



Tackling Gender Inequalities through the Scottish Budget 2021/22

Parliamentary Briefing

26 January 2021

The Covid-19 pandemic and resultant lockdown and economic crisis have highlighted and sharpened existing inequalities within our society. Women, black and ethnic minority communities and disabled people are economically the hardest hit by the crisis and the risk of deepening existing inequalities is high. As Scotland recovers from the health and economic impacts of COVID-19 we must work together to dismantle inequalities. This budget is an opportunity to set the path for Covid-19 recovery in Scotland. Scotland needs to set a positive direction and take courageous action towards creating a caring economy.

Women have been on the frontline of the Covid-19 crisis, making up the majority of health and care workers and the majority of workers at high risk to exposure to Covid-19. But all too often in jobs that are underpaid and undervalued. Alongside this, other sectors, which have a predominately female workforce, such as hospitality, have been harder hit by the impact of lockdown and ongoing restrictions of social distancing, with risk of unemployment or reducing working hours remaining high.

The impacts of this pandemic and lockdown are not being felt equally. Public spending decisions can help set the balance. Crucial to ensuring a gender responsive recovery is a need for gender analysis and gender-sensitive sex-disaggregated data on the impacts of Covid-19 incorporated into policymaking and recovery planning.

Women are facing a rising tide of poverty which highlights the importance of a gendered response to the economic crisis and recovery packages put in place to build back better. Investment in social infrastructure and care (adult social care and childcare), recognition and valuing unpaid work, a caring social security system that provides a genuine safety net when needed most and progressive and fair taxation to support the recovery are vital elements of a caring recovery.

Social care

Care work is overwhelmingly carried out by women and is a key sector in our economy. Although it is not often formally recognized and valued as a key economic sector, care work underpins Scotland's economy. Yet, because it is overwhelmingly carried out by women, it is undervalued and has suffered from chronic underinvestment. This lack of investment must be recognised as both a cause and consequence of an unequal society.

All care sectors combined provide 7.8% of Scottish employment and 85% of this workforce identify as female¹. Yet even the Scottish Government recognize that work within this sector falls short of its Fair Work ambitions. The Fair Work Convention has reported that fair work is not consistently delivered in social care. Often the failure to deliver fair work is driven by funding and commissioning systems.² A valued and well-paid workforce is more likely to keep staff in their job and keep skills within the sector. It is vital the social care workforce is invested in, and professionalised, improving its status, working conditions and pay, implementing training programmes and developing career pathways.

Perceptions of care work have changed through the course of this pandemic. Highlighted as key workers, continuing to work while many other sectors of the economy had to be brought to a halt. People across Scotland stood at their windows or on their doorsteps to clap for all carers. Yet this has brought little real change for those working in social care who continue to feel undervalued in the workplace.³

As Scotland seeks to recover from Covid-19 investment in care and social infrastructure is critical to the economic and human recovery. Polling conducted for us last year shows it's a popular choice, with **61% of Scots polled saying investment in social infrastructure was more important to the**

¹ Scottish Government (2020), Implications of labour markets for the social care workforce: report

² Fair Work Convention (2019), Fair Work in Scotland's Social Care Sector 2019

³ GMB Scotland (2020), Show You Care

future of the economy than investment in physical infrastructure, and 87% saying that good provision of care is the mark of a good society. This Covid recovery budget must demonstrate the value and reliance on quality care provision and invest in a service fit for the future.

Childcare

Evidence from the Institute of Fiscal Studies found that in the first lockdown mothers did on average 50% more unpaid childcare and housework than fathers.⁴ In turn this has impacted on women's economic situation either through reduced hours at work, necessity to be placed on furlough or losing their job completely. On top of these challenges mothers on the lowest incomes are being hit hardest. Analysis by the Fawcett Society, Engender, Close the Gap, the Women's Budget Group and other partners across the UK has found that **parents on the lowest incomes are nine times more likely to report risk of losing their job** due to school closures in the UK, twice as many mothers report they would have to take time off with no pay due to school closures or a sick child as fathers (15% of mothers compared to 8% of fathers).⁵

Single parent households, of which the vast majority are female headed households, face the highest rate of poverty in Scotland.⁶ As One Parent Families Scotland put it 'single parents are at the sharp end of existing inequalities and this year [2020] has only made things worse.' The impact of additional caring and home-schooling responsibilities impacting their ability to do paid work, alongside the impacts that are more likely to affect women in the labour market all compound the challenges faced by single parent households.

The high cost of childcare means that 25% of parents living in absolute poverty in Scotland have given up work, a third have turned down a job, and a further 25% have not been able to take up education or training.⁷ **These figures show that expansion of public childcare must continue, but in addition to protecting committed spend there must be more flexibility built into the system.** To keep families financially resilient through this crisis **there is a strong economic argument for action now to ensure parents do not drop out of the labour market.** This reinforces the need for increased affordable and flexible provision of childcare as we move towards a gender equal economy. Implementing the 1,140hours childcare commitments must not be delayed and ambition should be set higher increasing the number of hours available and reducing the age at which free childcare starts. Additional investment in jobs within the sector is essential to make this possible, a workforce which is 96% female. **The investment will in turn yield significant economic benefits to local communities and the Scottish Exchequer.**

Valuing the role of unpaid care

During the Covid-19 crisis the reliance on unpaid care work has increased, with social care packages reducing, reduction in respite care and a closure of childcare and schools. Each one of these changes and closures has impacted women who already undertook the majority of unpaid care work. Prior to lockdown evidence showed that women undertook 60% more unpaid work than men.⁸ Lockdown has exacerbated and exposed the extent to which the economy relies on unpaid care work to function, yet continues to ignore it in all modelling, planning and policy.

As highlighted by the Coalition of Carers, 1 in 4 carers live in poverty, 36% of carers are out of work compared to 23% of the general population and the majority of this work is undertaken by women. If people have to drop out of employment or reduce hours to carry out unpaid care, it reduces their ability to earn and save for the future.

The impact of additional unpaid work has a profound effect on women and their role in the economy but it reflects a wider challenge to the economy that existed before the pandemic. We need to

⁴ IFS (2020), How are mothers and fathers balancing work and family under lockdown, (<https://www.ifs.org.uk/publications/14860>)

⁵ WBG (2021), Mothers on the lowest incomes are eight times more at risk of losing their job due to school closures in the UK (<https://wbg.org.uk/media/press-releases/mothers-on-the-lowest-incomes-are-eight-times-more-at-risk-of-losing-their-job-due-to-school-closures-in-the-uk/>)

⁶ JRF (2020), Poverty in Scotland, (<https://www.irf.org.uk/report/poverty-scotland-2020>)

⁷ Scottish Government (2020), Towards a Robust, Resilient Wellbeing Economy for Scotland: Report of the Advisory Group on Economic Recovery

⁸ ONS (10 November 2016), 'Women shoulder the responsibility of unpaid work' (<https://bit.ly/2KBdnG9>)

transform the worlds of paid and unpaid work and **recognise the important role unpaid work plays to the functioning of the economy**. Tackling this as part of the Covid-19 recovery is an important step to building a gender equal economy. A gender equal economy is one that provides time for both men and women to care for those who need them through options for parental leave and leave for caring for older and disabled relatives. **Jobs should allow flexibility to manage challenges in everyday life and importantly pay a real living wage**. A gender equal economy is one that recognises that we are more than just our paid jobs, we all have multiple roles that should be valued in a caring economy.

82% of people in Scotland polled last summer said a better balance between paid work and care work should be a priority for women and men. Getting this balance right requires action from Government and investment through the budget. Crucial steps including increasing eligibility and value of carers allowance and access to respite services are needed now.

Caring Social Security

For some women the challenges brought on by Covid-19 and lockdown have meant their precarious place in the economy has been tipped over. The lack of sufficient safety net for some women in our society has the potential to further exacerbate existing inequalities within the economy. This Budget can work to plug some of the gaps that exist while building towards longer term commitments for Scotland's social security.

Women with no recourse to public funds have been thrown into insecurity and possible destitution with no safety net available when this crisis hit, according to the Women's Budget Group (UK) they have been stranded by the social security system despite being disproportionately represented amongst frontline staff during the pandemic. At the same time women with no recourse to public funds whose visas may have come up for renewal have had to **continue to find funds for expensive visa renewal fees for themselves and their dependents**. There have been opportunities to support people in crisis in Scotland and it is vital that funding directed to Local Authorities can continue to work to support people facing hardship and destitution brought on by the no recourse to public funds policy.

We welcome the introduction of the new Scottish Child Payment due to start next month. This is a necessary recognition of the importance to increasing cash to low income families, however, circumstances have changed from when it was initially approved. We join the End Child Poverty Coalition in calling for the value of this payment to be increased in recognition of the changed circumstances within which it is being delivered. It is also vital that this payment reaches as many families as quickly as possible, and urge Government to fast-track the current timetable for delivery to reach all eligible families.

Covid-19 and the related economic crisis has shown us how quickly individuals' situations can change and in turn the importance of having a responsive, flexible social security system that supports people in times of change, including those who are self-employed, 'gig economy' workers and freelance workers, whose earnings are subject to sharp variations. Social security income is a central part of the income for many, and growing numbers of, households. **Important support can be offered through this budget to ensure income security and the use of Scottish social security powers to boost the income of women facing poverty, alongside a continued to call on the UK Government to end policies like the two child limit, the benefit cap and no recourse to public funds** – which have a disproportionate impact on women.

A Scottish Budget that builds towards a Gender Equal Economy

This briefing has highlighted core areas for consideration in the upcoming Scottish Budget process to ensure the Covid recovery budget is a caring budget. If the Scottish Budget 2021-22 is going to "prioritise sustainable economic renewal"⁹, the SWBG expects that budget support measures that

⁹ <https://www.gov.scot/news/driving-scotlands-recovery/>

- Invest in social care as social infrastructure
- Support the current expansion of public childcare funding
- Protect and enhance social security support, specifically for carers and commitments to a Scottish Child Payment
- Ensure business support for self-employed
- Ensure secure funding for protection from and provision for women escaping domestic abuse
- Engage with HMRC to ensure no detriment to workers accessing childcare vouchers and 'tax-free' childcare
- Secures revenue maximization through tax collection
- Commits to a revaluation of property and to consider alternatives to current system of Council Tax.

These are among key measures that will support making Scotland's economic recovery progress towards being a Caring Economy. SWBG is drawing on the recommendations of the Commission on a Gender Equal Economy, in the production of its final publication [Creating a Caring Economy: A Call to Action](#). There are eight steps to create a caring economy, based on gender equality, wellbeing and sustainability, in the recovery from Covid-19. We share this alongside our brief and urge the MSPs to review the key recommendations of the Commission while developing the economic recovery process. The eight steps to creating a caring economy are:

- Re-envision what we mean by 'the economy', so that the centrality of care to the economy is recognised;
- Invest in social and physical infrastructure, so that public services address diverse needs on an equal basis;
- Transform the worlds of paid and unpaid work, to provide not just more jobs, but better jobs;
- Invest in a caring social security system which is based on dignity and autonomy;
- Transform the tax systems across the UK, to make them more progressive and fair;
- Refocus the overall fiscal and monetary policy framework on building a caring economy;
- Work to develop a trade system that is socially and environmentally sustainable;
- Work to transform the international economic system so that it is supportive of the creation of caring economies across the world.

These are the first steps required in the economic recovery process in Scotland to ensure that as we renew our economy we work to transform it, to break down barriers that entrench inequalities, and invest in areas that we value as a society.

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 and has focused on encouraging active gender analysis in the Scottish policy and budget processes since 2000.

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