



Scottish Women's Convention Response to:

Scottish Government Consultation: Minimum Income Guarantee

September 2021

Premise

A Minimum Income Guarantee (MIG) is an assurance that no one will fall below a set income level that would allow them to live a dignified life. A MIG can be delivered through employment, targeted welfare payments and also through other types of support or services to be provided or subsidised by the state.

The Scottish Government is committed to commencing work in the current Parliament to provide a MIG for all, incorporating the idea of basic services, such as childcare or the NHS. It has set up a MIG Steering Group, made up of experts and MSPs from different parties, to work on the delivery of a MIG in Scotland. The group will consider steps towards a MIG using existing powers held by the Scottish Parliament.

Your ideas and comments from this dialogue will be shared with the Scottish Government and the MIG Steering Group to inform how the MIG should be taken forward. There will be opportunities for further stakeholder engagement on MIG as the work of the Steering Group progresses, including with the public and with people with lived experience.

The Scottish Women's Convention (SWC)

The Scottish Women's Convention (SWC) is funded to engage with women throughout Scotland in order that their views might influence public policy. The SWC uses the views of women to respond to a variety of parliamentary, governmental, and organisational consultation papers at both a Scottish and UK level.

The Scottish Women's Convention engages with women using numerous communication channels including roadshow events, thematic conferences, and regional contact groups. This submission provides the views of women and reflects their opinions and experiences in several key areas relevant to women's equality.

The SWC is currently engaging with women through digital roadshows, online surveys, asking women to comment by email and by telephoning those who want to talk. We are also using our wide network to ask women to collate views in their local communities and forward these to us on a regular basis. We are continuing to review innovative ways of engaging with women throughout Scotland using whichever medium is appropriate to them.

What do you see as being the key elements of a Minimum Income Guarantee?

The pandemic has highlighted how precious people's lives are, with so many people losing their jobs or taking significant losses to their income. Women have highlighted that there need to be more robust safeguards in place to tackle the economic insecurity experienced by so many.

- "Lockdown has shown that the current system is not working. It needs a radical transformation to value everyone in society."
- "If we had something concrete like UBI, it would have saved money and health outcomes in the long run."

When we have spoken to women about potential changes to the social security system, the one thing most women are emphatic about is the need for universality.

- "The universality aspect [of UBI] is great. Everyone gets it and that allows people to have a basic level of security and safety that can give them the time to do other things."
- Providing a decent standard of basic financial income on a universal scale is something "that should not be seen as radical but right".
- Debates as to who should be entitled creates an "us versus them" narrative, which could be changed by a universal system.
- Universality could ease the stigma around receiving support from the state.
- "There isn't that stigma of people who are unworthy with UBI - considering the way things are with Universal Credit just now and all of the negatives around that."
- The universal nature of a basic income is something that should form "the basis of our human rights".

We do not believe that the current proposals for a Minimum Income Guarantee will be able to meet this criterion, rather they will continue to perpetuate many of the problems endemic to the current system.

What do you see as the main benefits, challenges and risks of a Minimum Income Guarantee in Scotland?

Consideration needs to be given to the application process for a Minimum Income Guarantee.

- Many of the current social security require arduous paperwork that is not sufficiently accessible.
- There also needs to be acknowledgement that library closures and the lack of funding to employability and other support services means that many people are unable to get access to these processes.
- Women have told us that they feel the stress and hassle of the application process to current social security puts them off even applying as they feel the small amount of money they would get back does not merit the amount of effort.
- "I am an educated woman and have privileges and access to information and resources others do not. Many would give up. I nearly did."

- “I have been sent automated letters that made no sense and had the application shut down when I called up and told I was not eligible. Then told by Money Matters I was... It took an hour on the phone to them trying to sort that and a man saying it ‘may’ be re-opened. When it was their advisor giving wrong advice.”
- “Basically I gave up because the online process felt so foreboding and I was terrified of getting in trouble if I made a mistake.”

The proposal mentions that a Minimum Income Guarantee will also incorporate subsidies to services such as childcare and the NHS.

- There need to be more details about exactly which services will be included and due consideration given to how these will actually be made accessible to the people who need them most. For instance, giving someone free childcare hours instead of money may not be that useful to them if they are unable to afford the transport to a nursery because there are none near to where they live with spaces available.
- Clarity also needs to be given as to where the money for these services will come from. For instance, with childcare, it cannot be the case that the cost is simply passed onto local authorities without additional funding for buildings and staffing these nurseries.

The proposal suggests that the Minimum Income Guarantee “can be delivered through employment, targeted welfare payments”. Our concern is that this is going to just be another name for tax credits, a system that has many flaws in practice.

Are there certain groups of people that you think should be given particular attention when thinking about how a Minimum Income Guarantee in Scotland should work?

There are several groups that we know are disproportionately affected by the negative aspects of the current social security system, such as lag-times, means testing, and a disjointed approach to different benefits. We have concerns that the current proposal for a Minimum Income Guarantee may not help to address the specific problems faced by the following groups:

Disabled people

- There need to be assurances that any Minimum Income Guarantee system will not be means-tested because many disabled people report the demeaning nature of the assessments they have to go through in order to get the money they deserve.
 - “Women experience medical gaslighting as a matter of course. So it is a fight to be believed and get the right diagnosis, often for years or even decades... and this means women are absolutely out of fight by the time they get to the PIP process, for example. Having to prove their own illness all over again.”
 - “My age, menopause and hormones were used as a way to belittle me into not trying to claim the benefits. It was made out that I didn’t want to work.”
 - “I had to go through a process of medical retirement so as I was entitled to something as my claim was rejected with them saying I had to prove I was ill

this was all during the pandemic. The hospital lost my results which showed up a year later to prove that I was entitled all along. This was embarrassing and made me depressed and certainly put me off claiming any benefits.”

- There can also be issues with the way in which disabled people’s benefits or social care entitlement interacts with their other benefits.
- Work needs to be done engaging with disabled people, their families and their carers to ensure any proposed promotes treating people with dignity.

Carers

Women make up the vast majority of carers, both paid and unpaid. Many women have to give up their paid employment in order to care for children or other family members, but their work is chronically undervalued.

- “What’s wrong with being a carer? It is one of the most rewarding jobs you can have. We need to start rewarding people for doing these jobs and valuing them through a system like UBI.”
- “Having benefits like Universal Credit and Carer’s Allowance require a financial assessment - it’s like measuring the caring you give. It takes out the human being aspect. It would take all that stress and expense of assessing out of it if we had UBI.”

People in precarious employment

- We have heard from many women that there are huge challenges in claiming benefits such as Universal Credit if they do not have a stable income. For those in precarious employment where their hours may change from month to month, their entitlement fluctuates but there is a delay in how this is reflected in their payments.
- For instance, many women face sanctions for months where they have earned more money, meaning they are then left short the following month. If they are already living with in-work poverty, this can be enough to tip some families over and it is a disgrace that the system enables the destitution of the poorest in our society.
- If the system will only kick in when someone drops below a certain level, there will still be lag times and a Minimum Income Guarantee will not help to rectify this problem.

Mothers, especially single mothers

- We know that single mothers are disproportionately vulnerable to in-work poverty, and there can sometimes be issues with how benefits they receive for their children interact with their other benefits.
- Women make up a large proportion of those on precarious contracts because childcare responsibilities mean they need flexibility, and their need to adapt to issues with their children (e.g. illness, or children having to isolate) may mean their hours fluctuate even more than other precarious workers. This means they are especially vulnerable to the issues mentioned above.
- Many women are unable to return to work after having children because the cost of childcare outweighs any extra income they may gain from returning to work. As part of the proposals, it mentions that a Minimum Income Guarantee could include subsidised services such as childcare. This will hopefully prove very valuable for

women who do want to return to work, but there needs to be a balance. We need to ensure that staying at home with children is still a viable option for any woman who may want to do that, and that paying lip service to childcare is not used as a pretence for denying women economic independence. We know that the domestic labour and care work of women is chronically undervalued, and women should be adequately recompensed for their contributions to society.

- Any proposed system needs to promote the autonomy of those who will be using it. No woman should be forced to make a decision for her and her family based on fear of poverty, and there needs to be more time and space for meaningful engagement with women on how they believe this can be best achieved.

Young people

- Young people are more likely to be in precarious, low-paid employment and are therefore more susceptible to the issues stated above.
- Age discrimination is a huge flaw in the current legislation around the minimum wage, as employers are not required to pay young people as much as their older colleagues. There needs to be clarity around whether this will be the same for the Minimum Income Guarantee.
 - We would recommend that there is one single rate for all ages.
 - We would also urge that any potential Minimum Income Guarantee goes further and works to actively mitigate the impact of age discrimination caused by the current minimum wage.
 - The Scottish Government will need to engage in meaningful consultation with young people experiencing low-wages and in-work poverty to ascertain the best means by which such a plan should be implemented.
- There needs to be a safeguard to ensure that students are also protected. They are often excluded on the assumption that they will be supported through their studies by family, but this assumption comes from a place of privilege that does not reflect the experience of many young people.
 - The marketisation of higher education means that students face exorbitant costs to participate fully. For many, a student loan or grant will not even cover the cost of rent in extortionate student housing, and they are therefore pushed into poverty.
 - There is much evidence demonstrating that drop-out rates are higher among working class students, chiefly because they cannot afford to attend university without being employed. Many young people are having to financially support their families at home as well as pay their own way, and these extra stresses mean they cannot keep pace with their peers.

Women in domestic abuse situations

- Many social security mechanisms are calculated based on household income. This poses a real issue for women suffering from financial abuse as being unable to have access to their income means they cannot escape their situation.

What steps should we take first to deliver the Minimum Income Guarantee in Scotland? You may wish to think about public services, employment and employers, and social security.

From our discussions with women across Scotland, we believe that there is not enough information or debate on this topic for women to make an informed opinion.

- In recent years, especially during the lockdown, the debate around UBI has become more prevalent. Women are feeling more informed and enthused about this as an alternative, but none of the women we have spoken to have positive comments about Minimum Income Guarantee.
- There is still little open discussion about the relative strengths and weaknesses between UBI and a Minimum Income Guarantee, and there is a common misconception that they are the same thing.
- Little information about the details of a proposed Minimum Income Guarantee is available online, even in the minutes of the Steering Group.
- Before consulting on this topic again, the Scottish Government should commit to providing more information about a Minimum Income Guarantee in a range of formats. We have seen from the rollout of Universal Credit that social security reforms are rarely successful when there is no meaningful engagement with or buy-in from those who will rely on it most.

Consideration needs to be given to multiple factors when calculating the threshold.

- The current level of the minimum wage, for instance, is calculated relative to average wages. With in-work poverty increasing, it is apparent that wages are not high enough for large numbers of the population so calculating it relative to these wages is not going to help raise people out of poverty.
- We know that living costs are increasing and will continue to do so in the wake of Brexit. The current minimum wage does not take living costs into consideration, but this is a measure that should be considered.
- Thought needs to be given as to whether the threshold will be the same across Scotland when we know that living costs are higher in rural and island communities.

We know from talking to women across Scotland that they are disproportionately affected by low wages and precarious employment, and therefore an equalities perspective needs to be at the heart of any overhaul of the social security system.

- Not enough is being done to remedy the engrained gendered division of labour that means sectors where women predominate are chronically undervalued.
- Where other protected characteristics are present, the effects are further compounded, and more needs to be done to tackle the systemic inequalities of the labour market.

Conclusion

The SWC is grateful for the opportunity to respond to the Scottish Government's Consultation on the Minimum Income Guarantee. As an organisation, we will continue to work with women from across Scotland to gather voices and experiences relating to such legislation and the effect of this on women's equality.

For further information, please contact

The Scottish Women's Convention

Email – info@scottishwomensconvention.org

Telephone – 0141 339 4797

www.scottishwomensconvention.org

The Scottish Women's Convention engages with women using numerous communication channels including Roadshow events, Thematic Conferences and regional contact groups. This submission paper provides the views of women and reflects their opinions and experiences in a number of key areas relevant to women's equality.

Scottish Women's Convention is a charitable company limited by guarantee. Registered in Scotland No. SC0327308. Registered office 2nd Floor, The Albany Centre, 44 Ashley Street Glasgow G3 6DS.

The Scottish Women's Convention is a Charity registered in Scotland No. SC039852.