Gender & economic recovery

The economic downturn precipitated by Covid-19 is different from that caused by previous shocks. It is likely to have a particularly harsh impact on hospitality, retail, and care sectors that are female dominated and dominated by Black and minority ethnic workers. At the same time, services that enable women, and especially disabled women’s, labour market participation, including nurseries, schools, and social care, will need to operate differently to avoid exacerbating the pandemic.

The UK policy response to the 2008 financial crash was austerity. This turned a recession that began with contraction in male-dominated sectors like construction into a shredding of the social safety net. Of the cumulative social security cuts driven by austerity between 2010 and 2022, 59% will have come from women’s purses. Women bear around 61% of the total annual ‘fiscal consolidation’ burden as a result of UK tax and benefit changes, with Black and minority ethnic women hit the hardest.\(^1\)

Austerity is the backdrop to the Covid-19 recession. Its depletion of public services go some way to explaining the sluggish response of the UK to managing the pandemic itself, as well as the lack of capacity within care infrastructure.

The features of the Covid-19 economic crisis mean that the traditional approach to stimulus will work even less well than usual. We do not need spend on a narrowly defined set of infrastructure projects that will create ‘jobs for the boys’. We need to invest money in creating demand for goods and services by spending on health, childcare, and social care services.

If Scotland’s traditional ways of thinking about the economy won’t work then we need to adopt some new approaches. The following principles develop Scotland’s existing commitment to inclusive growth. They are a set of ideas, challenges, and calls that are rooted in evidence. They describe features of an economy that works for women as well as men. They put care and solidarity at its heart. They will create better jobs, better decision-making, and a more adequate standard of living for us all.

Principles

1. Equality is good for growth. The converse isn’t necessarily true. As women and men had different levels of economic wellbeing before Covid-19 that have been deepened by the crisis, the principle of equality and non-discrimination must be core to the economic recovery. Inclusive growth means including all men and women in the process of growth and ensuring that the outcomes of growth are used to meet the needs of Black and minority ethnic, disabled, LGB & T, and older and younger women.

2. Gender-sensitive inclusive growth is about the pattern of growth and not its rate. Repatterning growth means seeing the poorest women’s income rise both along with the poorest men’s and also relative to men’s as a group.

3. Creating aggregate demand should mean cash transfers to women and their dependent children, so that women have money in their pockets to spend on goods and services in their local economies.

4. Inclusive growth means investing in a care economy. Care is as essential to our economy as bricks, steel, and fibre optic cable. Investment in childcare and care for disabled people and older people should be considered as necessary infrastructure for a sustainable wellbeing economy and a good society.

5. Unpaid domestic and care work needs to be recognised, reduced, and redistributed from the household to the state by an increase of accessible, good quality childcare and social care. Within households, men and women should be enabled to do a 50/50 share of paid work and unpaid work.

6. Women’s work in care, cleaning, catering, retail, and clerical roles has for too long been undervalued, underpaid, and underprotected. State and public body wage-setting powers should be used to increase pay in these sectors and improve their conditions of work.
7. Economic success shouldn’t only be measured by GVA or GDP but by an increase in wellbeing of the people of Scotland. Gendered wellbeing indicators should take a human rights approach, and measure the extent to which all groups of women and men have an adequate standard of living, including access to housing, social protections, and health.

8. Public spending and revenue-raising decisions shaping Scotland’s economic recovery and the re-set of the economy must integrate gender analysis across budgetary processes. This includes allocation of resources, scrutiny of spending, and outcomes from public finance decisions.

9. Scotland’s economy should be governed by gender-balanced, gender-competent leaders, making decisions based on intersectional gender-sensitive sex-disaggregated data. A healthy economy is one that provides equality for all, including between all groups of women and men. Black and minority ethnic, disabled, LGB & T, and older and younger women must have power to participate in decision-making about their economy.

These principles for an economic recovery which works for women are endorsed by:
**Principle 1**

Equality is good for growth. The converse isn’t necessarily true. As women and men had different levels of economic wellbeing before Covid-19 that have been deepened by the crisis, the principle of equality and non-discrimination must be core to the economic recovery. Inclusive growth means including all men and women in the process of growth and ensuring that the outcomes of growth are used to meet the needs of Black and minority ethnic, disabled, LGB & T, and older and younger women.

Women and men had different levels of economic wellbeing before Covid-19. Women (especially Black and minority ethnic women)\(^2\) are concentrated in the lower-paid sectors and roles including cleaning, care, retail and hospitality that have been disproportionately affected by the pandemic.\(^3\) Much of this work is part-time and precarious and many women juggle a series of micro-jobs in order to balance paid and unpaid work. Women are also more dependent on social security, because of their roles as primary carers and secondary earners,\(^4\) which has been cut substantially during the decade of austerity from 2010.\(^5\)

Scottish Government is committed to the concept of inclusive growth. It defines this as 'growth that combines increased prosperity with greater equality, creates opportunities for all, and distributes the benefits of increased prosperity fairly’.\(^6\) Like other nations

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and supranational organisations that are using this concept, Scottish Government has not taken a gendered approach to thinking about or delivering inclusive growth. It conceives of it mostly as sharing out the spoils of growth, rather than reconceptualising how growth might be created. Growth itself is not acknowledged as a gendered process.

Involving all women, particularly Black and minority ethnic and disabled women, in the process of growth means reflecting anew on what shape the Scottish economy should take. Existing patterns of growth not only leave women behind, but push women behind. Changing this means considering which industries should be prioritised for investment and policy focus, and how areas of production and individual enterprises must change to bring women into economic sectors that have functionally excluded them. It also demands that we think again about the connection between unpaid work, principally done by women, and growth.

Principle 2

Gender-sensitive inclusive growth is about the pattern of growth and not its rate. Repatterning growth means seeing the poorest women’s income rise both along with the poorest men’s and also relative to men’s as a group.

Inclusive growth in Scotland needs to be concerned with the pattern of growth as well as its rate. Although the definition of inclusive growth is somewhat elastic, most of the main articulations of its features by states and supranational bodies remain ungendered; they do not consider gender at all.8

Diane Elson and Marzia Fontana draw attention to the ways that inclusion in growth can be harmful, including: forcible inclusion through forced labour or slavery; injurious inclusion because of unsafe working conditions; impoverished inclusion when wages do not rise above the poverty level; precarious inclusion when employment is insecure; and segregated inclusion when discrimination clusters women, especially Black and minority ethnic and disabled women, in particular roles.9

These are not theoretical considerations in Scotland. The labour market is characterised by occupational segregation, which sees women clustered into low-paying and increasingly precarious roles.10 The period of lockdown has seen a massive increase in women’s unpaid work: childcare, supervising home schooling, care for disabled and older people, and household management.

In order for women’s economic inequality not to be entrenched, or exacerbated, these differences in experiences need attention and focus. Generic pro-growth policies applied

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8 Elson D, Seth A eds. (2019) Gender equality and inclusive growth: economic policies to achieve sustainable development. UN Women.
during a period in which schools are operating half-days and nurseries have yet to reopen will see income and jobs redistributed from women to men. This will sharply increase the gender pay gap.

Instead, we call for a commitment to repattern growth that will see the lowest incomes rise for all workers, and women’s incomes rise relative to men’s.
Principle 3

Creating aggregate demand should mean cash transfers to women and their dependent children, so that women have money in their pockets to spend on goods and services in their local economies.

Analysis from the Women’s Budget Group has identified that 59% of the cumulative social security cuts between 2010 and 2022 will have come from women’s purses, and that women bear around 61% of the total annual ‘fiscal consolidation’ burden as a result of UK tax and benefit changes, with Black and minority ethnic women hit the hardest.11 Eminent economist Joseph Stiglitz, in a paper on inclusive growth, described ‘the central problem in the global economy’ as a ‘lack of aggregate demand’.12 Feminist economist Emily Thomson’s paper on gender and inclusive growth in Scotland parses this as meaning that ‘stimulating the demand for goods and services may be a better way of recovering growth patterns affected by Covid-19, and that means putting money into the hands of those who are most likely to spend it when the productive economy re-opens’.13

Aggregate demand can be created by investment in health, childcare and social care. Thomson’s paper points out that this creates more GDP growth through ‘direct (job creation), indirect and induced’ effects than investment in physical infrastructure such as construction. A rise in women’s income may also generate positive multiplier effects in the economy, because of women’s marginal propensity to consume.14 Money in women’s pockets is more likely to be spent on food and other consumable household goods and children’s clothes and shoes. This type of spending sustains local economies.

Demand for goods and services can also be stimulated by increasing cash transfers to women (and men). There are feminist economics arguments in support of a gender-sensitive universal basic income.\textsuperscript{15} being introduced during the Covid-19 recovery. There is also an urgent need to revisit the adequacy of Universal Credit, and particularly the combination of conditionalities, caps and uprating freezes that have seen its value decline precipitously for women. Austerity-motivated cuts to social security by UK Government have particularly destabilised the financial wellbeing of Black and minority ethnic women and single mothers and their dependent children. Scotland’s social security system cannot wholly mitigate the impact of decisions made at Westminster, but decisions about new or augmented entitlements must be alert to the need to increase aggregate demand.\textsuperscript{1}

Principle 4

Inclusive growth means investing in a care economy. Care is as essential to our economy as bricks, steel, and fibre optic cable. Investment in childcare and care for disabled people and older people should be considered as necessary infrastructure for a sustainable wellbeing economy and a good society.

Care is profoundly gendered. Women do the bulk of unpaid and informal care, and comprise the 97% and 85% of the childcare\textsuperscript{16} and social care\textsuperscript{17} workforces, respectively. It is difficult to overstate the importance of childcare and social care to women’s labour market equality. A lack of access to childcare and care is the most immediate barrier to women being able to work, study and train. Women’s caring roles drive the high level of female part-time working.\textsuperscript{18} Women are four times more likely than men to give up employment because of multiple caring responsibilities.\textsuperscript{19}

Childcare and social care is therefore critical infrastructure which enables women’s labour market participation, and is a necessary step in realising women’s wider economic equality. However, mainstream economics frames spending on caring professions as current consumption, as opposed to capital investment, while unpaid care is not included at all.\textsuperscript{20} Evidence from Scotland,\textsuperscript{21} and internationally\textsuperscript{22} finds that investment in care infrastructure, including investment in high quality childcare and social care, stimulates job creation, community regeneration, and increased opportunities for

\textsuperscript{16} Skills Development Scotland (2018) Skills investment plan for Scotland’s early learning and childcare sector
\textsuperscript{18} Close the Gap (2020) Gender Pay Gap Statistics
\textsuperscript{19} Carers UK and Employers for Carers (2012) Sandwich Caring: Combining childcare with caring for older or disabled relatives
\textsuperscript{20} Marilyn Waring (1988) If Women Counted: A New Feminist Economics
\textsuperscript{22} De Henau, Jerome, Sue Himmelweit, Zofia Lapniewska and Diane Perrons (2016) Investing the Care Economy: A gender analysis of employment stimulus in seven OECD countries, ITUC Research Centre
under-employed women. The state benefits from investment in childcare through an increased tax base and relieved pressure on social security. Good quality childcare and personalised care provision are also necessary to realise children’s rights, and the rights of disabled women.

Determining which economic sectors will be a focus for investment, policy focus and growth in Scotland has the potential to improve or entrench women’s wider inequality. Scotland’s growth sectors, as designated in Scotland’s economic strategy, are heavily weighted towards male-dominated industries, and because of this neither current nor envisaged benefits of investment in skills and jobs are shared equally by women and men. This contributes to women’s higher rates of poverty, sectoral skills shortages, and the gender pay gap. Designating care a growth sector would reorientate strategic focus to women’s position in the economy, as workers and as carers. Access to high quality childcare and care is paramount to realising a sustainable wellbeing economy and a good society.

Principle 5

Unpaid domestic and care work needs to be recognised, reduced, and redistributed from the household to the state by an increase of accessible, good quality childcare and social care. Within households, men and women should be enabled to do a 50/50 share of paid work and unpaid work.

Even before Covid-19 women did the majority of household management, housework, and childcare. Women were also principally responsible for caring for disabled people and older people. According to Scottish time-use data, women did approximately 68% of the housework and 68% of the childcare. The Office of National Statistics has published data on home-schooling, childcare and care as part of its work to determine the social impacts of Covid-19 on Great Britain, but this is not sex-disaggregated.

Anecdotal data suggests that contrary to descriptions of crashing productivity in the ‘real economy’, women have found themselves busier than ever during the period of the Covid-19 lockdown. Information gathered by Engender about women’s experiences suggest that women are principally responsible for supervising home-schooling, balancing childcare and paid work, and managing their households.

Work by Glasgow Disability Alliance and Inclusion Scotland has found that social care packages have been reduced and stopped, and the ALLIANCE highlights instances where Health and Social Partnerships have increased their eligibility criteria for social

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care.\textsuperscript{31} This undermines disabled women’s rights to dignified care and also displaces care responsibility onto female family members.

Proposals that have been trailed for the next phase of Covid-19 response are heavily reliant on staggering use of public transport, maintaining social distancing, and reducing the school day for individual children. This means that the demand for reproductive labour\textsuperscript{32} will not immediately reduce and may substantially increase if there is not a concomitant rise in childcare and care provision.

Measuring women’s unpaid work is the first step to designing adequate childcare and care services during the recovery and beyond. There is also an urgent need to change norms about how unpaid work is allocated within the household.


\textsuperscript{32} Reproductive labour refers to unpaid activities in the home and workplace, including childcare, meal preparation, cleaning and other activities which are vital to the continued functioning of a society.
Principle 6

Women’s work in care, cleaning, catering, retail, and clerical roles has for too long been undervalued, underpaid, and underprotected. State and public body wage-setting powers should be used to increase pay in these sectors and improve their conditions of work.

‘Women’s work’ is systemically undervalued in the labour market, and at the enterprise level, women's skills and contributions are often valued less than their male counterparts. Women receive lower pay from investing in education or from their own work experience than men do.\(^3\) The systemic undervaluing of ‘women’s work’ means that two-thirds of workers earning below the Real Living Wage are women.\(^4\) Undervaluation, and the widespread low pay associated with it, in female-dominated sectors such as care and childcare also contributes to sectoral skills shortages, the gender pay gap, and is a drag on Scotland's growth.\(^5\)

The COVID-19 crisis has illuminated the critical role ‘women’s work’ plays in Scotland's economy. The majority of key workers\(^6\) with highest exposure to the virus are women, working in often low-paid and increasingly precarious jobs such care, childcare, nursing and retail. Although these workers are essential to successful pandemic response, they are undervalued, underpaid, and underprotected.\(^7\)

\(^3\) Grimshaw, Damien and Jill Rubery (2007) Undervaluing Women's Work, Equal Opportunities Commission
\(^5\) Close the Gap (2016) Gender Equality Pays: The economic and business cases for addressing women’s labour market inequality
\(^7\) Close the Gap (2020) Disproportionate Disruption: The impact of Covid-19 on women’s labour market equality
While undervaluation of women’s work in Scotland is recognised in *A Fairer Scotland for Women*, Scotland’s first strategic action plan on the gender pay gap, there no actions to address it. Scottish Government has committed to undertake research around international practice on using public sector wage setting powers to reduce the incidence of low pay among women, but this does not explicitly acknowledge that undervaluation is a gendered phenomenon that requires a gender-sensitive response.

Scottish Government measures to increase pay for the lowest paid childcare and social care workers by facilitating the payment of the Living Wage are welcome but piecemeal. The Living Wage is not a panacea for undervaluation as it does not address the crux of the problem, which is that the work is undervalued because it is predominantly women in these jobs.

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38 Scottish Government (2019) *A Fairer Scotland for Women: Gender pay gap action plan*
Principle 7

Economic Success shouldn’t only be measured by GVA or GDP but by an increase in wellbeing of the people of Scotland. Gendered wellbeing indicators should take a human rights approach, and measure the extent to which all groups of women and men have an adequate standard of living, including access to housing, social protections, and health.

Existing economic indicators and systems of accounting provide at best a partial, and at worse a misleading, perspective on the productivity and wellbeing of Scotland’s women. Women’s unpaid work props up the economy, yet GDP does not measure what happens within the household. This is because the household lies outwith the ‘boundary of production’ established by the UN System of National Accounting, despite the observation by the Stiglitz-Sen-Fitoussi Commission that “much economic activity occurs within the home – and this can contribute to individual wellbeing as much or more than market production”.

If the economy is for its citizens, then we need more expansive ways of measuring its progress and its impact on women’s lives, equality, and rights. The ‘Scotland’s Wellbeing’ report published last year on progress against the National Performance Framework indicators had very little to say about the wellbeing of women and girls because of an insufficiency of gendered indicators within the framework.

Scottish Government is currently creating a gender index, which will be a useful measurement tool of progress towards women’s equality and rights. The process of producing this has identified how many gaps there are in the gender-sensitive

sex-disaggregated data that is gathered about men’s and women’s lives. While the work on a gender index is helpful, it will not go far enough to challenge the predominance of GDP as an economic measuring stick.

The Stiglitz-Sen-Fitoussi Commission recommended that income measures be broadened to develop non-market activities and that quality-of-life indicators should assess inequalities – including gendered inequalities – in a comprehensive way. To this we would add the need to integrate women’s, economic, social, and environmental rights into the dashboard of indicators that we use to monitor the economy. Decent work, an adequate standard of living, and sufficient social protections should all be part of our economic thinking.

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Principle 8

Public spending and revenue-raising decisions shaping Scotland's economic recovery and the re-set of the economy must integrate gender analysis across budgetary processes. This includes allocation of resources, scrutiny of spending, and outcomes from public finance decisions.

Public spending and taxation is often assumed to be gender neutral, but has significantly different impacts on women and men because of gendered patterns of life experiences, needs, and priorities. Gender budget analysis (GBA) is an approach that systematically takes account of how public budgeting decisions affect women and men, and gender equality. GBA exposes the gender bias within budgetary processes that are assumed to be gender-neutral and aims to strengthen women’s equality of outcomes, across all public expenditure and government departments.

Scotland has made some progress towards gender responsive budgeting since devolution, primarily in the form of the equality and budget advisory group44 and the equality budget statement (now called the Equality and Fairer Scotland Statement).45 Published in tandem with the draft budget, the Equality and Fairer Scotland statement describes how proposed spending plans for Ministerial portfolios will impact on equality and socioeconomic inequality. However, at present the statement is more of a post hoc rationalisation of spending and revenue-raising decisions and does come early enough in the budget process to influence its outcomes.

In its 2017 Gender Matters Roadmap,46 Engender calls for Scottish Government to extend the Equality and Fairer Scotland Statement development process into a full

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44 The Equality Budget Advisory Group is a non-statutory advisory group, convened by Scottish Government, the remit of which is to help shape the Scottish Government’s equality and human rights approach to the budget. See https://www.gov.scot/groups/equality-budget-advisory-group/ accessed 21 May 2020
gender analysis of the Scottish budget, where the cumulative impact of spending decisions on women’s equality is considered. GBA should become embedded within the Scottish Government’s normal annual routines of budgeting and of policy-making, rather than be used only as an extrinsic form of analysis,\(^47\) and Government should be able to demonstrate how GBA has informed resource re-prioritisation and re-allocation decisions across spending portfolios.\(^48\) Engender has, along with Scottish Women’s Budget Group, also been calling for the resourcing of demonstration programmes to develop good practice in Scotland and to identify key intervention points throughout the year. If the economic recovery from Covid-19 is to avoid sustaining or exacerbating women’s equality, gender analysis must be integrated across all budgetary processes. Gender analysis must also form part of any modelling developed to test different approaches to resource allocation, particularly for economic stimulus.


\(^{48}\) ibid
**Principle 9**

Scotland’s economy should be governed by gender-balanced, gender-competent leaders, making decisions based on intersectional gender-sensitive sex-disaggregated data. A healthy economy is one that provides equality for all, including between all groups of women and men. Black and minority ethnic, disabled, LGB & T, and older and younger women must have power to participate in decision-making about their economy.

There are currently only 18 incumbent female finance ministers within the governments of sovereign states. Feminist scholars of political science have charted ways in which women’s experience is overlooked or excluded when finance and economic-focused cabinet positions are considered. Of the 79 winners of the Nobel memorial prize in economics, only one has been female: Elinor Ostrom.

Representation within economic governance matters because historically the discipline has been ‘the study of how men study how men and society choose to employ scare resources to produce commodities and distribute them for consumption.’

Engender’s work on sex and power in Scotland has identified a substantial overrepresentation of men in decision-making roles. Of the 3115 positions of power across political institutions, public sector, media and cultural bodies and the corporate world, women hold just 996. This is less than one third of the total and within this number, Black and minority ethnic women, visibly disabled women, young women, and trans women are almost entirely absent.

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Economic decisions should be made by people who understand the role that gender has in shaping men's and women's access to economic resources. It should use gender-sensitive sex-disaggregated data that not only counts women and men, but comprises statistics and other information that adequately reflect gendered differences and inequalities in the situation of women and men.
Close the Gap works in Scotland on women’s labour market participation. We work with policymakers, employers and unions to influence and enable action that will address the causes of women’s inequality at work.

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Close the Gap (SCIO) (known as Close the Gap) is a Scottish charity, SC046842.

Engender is Scotland’s feminist policy and advocacy organisation. For over 25 years we have worked for a Scotland where women have equal opportunities in life, equal access to resources and power, and are equally safe and secure from harm.

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