



Select Committee on Economic Affairs

Corrected oral evidence: The economics of Universal Credit

Tuesday 3 March 2020

4.45 pm

Watch the meeting

Members present: Lord Burns (The Chair); Baroness Bowles of Berkhamsted; Lord Fox; Baroness Kingsmill; Lord Livingston of Parkhead; Lord Skidelsky; Lord Stern of Brentford; Lord Tugendhat.

Evidence Session No. 4

Heard in Public

Questions 25 - 30

Witnesses

I: Marilyn Howard, Honorary Research Associate, University of Bristol Law School, and member of the Women's Budget Group; Laura Dewar, Policy Officer, Gingerbread; Rita Griffiths, Research Fellow, University of Bath.

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Examination of witnesses

Marilyn Howard, Laura Dewar and Rita Griffiths.

Q25 **The Chair:** Thank you very much for coming to see the Committee. As I set out when we looked at this with the previous group, we are very much trying to look at the design of the universal credit system to identify where problems may be and what might be done to fix them. Obviously, there are other aspects to do with the implementation and the funding of it in various ways, but we would like, where we can, to keep some distinction between those three things. That is not to say that we should not comment on any of them.

Can we begin by seeking your views on how different groups of women have been affected by the rollout of universal credit?

Marilyn Howard: The issue for women is that they are more likely than men to claim social security, because they are still predominantly likely to be undertaking caring responsibilities for children and older people. They also have less full-time work experience and very often have part-time work or precarious work. That is the starting point for thinking about universal credit. Women are very often the shock absorbers of poverty, so they try to budget on a low income and manage the family budgets and protect children from the vagaries of that kind of low income, sometimes going without themselves.

Having said that, looking at universal credit specifically, there are some specific groups we might want to discuss. The previous panel talked about single parents, 90% of whom are women, who face tougher conditionality and sanctions and, in particular, lower rates of benefit for under-25s, which has a particular impact on single parents. The benefit cap, again, disproportionately impacts on lone parents.

Second earners, who are predominantly women, have fewer work incentives because there is no specific work allowance for a second partner. For women in couples, one key design feature—it is design rather than delivery or implementation—is the single monthly payment of universal credit. That is problematic because one partner gets all the payment, which is, obviously, a lot bigger than under legacy benefits because universal credit combines payments for housing, children, disability and everything, and there is no guarantee that it will be shared within the household. There is potential for a household to look better off but, actually, the individuals within it—the partner and possibly the children—could end up not benefiting.

There are other groups that we might want to come on to a bit later. You heard about disability and the structural loss of some of the elements for disability under universal credit. Black and minority ethnic families are particularly affected by the two-child limit and the benefit cap. A group that has not been mentioned so far, as far as I understand, is mixed-age couples, where one is above pension age and one is below. Whereas before, they could claim pension credit, they now have to claim universal credit. It is estimated that people will lose about £7,000 a year through

that, and the younger partner will have to engage in a job search. We are talking about people in their 60s, potentially, who may have additional caring responsibilities that may not be enough to give them a carer's element, or who may have a health problem or disability that, again, may not attract that element. I shall leave it there for my colleagues.

Rita Griffiths: The work I have been involved in primarily looks at the impact of universal credit on couples, with and without children. As Marilyn said, one of the key groups affected by the single monthly payment is women in couples, because the payment is paid into one bank account, so the couple has to decide which bank account it is paid into.

Our research shows that, regardless of whose bank account it is paid into—whether it goes into a female partner's bank account or the male's or into a joint account—it is women largely who manage the household finances in families. The extra responsibility of managing a monthly payment is borne disproportionately by women, and the additional worry and stress associated with that is carried by women. Colleagues have already mentioned that recent research shows that that translates into mental health issues for women. We have evidence from our qualitative research that shows that.

Women in couples with dependent children have a further set of issues around additional conditionality. Under universal credit, the work conditionality that previously applied only to lone parents has been extended to the partners in couples with children, so both partners have work conditionality requirements to meet. They have also been impacted by changes to the way childcare contributions are refunded and assessed under universal credit, but I will not say too much about that because we are going to come on to it later.

As Marilyn said, with the changes to the way financial incentives operate in two-parent families with children, the incentives for second earners under universal credit are much less than they were under the legacy system. There is only one work allowance between the members of a couple, so once that has been expended by the first earner, who tends to be the man in a couple, the taper is applied to the first pound that the second earner earns, at 63%.

I shall leave lone parents for my colleague to talk about.

Laura Dewar: Yes, I shall concentrate on single parents. As has already been touched on, there are 1.8 million single parents, and nine out of 10 of them are women. Universal credit is a significant issue for single parents. Currently, 774,000 single parents have moved over to universal credit through natural migration, which makes up 33% of all those on universal credit. It is estimated that, when universal credit is rolled out, 90% of single parents will be on universal credit.

The Resolution Foundation has calculated that 60% of single parents in work are likely to be worse off and 40% better off under universal credit. Marilyn touched on certain groups that are worse off; they are likely to

include those who receive maternity allowance, those aged under 25, those who have a disability themselves or a child with a disability, those who are self-employed and those who have capital over £6,000.

As well as the financial implications of universal credit, it changes the people who need to become jobseekers. The rules mean that single parents, when their children reach 3 years, will need to become jobseekers. Although that will affect couples, 75% of those who will need to move into work will actually be single parents.

The Chair: Thank you. Twenty or 30 years ago, there was a big issue about independent taxation, and, of course, changes were made. Is it impossible to have some sort of independent social security system?

Rita Griffiths: No, it is not impossible; it is a political choice about how we decide that social security is going to be allocated. In this country, we have always had a family-based system of assessment. It is based on the idea of a male bread-winner and a dependent wife, as it was when the system was first designed, and children. Of course, the world has changed significantly since then. Most women earn their own money and manage their own finances. Taxation is independent, but the social security system is doggedly tied to a family-based system, and it causes major issues. I have done previous research looking at the impacts.

The Chair: Is it about the complexity, or is it the cost of doing it?

Rita Griffiths: It is mainly cost, I think.

Lord Livingston of Parkhead: The question of it being family based and the question of it being male biased may be two slightly different issues. Was it not family based because, with child poverty, you have to look at the totality of the family environment? The trouble is that it often gets it wrong.

Rita Griffiths: By family based, what I meant was that the system of means testing is a joint means test, so the income and earnings of the couple are aggregated for the purposes of the means test. There is no guarantee of an independent income if you live as part of a couple. The main issue is that the guarantee of an independent income does not exist within the benefit system if you are a member of a couple; it does if you are a single parent or a single claimant. It is gender neutral, so it applies to men as much as to women, but there is an obligation of economic dependency within the relationship.

Marilyn Howard: To build on what Rita has just said, there is an important distinction to be made between means-tested benefits and other forms of benefits. Rita is talking about means-tested benefits such as universal credit and some of the benefits that it has replaced—income-based jobseeker's allowance, and so on. Those benefits are aimed at targeting people on low incomes, so there is some kind of logic in looking at the income and savings of two people who live together as a couple. The problem with that is that in universal credit lots of things are

entwined, so joint claimants have individual and joint responsibilities. With universal credit being one large means test that incorporates other former benefits paid for different purposes, it becomes far more problematic. Under the previous system, there used to be a facility whereby a partner might get one benefit and the other partner got another.

The other thing is that there are other parts of the benefit system that have, unfortunately, been eroded over the last 10 years, that provide an independent, individual income. They are benefits such as carer's allowance and contributory benefits such as employment support allowance and jobseeker's allowance.

The Women's Budget Group would agree that an independent income for women is something we should aspire to. In essence, we would like a far more minimal role for means testing, so that it becomes far more of a residual thing for people with exceptionally high costs, say for housing or disability, and that most people get an independent income through improved contributory and categorical benefits.

I am sure we will come on to talk about provision for childcare; it would perhaps be better done as part of looking at the social infrastructure in the same way as you would look at roads, railways, transport and housing, as a service for the local community. It might be better to take out the provision for childcare that goes through the benefit system and put it into supporting providers and building up that social infrastructure, because we know how important good childcare is for enabling women in particular to participate in work.

Lord Fox: I want to go back to the question that Baroness Kingsmill asked the last group of people. Is the problem in the design that you have an attempt to simplify a set of benefits when people's lives are far too complex to allow that simplification to work? Is that the concept flaw we are looking at?

Marilyn Howard: There is certainly an element of that. What might look simple to administrators is probably very complicated for the individuals trying to navigate it.

Laura Dewar: The original equality impact assessment on universal credit said: "Universal Credit improves financial incentives to work for women and men to broadly the same degree". That is not the case, because of the complexity. We are going to move on to the costs of childcare—

Lord Fox: What was the basis of that impact assessment?

Laura Dewar: It was improving incentives to work for men and women in the same way. It was described as gender neutral when it is not. The taper rate if you are a single person is not the same as the taper rate if you have to pay for childcare. If you have other costs in working, the amount of money that you get from working is going to be different.

Marilyn Howard: You can have a neutral rule that on the face of it does not say that only women or only men can have something. It may look neutral, but it can have very different impacts because of the different situations that men and women are in. That is what we say is quite problematic about the assumption that rules are gender neutral. The way impact assessments are done tends to look at claimants as a whole. Therefore, any change looks gender neutral, because the starting point is already gender differentiated, if that makes sense.

The Chair: I was going to ask whether the impact on women was considered when it was designed. You are effectively saying that it was, but it was concluded that they were relatively equal, and in the outcome that is not what you are observing.

Marilyn Howard: There were hints in the White Paper that, particularly with the single payment and payments for children, the department would look at how income was shared in the household and how money for children was spent. Some of the subsequent impact assessments glossed over some of those things. The initial suggestion that some kind of additional evidence-based work would take place certainly has not materialised, as far as we understand it.

Rita Griffiths: The department looked at the single monthly payment and concluded that it was not for government to interfere in how couples decided between them how the money should be spent, or distributed, once it was inside the household. It was not seen as problematic for women.

Laura Dewar: In the combination of the different elements of universal credit, as well as the five-week wait, you have to pay for childcare and claim it back a month in arrears. There is already one element that will make it more difficult, and then you have another. The areas where they have cut benefits are going to affect women more than men.

Q26 **Baroness Kingsmill:** Have the social security spending cuts since 2010 impacted disproportionately on women? I think I know the answer.

Marilyn Howard: Yes, they have. You would not expect me to say anything else, would you?

Baroness Kingsmill: What I want to hear from you is the evidence specifically of in what way and how, because we are writing a report about this and your evidence will be most important.

Marilyn Howard: The Women's Budget Group has done quite a lot of work around this and has looked at some of the cumulative impacts of different measures—for example, the benefits freeze and the benefits cap, cuts to housing, sanctions, the two-child limit and so on.

Baroness Kingsmill: Has the two-child limit been an important issue?

Marilyn Howard: Yes, particularly for certain groups of people with large families, maybe from black and ethnic minority groups or particular

religious groups. It has cut the benefits of people already in poverty. One bit of analysis that the Women's Budget Group has done looked at some of the concerns raised by the previous panel about disabled people. In around 38% of the population as a whole there is a disabled person, but disabled households contributed to 71% of the cuts in public services and taxation. The Women's Budget Group has highlighted some of the cuts to public services, such as fewer children's centres. There are 1,240 fewer children's centres than in 2010.

Baroness Kingsmill: Is that Sure Start, and things like that?

Marilyn Howard: Yes. If it is helpful, we could send an additional note with some of those figures, rather than go through them now.

Baroness Kingsmill: Yes, that would be good.

Lord Skidelsky: Can I ask a counterfactual question? Had there not been an austerity policy after 2010 and, therefore, not the cuts in social security that have disproportionately hit women, would there have been any gender difference in the impact of universal credit? Did the gender difference in impact arise because of the particular cuts in the social security budget? Had there not been those cuts, would you still have expected a disproportionate hit on women?

Marilyn Howard: That is a very interesting question. It probably goes back to the first question about the design features of universal credit. There are fundamental structural issues that affect women in particular. Even if there had not been some of the additional problems, such as the benefits freeze, the universal credit design would still have affected women. I would need to check with some of my colleagues as to whether there is enough evidence to show a counterfactual, if you see what I mean. It is quite difficult to isolate universal credit and some of the other reforms, when lots of things happened at the same time; people have tried to unpick some of the impacts for women and particular groups.

Lord Skidelsky: But no attention was given in making those cuts to their effect on women.

Rita Griffiths: No, I do not believe so.

Laura Dewar: With universal credit, it is not only about the generosity or not of the benefit; it is about the support that people get at jobcentres. When universal credit was introduced, it was anticipated that there would be more personalised support for people, so some of the cuts to those things, as well as the benefit levels, have a real impact on women. They have had a negative effect on women.

Lord Fox: Do you think those cuts in the support have had more impact than they would have had on men?

Laura Dewar: I think so. To give you an example of the scheme that replaced the Work Programme in Scotland, there is now a voluntary system that includes personalised support, a key worker, help with

training and all sorts of things. In the evaluation of that voluntary scheme, which is not a sanctionable regime, women particularly like that programme; they like the intensity of support. There used to be lone parent advisers in jobcentres, and single parents really valued that individual support.

Lord Fox: Is that value and liking having different outcomes?

Laura Dewar: I believe it is. I can go on to some of the figures in the work we have done on in-work progression. That kind of work-first agenda and very generalist support has a detrimental impact on women. It definitely does not help them to get better work.

Rita Griffiths: There are specific aspects of universal credit design that impact differently on women, such as budgeting monthly. The additional burden of managing a payment monthly falls on the shoulders of women disproportionately.

It is not just about the money. Universal credit is a system with much greater compliance, so it involves meeting conditionality requirements and having to manage an online journal, as well as having to keep in contact with a contact centre to find out why your payment has been stopped or reduced, monitoring the statement and the account and finding out exactly how much you are going to get paid. People find out how much they will be awarded only seven days before they get their monthly payment.

There is an extra burden of work; one of the women we interviewed said that it was like an extra job. A lot of these women are already working, so they have a job and additional responsibilities, often for childcare. In addition to that, they have the universal credit account to manage.

Q27 Lord Livingston of Parkhead: It is clearly very difficult to separate empirically the impact of benefit cuts, which are multiple and various, and the implementation of UC, because they came together, and then there are a number of other things, such as the changing job market. To focus on the design of UC, and pick up some comments from earlier, what is the impact on women entering work or upgrading their work and progressing in the job market? One of the designs of UC was meant to be helping more people get into work and improving incentives to work. What has been the impact on women and work, both bad and, if there is any, good? That would be interesting.

Laura Dewar: At Gingerbread, we published two recent research reports on progression, looking at London and nationally. Although we are going to talk about childcare under a later question, I think that childcare and childcare payments are a fundamentally difficult thing under universal credit. On in-work progression, looking at the figures, the current design of universal credit is not helping progression. Some of that is about the mechanics, such as childcare. One of the most depressing things about universal credit is that legacy benefits had a work-first agenda and

universal credit just carried that on. All the promises of that not happening are not materialising.

A single parent I interviewed was a skilled early years practitioner who used to manage a childcare nursery. Her marriage broke down and she was on universal credit. She had a child with additional needs. Her work coach said, "You need to find a job as quickly as possible. Look, there are jobs going, and I want you to take your CV to local cafes and shops and take a picture of yourself outside that cafe to show that you have handed in your CV". Really? If you really want a view of progression—

Lord Livingston of Parkhead: Was that to do with the structure of UC, or was it down to the individual job coach? Is that an exception or is it very much the rule, to the extent of taking a picture of yourself?

Laura Dewar: The single parents we interviewed were sampled, so we have no indication. There are good work coaches, and we have found evidence of that, but universal credit is still policing a benefit. It is still about getting people to go into work, which is a particular issue for women, who are more likely to find it difficult to find work that fits in with their caring responsibilities.

Lord Livingston of Parkhead: To clarify, it is more of an issue for women with caring responsibilities as opposed to other women.

Laura Dewar: Yes. I am talking about single parents.

Lord Livingston of Parkhead: It is more of an issue for anyone with caring responsibilities, who predominantly are women.

Laura Dewar: Those things are harder for single parents than they are for couple parents, with the responsibility for taking to and picking up from childcare or for when your child is ill. You are going to be dealing with those emergencies on your own, and then there are the childcare costs and commuting time to a job.

Lord Livingston of Parkhead: It is a question of responsibilities. Rather than just gender, it is the nature of the responsibilities you may have that is driving that. Whether it is caring for a parent or a child, that makes it particularly difficult.

Laura Dewar: Yes, it does.

Lord Livingston of Parkhead: I was just trying to separate off the causality.

Rita Griffiths: There are structural aspects of universal credit that have a role to play. It is meant to encourage and support progression in work through the way in which work allowances and tapers work, so that as you earn more there is meant to be a kind of adjustment. There is an assumption underlying that about how people respond to those incentives, but particularly for women, and for some men, if they have children, there is a trade-off between working more and spending time

with your kids—the idea that you get to keep your 27p for each extra hour you work as against spending time with your kids. The idea that it is all about the finances, that financial incentives drive behaviour, is quite a simplistic view.

Lord Livingston of Parkhead: That question is also true for people not on benefits.

The Chair: I am a bit worried that there is a slight inconsistency. I read quite a lot of complaints about various points at which it does not become worth while to work more because of the system, but in a sense there is also an argument that these incentives may not make a huge amount of difference. It seems to me that one of the things that needs to be considered is the removal of some of the traps whereby people are encouraged to work a small number of hours. On the other hand, you are also saying that that may not be the main motivation for them.

Laura Dewar: It is complex, and for people with children it will change over time. One thing I got from interviewing single parents for the progression report was the quantitative material about skill use. Compared with couple mothers, single parents are much less likely, even if they have the skills and qualifications, to move into work that will make the most of those skills. That is worrying individually and worrying more broadly for the Government.

I agree that, yes, there is going to be thought about children and responsibilities, as well as work, and, as I say, that will change over time. The worrying thing about the report we did on progression was that when people have gone down by taking part-time work, which tends to be lower paid and lower skilled, it is incredibly hard for them to get back from that when their children are older. That is something that needs to be thought about, which is why I have talked about universal credit and the support that jobcentres need to have that look ahead. I do not think it is there, currently.

Marilyn Howard: Groups respond differently to work incentives. The Institute for Fiscal Studies and, I think, the Resolution Foundation have talked about single parents and mothers in couples being particularly responsive to work incentives, and that is because of the situation they are in.

There is a structural issue about couples having to divide themselves into the main carer and the main jobseeker, or earner, and it does not help either partner. Both partners probably want to undertake some childcare, but their caring roles are not then recognised in the work-related conditionality regime, so one person gets all the exemption and the other person potentially gets none. That is problematic.

It is reinforced by an implementation issue, when Jobcentre Plus work coaches do not understand some of the caring issues. I heard of one survivor of domestic abuse who had left home and was claiming in her own right; she was sent a message on her online journal at nine o'clock

at night for a work-focused interview the following day, and it was half-term. There is no real understanding; but that is implementation, whereas the dividing into two people is structure.

Lord Stern of Brentford: I might need some guidance, Chair. We have had two-thirds of our time and only got through only one-third of the questions.

The Chair: We have covered quite a lot in parenthesis. Ask what you are interested in.

Q28 **Lord Stern of Brentford:** Can I jump ahead? In our numbering, I shall go to question seven.

What evidence is there to suggest that the single payment system is likely to lead to instances of financial abuse? Can you see ways in which payments to women directly could be increased within the broad structure of the universal credit system? It would obviously be an adjustment, but can you see how that adjustment could be made? As we know, evidence from across the world is that, if money goes to women, it is much better spent than if it goes to men.

There are two parts to the question. Does it lead to instances of control, financial abuse and so on, under the current structure; and can you see ways of changing it, broadly within the system, that would see more money go directly to women?

Rita Griffiths: We have evidence from our research to suggest that the single payment can facilitate financial abuse in couples or exacerbate an existing financial abuse. We mainly interviewed committed couples, but we interviewed some lone parents who had previously been part of a joint claim. In all but one of those instances, financial abuse or mismanagement of the single monthly payment was a key reason why the relationship had ended, so there is evidence that it is happening. Whether it is causal—that is, whether the financial abuse already existed and universal credit just facilitated it—is hard to establish. Obviously, for the women concerned it is an academic issue in some respects: abuse is happening, and the outcomes are the same.

Lord Livingston of Parkhead: Would the option of splitting the payment help, or does it not solve the problem?

Rita Griffiths: I defer to the expert in this area. It is incredibly technically complicated to do, although it looks simple. Before I hand over to Marilyn, one thing you could do, which has been mooted, is to pay anything to do with the child elements or anything child related to the lead carer. It is possible to do that, and that was mooted by the previous Secretary of State, Amber Rudd. There is a nudge in the system that tries to suggest that the whole payment should go to the lead carer.

Another way of doing it would be to individualise the couple's allowance. That happens in Australia, where they split the couple's allowance into two so that there is a guarantee that each partner gets a proportion. The problem with universal credit, because of the way the monthly

assessment works, is that, if there are earnings, the taper and how the earnings affect what is left can complicate that. It is very difficult to isolate the component parts when earnings start to decrease the amount that is paid out. Marilyn has done a lot of research in this area.

Lord Stern of Brentford: I am sure that Marilyn can help us. To clarify, this may be a case where, if you took two problems at the same time, you might do a lot better than if you did one individually. If you can smooth out, you would also be in a better position to reallocate payments.

Marilyn Howard: I am not sure that I follow what you mean by smoothing out.

Lord Stern of Brentford: Dr Griffiths mentioned it; we were talking about how to divide and allocate within the household and whether more could go to the lead carer, and she raised the problem that it might be tricky in a case where payments fluctuate and you get the adjustment on a monthly basis. I was asking whether, if you could tackle both problems at the same time, it would make life easier by dividing the payments.

Marilyn Howard: Potentially it might, yes. On the first part of your question about whether it facilitates abuse, there are two distinctions that can be made. The perpetrator is obviously the person responsible for the financial abuse, and that person should be responsible for the consequences of that action. But Governments also have a role in trying to reduce the opportunities for abusers to perpetrate abuse, and there are concerns that the single payment signals to abusers that actually it is okay; you can take all the money for your family and it is okay that you do whatever you wish with it. Having some kind of separate payments would not necessarily stop abuse, because it is the abuser's actions and roles that need to be tackled, but there is a role for Governments to try to prevent that happening through the support structures provided.

On the specifics, the Scottish Government are looking at ways to try to make separate payments for each partner. It is feasible, but it may require some more creative thinking around the nature of universal credit itself. As Rita says, it means either looking at taking some of the components out, which then makes it easier to replicate payments for children to the main carer, as we have had through child tax credits, or looking at how to individualise within the monthly period. It would need to be clearer in the IT system and the concept of universal credit that it is made up of components, whereas, currently, the department sees it as a unitary benefit that is made up of different things; it is reluctant to identify the separate components in that way. That would have to be overcome, and then maybe there could be something a bit like what happens in Australia.

Q29 **Lord Fox:** You have opened up the can of worms I was hoping to get to. Are we looking at this in the wrong way? Financial abuse is the issue, and universal credit is one of the tools through which financial abuse is perpetrated. Would we be right in saying that, societally, we should find

better ways of identifying and attributing financial abuse?

If we were in that position, moving where the money goes from one partner to the other would be more straightforward, because we would have proved the case of financial abuse. Rather than trying to apportion the parts to this person or that person, in the event that financial abuse is proven and we have a proper system in society for recognising and attributing it, the payment for universal credit would move from the abuser to the abused. Are we not trying to use universal credit to solve a bigger societal ill? In a sense, it is a symptom, not the cause.

Marilyn Howard: If it is based on having to prove financial abuse, it is part of the problem we have with the current system, because the only way to get your universal credit payment split is to disclose to Jobcentre Plus and provide proof that you have been abused. Survivors are very reluctant to do that because they often do not trust Jobcentre Plus. They do not want to disclose because they think the abuser will take it out on them, and the abuse will worsen. On the issue about trying to have separate payments as more routine, which is what the Scottish Government are trying to do—

Lord Fox: You are trying to build an abuse-free payments system, in a sense, or one that is resistant.

Marilyn Howard: We are trying to look at narrowing the scope for abuse, consistent with the Istanbul convention, which talks about preventing domestic abuse, and consistent with the Government's Domestic Abuse Bill, which I believe is being introduced today and includes economic abuse in the definition of domestic abuse. It would be consistent if the DWP was working with the Home Office and other government departments to have a coherent approach on economic abuse across the piece.

Q30 **The Chair:** I am afraid that we have run out of time, but I have one question. It could get very long answers, but I would like them as short as possible. Where in the world, looking at other countries that have been wrestling with this problem, would you point us? It is too late to get detailed answers, but could you point us to where people do this better than we do?

Rita Griffiths: My colleague, Professor Jane Millar, and Professor Peter Whiteford have been doing some research looking at the Australian system. Often people say that Scandinavian systems allow families to manage work and care better, but their systems are very different from ours. The Australian system is very similar to universal credit, except that it was introduced about 25 years ago.

In Australia, they have been much more creative in how they have used tapers and work allowances, so their system is partially individualised. Without going into the technical detail, they have a system that can transfer unused work allowances, and they have a partially individualised allowance between the members of the couple, so that they are each

guaranteed a payment. They have different taper rates in relation to child elements, for example, and different taper rates for lone parents.

The Chair: That is helpful.

Marilyn Howard: Do not rule out Scandinavia. The Scandinavians have a good track record on gender equality across the piece. As social security interacts with other issues, such as parental leave and childcare, it is definitely worth looking at. Yes, Australia is worth looking at, and Scotland as well—not too far from home—about what they are doing. Finally, the Department for International Development has done a lot of research on cash transfers in developing countries, which have been shown to be quite empowering for women and children. It is worth looking at those.

Laura Dewar: I think the question has already been covered.

The Chair: Thank you very much. You have given us some interesting answers, and it has been a very worthwhile session. We are very grateful to you for coming along.