



Pre-Budget Briefing

Gender equality and the need for social investment

About us

The Scottish Women's Budget Group (SWBG) is an independent analysis and campaign group that aims to promote gender analysis in public policy and public finance decisions through budgetary processes. SWBG brings together a wide range of women from across Scotland who have an interest in women's equality and want to achieve better gender equality in our society. We have focused on encouraging active gender analysis in the Scottish Budget process since 2000.

Introduction

The Scottish Budget 2023/2024 comes at a time of intersecting crises with the ongoing impact of the COVID-19 pandemic, and the cost-of-living and climate crises, as well as increasing scrutiny over public finances. According to data from the Scottish Government, there is a potential £1 billion resource spending gap in 2024-25, rising to £1.9 billion by 2027-28. With focus turning to the "difficult decisions" ahead, there is a high risk that the Scottish Government may lose sight of gender equality goals, as well as setback progress on current national outcomes, of which the Scottish Women's Budget Group is particularly interested in the following: poverty, health and economy.

The Programme for Government set out a vision for a Scotland that "can withstand the difficult times through which we are all living" (Scottish Government, 2023). The Scottish Budget is an opportunity to make this vision a reality, supporting those most vulnerable to the cost-of-living crisis, particularly women. This briefing includes key recommendations in support of this vision with a focus on intersectional gender equality outcomes.

Context: increasing challenges and impact on women

Mounting evidence reveals the difficulties encountered by women as they navigate the current cost-of-living crisis. Women are more likely to work part-time and have caring responsibilities, which explains why they also have lower levels of savings and wealth compared to men (WBG, 2022). This is particularly true for women from Bangladeshi, Pakistani and Black ethnic groups, disabled women, single parents (of which at least 90% are women) (OPFS, 2020), survivors of abuse, unpaid carers, and women with no recourse to public funds (WBG, 2022).

Our [Women's Survey 2023](#) exposed the impact of rising costs in Scotland and some of the strategies that women are currently using to cope with these. Of the 871 women who responded to it:

- 70% of women didn't put the heating on last winter to reduce costs
- 68% were cutting back on food expenditure by limiting the type of food they buy
- 23% stated that they are taking on more debt. This figure rises to 40% for single parents.
- And 28% said they were struggling to manage transport costs, rising to 41% for disabled women and 54% for single parents

Though this survey is not representative of the population, the findings are consistent with further evidence and research carried out by other organisations. In their national women's conference celebrated in February 2023, Unison representatives highlighted the effects of the cost-of-living crisis on women as "absorbers of austerity" (Unison, 2023), a point consistently made by our colleagues at the UK Women's Budget Group (WBG, 2022). Furthermore, as part of this year's State of the Nation report, the Joseph Rowntree Foundation found that just over 10% of workers in Scotland are locked in persistent low-pay and 72% of them are women (JRF, 2023). Finally, in their latest research published in November, StepChange highlighted the gender dimensions of debt (StepChange, 2023).

Intersectional Gender budget analysis as a tool to identify priorities.

Intersectional gender budgeting is a key tool for gender mainstreaming within the budgetary process, challenging the assumption that budgets are 'gender neutral'. On top of analysing the effect that public spend has on women and men, intersectional gender budgeting also recognises other characteristics that may affect women and men's lived realities, such as age, socioeconomic status and background, disability, race, ethnicity, religion and rural or urban location. The principle aim of gender budgeting is to integrate intersectional gender analysis into economic policy. By using this tool, local and national governments can identify opportunities and priorities for budget allocations. Furthermore, intersectional gender budget analysis can help avoid any unintended consequences that could hamper progress towards gender equality goals, ensuring that fiscal decisions do not result in widening inequalities.

An intersectional gendered analysis of the impact of the cost-of-living crisis makes it obvious that women, especially disabled women and single parents, are at the losing end of the current economic crisis. In this context, and in line with the Scottish Government's national outcomes on poverty, health and economy, the SWBG would like to see the Scottish Budget prioritising expenditure on the following areas.

Spending priorities

1. Social infrastructure

In the current context of the cost-of-living crisis, the need for strong public services is greater than ever. SWBG believes that this should be reflected in this year's Budget. Public services play a key role in women's lives, as women are more likely to work in public services, rely on public services, and become the providers of last resort when public services are withdrawn with implications for gender equality (WBG, 2022).

Within public services, SWBG advocates for greater investment in the care sector as essential social infrastructure with the potential to yield both economic and social benefits, while contributing to a low carbon economy. In his Programme for Government, the First Minister pledged to increase childcare workers and adult social care workers' pay to £12.00 per hour. However, SWBG argues that this increase is insufficient as it does not recognise the value of those working in the sector. Furthermore, the Programme for Government did not mention any further investment to increase care provision, nor did it

provide answers to those parents currently struggling to cover childcare costs amidst the cost-of-living crisis. Our vision for social infrastructure in Scotland focuses on the transformation of the adult social care sector and delivering a childcare system that works for parents, particularly women.

A transformative Universal Adult Social Care Support Service in Scotland

In January, we published a [briefing](#) setting the path towards a new adult social care service in Scotland. This briefing proposed two scenarios, both of which recommend higher pay rates for workers and also a larger workforce. Firstly, a core scenario focuses on ensuring current substantial needs are covered, by increasing the number of care recipients by about 20% to meet current unmet needs and extend free provision to all types of care (i.e. including household tasks). The core scenario also aims to increase pay rates to the more competitive wage of £12.50¹ an hour. The model estimated this would cost £5,094m in 2022-23 prices, which is £1,561m above the current (budgeted) level of net public spending on adult social care. A transformative scenario focuses on increasing access to free care to those with moderate needs, as well as increasing qualifications and pay to Nordic levels, with care workers paid an average of £15.21 per hour. In this scenario higher take-up rates are assumed that would relieve informal care needs further and eliminate unmet needs. This would require £6,822m in annual public investment or 3.7% of GDP, a 1.8% increase on the current budget: that is nearly doubling of public investment in care. However, some of these costs would be offset by the return on investment, including the effects on employment and tax revenues, under both scenarios. For example, regarding employment creation, this ranges from 20,400 jobs in the core scenario and 75,900 in the transformative scenario. In addition, these new jobs and higher incomes would generate direct and indirect tax revenue estimated to yield about £1.5bn annually in 2022-23 prices, which is about 46% of the estimated additional investment in the transformative scenario.

Making childcare work for women.

In addition to investing in adult social care, SWBG would like to see greater investment in Early Learning and Childcare (ELC).

The long-standing problem of lack of flexibility and affordability of childcare in Scotland compounded by the challenges created by the cost-of-living crisis is putting families' finances, and particularly women's, under further pressure. Our latest survey dedicated to [Childcare](#), which ran for over three weeks from mid-August, reiterated this. We found that despite the majority of survey participants (66%) reporting a household income of over £50,000, 74% of respondents told us that the increase in other household expenses was impacting on their ability to manage childcare costs while 30% of respondents are struggling to manage childcare costs. We also know that women are more likely to reduce their work hours or even quit their jobs due to childcare.

As a way to help families with the cost-of-living crisis while achieving greater gender equality and better economic outcomes for women, we recommend that the Scottish Government increases the current level of funding for ELC so parents of 1- and 2-year-olds can benefit from this. In addition, SWBG recommends that this funding is extended beyond school-term, and that additional support is provided to children experiencing poverty and children with additional support needs.

¹ Our research recommended a minimum of £12.50 when it was published. Today this figure would be closer to £13.70 per hour within our core scenario.

Finally, we recommend that the Scottish Government works with Local Authorities and third sector organisations to ensure provision of wraparound care for children above 5.

2. Social Security

In addition to investing in social infrastructure, SWBG would like to see a focus on social security in the upcoming budget.

Due to caring responsibilities which translate into more time dedicated to unpaid domestic and care work than men, women have less time for paid work across a lifetime. This means that, on average, women are more likely to rely on social security and receive more of their individual and household income from the social security system than men (WBG, 2022). In addition to increasing the funding for social security, it is also important that the design of financial support takes an intersectional approach. Our [recently published research with the Glasgow Disability Alliance](#) found that the cost-of-living support provided did not consider the additional costs that households with disabled individuals have. This is having a negative economic impact on people living with disabilities, particularly women (GDA, SWBG, 2023), and it is also exacerbating inequalities.

Reinforcing the social security system is therefore crucial to ensure that it provides a safety net for individuals, and to protect women from the impact of the cost-of-living crisis in Scotland.

We recommend:

1. Increasing the level of all Social Security Scotland payments by at least September's CPI's¹ figure and increasing both the Adult and Child Disability payments above September's inflation level.
2. Mitigating the two-child limit and young parent penalty through additional payments of the Scottish Child Payment, and an increase of this to £30 per week.
3. Increasing funding for the Scottish Welfare Fund to ensure there is sufficient resources to meet the demand. Considering that statistics revealed a 7% increase in demand, we argue that the minimum amount to be allocated in the upcoming budget is £60million.
4. Reviewing thresholds for access to means tested benefits at local and national level².

3. Fair Deal for Local Authorities

COSLA's analysis of last year's budget indicates that there was only a £71 million cash increase after covering for all national level government commitments (COSLA, 2022). With high inflation rates, increased costs of energy and fuel, increasing demand on some services and higher than anticipated pay rises in 2022/23, this level of cash increase has meant that most local authorities have sought to make savings within the 2023/24 budget (Audit Scotland, 2023). This has had implications for women and gender equality because local services are vital for women as they provide some of the social infrastructure described further above. An example of this can be found in our Childcare Survey 2023, which exposed the extent to which mothers are dealing with the closure or lack of provision of after school

² This is one of the recommendations that came from our work with the Fa'side women and girls' group. This research will be published in Dec 2023.

clubs, particularly for disabled children (SWBG, 2023). Local government is also a source of women's paid employment, and they offer amenities which are key for the wellbeing of communities, such as leisure clubs and libraries.

Given the pressures on local budgets, SWBG disagrees with the implementation of a council tax freeze as a way to deal with the cost-of-living crisis. This freeze would only exacerbate the financial problems that local government is currently grappling with, which would have an impact on councils' service users, particularly women, due to their reliance on public services as already noted in this briefing. It is unclear what priorities the Scottish Government based this decision on, or how this freeze would help deliver the priorities it has previously set out.

SWBG urges the Scottish Government to take a fair approach to local budgets, aiming for financial settlements that allow for the continuation of key public services while guaranteeing fair pay for local government workers (WBG, 2020). As part of this approach, we urge the Scottish Government to not go ahead with the decision made in October of freezing Council Tax.

Revenue options

SWBG's priorities for the Scottish Budget would require significant levels of investment at a time of financial constraints. However, SWBG argues that this investment is fundamental if the Scottish Government is to deliver on its commitments to gender equality, or on its National Outcome on the economy, described as "inclusive and focused on improving the lives of all our people" (Scottish Government, 2018). Furthermore, considering the impact of the cost-of-living crisis on the most vulnerable, particularly women, there is a risk that a lack of investment in the social security system and social infrastructure may drive more people into poverty, impacting on the Government's ability to meet its Child Poverty targets.

While the Scottish Government does not have full control over the taxation system, and decisions made by the UK Chancellor will make it harder for the Scottish Government to balance its spending commitments (SWBG, 2023), options exist under devolved powers for Scotland to explore various revenue paths. Our [joint briefing](#) created alongside IPPR Scotland, Oxfam Scotland, Poverty Alliance, CPAG in Scotland, One Parent Families Scotland, and the Wellbeing Economy Alliance Scotland, and endorsed by over 50 organisations in Scotland, provides detail on a number of options. In addition to this work, the [STUC has recently published a new report](#) which also outlines different options with the potential to raise an additional £3.7 billion of revenue by taxing wealth, property and higher incomes.

From a human rights perspective, the Scottish Government has a duty to maximise its available resources to give effect to economic and social rights. The priorities that we have outlined in this briefing for the Scottish Budget 2024/25 have the potential to advance the economic and social rights of women in Scotland. We urge the Scottish Government to explore all possible revenue options to fund very much needed social infrastructure and public services for women. While the cost-of-living crisis is an important issue for people in Scotland, good quality public services can improve people's living standards, particularly women's, contributing to greater gender equality and much needed economic activity.

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