

THE INEQUALITIES FOR WOMEN IN THE SYSTEM

TO CAN THE LAW CREATE SOCIAL WELFARE REFORM SEMINAR 3RD MAY 2006

Orla O'Connor

The NWCI has been campaigning to end the discrimination against women in the social welfare system for many years. In 2003, the NWCI commissioned research to develop a model of social welfare reform that would advance women's equality and incorporate a rights based approach to a change agenda, this was carried out by Mary Murphy. The report 'A Woman's Model of Social Welfare Reform' has formed the basis of our campaigning and lobbying work to transform the social welfare system. Even in 2006 the social welfare system continues to be based on a male breadwinner model, which denies women full independence. The system reinforces the concept of women as adult dependents rather than as individuals entitled to benefits in their own right. It fails to provide recognition for the unpaid care work which is predominately undertaken by women and it does not recognise the reality of women's participation in the labour market. The impact of this inequality can be seen in a number of factors

- In 2004, 23% of women were at risk of falling below the 60% poverty line in comparison to 18% of men (i.e. living on less than €185.28 per week)¹.
- Women aged 65 and older have a 45% risk of poverty in comparison to 34% of men ².
- Lone parents have a 42% risk of poverty line³ (91.7% of lone parents are women).
- Women are paid 14% less than men in Ireland⁴. More than half of people on the minimum wage are women.
- 6 out of every ten carers of disabled and elderly relatives are women⁵ and women tend to provide longer hours of care per week.

¹ Central Statistics Office (2005), Women and Men in Ireland, Dublin: Stationery Office.

² Central Statistics Office (2005) *ibid*.

³ Central Statistics Office (2005) (2), EU Survey on Income and Living Conditions, Dublin: Stationery Office.

⁴ Central Statistics Office (2005), *op cit*.

⁵ CSO, 2002

Attachment to the social welfare system appears to be a strong influence in labour market participation. In 2000, almost 73 per cent of the women returners identified as 'active in the labour market' were either directly or indirectly attached to the social welfare system and had access to a number of labour market supports ⁶

The unequal treatment of women in the social welfare system results in practical issues, which negatively impact on women's lives and their status in society. These include economic dependence, related entrapment in domestic violence, incomplete access to PRSI coverage, lack of access to payments which reflect the reality of women's working lives and a range of welfare to work issues.

The NWCI Model of Social Welfare Reform can be considered under three areas

- Modernising the Social Welfare System
- Enabling Employment and recognising atypical employment
- Recognising Parenting and Care Work

The reform model is a combined social insurance and social assistance model, it is seeking to advance a model of social welfare reform that promotes the economic independence of women within the social welfare code and enables individual – non derived - rights to social welfare.

Modernising the Social Welfare System

The issues, which need to be addressed in order to modernise the social welfare system, relate to the system of derived rights and qualified adult payments. In 2004 there were 119,159 qualified adults in total in Ireland⁷. While women form the majority of social welfare claimants (55%), they frequently do not have direct access to their payments. The Qualified Adult payment is approximately 70% of the full adult allowance and is paid to the primary claimant. The welfare of women is primarily linked to this payment rate due to the fact that women make up **95%** of all 'qualified adults'

The limitation rule is also a critical area which undermines women's rights. In households where two adults are entitled to social assistance payments in their own right, the limitation rule limits the amount of benefits received, by 15% of the total amount. This directly prevents women from seeking payments in their own right as they become qualified adults because there is no financial incentive to both people accessing payments individually. The limitation rule assumes that two people can live more cheaply than one, saving up to 15% of costs between them. Research highlights

⁶ QNHS, 2000.

⁷ Department of Social and Family Affairs (2005), Statistical Information on Social Welfare Services, Dublin: Department of Social and Family Affairs.

the fact that from household to household economies will differ and there are practical difficulties in determining the amount and whether in fact the economies exist⁸.

Access to pension entitlement is fundamental for all women particularly for older women so as to ensure that old age does not mean living in poverty. Due to the marriage bar and the prescribed gender roles for married women in Irish society, it is women who left paid employment to take responsibility for care work in families. Many of these women are now Qualified Adults on pension payments and face old age with little direct access to state pensions. Even today people who spend time engaged in care work for their young children, or disabled and elderly relatives, still do not earn pension 'credits' because this is unpaid work. The welfare system does not enable women to provide for their old age, while society as a whole benefits from their essential care work.

Home makes scheme

The homemaker's scheme introduced in 1994 has gone some way towards acknowledging care work by assisting women qualify for an old age contributory pension. It allows people caring for children under the age of 12 or an incapacitated person on a full time basis, to 'disregard' up to 20 years when calculating their pension contributions. However, this system gives no value for short term payments and slightly lower yearly average than if credits were awarded.

Recommendations

- Pay Qualified Adult payments at 100% of the full adult rate and pay this directly to the Qualified Adult.
- Abolish the limitation rule.

In the long term would result in the end to 'qualified adults' within the system

- Change the homemakers 'disregards' into homemakers 'credits'.
- Make these credits retrospective for all people who engaged in unpaid care work.

Enabling Employment and recognising atypical work in the Social Welfare System

Spouses of business owners (mainly women) who are working in the family business are treated as 'relatives assisting'. Although working, 'relatives assisting' cannot make PRSI contributions, which would entitle them to old age contributory pension and maternity benefit etc. This is particularly important for rural women who have

I ⁸ NWCI (2003), *A Woman's Model for Social Welfare Reform*, NWCI, Dublin.

spent many years working on family farms and have not been recognised as making a contribution to the business.

The 2-year rule (S 57 S1 312 1996) states that a person with no social insurance record for more than 2 years must have 26 paid contributions before credits can be awarded. This affects women who cared for their children in the home and now that they are grown up, wish to access and return to employment.

Recommendations

- Introduce specific reforms in relation to recognition of relatives assisting for spouses of self-employed/farmers for compulsory social insurance contributions.
- Reform the 2-year rule by enabling a re-entry credit for women wishing to re-enter the labour market.

Recognising Care Work and Parenting

Just over 99% of people whose principle activity is looking after home/family are women⁹. 6 out of every ten carers of disabled and elderly relatives are women¹⁰ and women tend to provide longer hours of care per week. Just 16% of all carers are eligible for the Carers allowance because it is means tested. It should be a principle of social welfare reform that all care work that is not parenting should be classed as work and such work should receive a payment.

- Consolidate carer's benefit and allowance into a wage

For parents to have real choice in providing care for their children, both the social welfare system and paid employment need to accommodate parenting. Providing paid parental leave will enable lower paid employees predominately women to avail of the leave and will support both women and men in their dual role of employees and parents.

A means tested parental allowance would also support low-income families to care for their children regardless of marital status. It would make parenting a contingency within the system and provide low-income parents a continuum of support through caring for children to paid employment and back again depending on their circumstances. The parent would have the opportunity to link with training and labour market activation programmes to be in part-time employment or full-time employment as the children become older.

⁹ Central Statistics Office (2005), op cit.

I ¹⁰ CSO, 2002

Recommendations

- Introduce paid parental leave benefit for working parents so that parents could choose to leave employment and care for their children in their first year of life and to provide payment for the current 14 weeks unpaid leave.
- Introduce full time parental Allowance for parents of young children and part time parental allowance for children of school going age.

Recent Policy Developments

The Department of Family Social Affairs in its recent Discussion Paper on Lone Parents has acknowledged the impact of the male breadwinner model on women's treatment within the social welfare system. The report makes significant proposals including the recognition of Parenting within Social Assistance irrespective of family status and on the introduction of measures to further individualise the system and treat women and men independently. The NWCI views these proposals as a genuine attempt to improve social policy incorporating clear principles of women's equality.

The challenge for the Government and the Department will be to devise legislation that acknowledges the diversity of women's lives and working patterns and simultaneously recognises both women's right to work in paid employment and to make choices regarding parenting and care.

Importance of a Rights Perspective

The National Women's Council is clearly advocating a rights based approach to economic independence for women. A rights approach recognises economic independence within the family as an essential precursor to realising full citizenship rights for women in society. This definition emphasises the need for personal freedom and independence as a fundamental principle underpinning a rights approach to equality. A social justice perspective on rights sees rights as existing irrespective of a person's labour market status. The NWCI does not consider the inequalities resulting from exclusively market outcomes to be acceptable. Instead rights are urgently needed to correct unjust market outcomes in a collective way where everyone shares the cost (Murphy, O Flynn 2000).

In the context of reforming the social welfare system from a women's equality perspective a rights approach is understood to mean direct individual legislative entitlement to a particular resource, for example a social welfare payment. As speakers will outline later the development of a rights approach aimed at securing economic independence for women is consistent with international instruments such as Convention on the Elimination of Discrimination Against Women and the Beijing Platform for Action.

Conclusion

From an NWCI perspective reform of the Social Welfare system is critical not only from a practical perspective but also because it can give financial and economic value to women's contribution to family, social and economic life and so promote equality and respect for women's work and contribution. Social welfare Reform is a tool to revise the value placed on the contributions of both women and men to family, society and the economy. This will require a fairer share of resources between women and men, the right to economic independence for women and the recognition of the economic contribution made by unpaid care work.