HOUSE OF COMMONS

Treasury Committee

Oral evidence: An Equal Recovery, HC 152

Wednesday 12 January 2022

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Watch the meeting

Members present: Dame Angela Eagle (Chair); Rushanara Ali; Harriett Baldwin; Anthony Browne; Gareth Davies; Emma Hardy; Kevin Hollinrake; Julie Marson; Alison Thewliss.

Questions 75 - 143

Witnesses

I: Kudsia Batool, Head of Equalities and Strategy, Trades Union Congress; Julian Jessop, Independent Economist and Fellow, Institute of Economic Affairs; Cristina Odone, Head of Family Policy Unit, The Centre for Social Justice; Dr Mary-Ann Stephenson, Director, UK Women's Budget Group.

Examination of witnesses

Witnesses: Kudsia Batool, Julian Jessop, Cristina Odone and Dr Mary-Ann Stephenson.

Q75 **Chair:** It is a pleasure to welcome all our guests as part of the Committee's inquiry into an equal recovery. For those of you expecting Mel, I am in the Chair because he is absent today. This is a temporary phenomenon, and Mel will be back for the Committee's next hearing. It is my pleasure to welcome our witnesses as part of the inquiry this afternoon. I am going to ask all of you to introduce yourselves. Thank you for being here and giving evidence to us. Can I start with Kudsia Batool from the TUC, please?

Kudsia Batool: I am Kudsia Batool. I am the head of equalities and strategy at the TUC, the Trades Union Congress. We represent 5.8 million working people, and I am here to talk about how inequality has impacted those working people.

Julian Jessop: My name is Julian Jessop. I am from the IEA, which, as you know, is a free market economics thinktank. I am an independent economist as well, and I have a longstanding interest in economic and social policy issues.

Cristina Odone: Hello, my name is Cristina Odone. I am the head of the Family Policy Unit at the Centre for Social Justice thinktank.

Dr Stephenson: Hi, I am Mary-Ann Stephenson. I am the director of the Women's Budget Group. We analyse the impact of economic policy on women and men, and we have done a lot of research particularly on the economic impacts of Covid on women.

Q76 **Chair:** It is a pleasure to welcome you all. Thank you for giving evidence, both written and now oral, to assist the Committee in its inquiry into an equal recovery.

I would like to start off by asking Kudsia about the evidence that the TUC put into the Committee, which stated, "The pandemic has exacerbated pre-existing intergenerational, racial, disability, gender and regional inequalities." Can you expand a bit on that and also give us your observations on whether this crisis will have any long-lasting impacts on equality? If so, how?

Kudsia Batool: There is a wealth of evidence that shows that the pandemic is hitting low-paid workers disproportionately hard. I am going to use the phrase "low-paid workers", because it does cover those groups that you mentioned in terms of gender, ethnicity, disability and also region. I will talk a little bit about the differences in a minute.

The data we have and the evidence we have gathered show that low-paid industries such as hospitality and the arts have been hardest hit by job losses. Low-paid workers are less likely to be able to work from home and less likely to receive decent sick pay. Some households have saved during the pandemic; others have seen their disposable income drop and debt rise. The fact of the matter is that low-paid workers are likely to be in that latter group. We know that the inequality that has been exacerbated by the pandemic was not set by the pandemic—it is long-existing—but what has happened now is that, first, the covers have been blown off and we can all see that inequality and, secondly, it has worsened and it has deepened.

During the pandemic it was clear that the different lives of modern multi-racial and multi-faith working-class Britain were exposed as being areas of deep discrimination and divide, particularly around work and the pandemic. There was a failure to consider the impact of policies on the lives of black workers, women and disabled workers. It was clear that this led to vastly unequal outcomes. We know that women bore the brunt of childcare. We know they bore the brunt of care for friends and family, because schools, childcare and support services closed down with the completely unrealistic and unhelpful expectation that women would pick up that burden. There was no consideration of the impact that would have.

The policies for dealing with the pandemic did not take into account the economic position of black workers nor the structural inequalities that

shape their lived experiences. We have reams and reams of evidence that we and others have collected about how the structural inequalities that existed before the pandemic and that were exacerbated during the pandemic led to shortening not only the life opportunities for black workers but the lifespans of black workers. We have seen that in the evidence that we have around mortality rates.

The same can also apply to a far greater extent to disabled working people. We know that disabled people accounted for six in 10 deaths during the pandemic. We have seen other inequalities worsen as well, like a rise in hate crimes against LGBT+ people or LGBT+ workers reporting increased levels of abuse at work because of their visible LGBT-ness at work. Lockdown also meant that many people, particularly LGBT people, were forced to be locked down in places that were not safe for them and were not safe for them to be out in.

Q77 **Chair:** I would like to now move on to Dr Mary-Ann Stephenson from the Women's Budget Group. In your evidence, you stated, "The economic impact of the crisis is most affecting people already on low incomes or with less accumulated wealth." Would you say the crisis has particularly impacted on women, ethnic minorities and those with disabilities, as Kudsia has just been talking about, because they tend to be on low incomes? Is it some other issue? Is there more than one deprivation or issue that makes it difficult?

Dr Stephenson: There is more than one issue. I very much agree with what Kudsia has said and the TUC's analysis. Some of the impacts are because women, black and ethnic minority people and disabled people are more likely to be on low incomes and less likely to have levels of savings to act as a cushion if they were furloughed, if they lost their jobs or lost hours, if they were on a zero-hours contract or if they were having to cope on statutory sick pay, which we know is too low.

Those low incomes are for different reasons for different groups. For example, with women, women do about 60% more unpaid work than men. The majority of it is care work. That is the reason why they are less likely to earn as much as men. They are more likely to be poor, particularly in old age, and they are less likely to have higher levels of wealth and savings. There are different reasons for different groups. For some groups, it is to do with discrimination; for some groups it is to do with unpaid work. For disabled people, we had a pre-existing labour market that was extremely excluding for vast numbers of disabled people, with employers failing to make reasonable adjustments, for example, which meant that disabled people were locked out of the labour market. That put them in a more vulnerable position.

There are different reasons for different groups. For women, you have two things going on at once with the labour market. Women are the majority of workers in those sectors that were completely locked down and hit hardest by the lockdown: hospitality, as Kudsia said, retail or leisure. It is those sorts of sectors. Women are also the majority of key

workers and care workers. They were the majority of those who were in the highest-risk jobs. That is one of the reasons why, if you look at the overall employment impact on women, what you saw was job losses for women in one part of the labour market and gains in other parts of the labour market, because there was an increase of workers in the public sector, particularly in the health and social care sectors, as people were brought in.

Q78 **Chair:** Dr Stephenson, what might the Government have done better to protect these groups, given that very obvious structural inequality?

Dr Stephenson: None of this was unexpected, and none of this was not warned about. At the beginning of the pandemic, I remember Professor Clare Wenham at the LSE, who is an expert on the gendered impacts of pandemics, warned about all of these things and said, "This is going to happen." We warned about it; the TUC warned about it; lots of other groups warned about it.

The big failure was the failure to take into account gender differences, for example, in working patterns. If you look at something like the self-employment income support scheme, that failed to make allowances for women who have had periods of maternity leave during the period that was being used to assess their average earnings. The scheme assessed average earnings over a three-year period, but, if you have not been working and you have been on maternity leave, it brought down your average. It would have been very easy to exclude periods on maternity leave. It would have been a very simple thing to do, and it would have helped large numbers of women. It did not happen.

Similarly, with domestic violence and abuse, domestic violence organisations such as Women's Aid and others were looking at the situation in China and Italy and saying, "We are going to see an increase in domestic violence if we go into lockdown." It took a long time before the Government said publicly, "You can leave your home if it is not safe for you to remain there. You do not have to stay in an unsafe situation." That was something that could have been predicted and could have been included in the Government's announcements from an early stage. The right to take furlough for childcare reasons, again, was announced late and was not heavily promoted. Large numbers of parents and employers did not realise that they were entitled to ask to be furloughed if they could not work because of childcare reasons. Again, that could have been predicted and built in from the beginning.

What all of this comes back to is the need for the Government to carry out proper equality impact assessments of their policies. These are sometimes presented as if they are a waste of time and bureaucratic tick-box exercises. Far from it: they are actually there to make sure we get policy right so it works for everybody and to think through these things, to talk to the organisations that were warning about all of this and to make sure you avoid problems before they happen.

Q79 **Chair:** Cristina Odone, what stresses has the crisis put on families? Is the crisis likely to have a long-term impact on the way families work and behave?

Cristina Odone: First of all, families turned out to be one of the most important elements for resilience and for some of the most positive outcomes during Covid. We had one in 10 young people coming back to live within the family. We saw fathers giving twice as much childcare as they had been giving in 2014. We saw 25% of those on UC saying that they were turning to their families for help and support during this time. Families had a good and positive role to play during the pandemic.

However, being a parent during the pandemic was extraordinarily difficult. We were supposed to be teachers, entertainers and IT engineers. We were supposed to be all of this while holding down our jobs in many cases. Parenting was a challenge. We were challenged. For those who did not know whether they wanted their children to be vaccinated, their authority was challenged and overruled. It was a very difficult time for parenting.

This also had an impact on parental-couple conflict. The IEF, the Early Intervention Foundation, took a poll of 42 local authorities. They said, "In your authority, you have a reducing parental conflict programme. Has the demand for this programme gone up during the pandemic?" More than 70% said yes. Tragically, it was not just domestic abuse that spiked, as we heard from all the charities in the sector. It was also the very harmful abuse, and even killing, of children. We had a spike of 31% in the abuse or killing of children under one. We had over 50% more incidents of children between one and five being either terribly harmed or killed.

Q80 **Chair:** Was that because those children were essentially at home and not going to school, not being watched over?

Cristina Odone: Yes. Contemporaneously with the huge pressure on parents, we had statutory services not seeing children and not picking up and flagging needs. We had health visitors meeting with parents, if they met with parents, online. What kind of flagging of issues is that? In fact, to this date the Parent-Infant Foundation found out that only a quarter of health visitors have gone back in. We need to remember how important they are in monitoring and spotting early needs before they become acute. In fact, they are the most welcome bit of the state into most people's homes.

It was the same with schools. Schools were shut down. Guess what the NSPCC says? The number-one person to whom children will turn when they have suffered any kind of abuse is their teacher. With schools shut down, that was another point of reference that was no longer available. This was especially true for low-income families. In terms of teaching hours, the IFS found that children who went to private schools were receiving a third more teaching time online than children who went to state schools. Given that every one hour of extra instructional time per

week has a huge impact on achievement, we can see that this was a huge disadvantage.

Q81 **Chair:** Julian Jessop, to what extent is the significant increase in the cost of living going to have a disproportionate further impact on women, people with disabilities and ethnic minorities?

Julian Jessop: That is a good question. When talking about the cost of living crisis, as many people call it, I like to try to split it into two things. One is an energy price shock and another is a set of tax increases, both of which are unfortunately coming in in April, potentially. As far as the energy price shock is concerned, there is overwhelming evidence that this will have a disproportionate impact on poorer households, not because they spend more on energy in absolute terms but because it represents a bigger proportion of their income.

There is no doubt at all that more needs to be done to protect low-income houses from that shock, whether that is directly via preventing energy prices from rising as much or by providing additional support through the benefits system to protect them. To the extent that low-income households disproportionately include ethnic minorities and disabled people, that just emphasises some of the risks that some of the other speakers were talking about.

The other aspect of the cost of living crisis, of course, is taxes going up. To be fair, they are largely taxes that will be affecting middle to higher-income groups. That may be less of an issue for thinking in terms of diversity. It is still an additional burden that everybody, at the moment, could do without.

Q82 **Julie Marson:** I am going to focus particularly on female employment and the gender pay gap. Perhaps I can start with Dr Mary-Ann Stephenson. You have pointed quite rightly to some of the impacts on women, including the higher proportion of caring responsibilities, domestic responsibilities and so on. When we look at that and we look forward, how concerned are you that there will be an unequal future trend in female employment and in the gender pay gap? What will be the longer-term implications of the crisis?

Dr Stephenson: One of the really worrying things during 2020 was the decision to suspend gender pay gap reporting, which meant there was a lack of evidence being collected. The latest evidence we have from ONS on the gender pay gap shows a very slight increase over the last year, although they are very cautious to warn about that, because they are saying that they cannot guarantee the accuracy of the data. The overall trend on the gender pay gap is down.

However, what we have seen is the impact of a lack of childcare. When nurseries were closed, we saw what impact that had on women's employment. What we are actually seeing now are large-scale failures in the childcare sector. In the year between August 2020 and August 2021,

over 4,400 childcare providers closed. As people have returned to work and as furlough has ended, you have seen an increased demand for childcare without that childcare being in place. We already had a pre-existing crisis in childcare. The cost of childcare is extremely high. It takes between 40% and 60% of a woman's average salary, depending on where you are in the country. The high cost of childcare is one of the reasons why, particularly for lone parents, it can be very difficult to get into or stay in the labour market.

Going forward, some of the labour market trends that we are seeing are worrying, such as the closure of high street retail, which will disproportionately affect women. Even when people are able to return to the shops, a lot of people moving to shopping online will stay shopping online. You have a whole generation of people who did not shop online prior to Covid and who got into shopping online because they had to, and now that is what they do. The majority of jobs around online shopping—for example, delivery jobs and distribution jobs and so on—are held by men, whereas the majority of jobs in high street retail are held by women. If we see that shift, what we are likely to see is a loss of traditionally female jobs and an increase in jobs that are more likely to be held by men. Long term, it is concerning.

That goes alongside a whole series of other things that are happening at the same time. Greater automation is leading to job losses. The impact of Brexit on large parts of the economy is again leading to some potential job losses. At the moment, unemployment is relatively low. We have a high number of vacancies. We do have this issue with whether or not women can take those jobs because of the crisis in childcare. You have to see this not just as one particular bit in isolation but as a wider picture of the economy. In terms of women's ability to participate in the labour market, it is partly a question of whether there are the jobs and it is partly a question of whether there is the childcare in order to be able to take up those jobs.

Q83 **Julie Marson:** Perhaps I could ask the same question of Kudsia, from the TUC research and perspective, in terms of the long-term effect on female employment and the gender pay gap.

Kudsia Batool: I was listening really intently there, and I absolutely endorse all of that. There are many barriers in the labour market and employment practices that actively discriminate against women. Childcare is huge. The impact that has on knocking women out of their career progression path cannot be overstated. There is also pregnancy and maternity discrimination. We looked at an EHRC report in 2015 that found that 54,000 mothers lost their jobs every year. The impact of that cannot be overstated.

We also know that occupational segregation occurs. Many of the jobs typically done by women at present—we talked about the jobs in retail—are undervalued jobs. There was a real narrative during the pandemic that equated low wage with low skill. Many jobs that women do fell into

that. They were not low-skill jobs; they were low-paid jobs and they were precarious. There are things, for example, such as discriminatory recruitment practices. There are things like asking for salary history, advertising jobs as having competitive salaries and salary secrecy. Our own research shows that one in five workers are subject to pay secrecy clauses that have a negative impact on their progression. That is not just women, by the way; that is also BAME and disabled workers.

One of the big areas I want to focus on is a lack of flexible working options. What the pandemic and different ways of working have shown us is that flexible working is the key to unlocking women's employment and ongoing success for women in their employment. Simple fixes—for example, advertising jobs flexibly or advertising the types of flexibility available for those jobs—will allow far more women to take up roles that fit the lives they have rather than trying to shoehorn themselves into jobs that do not allow for childcare or flexibility, which inevitably leads to women exiting the labour market.

Shared parental leave is another huge one. We talked earlier about the impact that both men and women taking up caring responsibilities has had—not just the financial impact, but the whole family-related impact of that. One of those things that we are seeing is that shared parental leave has not supported equalising care between both parents, which is a key driver of the gap. Take-up is estimated to be quite small. It is only between 1% and 4% of people who are eligible to take it up, which is absolutely negligible.

Even when it was launched, the projection for take-up was that it was going to be small. I go back to what my colleague was saying earlier around impact assessments. It is about making those policy decisions that are going to have a positive impact for the people whom they affect. Childcare is a huge one. Our own research has shown—I know this is supported by everyone who does research in this space—that the cost of childcare has risen three times faster than wages since 2008. People are working to be able to keep their children in care, which is an absolutely pointless and really frustrating exercise.

Q84 **Julie Marson:** I am short of time now, but, Julian, you did some research in 2018, based on a lot of evidence from the United States, suggesting that the gender pay gap is probably due to women having children, making different career choices and choosing different pathways. Do you still think that is the case? Should this mean we should not worry about the gender pay gap? Is it actually a problem?

Julian Jessop: The gender pay gap is a real thing. I am not going to dismiss it at all, but it is important to understand the factors behind it. In particular, there have been huge improvements over the last few decades in terms of women's opportunities at work. We started to see that particularly in the gender pay gap for younger women. For women 40 and below, there is not much of a measurable pay gap at all. There is still a gender pay gap in the older cohorts.

Partly, that is a legacy issue. People did not have the opportunities 10, 20 or 30 years ago that they have now. That is penalising them later in their careers as well. It is also partly a reflection of, if you like, the motherhood penalty. That does not mean that can be dismissed. If there is a motherhood penalty there not because of free choice but because people have no alternative because there is inadequate childcare, that is definitely a problem that needs fixing. If it is more an issue of free choice, where women are choosing to spend less time in the labour force and therefore for one reason or another they earn less in future employment or they are less flexible about their hours, that requires a different policy response.

Just to reiterate, I believe that there is a gender pay gap, but it is important to understand that it is not necessarily a result of discrimination, nor is it necessarily different pay for a comparable job. It is that women, for one reason or another, do different jobs and therefore get paid differently as a result.

Q85 **Julie Marson:** Cristina, further back, in 2009, you wrote a paper based on surveys of women, and your conclusion was that looking at getting more women into full employment was not actually responding to what women wanted. That was not what they wanted. Do you still think that is true? Do you still hold that view? What are the implications of that for Government policy?

Cristina Odone: There is a huge philosophical tension here. If we recognise that neuroscience is right and that the first 1,001 days in a child's life are key for their brain development, their cognitive development, if we agree that the home learning environment is four times as important as a formal setting, which is what the EIF says, and if we recognise that 1.1% of children are taking up 25% of local councils' spending on children's services, we must say, "Let us really be supportive of those parents"—usually they are mothers—"who are prepared to invest a huge amount of their time and resources into raising their children, because they are saving us, the taxpayer, quite a lot of money down the line".

I agree with Julian: there are some mothers for whom raising their child is an absolute priority, and they are prepared to put up with part-time work, which has twice as much of a gender pay gap as full-time work. They want to make that pact with their employer, and they are prepared not to be disincentivised by the fact that their male peer is coming home with more work, because their priority is raising their children. That is for those who choose it. They are brilliant, and what they do should never be underestimated. We are more than what we bring to the Treasury coffers.

Social capital is hugely important. During the pandemic, we recognised that volunteers, mothers' groups and women were walking from door to door in their neighbourhood and saying to the elderly, who were stuck indoors, "Do you need me to help you shop?" Not all of them were mothers, but a lot of them were mothers. That was a huge contribution to

our wellbeing as a society and our understanding of ourselves as a caring society.

Having said that, is the childcare system fit for purpose as it stands? No. It is too costly. We have the highest rates in the OECD, proportionately. It is patchy. Only 56% of local authorities have enough places for full-time care. It is so complex that, when the CSJ did a report on childcare a few years ago, we found out that 64%—I will have to check the figure—of low-income parents did not know how to approach the childcare system. It is a bit of a mixed acceptance of everything that the other witnesses have put forth, but we must remember that women and men can contribute so much to society without being in full-time employment.

Q86 **Alison Thewliss:** I would like to ask the witnesses to go a little further into this issue around households' resources and unpaid work. Could I start with Dr Stephenson? Women reported a greater toll on their wellbeing than men during lockdown and often took on a greater share of unpaid work, as you have said, such as home-schooling and other household chores. Should we be looking at broader measures of wellbeing rather than just employment and income to examine the impact of the crisis on women?

Dr Stephenson: That is a really important point. We know that women, particularly working-class women and black and minority ethnic women, experienced much higher levels of mental ill health, anxiety, stress and depression as a result of lockdown. A large part of that was the issue of juggling unpaid work, paid work, maybe having to go to work outside the home in situations in which they did not feel safe, or maybe being furloughed on a low income, when they were already on low earnings and having to manage on 80% of that.

That speaks to a wider point, which in a way Cristina raised: what are our measures of what is good in the economy? As you will know, one of the things that we argue within the Women's Budget Group is that very basic measures that just look at overall GDP, for example, do not capture all the things that are actually important. We need to recognise measures around health and wellbeing as much as measures around employment and pay.

To pick up on what both Kudsia and Cristina said, there is an issue here about how unpaid work is shared between women and men. It is not just a case of providing childcare in order to enable women to enter full-time work. I absolutely agree: unpaid work is vitally important work. It is part of the fabric that keeps our society together. The problem is that the price that women pay for doing that work is, all too often, poverty throughout their lives, and particularly poverty in old age. Women's private pension wealth is about 10% of that of men, for those people who have private pension wealth, because of this lifetime of unpaid care.

As well as reducing that unpaid care through childcare provision, one of the things we need to do is share it more equally between women and

men so that men take on more of it. That is why we need to look at things like flexible working provisions and leave policies for everybody—fathers as well as mothers—that encourage a greater sharing of care when children are very small. That sets the pattern.

It is not as simple as women are either choosing to be full-time mothers or they are choosing to be at work. We have all these pressures and social norms and expectations from employers and from our wider families, which we could shift. We know that fathers want to spend more time with their children; we know that fathers want to be more involved in their children's lives. Yet we have a leave system that actively acts against that. If we want to see the sort of wellbeing that you are talking about, one of the things we need to look at is having leave policies that ensure fathers spend some time on their own looking after their babies to set that pattern that care is something that should be shared by both parents.

Q87 **Alison Thewliss:** I would absolutely agree with that. You have talked about the other things that women do that are not captured by statistics. Would there be a means of including any measure of that in terms of those who are currently termed "economically inactive" within GDP statistics? What impact would it have if we began to count that work?

Dr Stephenson: There are ways of recording and including unpaid work within national statistics. One of the problems with it is, if you are trying to compare countries, you can end up in a situation where some incredibly poor countries look like they are doing very well, because there are vast amounts of unpaid work being done. If you put a cash value on that unpaid work and then include that in a very basic way, you can end up not recognising that a country is still very poor.

It is really interesting. If you look at the "wellbeing economy" approach that is being taken in a number of countries—I know this is something that has been looked at in Scotland—you do not have a single measure. You have a number of different measures. You might be looking at health outcomes; you might be looking at educational outcomes; you might be looking at other measures of wellbeing. It is ultimately about saying, "What is our economy for?" GDP increases are not a good thing in and of themselves. What we want is an economy that allows people to thrive and lead meaningful and valuable lives.

This is one of the measures that we are using to think about whether or not that is possible. Let us look at what the outcomes that we want are and measure those. It would be incredibly valuable to measure, for example, inequality in health and wellbeing, education and so on, or greater levels of equality.

Q88 **Alison Thewliss:** Cristina, an IFS study carried out after the first lockdown found that even in families where mothers were the higher earner and both parents were working, mothers still did more childcare than fathers and more unpaid work in the home, even in circumstances

where men lost their jobs. Why is that?

Cristina Odone: That completely threw me, and I have to admit I am only hazarding guesses. If we persist in having a labour market where paternity leave is taken up by only 170,000 fathers, only a quarter of new fathers, that is sending out a message. Why is paternity leave taken up by so few? I have been discussing this with one of your members, Gareth Davies MP.

Again, the system is not fit for purpose. It is two weeks. You have to have been employed for 26 weeks. It has to be taken in one go. It has to stop within 56 days of the child's birth. It completely ignores what a mother needs. We have allowed Covid to turn childcare and childbirth into a trauma, childbirth especially. Most mothers who had babies in hospitals could not have a partner there. What do mothers want? Two-thirds of mothers who responded to our survey said, "We want the father of our child to be there with us". They were banned, leaving women in complete isolation during one of the most traumatic experiences of our lives.

We keep pushing fathers out of the picture. We keep doing this, whether it is because of paternity leave or because the literature in the NHS is geared towards mothers during this period. We did a survey called Testing Times where we looked at how fathers felt. Seven out of 10 said that they felt like spare parts. I am not pivoting towards fathers only, but they are crucial for a mother's wellbeing, especially during this period of childbirth.

The witness before me talked about flexible working, and that is a really important aspect of women's wellbeing. Flexible childcare would also really help. That does not just mean dad. As is true in more than half of low-income families, it can also mean grandparents. Why does our system not do some fiscal recognition of grandparents? They can come in and take care of babies and children. Boy, would we see a surge in women's wellbeing as a result?

As my predecessor in the witness stand has said, wellbeing is very difficult to measure, but we all know it is there and it is really hugely important. It is terrifying that the pandemic should have had such a huge impact on women's wellbeing, far more than on men's.

Alison Thewliss: I can appreciate the point, because my brother and sister-in-law had a baby during lockdown, and it was hellish. My heart goes out to everybody who has gone through that.

Cristina Odone: They have all my sympathy.

Q89 **Alison Thewliss:** Kudsia, could you tell us a bit more about the experience of men in the workplace? Are they less likely to be given time off for childcare reasons and caring responsibilities than women?

Kudsia Batool: It is about being a parent, and it is about policies that support that in the workplace. There need to be better workplace policies, better support from Government and better legislation on it. Shared parental leave, which was talked about a minute ago, is not fit for purpose. That is part of the problem.

When you layer that on top of longstanding societal expectations and stereotypes, and you have a system that has all those parameters around it and is at a level that people cannot live off, what you are ultimately doing is setting the scene for women taking this extended period of time off and that responsibility being foisted upon their shoulders.

The experience of men who want childcare during the pandemic—this is not just true during the pandemic, but I am going to focus on the pandemic—has also been something that we have spoken about. In the research we have done, we have had many responses that indicate that accessing childcare and support for childcare, whether you are a mother or a father, has been difficult.

One of the areas that we kept coming back to was, "I was expected to do my childcare and then fit my job around that, rather than have a job with policies that enable me to have childcare that understands the job that I do." People were working extremely long hours, starting incredibly early and finishing incredibly late, because the childcare was not fit for purpose, whether they were men or women. Having said that, the take-up was predominantly by women, and it was not the same amount as it was for men.

Q90 **Alison Thewliss:** Julian, should the Government do more analysis looking at the distribution of resources and the allocation of work within the household? It seems difficult to tackle this issue if you are not gathering data on it or building up the evidence base.

Julian Jessop: Yes, they should. I believe they are. I am sure the ONS is looking carefully at how you measure unpaid work. Indeed, the pandemic has thrown up lots of issues here, particularly how you measure output in the public sector when that output is not sold on the market. One of the big reasons for the volatility in the official numbers on the size of the economy in the UK has been the fall in the usual things that schools and hospitals do. That is very hard to measure, because we do not pay when we visit our GP and we do not pay per lesson when we go to school.

The ONS is well aware of this issue, both in the context of valuing unpaid work typically done by women and in the better measurement of public sector output, which does not necessarily have a monetary value when it is consumed either.

Q91 **Emma Hardy:** I would like to talk a bit about remote working and the opportunities that remote working brings. My first question is for Kudsia. To what extent does remote working offer opportunities to some disabled workers? Does it also pose challenges? Just to clarify, when I talk about

remote working, I am talking about somebody doing their job away from their usual workplace. That could be in a home setting or it could be in a co-working space somewhere else.

Kudsia Batool: In the research that we did, we found that disabled working people were afforded opportunities via remote and flexible working that enables them to thrive and continue with their jobs. The demand for that was unprecedented. Different ways of working, particularly remote working, demonstrated that people could do their jobs, be productive and contribute while keeping themselves safe and avoiding that risk. Can you repeat the second half of your question, please?

Q92 **Emma Hardy:** I wondered whether remote working also posed challenges as well as opportunities, particularly for disabled workers.

Kudsia Batool: Yes, it does. The responses that we have had have been mixed. Whilst two-thirds of the disabled workers who we polled said that it has given them greater control of their working hours, the ability to take breaks and the ability to change work routines, which is really important, there are other areas that we must not forget. One is that not everybody can access remote working. Remote working must not be a proxy for flexible working. Remote working is one aspect of flexible working, and there are people in key roles who were never able to access it.

The other thing is around the lack of basic equipment. People were unable to do remote working, but they were not being given proper equipment. They were not having proper workplace occupational analysis of whether their work situation was fit for purpose. There was a really important aspect, which was that disabled workers were telling us that they were missing social interactions that were really important. Disabled working people were almost shoved into remote working "out of sight, out of mind" spaces. It is really important that we do not let that happen, though the benefits of remote working were huge. Those aspects really need considering.

The other side was that disabled workers were telling us remote working was not the solution to fix bad workplace policies around accessibility, pay gaps, job opportunities and progression. Some of the evidence that we got was suggesting that was happening.

Q93 **Emma Hardy:** I am really keen to pursue this as a way of looking at reducing inequality and promoting growth in less prosperous areas, like the area that I represent, Hull. I wondered whether you think the Government should be encouraging remote working to spread that job availability more evenly around the country.

Kudsia Batool: Remote working should absolutely be promoted, but it needs to be done as one of a suite of policies that encourage flexible working across the board and do not disadvantage any particular group. If you take one aspect and it is not fully equality impact assessed or not

measured, the positives can be outweighed by the negative impact, which I have just spoken about.

When we talk about regional variation, we know that there are some areas in this country that did not have access to remote-working or home-working jobs. It tended to be those jobs that were higher-paid that were easily transferable to a remote context. We need to make sure there is true flexibility across the board and across the regions, including remote working, for all workers.

One of the key ways we have to do that is through equality impact assessments and through equality impact assessing decisions, but we also have to look at job design. That is where unions have a really important role to play in representing workforces to work with employers to make sure job design is not about whether or not it can be done remotely or not. It is about all of these issues, one of which might be, "Is this job fit for remote working?"

Q94 **Emma Hardy:** That is really interesting. I wonder whether you have seen what the Irish Government have been doing. They have introduced a new law, giving workers the right to request remote work. Here in the UK workers have the right to request to work flexibly, which can include working from home, but not to become remote workers. Would you like to see legislation passed that is similar to what is happening in Ireland right now?

Kudsia Batool: We have called on the Government for the following: a legal duty on employers to consider which flexible working arrangements are available in a role and publish them in jobs. People are well equipped to make their own decisions, if they know what opportunities are available and how they are available. We also want postholders to have a day-one right to take up any flexible working arrangements that have been advertised.

We do not think a right to request is a right at all. A right to request is a right to be turned down. It is about having that day-one right to take up that flexibility. If an employer does not think that flexible working arrangements are possible, we need to know why that is not the case and we need to work together to develop roles that are flexible.

All roles should be deemed suitable for flexible working unless it can be shown that the unavailability of flexible working is a proportionate means of delivering a legitimate aim, which is nothing outside of what it says in the Equality Act. I am going to phrase this very carefully, but we do not want the entirety of the burden of proof to be placed on the person who is requesting the right to flexible working.

At the minute, you put your request in and it is bit like you are throwing it into a black hole. You do not know what the criteria are, what it is going to be assessed against and what decision is going to be made. We

need far more transparency. There are a whole myriad of business reasons why it might not be possible to have flexible working.

Q95 **Emma Hardy:** Julian, I was really interested to read an article in the *FT* last week that was talking about the productivity gap in the UK. It named having more remote working jobs available as one way of dealing with this, because, as I said, this would spread the higher-quality jobs more evenly around the country. Given that London and the surrounding area has the highest rates of working from home in 2020, to what extent does working remotely offer the opportunity to reduce regional disparities in productivity and reduce that economic inequality that we have in our country?

Julian Jessop: It is quite significant. The pandemic has been a disaster in many ways for society, for the economy and so on. One small silver lining is that it may have accelerated this trend towards flexible working and greater use of technology, not just in our working lives but in terms of shopping and so on. Although that process was already underway, if it accelerates, that has to be a good thing.

Purely in economic terms, if it allows employers to use people more efficiently in one way or another, that is a good thing. It is also good from the point of view of the employee as well. If they do not have to spend an hour or an hour and a half on a train going into London and buying an overpriced sandwich when they get there, that has to be good for their welfare as well as their pocket.

The jobs that people had to commute into central London to do traditionally in fact can be done from north Norfolk, Newcastle or anywhere else that you care to mention.

Emma Hardy: Hull.

Julian Jessop: That has to be good for productivity and good for the regional aspect as well.

Q96 **Emma Hardy:** That is fantastic. I am sure my ambition is shared by many, and my feeling is that I do not want people to feel like they have to leave the place they are from to get the job they want. This is where I see that remote working can really offer something, but, Julian, does remote working tend to benefit higher-paid workers rather than lower-paid workers?

Julian Jessop: In many cases, that is true. The sort of people who I know who have been working remotely during the crisis and who probably continue to do so are typically people in financial services, for example, or other IT-driven jobs where, frankly, it is just as easy to work from home as elsewhere. Those opportunities are less obviously available to people in customer service roles. Shops were mentioned earlier.

There are some other potential disadvantages. Kudsia flagged up some of them, such as missing out on social contact or possible training

opportunities as well. The ideal outcome for many people would be some sort of hybrid role where you might spend most of your time working from home, but you have regular contact with your colleagues and, just as importantly, the bosses in the office to ensure you remain in the loop and that you are not forgotten about when it comes to pay rounds and promotion and so on.

A mixture is best, but, if you give maximum flexibility to employers and employees and let them sort it out, you are going to get some better outcomes than we have got used to over the last few decades. The norm of a nine-to-five job, with all the rigidities that it brought, was not good for productivity.

Q97 **Emma Hardy:** That is really interesting. Finally, what are your thoughts on co-working spaces? They seem to be looking at developing this in Ireland, with regional hubs where people from different industries have the chance to mix in a social environment while still being remote workers, if that makes sense to you. What are your thoughts on that as a possible alternative to the hybrid model? Where we have the hybrid model, we are still expecting people to commute into their workplaces. You are still going to limit the geographical location in which they are based.

Julian Jessop: I am not familiar with the Irish experience, but there may well be, first of all, a market opportunity there. If there is an opportunity with these shared spaces, I would have thought that somebody could make some money from setting them up.

There is a precedent for that. I know that lots of cafes and pubs around here, in my area in Surrey, were basically offering workspaces. They were saying, "You can rent part of the pub for £10 for the morning with three cups of coffee and internet access chucked in," but you also had an opportunity to mingle and socialise with other people perhaps working in similar lines of business but certainly facing similar challenges. A flexible economy should hopefully spot opportunities like that and exploit them.

Q98 **Gareth Davies:** I am going to share this section on remote working. A lot of ground has been covered by the excellent questions that my colleague has asked. Let me first turn to you, Julian, on the point that has already been raised and the suggestion from others that perhaps we should pass a law imposing remote working on companies. How would SMEs react to such a law? How would they either benefit or suffer as a result of that legislation?

Julian Jessop: Thank you for that question. It gives me my first real opportunity to disagree with the rest of the panel. I am not keen on this at all. There is a clear danger that you end up putting the burden of social policy on employers, which is not necessarily, first and foremost, where it belongs.

There are a number of problems, including with the Irish proposal of a right to request working from home. In part, of course, it may simply be symbolic. If you give people a right to ask for something, arguably they already have that right. An employer could reasonably come up with good arguments for rejecting it. It is not clear to me that simply giving the right advances things very much.

In practice, employers are already moving in the direction of more flexible working anyway. Even if you think that employers are somehow evil, they are not stupid. If flexible working is better for the company and better for the employee, employers do not need to have a burden enforced on them to provide it.

There is also always the risk of unintended consequences. In particular, if you give people full employment rights from day one—the employer may not know much about them until they have started working—there is a risk that some employers might decide not to make job offers in the first place to people who they think might be a bigger burden on the business in future, rightly or wrongly.

It may well be that employers are more reluctant to make job offers to, for example, disabled people, because they think they might turn out to be a bigger problem for the business than they are ever likely to be. I am sceptical of the idea that you can legislate here. It would have unintended consequences, and it is also not necessarily where the burden of a lot of these issues should fall. It should fall on the general taxpayer or society in general, not necessarily on particular businesses, particularly small and medium-sized businesses, who have many other things to deal with as well.

Q99 **Gareth Davies:** I am going to come to Kudsia in a minute for a reaction on that, because I know that the TUC is engaging with businesses, and I would love to ask her about SMEs in particular. Julian, is there not a case or an argument to say that encouraging businesses in this way or even making businesses offer remote working will make them more competitive in hiring in a global marketplace? Is that not an argument that you would recognise?

Julian Jessop: I would not. It begs the question: why do politicians or officials in Whitehall have a better sense of what is best for the business than the person who is actually running it? There is already a clear trend in the market towards more flexible working. Those companies that do offer better terms and conditions and better pay are already more likely to attract good workers and be competitive. There is no obvious case here for additional state intervention over and above that.

Q100 **Gareth Davies:** Kudsia, could I come to you? I want to ask you about a point that you mentioned earlier about stigma attached to flexible working. We know there is also a stigma attached to maternity leave and paternity leave. What is driving that stigma? There are two parts to that question: the reaction to Julian and then the stigma.

Kudsia Batool: My reaction to Julian is that I respectfully disagree—I am sure that comes as no surprise to you—about the responsibilities that employers should have, if they employ working people. I work with unions, and unions are the voice of working people. If employers are going to move forward, it should be incumbent on them to work with the people they employ to design jobs that fit the people. We know that is how productivity is going to move forward and that is how we are going to progress as a society.

Julian, you mentioned that we are looking at some degree of flexible working already and that the pandemic has exposed different ways of working, from which we are not going to be able to go back. It is really important that we take those opportunities and design jobs around the people who do them. It is also really important to pick up false flexibility, such as zero-hours contracts and casualisation, which we see a lot of. We see that a lot of businesses that are modelled as having flexibility are not flexible, and they are not what we are talking about when we talk about flexible and remote working. They are not job designs that allow people to live, they do not guarantee income and they make employees extremely vulnerable.

I just wanted to be really clear on that point. We are looking at how you make the jobs that exist flexible so that the people doing those jobs can continue to do them in a flexible way, be that through compressed hours, remote working, working in various geographical locations or term time—whatever fits both the need of the job that needs to be done and the person doing the role.

Q101 **Gareth Davies:** How would you address the additional costs on SMEs?

Kudsia Batool: It is about an investment. It is an investment in building a robust workforce that is going to be dynamic. What the pandemic has shown us is that we have to be prepared for any eventuality. None of us will have been immune to the news that we should be expecting more pandemics going forward and more agile ways of working. We have to go from working in one particular way to another particular way at the drop of a hat. Why not build and invest in those ways of working from the beginning?

From our perspective, those ways of working enable women, disabled workers and low-paid workers to have better opportunities, which they might not be able to have in more traditional circumstances.

Q102 **Gareth Davies:** I completely get the point. We are all in agreement that this helps people, but there is a cost to implementing this. There is a cost to businesses. That is what I was asking about. Very briefly—I do not have much time—could you just make a comment on the stigma point as well? Why is there a stigma attached to remote working, flexible working, maternity leave and paternity leave? With any kind of flexibility in the workforce, there seems to be a stigma there. Why do you think that is?

Kudsia Batool: We are still in that very traditional model: turn up at the office, put your umbrella and coat at the coat hook and sit at your desk nine to five, because presenteeism equates to productivity in many ways. Actually, that is not the case. If you are looking at a dynamic and representative workforce that represents modern working Britain, that more traditional way of working—I am not going to say "old"—does not reflect how people actually work. It does not equate to productivity.

Julian made a very good point around childcare and disabled workers. There is a very longstanding entrenched view: "If we employ women or disabled working people, it is going to be a burden on us. They might have more time off or they might have to look after their children or they might want to go to medical appointments". That is why we have a series of laws to make sure that kind of discrimination cannot happen, but we need to make sure those kinds of stereotypes are dismantled as well. The way we do that is by having more people who are diverse in more leadership positions, working more flexibly.

Q103 **Gareth Davies:** Cristina, you made a comment earlier about how everybody was remote working during lockdown and fathers spent a lot more time with their children and took a lot more time in terms of childcare. There is a lot of discussion about the current paternity leave legislation and how effective it is. Can you just make a comment on that? Is there anything that we can learn from lockdown about the role of dads in raising children?

Cristina Odone: Paternity leave, as it stands, is very ineffective. It is very paltry in terms of time; it is only two weeks. It is time-framed so that it is not terribly useful for a mother who has just had a baby and who wants to share the childcare with her spouse or the father of her child, because it has to be taken in one go and it has to be taken before 56 days are up since the childbirth.

It is not fit for purpose, as I have said before. The problem with that is that, the more we look into the impact of fathers on their children, the more we discover that they are absolutely crucial. We know that, if the father is engaged with the child, which is what paternity leave should promote, the baby has far greater cognitive development. At five months, his or her problem-solving capacity is much greater. At three years, their IQ score is higher.

Going further, the more the father is engaged, the less there are behavioural difficulties manifested at school or even before that in childcare. Fathers matter, and the way we have constructed paternity leave and a great deal of our society—

Q104 **Gareth Davies:** The quickfire answer is that paternity leave is currently not flexible enough and not long enough. That is the message.

Cristina Odone: It is not flexible enough. It is not long enough. Let us change it.

Q105 **Rushanara Ali:** I have some questions about the impact on families, and then I am going to dig a bit deeper into the impact on ethnic minority groups. Starting with you, Cristina, what has the impact been? I know some of it has been covered, so do not feel that you have to repeat what you have already said. Are there any additional points on the impact of the crisis on low-income families in terms of financial precariousness and rising debt levels?

We are aware that household savings increased for higher-income earners, but what would you say are the big challenges for lower-middle income earners and poorer families?

Cristina Odone: We did a piece of work just before Christmas, which is being published in the *Financial Times* yesterday and today, which looked at how almost half of us would like to have help with managing our money. In the run-up to Christmas, we had this tragic polling that showed that 8 million parents wanted to cancel Christmas, because they feared it would put them into debt. A third of respondents had to borrow money in order to pay for Christmas, and a tenth of them were going to turn to "buy now, pay later" Klarna-like schemes. This shows you how huge the impact has been on low-income families. Most of them will have been in more precarious jobs. We have talked about the sectors that this covers. Many more of them will have been unable to save, whereas middle-class and upper-middle-class families found that the pandemic was a good time to save. It was not if what you are earning is going out the door on the staples, on the most basic of things.

This is the problem. Because low-income families felt so much more financial pressure, they were more likely to have parental conflict or domestic abuse. They were more likely to have substance misuse, because the pressures were so huge and because the statutory services that they rely on were either shut down, overwhelmed or they went online. It is not very effective if the health visitor, who could otherwise have spotted that the baby has a bruise, is seeing the baby in a fuzzy online thing. Low-income families were more affected that anyone else. We also saw that in terms of their children's education. They were the ones who had more difficulty with online learning, because state schools were that much less likely to be present all the time.

As a final thing, so many of the families that we have been working with and seeing through the charities that are part of our alliance have either both parents working or the lone parent working. That meant they were leaving their children either in childcare provisions that were not regulated or they were leaving their children alone.

Then a big terrifying online harm entered their lives. The Internet Watch Foundation said that, in that first month of lockdown, they had 9 million reported accesses of child sexual abuse material. That is 9 million in Britain alone in one month. With children between 13 and 15 years old, we know one in five had received a sexual message during the pandemic. Low-income families were much more impacted.

Q106 **Rushanara Ali:** I am going to come on to another panellist, but I just want to declare an interest before I ask some questions of Mary-Ann Stephenson of the Women's Budget Group. I serve on the board of the Sisters Trust, which has funded her organisation.

Mary-Ann, can you talk us through what the wider economic impacts would be? We have just heard about some of the damage to lower-income families because of this crisis. We heard earlier on about the fact that we entered into this crisis with very big structural inequalities that were mentioned by the colleague from the TUC. How would you measure the overarching impact going forward? Could you also speak to the impact on women in terms of data?

Dr Stephenson: One of the really concerning long-term impacts—this is the aspect that Cristina highlighted—is around the impact on children's education. This is particularly true if you are in a family that cannot afford Wi-Fi or cannot afford for everybody to have a device that enables them to access the internet to do their schoolwork or where there is not necessarily the support of the school, and parents are having to work outside the home and so are not able to provide the support for home-schooling. That is going to have a long-term impact on the educational outcomes for those children. The catch-up support that has been provided is not sufficient to deal with those problems.

Q107 **Rushanara Ali:** There is still a gap of about £10 billion, is there not?

Dr Stephenson: Yes, there is a huge gap. It is really difficult. I know people whose kids were trying to do their homework on their mum's mobile phone, because they did not have a laptop in the household. Nobody worked from home. Nobody had a laptop. Schools were attempting to get laptops and iPads to people. Again, when we are thinking about the predictability of this in lockdown, if you lock down and go to home learning, what is your plan to get those kids laptops, support and all of those things? To make sure there is that catch-up money in place is really important.

The other thing is to recognise that this is a really gendered problem. Lone parent households, 90% of which are headed by women, are massively more likely to be living in poverty than couple households. Nearly a half, 49%, of children in lone-parent families are living in poverty. Some of that is the impact of the pandemic; some of that is the impact of decisions that have been made post pandemic.

Take the decision to cut universal credit by £20. There was an increase in universal credit, which was a recognition that universal credit was not enough to live on. Why did we need to increase universal credit at the beginning of the pandemic? Because it was not enough to live on. It is still not enough to live on. There is this idea that the solution for that is to get people into paid work. The majority of families in poverty do have somebody in paid work. For those who do not, there are often very good

reasons why they do not. It is because somebody is disabled or they are looking after a disabled child, for example.

We do not just need to think about poverty in terms of low earners and low-paid workers; we also need to think about those people who are out of the labour market. We need to think about having a social security system that provides a decent safety net. It is not just the lack of access to educational opportunities that has a scarring impact on children; it is poverty itself that has a scarring impact on children throughout their lives and in terms of their life chances.

Remember that back in 2010 there was the publication of a big equalities report that looked at educational outcomes for children who did not do very well at GCSE level by their parents' income. Those who had parents who had moderate or high income actually went on to do all right, because their parents could afford for them to have extra tutoring and to put them in crammer classes and so on. Those who did not fell right down.

We have a system that replicates and reinforces inequalities. When people hit a bump in the road, whether it is an individual bump in the road, a personal or family crisis, or a national problem like Covid, it pushes people further back. We do not have a system that provides a safety net.

Q108 **Rushanara Ali:** Mary-Ann, I am sorry; I have to press on. You mentioned the uplift in universal credit and the removal of that. Alongside that, we also have the fuel crisis and price rises. We also have national insurance increases, an increase in inflation and the underlying Covid impacts, which we have been talking about quite a lot. Would you agree with equalising or redressing some of these problems that are going in the wrong direction—yes or no? I will then go on to other panellists on the same question.

Dr Stephenson: Yes. The cost of living is going to make people's lives harder.

Q109 **Rushanara Ali:** Is there a case for doing more to try to take some of that cost burden down significantly, given the starting point, at this point in people's lives?

Dr Stephenson: Absolutely, yes. Revisiting that universal credit cut would be a really important place to start, because that is about targeting it at the people who need it most. Again, we have to recognise that this is gendered. Women are the shock absorbers of poverty. Mothers are the ones who tend to go without to make sure their kids are fed and have new shoes. They are the ones who say they are not hungry and skip meals in order to make sure other family members are fed. When you have that squeeze, it is women who are hit hardest.

Q110 **Rushanara Ali:** Julian, do you want to come in? Please pick up on those questions, but, just for you, being an economist, can you give us your

take on the overall impact of these discrepancies in terms of low-income families and the effects of the pandemic, particularly for children, young people and women? What does that mean, if we are looking ahead at the damage to the economy going forward? If we do not help people bounce back, this is not going to be cost-free in terms of overarching impact. We have seen some of that analysis on education outcomes for poorer families in the north-east. Could you talk us through some of that, please?

Julian Jessop: Education would probably be top of my list. That is an area where there could be long-term damage to the economy and the welfare of the people affected. Clearly, there are a number of people primarily in poorer households who missed out almost completely on learning opportunities over the last few years. That is going to set them back for a long time to come.

In some other respects, I would be a bit more optimistic. It is undoubtedly true that ethnic minorities, women and disabled people have been hit harder by the Covid pandemic than the rest of society, but hopefully that part of it at least is only temporary. They have been hit because of the characteristics they have in terms of the occupations they are doing or perhaps the locations they live in, because they are in some of the areas that have been hardest hit by Covid.

As the economy rebounds from Covid and as the impact of Covid itself on the health of the nation fades, the impact in terms of the hit on inequalities will fade. Education is definitely a concern. That could have a longer-term impact than the others.

Q111 **Rushanara Ali:** Just to probe a bit more, how do you suppose they would fade when we entered into the pandemic with those structural inequalities? We heard earlier in the evidence that women were going into the pandemic facing bigger structural inequalities. These are patterns that are well documented. When you account for other comparisons like class and so on, black graduates are three times more likely to be unemployed than their white counterparts. How do you suppose that will be addressed now in the face of fiscal measures that are going to affect families even more?

Julian Jessop: To be precise, I am not saying that we will end up in a position where the inequalities are less than they were before the pandemic. At the very least, I would expect them to go back to where they were. There are potentially some areas where the shock of the pandemic on the economy could improve the situation for some people. This goes back to the points I was making earlier about increased labour market flexibility. It could also shine a light on some of these problems. All the witnesses here would agree that we are perhaps much more aware of some of these inequalities. Those of us who are not directly affected by them are certainly far more aware of them than we were before. There probably is some scope for policy to adjust as well.

At the very least, I would expect us to go back to where we were before the pandemic, with that important caveat about what might happen to education.

Q112 **Rushanara Ali:** Do you believe that will happen despite the increasing tax burden, which is going to disproportionately affect lower-income families, despite fuel costs going up and despite inflation levels going up?

Julian Jessop: It certainly does not help.

Q113 **Rushanara Ali:** Do you feel confident that will happen?

Julian Jessop: We have to break those two things down. The energy price shock is primarily something that will hit lower-income households. Preventing that should absolutely be the priority. The increases in taxes will have a bigger impact on medium to higher-income households.

Q114 **Rushanara Ali:** Lower-income families are not completely unaffected, are they?

Julian Jessop: They are not completely unaffected, no. In terms of support, I would certainly prioritise cushioning the impact of the increase in energy prices on lower-income households. As it happens, I personally would also delay the increase in national insurance contributions for a year. There is a good economic case for doing so, in that in the first year it is being used to support the NHS to deal with the backlog of cases from Covid. That is arguably a one-off cost that you could add to long-term borrowing.

Q115 **Rushanara Ali:** I am sorry to interrupt, but I am going to have to move on to Kudsia. Kudsia, do you want to pick up on any of those points? I have one final question in addition, which is about the impact on ethnic minorities. We have touched on some of this already, but people will be familiar with the disproportionate death rates and impact on ethnic minorities. What should the Government have done and what do they need to do to address some of those issues that have been exposed by the pandemic?

Kudsia Batool: I want to say to Julian that going back to pre-pandemic for BAME people is a really low bar. We should aim much, much higher than that. The structural inequalities that existed, which have led us to where we are, were well known by the Government themselves and were highlighted in multiple Government reports with multiple Government recommendations.

To answer your question, what should we have done? We should have implemented some of those recommendations, particularly where those recommendations were around ethnicity pay gap monitoring and action plans that go with ethnicity pay gap monitoring. That would require people to collect data about the people who work for them and to be held accountable about the jobs that those people do, the pay progression and promotion opportunities those people have and, for employers, how their

responsibility is being met to make sure that no discrimination is taking place. The fact that we do not even have ethnicity pay gap monitoring is a big disadvantage in that space. That is one of the things that we need to rectify straightaway.

You mentioned the disproportionate deaths of black people during the pandemic. Let us not forget: at the beginning of the pandemic, there was a big question around why black people were dying and why Covid was attacking black people. The narrative was that the jobs that people were doing, the structural factors and the things that BAME people were being exposed to were the real factors that were putting those people in those roles at risk.

We had the disproportionate rate of deaths; we had increased job insecurity for BAME workers, especially BAME women. Mary-Ann said that women were the buffer, but BAME women were the buffer of the buffer. It is really important to point that out. It is really important to talk about the experience of migrant workers as part of BAME communities with little or no recourse or access to public funds and the impact that had—

Q116 **Rushanara Ali:** I just want to use my last minute to get you all thinking about something else. Particularly on this agenda around equalities and black and minority groups, I know from my own constituency experience that there were very high death rates. What should be the post-Covid response to deal with the impact on those with protected characteristics? We talked about those with disabilities earlier. What do Government need to do to face up to this? Julian talked about many in society not being fully aware of just how bad the impacts are for some groups. What should we be doing now? What should Government do now to mitigate those risks for the future?

Kudsia Batool: We have to learn our lessons. One of the ways we have to learn our lessons is that we need the Government to demonstrate transparency in how they complied with their public sector equality duty by publishing all the equality impact assessments. Several others have talked about the importance of those. Particularly, this is about equality impact assessments for the policy decisions that were made during the pandemic and the consideration given to BAME people. We need to strengthen the role of the Racial Disparity Unit and properly equip it to support diversity.

We also need to introduce mandatory ethnicity pay gap monitoring, but there is no point in introducing that if we do not also ask for a requirement for action plans, which cover things like recruitment, retention, promotion, pay, grading, access to training, performance management systems and grievance procedures. We need real and robust racism and harassment monitoring support services.

There are two other bits that are really important. One is to allocate the EHRC with the right amount of resources so it can effectively use its unique powers as a regulator to identify and tackle breaches of the

Equality Act. One thing that is most important to me when we look at this in the round is a ban on zero-hours contracts. We need proper regulation of the jobs that people do. We need jobs that people can build a life on and thrive on, not jobs that they are working just to remain in poverty on, which disproportionately affects BAME people.

Q117 **Kevin Hollinrake:** I am just looking at the analysis of all of this data, which we have been talking about a lot over the last hour or two, and things like equality impact assessments. This is for Mary-Ann and Kudsia. Listening to you talk about female employment prospects and what happened over the crisis, is it your contention that women suffered more during the pandemic because of the crisis, and that this could have been predicted in the early stages of the crisis? Is that your position? Am I right in saying that?

Dr Stephenson: Women and men experienced the crisis differently, because they are differently situated in the economy. Different groups of women and men experienced it differently. The experiences of white women were different to the experiences of black women. Yes, there were a number of significant aspects where women experienced things worse because of pre-existing inequalities, which both the pandemic and the response to the pandemic exacerbated.

Q118 **Kevin Hollinrake:** I am sure you said that economists in the LSE had said that the impact would be greater on women, and that is what has turned out, and the Government should have predicted that in advance.

Dr Stephenson: It was not actually economists. Clare Wenham is a professor of global health policy at the LSE. Her expertise is in pandemics and the gendered impact of pandemics.

Q119 **Kevin Hollinrake:** It is just that the only data we have seen on this, the only analysis that I have seen on this, suggests that was not the case. The fall in employment rate due to the crisis was twice as large for men as it was for women. That does not seem to be consistent with the evidence that I have heard and read from either of you.

Dr Stephenson: Economic impact is not just about employment.

Kevin Hollinrake: No, I accept that.

Dr Stephenson: It is about increased debt; it is about poverty; it is about problems with making ends meet; it is about being able to afford and access childcare and so on.

You are right: one of the things that the Government should be given credit for is the furlough scheme, which prevented the widespread job losses that we saw in a number of other countries in the world. If you look at the US, for example, where there was no furlough scheme in place and the support was more individual payments to households, women's unemployment increased dramatically more than men's. We

were right when we said that women would be hit harder than men, because we are not just talking about unemployment.

Q120 **Kevin Hollinrake:** No, but that is what I am talking about. I am trying to get to the facts. I do not know whether you could reflect on this as well, Kudsia. You had said that women were more likely to be employed in industries hit hard by the crisis, yet their employment rate did not suffer as much as men's. Do you accept that is the case?

Kudsia Batool: It is a double-whammy. They were in industries hit hard by the crisis, but they were also in industries that were key worker occupations. There were 9.8 million key workers, of which two-thirds were women. What I will say is that 2.6 million of those women were on low pay—less than £10 per hour. This covered things like care workers, care homes, nurses and primary education teachers. In all of those roles, over 80% of them are women. Furlough was a key factor, and Mary-Ann rightly pointed out that it supported some of the hardest-hit sectors. Sectors such as accommodation, food, arts and entertainment had a higher proportion of female workers and higher furlough rates through the pandemic. Working from home might have been a factor that made it easier for some women to maintain their level of work.

However, women employed in those sectors, particularly food and retail, accounted for the majority of job losses during the pandemic in these sectors. Mary-Ann spoke about how people did not know that furlough could be accessed for childcare, so women were leaving the workforce for childcare when they could have been furloughed.

At the peak of redundancies in 2020 between September and November, the number of women being made redundant was 76% higher than the number of women made redundant during—

Q121 **Kevin Hollinrake:** I get that from your evidence. I just want to go back to the point. Do you accept the point that overall, in terms of the position for women throughout the crisis, Government actions moderated the impact on women more than it did for men? That seems to be the evidence. Do you accept that from the ONS's findings?

Dr Stephenson: The issue is that you are looking at one factor, which is employment rate.

Kevin Hollinrake: That is right, yes.

Dr Stephenson: That is a significant and important factor, but, if you are talking about economic impact, we are talking about other things as well, including issues around debt, poverty and homelessness. It includes all of those other factors. Yes, you are right: we have not seen a massive and disproportionate number of women losing their jobs in the UK, as has been seen in other countries in the world, as a result of furlough, which prevented widespread job losses. That is a very good thing. We have, however, seen other massively disproportionate impacts on women.

Q122 **Kevin Hollinrake:** I am not saying that there are no issues other than employment. I absolutely agree with you that there is a much wider context to this. You are absolutely right. Is your position that the Treasury should publish equality impact assessments alongside the Budget and Spending Review? Is that what you think?

Dr Stephenson: Yes.

Q123 **Kevin Hollinrake:** Briefly, how useful would that be?

Dr Stephenson: It would be extremely useful. The Treasury has an obligation, under the public sector equality duty, to have due regard to equality. It has to carry out all the steps that would be part of an equality impact assessment. There is no law saying that you have to do an equality impact assessment, but you do have to collect evidence; you are supposed to consult with affected groups and so on and so forth.

Having gone through those steps, which I am sure the Treasury is doing, because it would not want to break the law in this area, publishing that impact assessment would allow it to demonstrate the stages it had gone through. It would also focus the mind of officials, when they are making policy, to make sure they develop policies that do work for everyone.

As I said earlier about the example of the self-employment income support scheme and the way it failed women who were on maternity leave, that is a really easy thing to solve. It was not a major problem. If they had done a proper equality impact assessment, it would have been spotted and they would have ended up with a policy that worked better for self-employed women than the one we had.

It is about getting policy that works in practice and does what it is intended to do rather than having unintended consequences.

Q124 **Kevin Hollinrake:** If I can just turn to Julian and Cristina, distributional analysis is something that the Government look at in their budgeting process. They look principally at household income rather than anything else. Should this analysis be more detailed and include groups with protected characteristics, such as women, people with disabilities or ethnic minorities?

Cristina Odone: The more data, the better. This is all across the board. We would like to know about ethnicity, gender and intergenerational breakdown. If we are looking at a household, are there three Gs, two Gs or one G? That is what we are missing here. I hope the pandemic has concentrated our minds on this. We have a paucity of data when it comes to just about everything. What we are very good on is the national pupils data, but even there we do not know whether a parent is in jail or whether it is a lone-parent family. We have a paucity of data. Yes, please could we have a look at households that is so granular that we understand who is living there, what they are earning and who they are?

Q125 **Kevin Hollinrake:** Within the household, you would like to see who gets

what resources, who earns what within households between women and men and that kind of thing.

Cristina Odone: Yes.

Julian Jessop: My instinct is to do more analysis rather than less and to have better data rather than worse. There are only two caveats that I would raise. One is that there might be a danger that we end up focusing on the wrong thing. Black people have been hit harder by the crisis not because of the colour of their skin, but because they tend to be in particular occupations or live in particular areas and so on. If you focus too much on the colour of their skin, you might risk missing the true underlying causes of the problems they are facing.

The second concern that I have is that there is a danger sometimes in focusing policy on issues where you are not quite understanding what the issue is. One of my hobby horses, for example, is the emphasis on the fact that young people seem to be more at risk of losing their jobs than people in their late 20s and 30s. As a result of that, there have been some Government policies that have focused on supporting young people back into work.

That is potentially the wrong way of looking at the problem. If the reason why people have lost their jobs was because of the pandemic, they could very quickly find jobs again. By subsidising young people into employment, all you are doing is making it harder for people in their late 20s and 30s to find work instead. If you focus on the particular characteristic—this is the identity politics approach to analysing things—there is a danger that you miss the underlying problems.

Overall, I was struck by some of the examples that Mary-Ann Stephenson in particular gave about problems that have clearly been missed somewhere along the line, such as the point about maternity leave. Yes, maybe that would have been picked up much better if an economic impact assessment and a full equalities assessment had to be published at the end of the day.

Q126 **Kevin Hollinrake:** Julian, a lot of people are talking about the Government introducing compulsory ethnicity and disability pay gap reporting for companies. What are your thoughts on that?

Julian Jessop: That I am less keen on. For a start, there is a difference between a burden on the Government and a burden on companies. It is the Government's responsibility to worry about these things; it is not necessarily the responsibility of companies.

As far as things like pay gap reporting are concerned, whether that is gender, ethnicity or anything else, there are three tests. First of all, the information has to be meaningful. Often it is not, because you are not necessarily comparing comparable jobs. Different jobs are being done, and therefore comparing pay between those jobs is not that important or relevant.

There is a particular problem with things like ethnic pay gaps around whether the numbers you get are going to be statistically significant. At the risk of being pulled up by somebody, there are only two genders, where there are potentially 10, 20 or 30 ethnicities or types of disability. Particularly with smaller companies, you have a bigger risk of the sample not being statistically significant.

The cost burden on companies also gets bigger. It is relatively simple to do male or female. Doing all of the different types of ethnicity and so on is difficult. It is not just the burden of collecting that data but of interpreting it.

Finally, there can be unintended consequences. If you know you are going to be pulled up for having disabled people employed with you who might be paid less than everybody else, you might be less willing to employ them in the first place. You could end up harming the very people who you are trying to help.

Q127 **Kevin Hollinrake:** Mary-Ann, I will come to you first, and then I will come to you, Kudsia; I know you want to come in. The Women's Budget Group has said that the Government should publish proposals for introducing ethnicity and disability pay gap reporting as a matter of urgency. Is that something that is done in any organisation at the moment? How useful would that be?

Dr Stephenson: It would be useful. We have to bear in mind that we are not talking about micro-organisations. Some of the problems that Julian was raising were about the sample sizes in smaller organisations. We are talking about organisations over a particular size. We know the data on the gender pay gap reporting within organisations has been a really important conversation starter within those organisations. It has led organisations to look at those practices.

Yes, it is true that sometimes those pay gaps are because women and men are doing different jobs. That opens up a question about why they are doing different jobs. Why are there more senior men? If the pay gap is because there are more men in senior positions and fewer women, why is that happening? Since we know that there is also discrimination on the basis of race and disability, having that data collected and gathered is a really important way for those businesses to start those conversations.

That links back to an earlier point that Julian made. He said black people are more likely to be affected by Covid, but that is not because they are black; it is because they are more likely to be poor. If you are facing discrimination because you are black, it means you are at greater risk of poverty. It is not just that black and ethnic minority people are more likely to do certain jobs or live in certain areas; it is because the discrimination that certain communities face means that they may be less likely to be in better paid jobs and they may be less likely to afford to live in certain areas. They are more likely to live in overcrowded housing and very densely populated areas and so on. It is to do with their ethnicity as

well as to do with poverty. The poverty and ethnicity are intertwined. They are not two entirely separate factors.

Q128 **Kevin Hollinrake:** I will give Kudsia the final word in my section. You wanted to come in earlier.

Kudsia Batool: Mary-Ann has just picked up the point I was going to make. I would just want to give one example to Julian. BAME graduates with a first degree are more than twice as likely to be unemployed as their white counterparts. That is because structural and systemic discrimination exists. All of those factors that you highlight are absolutely right, but they are not excluding race. They are tied to ethnicity and race. Just because something is difficult, like collecting the data—and it is not as difficult as you might have outlined just then—does not mean we should not do it, especially as it gives us a picture with which we can make decisions that can improve life chances.

Q129 **Harriett Baldwin:** I was particularly startled, Kudsia, by your data on people with disabilities. It was particularly startling to learn that 60% of people who died from coronavirus were disabled. I wondered whether you had a more granular breakdown of that. Could you point the Committee to the source of that information? We would like to see how it differs between people of working age and people who have retired and so on. Do you have any more granular data on that?

Kudsia Batool: I do. I have a report around that. I do not have it to hand, but I can submit that to the Committee if it would be useful. The six in 10 statistic is well known. One of the worrying trends in the pandemic was the language that we used around death, whether or not people had an underlying condition and whether or not people had a disability. It almost became acceptable, if those factors existed, that people died. To answer your specific question, I do have that data and I can forward it to the Committee.

Q130 **Harriett Baldwin:** In terms of drilling down into how the working age population with disabilities fared during the coronavirus crisis, I have seen statistics that suggest that during the pandemic 53% of disabled workers reported being able to work from home. That was an increase from 13% prior to the pandemic. That is a very large increase. I wondered whether you would expect to see that have some kind of longer-term effect. Might it address the shocking gap that there is between the employment rate for people with disabilities and the employment rate for people without disabilities?

Kudsia Batool: That is right. The disability pay gap has narrowed slightly, though it is still much too high. On average, disabled workers earn £1.90 per hour less than non-disabled workers. In November, we have Disability Pay Gap Day, which indicates the last day that disabled workers get paid compared to their counterparts; the remaining time is done for free.

It is also important to mention that disabled people usually experience significant barriers to getting jobs and to keeping those jobs. Those key recommendations around flexible working and remote working that I mentioned earlier are really important factors in how we address some of that inequality. Again, I will mention what I mentioned earlier. Disabled pay gap reporting is really important. We need action plans and duties about how that disabled pay gap is going to be reduced, a key element of which must be flexible working and remote working.

Disabled people also need the right to request flexible working as a reasonable adjustment. It is not flexible working; it is a right in law. That should be part of those action plans and the enforcement of reasonable adjustments. The Equality and Human Rights Commission should get specific ring-fenced funding to enforce effectively disabled workers' rights to reasonable adjustments so that we can make sure people can work and thrive and, again, are not putting themselves at undue risk. That was one of the reasons disabled workers were working from home.

We need a stronger legal framework for those adjustments. We could update the statutory code of practice to include more examples of reasonable adjustments, which would help disabled workers get those adjustments.

Q131 **Harriett Baldwin:** You are talking about a lot of potential legislation.

Kudsia Batool: I am.

Q132 **Harriett Baldwin:** Is it possible that, without legislation, there will have been quite a change in terms of the disability employment gap in the right direction because of this ability to do more jobs more flexibly, with more working from home, and employers, who now face a situation where there is a record number of vacancies in our economy, are more willing to make those kinds of adaptations and to look at that broader pool of potential employees? Is there a glimmer of hope in that regard?

Kudsia Batool: There is a glimmer of hope, because the evidence is there. Everybody wants evidence of impact, and the evidence of impact is that disabled workers can do the jobs and that those adjustments are not overly burdensome on employers while enabling disabled workers to contribute fully. Yes, there is a glimmer of hope.

We need to make sure there is no rollback. I am wary of anything that is not legislated for, because when people do not have to do things, they do not. If you look at what Mary-Ann mentioned earlier about the mandating of gender pay gap reporting being lifted, what did we get? We got no responses. That is why things need to be enshrined in law.

Q133 **Harriett Baldwin:** Turning to a slightly different impact of the pandemic on people with disabilities, the overall concern that we all have, as the economy recovers, is that inflation has started to exceed the Bank of England's goals significantly. Julian, in terms of the basket of goods that people with disabilities might spend money on during the economic

recovery, has that been disproportionately experiencing inflation? Do you have any data in terms of the rate of inflation that people with disabilities experience?

Julian Jessop: I do not have that data. Thinking on my feet, it is not obvious that there would be a simple answer to that. Disability covers a wide variety of different things. I suspect the characteristic that might make the biggest difference would be that disabled people tend to have lower incomes and therefore they are likely to be spending a bigger proportion of their income on things like energy, where we know that prices are rising the most and where there is the least discretion to make savings. It would not surprise me that disabled people were being hit harder by inflation, but I do not have any particular evidence to back that up.

Q134 **Harriett Baldwin:** Do any of our witnesses have any data or evidence on that?

Julian Jessop: If nobody has, I am quite happy to go away and look for some.

Dr Stephenson: Julian is right. Disabled people are a wide and diverse group, and there are many different forms of impairment that might have different impacts. The increase in fuel prices is particularly likely to disproportionately impact disabled people, who may have problems staying warmer. That is particularly the case for people who are less able to be physically active, for example, who need to keep their house at a higher temperature and who may be at home for longer period of the day and less able to go to other places where they can get warm.

Increasing food prices can impact people who have to follow particular restrictive diets, for example. That can be difficult. If food prices go up, you do not have the same flexibility in terms of shopping around and finding cheaper alternatives. Those are the two obvious ones. I would imagine that Disability Rights UK would be a good organisation to approach.

Q135 **Harriett Baldwin:** We had some written evidence from the Kent and Medway coronavirus response health and social care cell, which said that people with disabilities spend more on specialist home and vehicle adaptations, therapies, sensory equipment, adapted toys, utility bills, taxis and insurance and potential additional personal protective equipment. It sounds as though there are more things that people need to spend money on. I just wondered what the rate of inflation was that those people were particularly experiencing and whether that was higher or lower than the basket of goods that the statisticians measure more traditionally. I just wondered whether anyone had any data on that.

Julian Jessop: I have no data, but I would make a strong assumption that the increase in prices would be higher than the average.

Q136 **Harriett Baldwin:** As people returned to work in the autumn and as the

furlough scheme ended, do we have any data yet in terms of the different impact that had on people with disabilities relative to other workers returning to work? Does anyone have any data on that?

Julian Jessop: There is certainly no official data. We are still quite a way behind in terms of labour market data on the economy as a whole, let alone for individual groups. We only have a little bit of official data for October and November. We have plenty of survey data from businesses suggesting that employment has grown strongly over that period as well. Given that we do not have much good aggregate data, I would be surprised if there is much really good data drilling down into individual groups. Again, I would be happy to go away and see whether there is any.

Q137 **Harriett Baldwin:** Kudsia, is there anything from the TUC?

Kudsia Batool: Like Julian said, we have plentiful survey data. In terms of official data, there just has not been enough time to collect that. I can go back and talk to our committee about that.

Q138 **Anthony Browne:** My questions are going to be about people on low incomes. We have heard, both in written evidence and in the earlier questioning, about how they were disproportionately impacted during the pandemic, for all the reasons that have been laid out—the sectors they worked in and so on. What I want to focus on is what their prospects are now, as we come out of the pandemic, and what impact different Government policies have made or could make.

Given that they were disproportionately impacted as we went through the pandemic, my first question is about the status of low-income earners. Particularly, the labour market has done a lot better than most people expected. Unemployment is almost at the record low it was at pre-pandemic. There are very high levels of vacancies. Often that helps people who are more vulnerable in the labour market. Kudsia, what are the prospects for low-income workers now as we come out of the pandemic?

Kudsia Batool: Their prospects need to be better, for want of a better phrase. I do not want to rehash everything that we have spoken about, but we have spoken about women in those key roles, BAME workers and disabled workers. We have spoken about the people who fill those low-income jobs and the factors that need to be addressed to make sure that route out of the recovery is solid and secure for those people. These are the issues around equality impact assessing decisions, things around the minimum wage, the cap on universal credit, childcare and pay progression.

We need an absolutely rehashing and abolition of zero-hours contracts, because zero-hours contracts lock people in poverty. Those jobs are not flexible. They are flexible for employers only. People cannot build a life. People cannot progress. People are denied access to the basic things they need to be socially mobile. They have no access to sick pay and

professional development. They have no access to job security and the things that go with job security, like being able to access the housing market. If we are looking at low pay, we also have to look at things like zero-hours contracts as well.

Q139 **Anthony Browne:** I certainly agree with that. My specific point was about the state of the labour market and the fact it is performing a lot better than most people expected. As I say, unemployment is now almost at the record lows we were at pre-pandemic. Is that having a noticeable impact in terms of the earnings that people are able to get and the ability of people to negotiate in the labour market or just to not be unemployed and to get jobs?

Kudsia Batool: It is not just about the rate. It is about the jobs that people are doing. It is about making sure they are good jobs with good prospects as well as having good salaries and good terms and conditions. It is not just about the rate. The rate tells us one thing. We all want a lower unemployment rate. We want an economy that has high employment, but we want to make sure that is equal employment. At the minute there is a lot underneath that, a lot of which we have covered today, which shows that, while the rate might be low, the inequality means women, BAME workers and disabled workers are not really benefiting from that in the way we need them to be.

Q140 **Anthony Browne:** Julian, as I say, the labour market is unexpectedly tight compared to what we were expecting a year ago or indeed at the beginning of the pandemic. How is that impacting low-paid workers?

Julian Jessop: First of all, the fact that unemployment has remained so low is partly a reflection of good Government policy. The furlough scheme was a huge success, certainly in the early stages. It is also a reflection of the flexibility of the market economy, which is something we need to protect.

The point that I would disagree most with is the suggestion that we should ban zero-hours contracts. They are a very good example of labour market flexibility, and they are clearly something that suits a large number of people, including people who want to fit their work around their studies or family responsibilities, such as bank workers, nurses in the NHS and people like that. Banning zero-hours contracts would be a retrograde step.

Indeed, more generally, the Government cannot legislate for good jobs and high pay. That has to come from productivity, choice and flexibility in the market. Although I agree with a lot of the proposals suggested earlier, the idea that what we need to do now is to regulate the economy more in order to boost the wages of the low paid is the wrong way around. We should keep it flexible and let stronger growth drive up wages and productivity, with all the benefits that would bring.

Cristina Odone: We cannot expect the Government to legislate. However, what we have seen during the pandemic is an opening for vocational education. What we have seen is children and young people voting with their feet. We have done a report on missing children, who are missing from school permanently and excluding themselves from school. These severe absences point to a lack of engagement with the education system the way it is. If we persist in making young people—14 to 16 and older—think that it is all about academic qualifications and academic subjects, we are missing something. It is a really important way of engaging more people in the labour market.

I did a piece of research into children in care. Many of them are NEET. I looked at Rochdale Council, which has done an incredible bit of programming around career education. They engaged with head teachers in their locality but also with parents. They used this combined approach to promote vocational careers and inspire ambition. One thing that we are all overlooking here is that there has been a real hit to aspirations, especially for young people. They cannot see where they can aim for. They cannot see their goals. What we can do is not legislate but encourage educational and social services to inspire people: "Here is the aspiration. Here is where you can go." Mentors can help; role models can help.

In a session that I read in order to be better prepared for my own witness statements, there was somebody who said, "You cannot get children to be brain surgeons if they have never met a brain surgeon." By golly, that is true. There is a lot that we can do to focus young people's minds on education; it just may not be academic education.

Q141 **Anthony Browne:** Mary-Ann, on low-paid workers, what is the impact of the tight labour market? Are there particular things that you think the Government can do to help low-paid workers, above and beyond what they are already doing?

Dr Stephenson: There are two things here. If we are thinking about low-income households, we also need to recognise that it is not just about low-paid workers; it is about people outside the labour market altogether. Sometimes it is about low earnings, rather than low pay. If you look at lone-parent households, for example, large numbers of lone parents have low weekly earnings. Their actual hourly pay may not be that low, and the issue is about the number of hours they are able to work. That is where you get into issues around childcare, for example, to enable people to work longer hours.

I would agree with Kudsia about the need to legislate to improve the pay and conditions of workers. I hear what Julian is saying. What I would say is that throughout history, when there have been calls to improve working conditions, from campaigns for equal pay to the factory Acts of the 19th century, the argument has always been, "We cannot legislate. This will lead to job losses. It will make things worse. We have to let employers do the right thing." Actually, legislation happens and people do

not lose their jobs. Women did not lose their jobs in large numbers when equal pay legislation was introduced, even though it was widely predicted that that would happen and that employers would not employ them if they could not pay them less. The number of women in the labour market actually went up.

If you look at zero-hours contracts, there is nothing to stop employers agreeing flexible work patterns that fit around somebody's studies or caring responsibilities. The issue with zero-hours contracts is that the flexibility is all one way. Generally, if you are on a zero-hours contract and your employer contacts you and says, "We want you to work," and you turn around and say, "No, I am sorry. I cannot do that, because I have to look after my mum or I have to take my kids to school," you do not get offered any more shifts.

You are in this situation where what seems to be two-way flexibility on paper is not two-way flexibility. You are required to be available, but you have no guarantee of income, which makes it impossible to budget, organise childcare and organise the rest of your life. It does not seem unreasonable to say that you can have flexible working, but there can be negotiations about how that is best delivered and people can have the right to know how much they are going to earn every week and have a shift pattern that does not change with a few hours' notice.

That would make a huge difference, particularly to low-paid workers in the care sector, for example, where people can be called in to do shifts at incredibly short notice, knowing full well that, if they do not turn up, they are likely to lose their job.

Q142 **Anthony Browne:** I have run out of time, but I want to ask one other quick question. If I posed the question to the Government about what they are doing for low-paid workers, they would mention the national minimum wage or living wage, which has increased above the rate of inflation, and the change to the taper for universal credit. That does not affect people out of work, but, if you are in work, it is a £2.5 billion increase in spending or tax cut, depending on how you want to present it, which is focused on people with low incomes. How big a difference does the minimum wage and the change to universal credit make to people on low wages? I am going to ask Kudsia first. Please keep your answers short, because I have officially run out of the time and the Chair is going to start criticising me.

Kudsia Batool: I am going to be really quick, which I am not known for. We welcome it. It is much needed. It is just not quick enough; it is not radical enough. It needs a whole suite of other things that go along with it. Yes, it is welcome, yes, it will make an impact, but it needs to be much quicker, much bigger and much more ambitious.

Julian Jessop: Yes, both moves are welcome. I would probably do a little bit more. I am sympathetic to the idea of re-introducing a temporary top-up for universal credit to help deal with the energy price

spike. On the point about the national minimum wage, I am not a fan of living wages or national minimum wages. This increase has been set on the basis of independent advice from the Low Pay Commission. That is the reason why the increase to the national minimum wage has not caused the surge in unemployment that some people feared: because it has been set at a sensible level rather than some of the numbers that others were talking about, which would be too high.

Cristina Odone: Both measures are welcome; both will help low-income families where parents work. Unfortunately, they will not help those who are not working.

Anthony Browne: They do not help those who do not work. If you do not have work, neither of them help. Yes, absolutely.

Cristina Odone: Yes, exactly

Dr Stephenson: I agree with pretty much what everybody else has said. On universal credit, one of the problems with the work allowance, particularly in couples, is that it still creates a disincentive for second earners, who are largely women. That is a particular problem when relationships break down. If women are out of the labour market when they are in a relationship, it is harder for them to get into the labour market when they are a lone parent. We therefore think it is important that we have a system that enables both partners in a couple to benefit from universal credit. At the moment, there is a disincentive for second earners.

Q143 **Chair:** I just want to ask one very quick final question of all of the witnesses before us today. If there were one thing that the Government should undertake to make this a more equal recovery and ensure we are a more resilient society, what would you choose?

Julian Jessop: By and large, it is to do less and not to assume that the answer to any problem is more Government spending and more regulation. In many cases, it would be better for the Government to get out of the way. I would say that, given that I am associated with a free market economics thinktank. The assumption that more Government action is the solution to all of these problems is the wrong way to look at it.

Chair: Thank you very much, Julian, for perhaps the most unsurprising answer from any of our witnesses so far.

Cristina Odone: I do not know whether Government can do this, and I am not sure the Treasury will want to do this, but what we need to do is change our culture. We need to accept that we cannot measure somebody's contribution to our society just in terms of what they earn and what they earn for the Treasury.

Kudsia Batool: Through the lens of equality, I would say mandated pay gap monitoring with enforceable action plans about how that gap is going to be closed.

Dr Stephenson: Lots of things have already been said, but the thing that has not been said is investment in social infrastructure. The Government's focus on the post-Covid recovery is about investment in physical infrastructure. Much as that is very much needed, we also need to recognise the importance of social infrastructure, particularly in the care sector, and invest in that.

Chair: Thank you very much. I would like to take this opportunity to thank our witnesses for what has been a really interesting and quite rich discussion about issues that are very difficult to pin down but that the Committee decided we wanted to look at. Your written evidence and your verbal evidence to us today is much appreciated. Thank you very much.