids on our own. A few times when I have missed him he has been quite nasty ..."*

### Conclusions

Housing debt, from rent arrears and inability to maintain mortgage payments, is increasing and putting considerable strain on women and their families. Their situation has been made worse with the reduction in support under the Support for Mortgage Interest Scheme for those on means-tested benefits. It is further exacerbated by the rising fuel prices at a time when vulnerable customers are already in payment arrears or are severely rationing use of electricity and gas. The fuel prices rises already announced or expected in Northern Ireland will simply exacerbate the situation.

Not having enough income to meet the basic needs of shelter, fuel and food critically underlies much of the debt for the most vulnerable women and children. But advice agencies are reporting that families further up the income scale are now falling into this category due to the economic downturn. Many are likely to be there for some time given the slow economic recovery predicted.

Advice agencies have been facing very heavy workloads and their human resources have been stretched by the financial crisis and its aftermath. They are unlikely to see any reduction in workload for the foreseeable future. Access to good quality advice and representation is important in enabling people to manage housing debt and make arrangements with lenders. It is also essential that people facing repossession of their homes should have their interests properly represented in court.

It is notable that some sub-prime door-to-door mortgage sellers seem to have focused on vulnerable low income women. When these women lose their homes, which they have already lived in as Housing Executive tenants, they must join the social housing waiting list again, this time with an unpaid debt around their necks.

While door-step lenders are attractive to those on low income because their payment terms are



more flexible than formal lenders, there are also inherent dangers. Interest rates are normally higher than high street lenders and when debts cannot be paid relationships sour. Women may not feel safe in their homes when the lender comes to exact payment.

The number of times that domestic violence was named as an element of family debt, especially of housing debt, is of considerable concern. It demonstrates that too many women are living with a consistent level of violence and for some this has got worse as a result of the economic downturn. Worrying too is what would happen to these women if they did not have local women's centres and Women's Aid to turn to for its domestic violence specialist support. Funding to voluntary organisations is affected in cuts to public expenditure. Yet these are vital services.

The centrality of domestic violence in very many cases coming to advice agencies as well as to generalist and specialist women's centres should be acknowledged. While Women's Aid Helpline, funded under the Tackling Violence at Home Strategy has recently negotiated a new three-year agreement, the infrastructure of Women's Aid refuges across Northern Ireland need to be prioritised under the Northern Ireland Executive's promise to protect frontline services.

### **Recommendations**

- In line with European human rights principles and the practice elsewhere in the UK, the Department for Justice Northern Ireland should review the current practice in legal aid to remove any impediment to legal representation for those at risk of losing their homes. Public funding should be available immediately to provide free representation in court to people facing repossession.
- The Northern Ireland Executive should urge the UK Government to revise the Support for Mortgage Interest Scheme so that assessment is on a case by case basis and it can remunerate on actual cost as was the case in the past.
- The Executive within Northern Ireland, and the UK Government nationwide, should require all lenders to offer a swap to interest-only mortgages and deferred interest payments for up to two years for eligible candidates under the Homeowners Mortgage Support Scheme. Lenders should be required to negotiate acceptable rates so that this does not turn into a subsidy for banks through charging excessive interest rates.
- The Executive should work with lenders to develop accurate monitoring of the impact of the financial situation on borrowers and create a mechanism for offering immediate advice and support to those who get into financial difficulty.
- The Executive should strongly support social housing and broaden the appeal of renting.
- The Executive should introduce a form of social price support for fuel costs targeted at vulnerable women and their families.
- The Department for Employment and Learning should oversee the integration of advice and support at the crisis point by ensuring that personal advisors working with the unemployed in any agency are trained to signpost those in need and at risk to independent advice centres and family support and counselling services for debt advice and mental health support.
- The Executive should prioritise face-to-face advice services as frontline services assisting people in need and ensure that their funding is protected. Advice agencies should be resourced to help to maximise incomes for the vulnerable and assist the Executive in addressing housing and fuel poverty and reducing individual debt, including by providing appropriate assistance for those for whom advice by telephone is not accessible.
- The Executive should ensure that one of its Ministers and departments regularly monitors the funding situation of local women's centres to ensure that they continue to receive funding as front-line service providers offering advice and support to women; and of Women's Aid to provide assistance and refuge when women are faced with domestic violence.



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- 30 Interviews at Footprints Women's Centre were carried out on 11 January 2011, with Women's Aid on 3 February 2011 and in follow-up communications.
- 31 Interview with Policy and Communications Manager, Housing Rights Service, 14 January 2011.
- 32 Interview with Manager of Women's Aid Helpline, 3 February 2011.
- 33 Advice NI.



# Summary of Recommendations

## Setting the Scene - Gender Impacts of Financial Crisis

- The Northern Ireland Executive and the lead Ministers should shape the response to the economic and financial crisis in a way which is sensitive to its differential impact on women and men and demonstrates commitment to gender equality, including a gender dimension in Northern Ireland's recovery plans. The UK Government should adopt the same approach at UK level.
- All Ministers, led by Ministers in the Office of the First and deputy First Minister, should ensure that proposed policies are subjected routinely to gender impact assessment.
- Departments and public bodies should ensure that all data is disaggregated by gender to improve monitoring and analysis of the gender impact of the economic and financial crisis and to facilitate the identification of measures to ameliorate adverse impacts. Recovery measures and economic development measures generally should be gender sensitive.
- The Northern Ireland Executive as a whole, led by the Ministers for OFMdFM (responsibility for gender equality) and the Minister for Finance should adopt and lead all department and public bodies into adopting gender budgeting mechanisms to increase gender equality by correcting negative consequences of revenues and expenditures and improve governance and accountability.
- The gender dimension should be effectively mainstreamed in the work of every Northern Ireland department and public body. Gender equality responsibilities should not be minimised and those with responsibilities for gender equality should be effectively supported and resourced.
- Women's participation should be improved at all levels of decision-making, especially in the areas of budgets and in respect of governance arrangements for economic development and financial systems at Northern Ireland and UK level.
- Political parties should introduce special measures, backed up by political commitment and sustained action to bring forward more female politicians. Female politicians are needed in a greater critical mass to bring better understanding of the impacts of policies on women and to champion appropriate policies for women.
- The Northern Ireland Executive should recognise and provide support for the contribution that women's organisations play in addressing the financial/economic crisis and advancing women's rights and equality.
- The Equality Commission for Northern Ireland should monitor progress on gender equality across the public sector and identify and offer public opinion on where women are regressing due to the downturn and recovery measures that exclude and marginalise women. The Commission should avidly pursue cases where women are being discriminated against in public and private employment.
- The Northern Ireland Executive should take account of the findings and recommendations contained in this report on women and the economic downturn and recovery.



### Economy

- The Northern Ireland Executive should move speedily to adopt proposals to extend parental leave and flexible working in Northern Ireland, and DETI should provide support to the business sector to ensure businesses are prepared for implementation.
- The Minister and Department for Enterprise, Trade and Investment should give leadership in developing a business environment that facilitates the creation and growth of women-led companies and women's self-employment. They should ensure that investment and enterprise development bodies develop effective initiatives and programmes to advance women's entrepreneurship, including among young women graduates. More female role models should be identified and profiled.
- The Executive and Minister for DETI should ensure that women-led businesses are identified to contribute to the specific elements of its economic growth strategy. Where necessary the Executive's delivery bodies should put high-level support and mentoring programmes in place to ensure that women entrepreneurs can be included. Greater awareness of what is available needs to be fostered. Innovative approaches should be taken to overcome the additional pressures on women so they can take up opportunities.
- The Executive should put a strategy in place to tackle the under-representation of women in the senior civil service. In particular, a cadre of senior women should be developed in enterprise, trade and investment not alone in the department but across public bodies in the economic field.
- Steps should be taken within political parties to appoint more women to senior office and to provide personal and professional development for women in their ranks to feed the supply chain to senior political office.
- The Minister for Enterprise, Trade and Investment should encourage corporate social responsibility initiatives on gender equality across the private sector.
- The Executive should require transparent pay arrangements and introduce mandatory pay audits for companies in Northern Ireland. The Ministers for DEL and DETI should encourage equal pay initiatives in the workplace and provide leadership for the annual European Equal Pay Day.
- The First and deputy First Ministers and the Minister for DETI should implement Lord Davis' recommendations in relation to equal representation of women on the boards and in the senior management of private sector companies in Northern Ireland. It should establish a Northern Ireland steering group comprised of the public and private sector and gender experts to support the private sector in achieving this and to monitor and report annually on progress.
- The Northern Ireland Executive should ensure that 40% of appointments to public bodies are made from either gender. It should set a goal of reaching this target by 2013.

### Employment

- The Executive should require transparent pay arrangements and introduce mandatory pay audits for companies' workforces in Northern Ireland. The Ministers for DEL and DETI should encourage equal pay initiatives in the workplace and provide leadership for the annual European Equal Pay Day. The departments should review the impact of part-time work and fixed-term contracts on equal pay.



- The Northern Ireland Executive should move speedily to adopt proposals to extend parental leave and flexible working in Northern Ireland, and DETI should provide support to the business sector to ensure businesses are prepared for implementation.
- The Northern Ireland Executive should significantly increase the provision of child daycare that fits with the working hours of parents. It should ensure that employment-related childcare is a core part of its childcare strategy and DEL and DETI should contribute to childcare developments. The Executive should appoint a lead Minister and department to drive the childcare strategy forward.
- Priority should be given within the childcare strategy to driving up the supply of high-quality, accessible daycare that supports parents to access the labour market and remain in employment. Funding should be allocated to expand daycare places. To further assist with this there should be dedicated business support from DETI and its agencies for private, voluntary and independent enterprises offering childcare.
- The Executive should gather and make available comprehensive childcare statistics at one central point and track the improvement in provision of child daycare that is suitable for working parents.
- The Executive should assess the gaps in entitlements to family-related leave, childcare and other challenges for those with caring responsibilities so they can address these and respond positively and immediately to future EU measures.
- All assistance should be provided to enable women to remain in the labour market and build up pension entitlements that are equal to men's. The Executive should ensure that policies on equal pay, flexible working and childcare are aligned with this goal.
- The Executive should monitor its policies to improve gender equality in the labour market and ensure these meet the requirements of the EU Employment Guidelines, amending policies where necessary.
- OFMdfM and DFP should finalise the Maintain the Code of Practice on Workforce Matters in Public Sector Contracts in Northern Ireland and reinforce their application through the Northern Ireland Procurement Guide.

### **Childcare for Employment**

- The Northern Ireland Executive should establish a statutory obligation to deliver quality childcare that is flexible, affordable and accessible. It should agree a comprehensive childcare strategy which standardises access to childcare across rural and urban Northern Ireland as a matter of priority. The Executive should commit itself to work towards the goal of universal good quality, accessible and affordable childcare for all children up to the age of fourteen.
- Childcare services should be visibly integral to the Programme for Government from 2011 and permeate the plans for OFMdfM, DE, DHSSPS, DSD, DEL and DETI who should pool budgets to create a common childcare fund. Childcare should be identified in the Executive's Priorities for Action.
- A lead Minister and government department should be appointed to drive forward the new integrated strategy and cross-cutting inter-departmental objectives in order to encourage and ensure there is a partnership approach across the range of departments.



- Priority should be given within the childcare strategy to driving up the supply of high-quality, accessible daycare that supports parents to access the labour market and remain in employment. Funding should be allocated to expand daycare places. To further assist with this there should be dedicated business support from DETI and its agencies for private, voluntary and independent enterprises offering childcare.
- DEL and DETI should target SME employers and employees with information about the long-term benefits of the childcare voucher scheme, and encourage employers to meet the highest standards in relation to childcare support as well as their obligations in maternity and parental leave.
- DEL should assist childcare workers made redundant to continue any ongoing professional qualifications to maintain the professional skills of the sector.
- The poorest parents should be able to claim 100% of childcare costs, and the run-on period for the Childcare Element of Working Tax Credit when a parent loses a job should be increased from four to twelve weeks.
- The UK government should review its proposals on the Universal Credit to adopt a more generous taper than that proposed and commit to annually increasing the Child Tax Credit (or the Child Element of the Universal Credit when it is introduced) faster than average earnings.

### Lone Parents

- The Northern Ireland Executive should drive daycare for working parents forward as a priority within a wider childcare strategy as one of its tools for growing the economy as well as for assisting lone parents.
- The Steps to Work programme should be monitored closely and its data analysed to evaluate its impact on and its outcomes for lone parents.
- Higher-level training that permits participants to achieve better qualifications should be included in employability training programmes so as to prevent the cycling in and out of work which has been a feature of lone parent employment.
- A Northern Ireland subsidy scheme should be established for lone parents and other low income groups to offset any increase in tuition fees that would prevent their access to higher education.
- The Departments for Employment and Learning and Enterprise, Trade and Investment should actively promote family friendly policies and flexibility in the workplace and ensure that all employers are aware of arrangements, obligations, models of good practice and the Northern Ireland Executive's support for these measures.
- Benefit adjustments should be made more quickly when people's circumstances change, especially where Housing Benefit and Working Tax Credits are concerned. Assessment for the purposes of Working Tax Credits should be undertaken more regularly than once a year.
- The UK Government and Northern Ireland Administration should reintroduce weekly payment of benefits to assist lone parents and others on low incomes to manage their budgets. Whether the UK Government does so or not, the Northern Ireland Administration should make provision for weekly payment of Universal Credit.





- The Northern Ireland Executive should consider and activate measures to offset the impact of the welfare cuts on lone parents and other low income groups, especially at this time of high food and fuel costs. One of the steps that should be considered is the introduction of social tariffs for energy and fuel.
- Lone parents should benefit from the Northern Ireland Social Protection and Social Investment Funds.
- Maintenance arrangements should be established and enforced at no cost to the resident parent, who bears all or most of the cost of raising the child. Child maintenance should not be linked to contact with the child by the absent parent.

### **Migrant Women**

- The new racial equality strategy and action plans should take proper account of minority ethnic women including migrant women. The race and gender strategies and action plans should interface with and inform each other. Both sets of plans should be framed within international human rights frameworks, including CERD and CEDAW.<sup>1</sup> A budget should be attached to the race equality plan when agreed in 2012.
- The Northern Ireland Executive should revisit the Race Relations Order (NI) 1997 and the Race Relations Order (Amendment) Regulations 2003 and strengthen the legislation to afford the same level of protection from racial discrimination as is enjoyed in the rest of the UK.
- The Assembly should scrutinise the Executive's implementation of obligations under international human rights instruments through a committee similar to the Joint Committee on Human Rights in the Westminster Parliament.
- Restrictions on 'no recourse to public funds' should be lifted for victims of domestic violence. Furthermore, access to essential services should be based on need regardless of immigration status to counteract the worst effects of job losses for migrant workers without full resident status.
- The Executive should allocate at least £0.5million annually from the Social Protection Fund to establish a Migration Impact Crisis Fund to assist migrant women who suffer domestic violence and other migrants who have been made destitute through no fault of their own but are unable to access public funds.
- OFMdfM and the Department for Social Development should work with representatives of the ethnic minorities sector and the women's sector to develop and implement a plan to build the capacity of the BME women's sector.
- DETI and DEL should work together to commission research into minority ethnic people's participation in the labour market, including migrant workers', to identify the issues that should be addressed. The data gathered must be analysed by gender to determine what the different impacts, and therefore solutions, are for women and men. In addition discrete research should be carried out into migrant women's vulnerability to exploitation in employment sectors such as mushroom picking and social care.
- The Minister for Employment and Learning and the Northern Ireland Executive should fast track the recognition of foreign qualification equivalents. There should be access to free English (ESOL) classes for minority ethnic communities.



- Clear public and private leadership should be given to ensure that job losses are not targeted on the basis of nationality.
- Recruitment agencies should implement the full set of recommendations made as a result of the Formal Investigation by the Equality Commission for Northern Ireland that reported in 2010. These include: ensuring accessibility for migrant workers; informing employers where foreign nationals have qualifications equivalent to those in the UK; and not routinely including opt-outs from the Working Time Regulations in contracts. UK recruitment agencies should ensure that overseas agencies they use are reputable.<sup>2</sup>
- The Northern Ireland Executive should urge the UK Government to sign the Council of Europe Convention on preventing and combating violence against women and domestic violence.
- The UK Government should amend the s75 legislation under the Northern Ireland Act 1998 to include compulsory monitoring, thorough assessment of impacts and strong enforcement mechanisms.
- The Northern Ireland Executive should call on the UK Government to end restrictions on A2 nationals by the end of 2011.

### Young Women

- The Department for Employment and Learning should pay special attention to young women with no qualifications and ensure that the needs of young women are included in policy formulation and service delivery to overcome educational under-achievement.
- The Department for Employment and Learning should review Jobskills and apprenticeships and take steps to open up opportunities for young women. This should be accompanied by gender-awareness training for programme leaders and tutors.
- The Department of Education should develop a strategy to tackle gender stereotyping in the education system, including the careers advice and guidance service. It should include clear mechanisms for enforcing the delivery of non-stereotypical careers advice and for monitoring quality standards.
- Careers advisors should receive training in challenging gender stereotyping and a programme of best practice for delivering careers advice in a non-stereotypical way should be established.
- Actions to increase the number of women into science, technology, engineering and maths should drive down into specific areas of gender imbalance in science and technology and be extended to architecture and planning.
- Youth service policy and priorities should incorporate a strong, visible gender focus which should be seen to permeate down through programmes.
- The healthy start vouchers for milk, fruit and vegetables which midwives used to give to pregnant women should be reintroduced.
- The UK Government should not make any more cuts to welfare benefits, especially those that affect lone parents.
- The UK Government should introduce an equal minimum wage for young people. As many jobs are very low paid, young people should be able to claim Working Tax Credit before the age of 25.



### Older Women

- The Northern Ireland Executive should refresh its strategy on ageing in consultation with the Commissioner for Older People, the age sector and individual older people, making sure that older women are closely involved.
- The Department for Social Development should maintain support for benefit up-take programmes. In addition it should introduce an automatic payment initiative to increase the take-up of Pension Credit targeted at single older women as this group is at the greatest risk of poverty.
- The Executive should introduce a form of social price support for fuel costs targeted at older people.
- The Department of Health, Social Services and Public Safety should prioritise a fundamental review of the social care system in Northern Ireland to develop a modern responsive care system for the long-term making certain that it is fair and ensures older people have their rights and entitlements.
- The Executive should maintain health and social care spending on older people in real terms and respond to the changing demographic by investing in preventative and enablement initiatives to enable people to live independently at home.
- The Assembly should pass legislation to ban discrimination in goods, facilities and services. In the meantime, the Office of the First and deputy First Minister should regulate and provide guidance across government departments and to public services that they must not apply an upper age limit or in other ways discriminate against older people in services or treatment.
- The Department for Employment and Learning should monitor what is happening to older people in employment to ensure that they are not being discriminated against and there is compliance with the new legal position abolishing the retirement age.
- Ministers in the Office of the First and deputy First Minister should ensure that all Ministers and their departments are prepared to report on progress on older women in the UK's CEDAW examination in 2012 and thereafter. To prepare for this, departments and public bodies should gather data disaggregated by age and sex and provide gender sensitive analysis of policies and initiatives.
- The Executive should urge the UK Government to pay the proposed single-tier flat rate pension to all pensioners, including all existing pensioners, to avoid large numbers of women pensioners continuing to live in poverty. The Executive should liaise and consolidate on the issue with other devolved administrations to press that all citizens across the UK have the same access to a fair state pension scheme.

### Pensions

- The Department for Social Development should maintain support for benefit up-take programmes. In addition it should introduce an automatic payment initiative to increase the take-up of Pension Credit targeted at single older women as this group is at the greatest risk of poverty.
- The Department for Employment and Learning should monitor what is happening to older people in employment to ensure that they are not being discriminated against and there is compliance with the new legal position abolishing the retirement age.



- The Northern Ireland Executive should urge the UK Government to apply the proposed single-tier flat rate pension to all pensioners, including all existing pensioners, to avoid large numbers of women pensioners continuing to live in poverty. The Executive should liaise and consolidate on the issue with other devolved administrations to press that all citizens across the UK have the same access to a fair state pension scheme.
- The UK Government should increase the state pension to give older people the resources to get out of fuel poverty and to cope with the rise in the cost of living now. When it is introduced the Government should apply the single-tier flat rate pension to all pensioners to avoid large numbers of women pensioners living in poverty.
- The UK Government should slow down the acceleration towards a state pension age of sixty-six years by 2020 so that a single cohort of women does not uniquely bear the brunt of public savings in the pension system.

### Welfare

- The Northern Ireland Executive should urge the UK Government to reverse the cuts in the Childcare Element of Working Tax Credit so as to increase support for women to enter and remain in work. The Executive should seek to protect childcare support in its application of any new Universal Credit system and urge the UK Government to do the same.
- The Northern Ireland Executive should develop urgently a childcare strategy that includes daycare and wrap-around care for the children of working parents. It should prioritise investment in rolling out the childcare infrastructure across urban and rural Northern Ireland to enable women to take up work opportunities.
- The Northern Ireland Executive and Assembly should examine the Universal Credit proposals thoroughly and develop better proposals around implementation and delivery so as to design fairness for women as well as for men into the system. The Executive and Assembly could introduce innovations and adjust some of the delivery mechanisms, including on making the single Universal Credit payment to the non-earner or lower income second earner in the household.
- The Carers Allowance should be protected outside the Universal Credit system and not be subject to means-testing.

### Debt and Credit

- The Northern Ireland Executive should develop an integrated strategy on debt in Northern Ireland. Women should be involved in designing any new strategies and schemes to cope with debt in order to ensure that action will be effective in reaching those who need it most.
- The Executive should bring together a forum of banks and other lenders to develop policies of affordable credit with flexible repayment plans and to negotiate an arrangement with them to co-partner the Executive in funding independent debt advice services.
- The Executive should establish a Northern Ireland Loan Guarantee Scheme to help Credit Unions in Northern Ireland offer affordable credit to people on low incomes, irrespective of whether they have savings or not, based on people's current income and not on past credit history and with flexible repayment plans.



- The Executive should work with lenders to develop accurate monitoring of the impact of the developing financial situation on borrowers and create a mechanism for offering immediate advice and support for those who get into financial difficulty.
- The Department for Employment and Learning should oversee the integration of advice and support at the crisis point by ensuring that personal advisors working with the unemployed in any agency are trained to signpost those in need and at risk to independent advice centres and family support and counselling services for debt advice and mental health support.
- The Executive should prioritise face-to-face advice services as frontline services assisting people in need and ensure that their funding is protected. Advice agencies should be resourced to help to maximise incomes for the vulnerable and assist the Executive in addressing housing and fuel poverty and reducing individual debt, including by providing appropriate assistance for those for whom advice by telephone is not accessible.
- The Executive should ensure that one of its Ministers and departments regularly monitors the funding situation of local women's centres to ensure that they continue to receive funding as front-line service providers offering advice and support to women.
- The Executive should invest in the delivery of sustained benefit take-up programmes that creatively and innovatively target those in need, vulnerable and hard to reach in order to increase incomes, reduce individual debt and bring new money into the Northern Ireland economy from the UK Exchequer.
- The Executive should liaise with the Scottish and Welsh Administrations to urge the UK Government to address income inequality by increasing benefits, tax credits and the national minimum wage to at least the minimum income standard to allow people to live above the poverty line. The UK government should uprate these regularly to take account of the increasing pressures on incomes.<sup>3</sup>
- The UK Government should build financial strength and reliance in families by introducing a lifelong savings account for low-income families funded through limiting the tax relief on pension contributions to the basic rate for everyone.

### **Housing and Energy Debt**

- In line with European human rights principles and the practice elsewhere in the UK, the Department for Justice Northern Ireland should review the current practice in legal aid to remove any impediment to legal representation for those at risk of losing their homes. Public funding should be available immediately to provide free representation in court to people facing repossession.
- The Northern Ireland Executive should urge the UK Government to revise the Support for Mortgage Interest Scheme so that assessment is on a case by case basis and it can remunerate on actual cost as was the case in the past.
- The Executive within Northern Ireland, and the UK Government nationwide, should require all lenders to offer a swap to interest-only mortgages and deferred interest payments for up to two years for eligible candidates under the Homeowners Mortgage Support Scheme. Lenders should be required to negotiate acceptable rates so that this does not turn into a subsidy for banks through charging excessive interest rates.



- The Executive should work with lenders to develop accurate monitoring of the impact of the financial situation on borrowers and create a mechanism for offering immediate advice and support for those who get into financial difficulty.
- The Executive should strongly support social housing and broaden the appeal of renting.
- The Executive should introduce a form of social price support for fuel costs targeted at vulnerable women and their families.
- The Department for Employment and Learning should oversee the integration of advice and support at the crisis point by ensuring that personal advisors working with the unemployed in any agency are trained to signpost those in need and at risk to independent advice centres and family support and counselling services for debt advice and mental health support.
- The Executive should prioritise face-to-face advice services as frontline services assisting people in need and ensure that their funding is protected. Advice agencies should be resourced to help to maximise incomes for the vulnerable and assist the Executive in addressing housing and fuel poverty and reducing individual debt, including by providing appropriate assistance for those for whom advice by telephone is not accessible.
- The Executive should ensure that one of its Ministers and departments regularly monitors the funding situation of local women's centres to ensure that they continue to receive funding as front-line service providers offering advice and support to women; and of Women's Aid to provide assistance and refuge when women are faced with domestic violence.

### References

- 1 The UN Committee on the Elimination of Discrimination of all forms of Racial Discrimination (CERD). The UN Committee on the Elimination of Discrimination Against Women.
- 2 ECNI, pp11-12.
- 3 Joseph Rowntree Foundation National Income Standard. See N Smith, VH Phung, A Davis, D Hirsch, *A Minimum Income Standard for Northern Ireland*, Joseph Rowntree, Foundation, York, (September 2009).



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## **Bronagh Hinds**

### **Focus Groups**

Lone Parents Focus Group  
Migrant Women Focus Group  
Young Women Focus Group  
Older Women Focus Group

### **Economy**

Attrus: Joanne Stewart  
Women in Business: Julie Fitzsimmons  
Strictly Boardroom: Eileen Mullan

### **Employment**

ICTU: Pauline Buchanan,  
Unite: Taryn Trainor  
Unison: Pamela Dooley  
USDAW: Michala Lafferty  
UTU: Audrey Stewart  
ICTU Women's Committee  
Unison's Women's Committee  
Trade union representatives and women who took part in focus groups and interviews

### **Childcare for Employment**

Employers for Childcare: Nora Smith  
Children in Northern Ireland: Elaine Conway  
Early Years: Siobhan Fitzpatrick  
Save the Children: Anne Moore  
OFMdFM: Steven Donnelly  
Department for Education NI: Ivor Graham, Marie Abbott  
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### **Lone Parents**

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Gingerbread NI: Marie Cavanagh, Rachel McAree  
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### **Migrant Women**

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Law Centre NI: Ursula O'Hare & Elizabeth Griffiths  
Women who took part in the migrant women's focus group in NICEM

**Young Women**

University of Ulster: Dr Ann Marie Gray,  
Youth Action: Emma Johnson, Liz McArdle  
Young women in the focus group in Derry/Londonderry

**Older Women**

Age NI: Amy Veale  
CARDI: Paul McGill  
Engage with Age: Margy Washbrook  
The women of Footprints Older Women's Group

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**Debt**

Your Money Garden/Trademark: Ellen Finlay  
Citizens Advice Bureau: Lucy Cochrane  
Advice NI: Patricia Donald, Fiona Magee & Sinead Campbell  
Housing Rights Service: Nicola McCrudden & Ruth Barry

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