

Gender Institute and Department of Sociology discussion

# Budgeting for Gender Equality: is government economic policy fair to women?

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# **The Gender Impact of the UK government's recent budgets and spending review**

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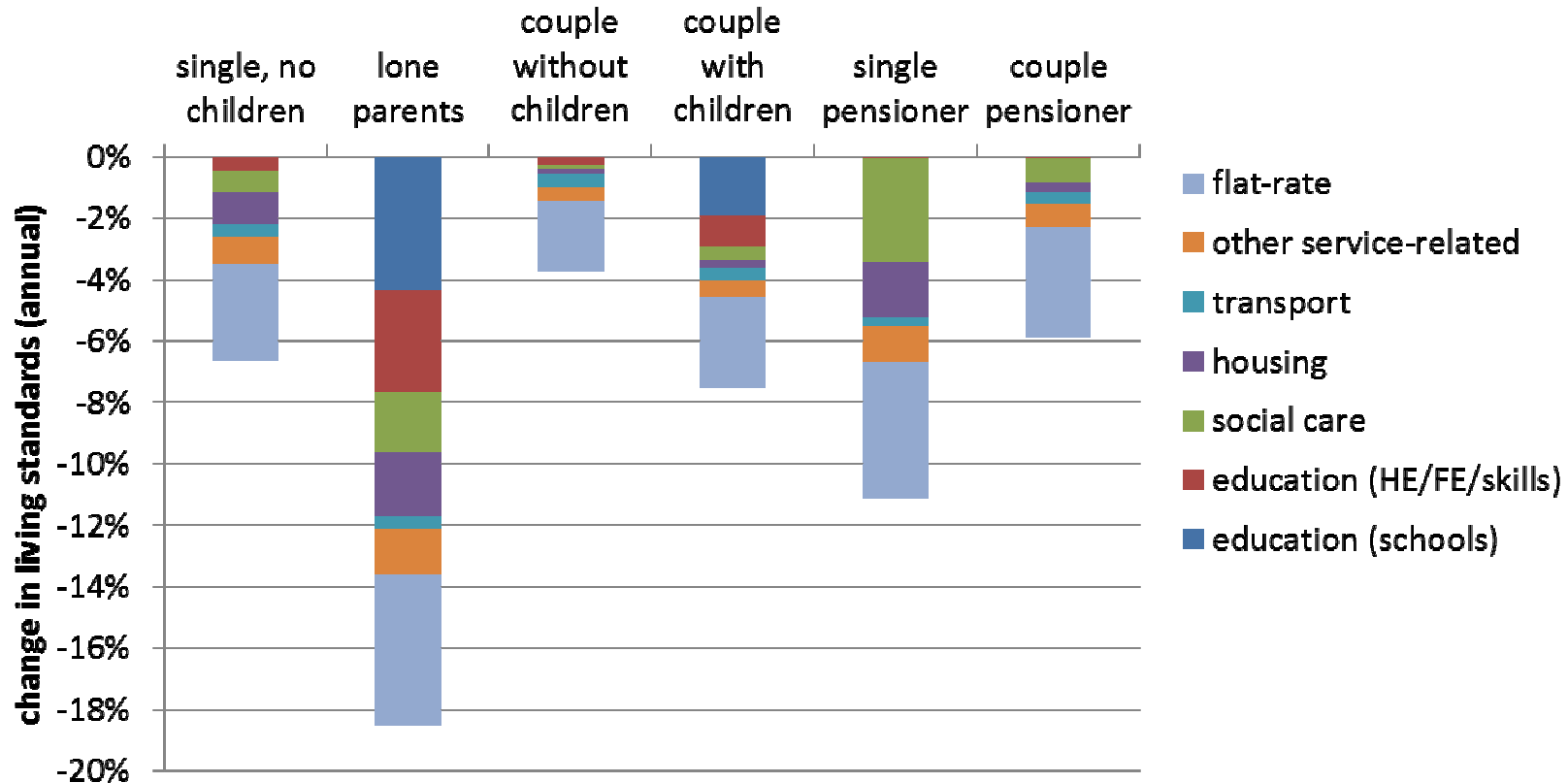
UK Women's Budget Group

[www.wbg.org](http://www.wbg.org)

# What happens if there is no gender analysis?

- UK government did not apply any gender analysis to its emergency budget in June 2010
- So Women's Budget Group did (and to October comprehensive spending review and March 2011 budget)
  - network of about 200 academics, members of NGOs and trade unions, mainly women but also some men
- House of Commons Library audit of the emergency budget
  - showed that of the £8bn net revenue to be raised through changes in personal taxes and benefits by 2014-15, almost 75% would be from women
  - women lost far more from benefits and gained far less from tax breaks
  - commissioned by Yvette Cooper
- WBG analysis of October comprehensive spending review
  - examined the distributional effects of spending cuts by gendered household types
  - conducted in co-operation with Howard Reed, Landman Economics see: Tim Horton and Howard Reed *Where the Money Goes: How we benefit from public services* <http://www.tuc.org.uk/extras/wherethemoneygoes.pdf>

# Effects of spending cuts as % of net income



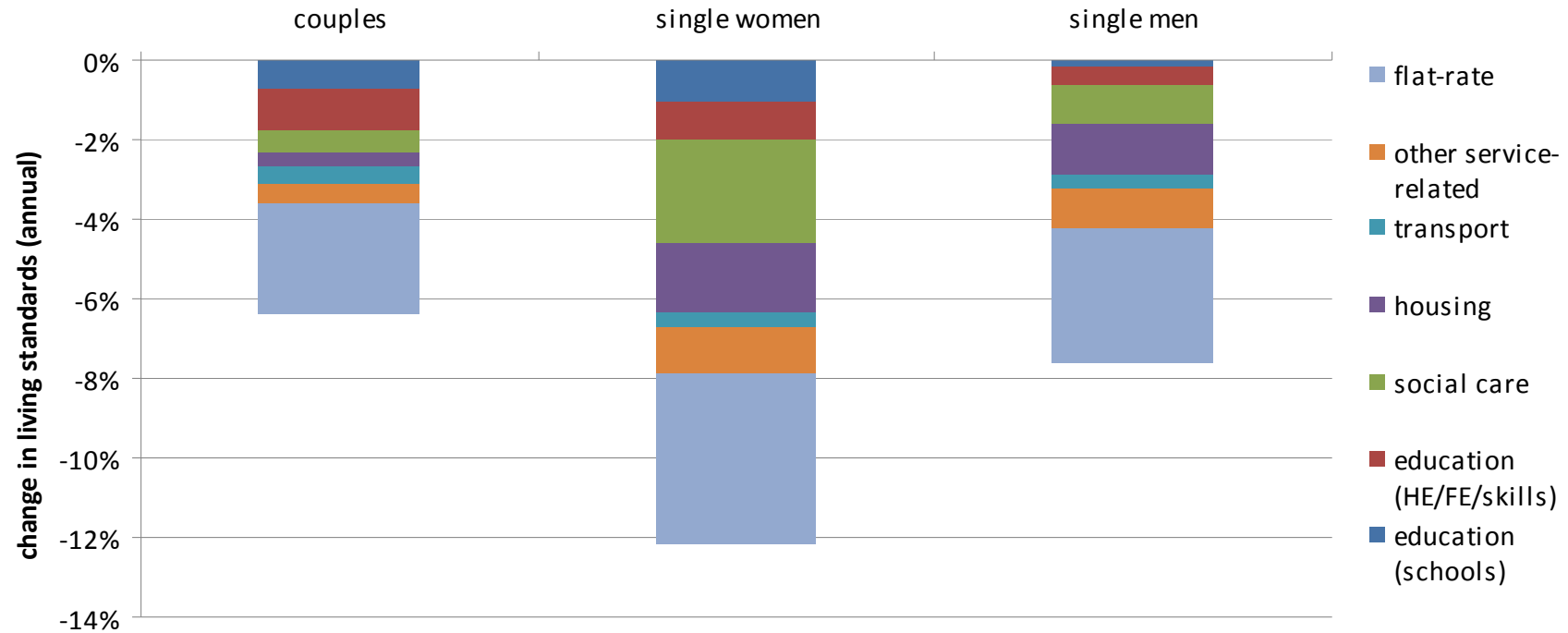
- Lone parents suffer a cut worth 18.5% of their cash income (cf 6.85% for all households):
  - Like all parents, hit by education cuts, but also by cuts to FE/HE
  - Also by cuts in housing and social care
  - Are poor so that cuts form a larger proportion of their income
- Nearly all lone parents are women
  - No significant gender effects within lone parents

# Gender effects within pensioners



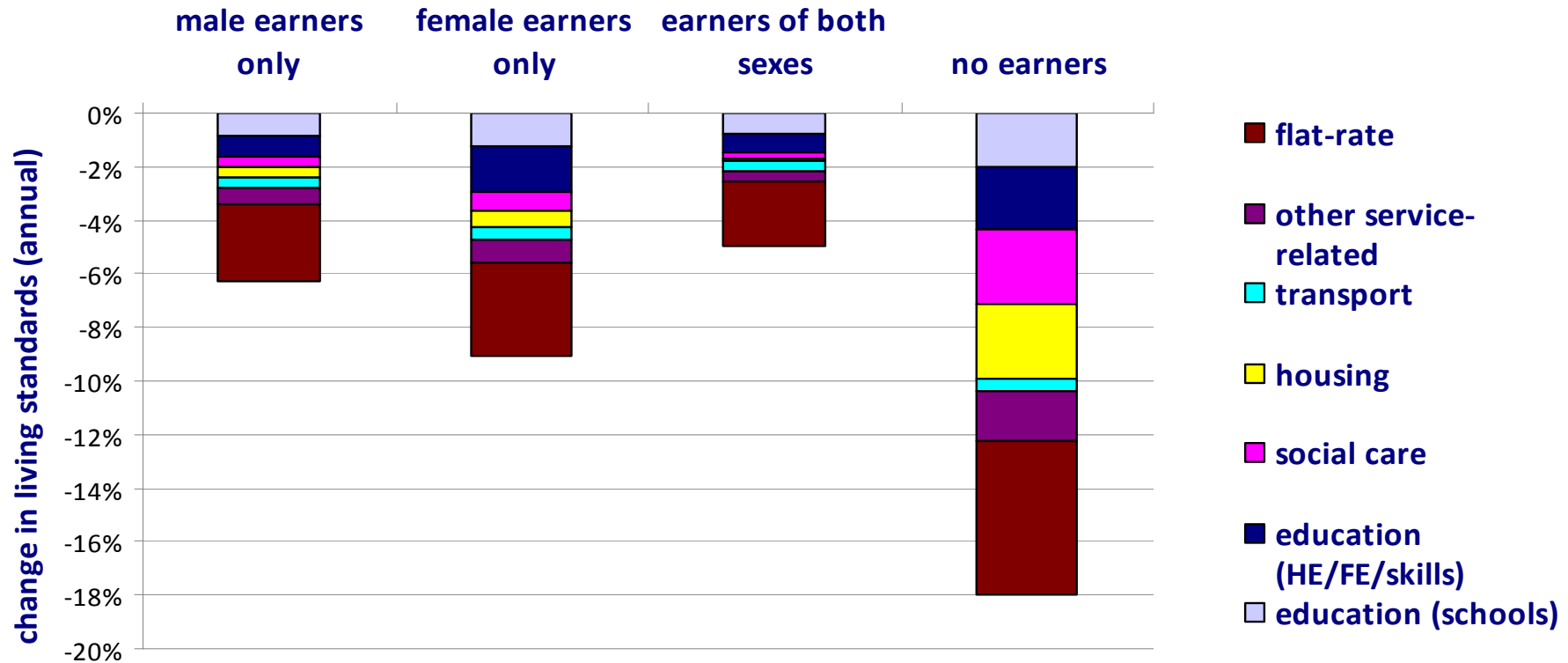
- Single women pensioners more likely to need social care - single so no partner to look after them, men more likely to be cared for by relatives
- Older pensioners (mostly women) heaviest users of social care
- Single pensioners more likely to live in social housing - men slightly more than women (NB this does not include cuts in housing benefit)
- Note transport relatively protected (for now?)
- Women are poorer therefore cuts form larger proportion of their income

# Gendered households overall



- Singles hit more than couples, but single women most of all
- Mostly driven by cuts in social care and housing
- And for women particularly HE/FE/skills education and transport
- Also women are poorer therefore cuts form a larger proportion of their income
- **These effects are large**

# Gender effects of earning



- Households without earners hit particularly hard (NB these are only the cuts in services)
- Household with two earners not so badly hit
- Male wage protects more than a female wage

# Public Sector Job Losses

- Women's unemployment now rising faster than men's even before the majority of public sector job losses
- Cuts are predicted to lead to between 330,000 and 500,000 public sector job losses.
- Despite most women being in 'protected' sectors, the majority of jobs lost will be women's

**Though in terms of job losses men paid for the recession more than women, women are paying for this government's "recovery"**

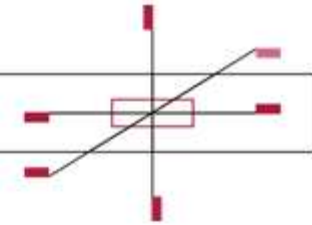
- Gender pay gap is smaller in 'unprotected' sectors (-15%) than 'protected' sectors (-23%) so gender pay gap in the public sector will increase overall as a result of the cuts
  - analysis by Jerome De Henau
- Any shift from public to private sectors will also increase gender pay gap

**Gender pay gap will widen within public sector and in economy as a whole**



# Recent budget (March 2011)

- Perhaps would seek to mitigate gender effects of previous budget and CSR?
- Increases in alcohol and tobacco taxes hit households with men more heavily
- But these effects dwarfed by those of VAT rise in January, which had highest incidence on poorer households, working age single women (with and without children) and households without a male earner
- March budget also included two tax give-aways:
  - Another increase in the personal allowance which will give £514million to women tax payers but £680 million to men tax payers
  - A fuel tax cut which mostly went to male single and couple households, particularly those with male earners



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