

Women and Austerity in Britain

February 2, 2014

Since the Conservative-Liberal Democratic coalition came into power in Britain in 2010, there has been a vicious attack on both the public sector and the social welfare state that is being justified as a response to the “high deficit.” Austerity is being introduced for two related reasons. First, the low profitability and resulting stagnation following the economic crisis of 2008 led employers to squeeze wages in order to keep profits up. This is part of a long-term strategy to undermine workers’ incomes and working conditions in the face of continuing profitability problems outside of the financial sector, issues that also led to the shift of industry and manufacturing to emerging and peripheral economies. Second, the long-term move to privatize potentially profitable parts of the public sector continues. This is not only being done to open up new areas of profitability for capital but also to undermine unionization.

Privatization of these services—such as the privatization of the post office, the creation of charter schools, and contracting out by the National Health Service—means subjecting them to profitability criteria so that in the future they will be available only to those who can pay. This will affect both the supply of services to the working class and poor, as well as their demand for access to these services. Given generally lower incomes, services formerly obtained for free will not be demanded any more once they are privatized, and thus may not be as profitable as anticipated. In the case of childcare and caring for the sick and elderly, this work will inevitably fall on working class women as part of caring for extended families for which they are still predominately responsible.

Historically in Britain, there has been a universal social welfare state. This is significantly different from what exists in the United States where the welfare system is geared primarily towards taking care of the poor. In Britain, benefits were not limited to those with insufficient income but were available to all regardless of their wealth or wages. For example, all people above a certain age were entitled to a winter fuel allowance to help with heating costs. Child and maternity benefits were given irrespective of income; the same held for the disability living allowance. Introduction of means-testing eroded the universality of the social welfare state, shifting it towards one that is more similar to that in the United States and making it an easier target for divide-and-rule tactics.

The impact of austerity in Britain, both in terms of the assault on the state sector and the attack on the social welfare state, has substantially affected the working class. A Benthamite ideological offensive based on the distinction between “the deserving and the undeserving poor” has been used as a stick to beat those in the reserve army of labor in Britain, especially people with disabilities. Insistence that unemployment is voluntary is then linked to a criterion of less(er) eligibility whereby those getting benefits must receive lower incomes than those who are working, thus “incentivizing people into work.” With general incomes falling, the logic of the argument is that government social welfare benefits must fall as well.

The direct ideological assaults against women as “undeserving” have been limited to the “welfare mother” arguments (*e.g.*, the claim that women have children in order to receive housing and child benefits). Only rarely has it been suggested that women in the work force are to blame for male unemployment. Generally, the depredations of women are presented as more subtle and tied into women’s traditional roles in the labor market and in the process of social reproduction.

There are several reasons why austerity affects women so strongly. First, job losses have mainly occurred in the public sector where women’s labor is predominant. Second is the fact that women are more dependent on the social welfare state. And, third, the British state has historically failed to

provide completely for social reproduction, especially in childcare and care for the infirm and disabled.

With incomes falling in the advanced capitalist world as part of the general economic condition since the late 1970s, women face greater threats than men. Women receive lower incomes and lower pensions (due to historically lower wages), and face the increasing reluctance of the state to support women in the workplace through the provision of childcare and after-school programs or by shouldering caregiver responsibilities for the elderly and infirm. As the general pattern of work tends more towards increasing underemployment and part-time labor, women will begin to face competition from men for part-time jobs that women traditionally held while at the same time benefits decline.

Women face increasing economic insecurity without sufficient state assistance to ensure that their children and families have a decent standard of living provided by their employment. No longer able to depend upon the fact that their low-paid labor is of sufficient value to capitalists, as men also face increasing precariousness in their employment, and in the absence of a strong labor movement and of left-wing movements, men may be reduced to playing the same role as women, that of an easily intimidated, and therefore, underpaid workforce.

Women's Labor Market

Women have always worked under capitalism, but their working lives are affected by the primacy of their role in social reproduction. Women's job choices are also constrained by segregated labor markets and they are trapped in jobs undervalued in the capitalist economic system. This is compounded by the discontinuity of their working lives due to social reproduction responsibilities—childbirth and nursing, child raising, domestic chores, care for the elderly—so that even if they get on an unsegregated job ladder, advancement is difficult due to time taken off to perform career responsibilities.¹

While traditional women's labor creates use values, its exchange value is low in the capitalist economic system as the work is seen as unskilled or low-skilled especially as it relates to social reproduction. This is probably because so much of it is still provided as unpaid labor in the home. Even tasks requiring professional skills, such as nursing and teaching are undervalued as "women's work."

Britain's modern public sector developed after the Second World War and was largely staffed and to a great extent built upon the labor of women workers and immigrants from the British Empire's former colonies who were overwhelmingly people of color. The socialization of some traditional women's work (*e.g.*, education, nursing, social work, caring, cleaning) led to higher representation of female than male workers in the public sector. Women additionally found employment in administration and clerical work in both public and private sectors. The privatization of potentially more profitable parts of the public sector will have an enormous impact on women as workers due to the wage gap between the public and private sectors. That is, women's wages in the public sector from supervisory to unskilled labor are higher than in the private sector due to unionization.

Following the crash of 2008, men initially experienced more layoffs and had higher unemployment rates than women due to declines in construction, manufacturing, and finance. Since the introduction of austerity, it is women that have been facing rising unemployment. In Britain 65 percent of public sector workers are women—4.4 million out of 6.8 million—and almost a quarter of working women are in public sector jobs.² David Cameron's Conservative Party government has failed to create full-time jobs with good wages and decent working conditions. The vast amount of "increased employment" has been in low-paid jobs in retail, jobs that are often temporary and part-

time. There has been a significant and deliberate destruction of wages, incomes, and conditions of work to maintain the profitability of the private sector. The result has been an increase in the working poor who have suffered benefit cuts, though their incomes have not risen. Insultingly, Iain Duncan Smith, Secretary for Work and Pensions, recently blamed the working poor for not earning enough and threatened to cut their benefits even further, as though they set their own wage levels and choose not to earn a decent income.³ Rising underemployment, more precarious jobs, and zero-hours contracts—contracts with no guaranteed hours where workers are on-call—are the result of policies in which the rights of working people, job conditions, and wages have all been undermined.

The impact of women's responsibility for social reproduction is evident looking at economic inactivity in January-March 2013.⁴ Out of a total of 9 million people who are economically inactive, 2.3 million people cite household and caring responsibilities as the reason for their economic inactivity; of these, 220,000 are men and 2.1 million are women. Of the 2.3 million of those that say that they want a job, 630,000 report that they are looking after home and family, with this breaking down to 76,000 men compared to 556,000 women.

Impact of Austerity

In the June 2010 budget, the government switched from using the Retail Price Index (RPI) to the Consumer Price Index (CPI) to calculate increases in benefits and state pensions (including public sector worker's pensions). The CPI results in a lower cost-of-living index for pensioners. According to the government's own estimates, this move resulted in savings of £1.2 billion (US\$1.9 billion) in 2011-12 and will increase each year to £5.8 billion by 2014-15.⁵ This re-pegging of benefits accounted for the largest cut in government expenditure and the attempt in the United States to change the index for social security from the CPI to a chained CPI is attempting to do the same.⁶

Increases in the retirement age for women are being gradually phased in. Instead of being able to retire earlier than men, their retirement age is being increased from 60 to 66 by 2020.⁷ Combined with pay freezes, increased contribution to pension schemes, and the re-pegging of increases in pensions (and for that matter, state welfare benefits) to the CPI, this means that public sector workers are working longer and harder, due to job cutbacks, for less pay, and for a pension that is actually going to be worth less.

Women live longer than men and have lower incomes (both because they receive lower pay for the same jobs and because "women's work" pays less). Consequently, their pension contributions and hence their pensions will be lower, so that women who *can* retire will be living longer on lower pensions. Married women may get their husband's higher pensions upon their deaths, but that does nothing for single women or single mothers. This means that more women will be living longer in poverty.

Given their predominance in lower-paying part-time and temporary labor, and thus their greater dependence on social welfare benefits to cover living expenses, women are much more affected by the destruction of the universal social welfare system. Single parent households are predominately female and they are feeling the impacts of the cuts far harder.⁸ Moreover, the government has been floating the idea of limiting benefits to those who have more than two children, meaning that women with three or more children will be further harmed.⁹

According to the Fawcett Society, a British non-governmental organization that supports women's equality and rights at home, at work, and in public life: "on average, one-fifth of women's income is made up of welfare payments and tax credits compared to one-tenth for men. Put another way, *benefits make up twice as much of women's income as men's.*"¹⁰

The government has capped benefits at £500 (US\$810) per week for couples or lone parent households and at £350 (US\$567) for single childless adult households.¹¹ Another new cap limits benefit increases to 1.0 percent each year, which is lower than the rate of inflation, even that calculated under the CPI; this is justified by arguing that the real wages of employed people are falling and that the incomes of people on benefits should not increase more than for those who are working.

While the government claims that it is “helping people into work,” that clearly does not include women as they cut the childcare portion of working tax credits from 80 percent to 70 percent in the 2010 budget. This particularly affects single working mother households who make up 60 percent of the recipients of the childcare credit. The government has increased the number of working hours needed to qualify from 16 to 24 hours per week; finding eight additional hours under conditions of generally rising underemployment is not easy.¹²

To clear the poorest from the center of London, government housing benefits are being capped at a maximum of £400 (US\$637) per week for a four-bedroom property. Insufficient numbers of social housing units mean long waiting lists; this is especially so for large families. Elimination of rent controls in private housing under Thatcher and the rise of “buy to let” have led to skyrocketing rents in London. With housing benefits capped, there is a danger that people will take money from their other benefits to cover their housing.¹³ Forcing the poor out of the center of the city will lead to the overcrowding of schools in other more accessible areas and will undermine existing supports that families rely upon. Fifty percent of those receiving housing benefits are single women (often single parents) and there are one million more women than men claiming housing benefits.¹⁴ Additionally, the bedroom tax (an over-occupancy charge for extra bedrooms) for those in social housing is hitting people with disabilities and single mothers disproportionately, as they are primarily the people who live in social housing.¹⁵

Social subsistence for working people in Britain is being undermined. The rising use of food banks and reports that mothers are foregoing eating in order to feed their children indicate a serious erosion of living standards.¹⁶ Because of the impact of the cuts and the rising demand for food banks, for the first time since World War II the British Red Cross is planning to distribute food in Britain.¹⁷

The Need for a Movement and a United Left

The British labor movement has been on the defensive, particularly in the private sector, where recently, even when they have fought back, unions have often been defeated. There is definitely resistance from some of the public sector workers unions. They have made a stand on protection of pensions—though not on jobs, wages, and working conditions. Pensions in the private sector have been long undermined and the government used divide-and-rule effectively. There have been local and regional strikes; teachers unions have gone out, university and adult education lecturers have gone out, the Fire Brigades Union has gone out—but these are one-day strikes that are insignificant. The union bureaucracy has not for the most part broken with the Labour Party.

There is no general movement against austerity with roots in the population. There are campaigns certainly. People with disabilities have been fighting very strongly. There is an anti-Bedroom Tax Campaign (but remember, the Bedroom Tax, unlike the Poll Tax, only affects the small number of people that are in social housing). There is a Boycott Workfare movement that fought Workfare both in the streets and in the courts; but the appeals court still insists that it is not forced labor. There has been a serious fightback around the National Health System; and the save the Lewisham Hospital campaign legally beat back attempts by Secretary of Health Jeremy Hunt to close departments in a local hospital whose finances were secure in order to protect two nearby hospitals

indebted due to a private financing initiative. That was a strongly-fought local campaign with real roots in the community. So fightbacks have occurred, but most of them have been locally based. There have been victories. But there have been bitter defeats like the closure of Remploy factories, plants that employed people with disabilities; these people will not find work again.

The majority of people are not apathetic, but they are resigned. Polls indicate that people would support the renationalization of energy, water, and transport. People generally opposed the privatization of the Royal Mail. None of the mainstream parties—Conservative, Liberal, and Labour—offers anything but austerity. Small band-aids such as Ed Miliband’s proposal of an energy price freeze are met with cries of Marxism, as though no one heard of Richard Nixon’s price freezes in the wake of the collapse of Bretton Woods.

In terms of the hard left, it suffers from substitutionism, that is, the attempt to substitute the sect or party for a movement. What are called “united fronts” are actually not what they purport to be. The left unfortunately has limited impact beyond its members. There are some autonomous groupings more attractive to younger activists than the Marxist left, but their impact too is narrow, although Occupy the London Stock Exchange, for example, generated interest and controversy. The crisis in Britain’s largest left party, the Socialist Workers Party, has not helped. There is an attempt to build a new campaigning party, currently called Left Unity, to fill the space to the left of the Labour Party. Whether it will be successful or, like so many previous attempts by the left (*e.g.*, Socialist Alliance, Respect), will fail is dependent on its being able to attract those outside of the hard left. Only time will tell whether it has a future. What is clear, however, is that unless a mass movement of resistance develops, the future of austerity’s many victims in Britain, especially women, will be grim.

Footnotes

1. Equality and Human Rights Commission, “Women, men and part-time work.”
2. UK, Office for National Statistics (ONS), “Public and private sector employment by gender and region Q2 2012,” available here.
3. Shiv Malik, “UK’s lowest-paid employees to be classed as ‘not working enough,’” *Guardian*, Sept. 6, 2013.
4. Economically inactive people are not employed but do not meet the internationally accepted definition of unemployment because they have not been seeking work within the last four weeks and/or they are unable to start work within the next two weeks.
5. See Research Paper SN/SG/5830.
6. Since 2008 the Joseph Rowntree Foundation has said real inflation had climbed by 25 percent rather than the 17 percent increase as judged by the CPI.
7. Women’s retirement age is scheduled to rise to 63 in 2016, and 65 in 2018; everyone’s State Pension age will increase to 66 by 2020.
8. According to the ONS, in 2011, women accounted for 92 percent of lone parents with dependent children and men accounted for 8 percent of lone parents with dependent children. According to the Fawcett Society: “Single mothers will be hardest hit by the government’s program of benefit cuts and tax rises. It estimates they will lose an average 8.5% of their income after tax by 2015. The gender equality charity said this compared with 7.5% for single fathers, 6.5% for couples with children and 2.5% for couples without children.”
9. According to the BBC, “Of the 7.8 million families receiving child benefit, 1.2 million have more than two children. Of the 5.2 million families receiving child tax credits, about 926,000 of them have more than two children.”
10. See here.
11. Benefits affected by the cap can be seen here. Capped benefits primarily affecting women are: 1) Bereavement Allowance; 2) Carer’s Allowance; 3) Child Benefit; 4) Child Tax Credit; 5) Maternity

Allowance; 6) Widowed Parent's Allowance (or Widowed Mother's Allowance or Widow's Pension that started before Apr. 9, 2001).

12. See here. 35+ hours is considered full time in the UK.

13. Housing Benefit obtainable depends on the size of the property rented. five-bedroom properties are no longer eligible for housing benefits.

14. See here.

15. Rajeev Sayal, "'Bedroom tax' will hit single parents and disabled people hardest," Guardian, Mar. 4, 2013.

16. See: Patrick Butler, "Number of people turning to food banks triples in a year," Guardian, Apr. 23, 2013. See also Judith Burns, "Save the Children urges action for poorest UK children," BBC, Sept. 12, 2012.

17. See e.g., Charlotte McDonald-Gibson, "Exclusive: Red Cross launches emergency food aid plan for UK's hungry," Independent, Oct. 11, 2013.