

A budget process that challenges inequality

The 2022-23 budget must be a recovery budget to reset Scotland on a path towards fairness and equality. Integrating intersectional gender budget analysis, within a Human Rights Budgeting Approach, into the budgetary process is crucial to ensure that decisions made will work towards building a more equal society.

Women and men continue to experience inequalities in pay, in employment and promotion opportunities, and in the harassment and abuse they experience, with women being more likely to experience poverty at all points in their life.¹ Women still have more responsibility for unpaid work including childcare, care for older or disabled people, and domestic work. For many women, this means a greater reliance on public services and can limit the time they have for paid work and other activities. Inequalities based on gender intersect with other forms of inequality such as class, race, and disability so that some groups of women face multiple and compounded disadvantages.

To address these systemic inequities, spending commitments on policy and programmes must be designed with the help of an intersectional gender analysis that can ensure new initiatives respond to the different lived experiences of women. Failure to incorporate a gendered perspective within pandemic recovery budget efforts will only deepen existing gender inequalities and worsen outcomes for women.²

The principle aim of gender budgeting is to integrate intersectional gender analysis into economic policy. Through this process raising awareness of different impacts on women and men of publicly funded policies and programmes and challenging the assumption that budgets are 'gender blind'.³

Intersectional gender analysis considers the lived realities of women and men in their diversity. While 'lived realities' is meant to recognise differences between women and men, the addition of 'in their diversity' recognises how other characteristics such as age, socioeconomic situation, disability, race, ethnicity, religion and rural or urban location can also affect women and men in their lived realities.⁴

¹ Women's Budget Group (2020) [Creating a Caring Economy: A call to action](#)

² Policy Scotland (2021) Consequences of the COVID-19 pandemic: exploring the unequal social and economic burden on women

³ O'Hagan, A. (2018) [Gender Budgeting in Scotland – A work in progress](#)

⁴ European Institute for Gender Equality (2020) [Gender Budgeting: Step-by-step toolkit](#)

Equality and Fairer Scotland Budget Statement

The Equality and Fairer Scotland Budget Statement (EFSBS) is an important statement of intent and commitment to equality analysis within the Budget process. This year's main EFSBS publication gives a topline outline across portfolio areas. However, it often misses the detail on how spending decisions are set to impact on identified inequalities. The statement is the final product of the analysis that has gone into the budget and only ever as good as this analysis. The focus must be on improving the quality of the analysis and assessment processes to achieve improved policy outcomes in people's lives, which are then reported through the EFSBS rather than retrospective reporting. Within the Annex to the EFSBS portfolio areas set out details of inequalities and how to address, however, these there is a lack of connection between the spend and the policy approach to the addressing the actual equalities issue. Too often detail on how the spend will reduce inequality is not clearly linked to identified inequalities or is overly topline.

Capacity and support for robust analysis must be provided at an early stage in the budget process to ensure that the EFSBS is resourced to provide quality, transparent analysis of the equality impacts through the budget in an accessible format.

Alongside this building understanding and knowledge of the structural causes of inequalities must remain a priority for the Scottish Government. The Equalities Budget Advisory Group has provided a [set of recommendations for Government](#) to continue to improve how equality, gender and human rights budgeting is delivered in Scotland. These recommendations need support from leadership and capacity to deliver. The Scottish Government has said it will respond to these recommendations in Spring 2022.

One additional Equality Impact Assessment has been published, for Public Sector Pay Policy, alongside the draft Budget. SWBG recommends the best practice requirement of the publication of all related Equality Impact Assessments to allow for transparent scrutiny of the budget decision making process. Some portfolios have provided links within Annex 1 of the EFSBS but there does not appear to be a consistent approach across portfolios, including links to all Equality Impact Assessments would be one way demonstrate the analysis that has feed into the process of how spend will impact on inequalities.

It is imperative that parliamentary committees actively engage in equality analysis of outcomes achieved over time from public spending and set a course of action that aims to advance equality and eliminate persistent inequalities and structural constraints. International examples of good practice can support considerations of how equality and in this case gender budget statements can provide effective gender budgeting reporting and auditing, good practice examples from Andalusia and within Italy provide opportunities for Scotland to learn from.

Focus on policy areas

The overall narrative to the budget had an important focus on three strategic priority areas: 'tackling inequalities, securing a just transition to Net Zero; and investing in economic and public service recovery'. These provide a vital focus for spending and recognise the importance of delivering an economy that works for people.

The framing of Scotland's finances to focus on these priority areas is an important sign of intent. For it to be meaningful there has to be a deep understanding of the different lived realities of women and men in all our diversity. That means ensuring that the generation and

analysis of essential data is properly resourced and applied in policy making, including in improved practice of equality impact assessment that robustly identifies and addresses enduring and intersectional inequalities between women and men.

As this budget is to be viewed as a 'transition budget' ahead of the Resource Spending Review in 2022 to set out longer-term funding commitments, scrutiny of the draft budget and key areas for investment should also feed into long-term pieces of work.

Social Security

SWBG welcomes the announcement to increase Scottish Child Payment to £20 per week from April 2022 as a vital step towards tackling child poverty in Scotland. We also know that to end child poverty, we must solve women's poverty. This action will be crucial to protect women's incomes, make progress towards interim child poverty targets, and to mitigate against the withdrawal of the £20 uplift to universal credit.

The funding to deliver disability assistance committed in this draft budget is another important step in moving this support to devolved delivery. As roll out of this payment moves forward it must be delivered through a human rights-based system that provides dignity and respect to those who receive it.

Adult social care

We welcome the decision to set a minimum income floor for staff in the social care sector. However, set at £10.50 this can only be viewed as a first step. After years of underfunding and undervaluation of the social care workforce significant further investment is needed within this highly gendered sector. Alongside increased wages delivery of Fairwork principles within the care sector must be prioritised to properly value and respect those who deliver care across the country.

The wage commitment comes alongside a rise in overall funding to Health and Social Care. While the sums of money involved may sound large, almost £800million additional funding for both Health and Social Care, this comes at a time of unprecedented challenge in recovering from the pandemic and following years of underinvestment in social care. A further cash injection to support social care delivery now is needed alongside long-term planning for the National Care Service. This is needed to deal with urgent staff shortages and recovery of services that were reduced through the pandemic. Investment in care is investment in infrastructure which brings significant positive economic and wellbeing returns.

The draft budget outlines "Over £1.6 billion for social care and integration – progressing our commitment to increase spend in social care by 25% by the end of parliament, and laying the groundwork for the establishment of a National Care Service". For this funding to effectively lay the groundwork for the National Care Service then the funding, commissioning, and management models for care services need to be overhauled and redesigned from a human rights-based approach.

The budget states that we are "indebted to frontline staff and unpaid carers" through the pandemic. Yet, there is little in the budget for unpaid carers, despite the numbers of unpaid carers rising sharply during the pandemic as well as the demands placed by caring responsibilities when many services have shut down. £5m is made available to support the rights to respite for unpaid carers which is vital but unlikely to go far enough when 82% of carers surveyed by the Carers Trust Scotland in 2021 had no access to respite or breaks

from caring.⁵ £350m is identified to support the current remit of Carers Allowance, Carers Allowance Support and the Young Carers Grant. Further support to unpaid carers and those receiving care is urgently needed including increasing the value and eligibility of Carers Allowance to provide support and protect carers from poverty, as well as access to local services including respite care. We have also joined calls for a [National Outcome on Care](#) so that what is measured within our National Performance Framework and therefore our budget reflects the value that needs to be placed on care.

Just transition

Care economy jobs need to be considered fundamental to transitioning to a greener, wellbeing economy and need adequate funding and training.

As necessary commitments are made on how Scotland will tackle the climate crisis in this draft budget more needs to be done for Scotland to champion a feminist just transition. There is a risk that the unprecedented investment in decarbonising economic activities will widen labour market gender inequality if a gendered analysis is not built into the planning process. In the draft budget the focus on infrastructure and energy spending, adapting our lived environments and retrofitting homes missed an opportunity to compliment this investment with investment in green social infrastructure.

A comprehensive just transition policy must also expand socially necessary and low-carbon jobs, such as those in the caring economy. Care jobs are green jobs.

Continued support to the Green Jobs Fund must be matched with commitments that this fund can also work to tackle inequality. This could be done by including a portion to specifically support people from areas of socio-economic deprivation, women, lone parents, those belonging to minority ethnic communities, refugees, disabled people, carers and young people to train for and get green jobs.

Local Government

The draft budget emphasises the Scottish Government commitment to ‘high-quality, front-line services that will improve outcomes for individuals and communities’ delivered through local government. Women are both the majority users and providers of public services, including in low paid, often ‘arms-length’ job with poorer terms and conditions. This draft budget has highlighted a cash terms increase in funds to local government alongside ending the freeze on Council Tax rates. However, analysis by COSLA highlights⁶ that due to the impact of Government commitments locking in finance to headline areas, other policies not being fully funded, and specific challenges in areas such as funding the employers National Insurance Levy means COSLA believe the Local Government funding presents a £100million cash terms cut.

Parliamentary committees should ensure effective monitoring of the implications of local government funding settlements and seek to identify impacts in its own pre and post budget scrutiny.

Taxation

We welcome the Cabinet Secretary’s announcement to freeze higher and top rate tax as a method of continuing to use Scotland’s income tax powers to deliver progressive taxation.

⁵ Carers Trust Scotland (2021) [Covid-19 in Scotland: The impact on unpaid carers and carer service support workers](#)

⁶ COSLA (2021) [Budget Reality – Local Government Settlement](#)

The proposals on taxation rightly focus on protecting people on low incomes from unfair tax burden. Women, particularly women of colour, older, and disabled women tend to be amongst people on the lowest incomes. There are therefore significantly fewer women paying income tax than men.

Evidence from the Office of the Chief Economist demonstrates that changes made in Scottish income tax in 2021-22 compared to a scenario of no tax changes since 2016-17 mean that in 2021-22 85% of women will pay less tax, compared to 72% of male taxpayers.⁷

There is no continuation of the Council Tax freeze, which may come as a relief to cash strapped local authorities but with it a risk to low income families that raising council taxes will hit them hardest. Efforts to support lower-income households will need to be stepped up in order to protect women's incomes and set Scotland on track to meet its child poverty targets. Scotland needs a fairer form of local taxation and this budget had an opportunity to announcement measures to start investing to agree alternative options. Reform of local taxation and options for local revenue raising should be agreed over the course of the 2022-23 budget year, to deliver a more progressive tax system across all taxation within devolved powers.

As Scotland emerges from the Covid-19 crisis, it is also important that we consider what to ask in return from businesses supported through the crisis. As the Scottish Government considers the shape of future business support, this should include an assessment of how conditionality and/or tax relief could be used to incentivise fair work practices and play their part to ensure that 'fairness is at the heart of the Scottish tax approach.' The 2022-23 draft budget that existing non-Covid non-domestic rates reliefs will be maintained through 2022-23, forecast to save rate payers £746million. The gender and equality analysis of these reliefs can inform decisions on ongoing tax relief. For example, the level of relief and support available to women-led businesses.

Air departure tax solutions to align with climate change targets are important and progressing a solution to the Highlands and Islands exemption as quickly as possible to bring this additional tax power to Scotland and the opportunity to ensure it demonstrates climate progressive decision making.

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 Budget process since 2000.

⁷ Office of the Chief Economist [Income Tax: Cumulative Impacts on Income Levels and Equality](#)