

UK WOMEN'S BUDGET GROUP – WRITTEN EVIDENCE (EMP0004)

Employment and COVID-19 inquiry

1. The UK Women's Budget Group (WBG) is an independent network of leading academic researchers, policy experts and campaigners that analyses the gendered impact of economic policy on different groups of women and men and promotes alternative policies for a gender equal economy. We have only answered questions we have expertise on.
2. Covid-19 has exposed and exacerbated deep inequalities of wealth, gender, race and disability. It has also shown how unready we are for the climate crises still to come unless drastic action is taken to protect people and planet. An alternative approach to work and wealth is needed to ensure the UK economy recovers from the pandemic.
3. COVID 19 pandemic has caused drastic changes in the working pattern, especially for parents and those with caring responsibilities. Many adults lost their jobs (permanently or temporarily) or faced reduced working hours. Those who did not lose their job (including essential workers), were expected to work from home or risk travelling to work. For most parents, closure of school and childcare services meant that children would be at home requiring care.
4. A focus on well-paid and secure jobs will be central to this. Good jobs can help improve people's quality of life when they are paired with policies outlined below to redistribute unpaid care work which currently disproportionately impacts women's lives and mental health. Gender and other inequalities manifest in wealth gaps which impact people's quality of life, but they also manifest in *time* gaps which mean that women have significantly less leisure time. Reconfiguring this balance should be key to a recovery and investment in paid care services is vital here.

What steps should be taken to protect and create jobs over the next two years? What trade-offs should be considered?

5. The recovery from coronavirus must include the goal of *transforming our society into a more caring one in which a larger proportion of the working population are employed in care*. To respond to the climate emergency and economic/employment crisis, we need to create an economy in which the work done within it benefits the population's well-being, while at the same time reducing the damage to the environment of current economic practices. This requires a shift in the structure of employment away from more polluting jobs towards jobs in care, for which investment in our social infrastructure, not just in physical infrastructure, is needed.
6. Simulation modelling by WBG members shows¹ the economic and environmental benefits of investing in care jobs recovery: investment of 2.8% of GDP in a combination of child and social care would create nearly 2 million jobs, 2.7 times as many jobs as an equivalent investment in construction. 6.3 times as many jobs for women and 1.1 times as many for men. This would

¹ WBG (2020) A Care-led Recovery from Coronavirus <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

increase the employment rate by 4.8% points and reduce the gender employment by 4% points. Investment in construction, unless mitigating measures to combat gender segregation in the industry were put in place, would increase the gender employment gap.

7. These investments are also future proof: Eurostat data tell us that each job created by investment in care is only one third as polluting (in terms of GHG emissions) as each job created by investment in the construction industry². As a result, the total emissions from investing in care are lower, at 85% of those of an equivalent investment in construction, even though *each pound invested in care produces nearly three times as many jobs*. Investment in social infrastructure is environmentally preferable as well as better at creating jobs and promoting equality.

What barriers to entering employment could be removed to support the labour market recovery?

8. For women especially, who are the majority of unpaid carers of children, older people and/or disabled people, shortages in care services act as a considerable barrier to paid work. Investment in social infrastructure including adult social and child care, health and education services is integral to allowing all women equal access to the paid employment market. As above this would also have positive employment benefits for women. For those women choosing to balance paid employment and care work, increased Carers' Allowance is vital as is improving the working conditions and rights of part time workers as well as normalising flexible working as day one right.
9. The gendered restrictions in the social security system also act as a barrier to paid work for some women: the tapering of Universal Credit at 63% of net income actually reduces the incentive for second earners to enter paid employment, or to work more hours, in comparison with tax credits. Most second earners in heterosexual households are women. In many couples the first earner will already have used up the work allowance in relation to their own wage.

What lessons can be learned from previous recessions and active labour market policy interventions in the UK? What lessons can be learned from schemes and interventions that have been implemented in other countries?

10. The response to the last recession, widespread public service cuts, must not be repeated and will not protect or create jobs. In 2020, the Government has acted quickly to protect jobs during lockdown but as the Coronavirus Job Retention Scheme (CJRS) and Self Employment Income Support Scheme (SEISS) come to end, there is a need to continue to intervene to create and protect jobs. There have been some important lessons learned and some policies that could be replicated beyond the pandemic to promote gender and other forms of equality in the labour market:
11. **Intervention is possible and desirable:** both the CJRS and SEISS and other initiatives aimed at slowing the spread of the virus, for example, the housing of homeless people, demonstrate that significant Government intervention in the economy is both possible and desirable. After nearly a decade of fiscal tightening which has disproportionately impacted women, especially Black, Asian and ethnic minority and disabled women³, the response to the pandemic

² Calculations by Jerome De Henau for WBG, using Eurostat data <https://ec.europa.eu/eurostat/data/database>

³ WBG (2018) Intersecting inequalities <https://wbg.org.uk/analysis/intersecting-inequalities/>

has proven austerity to be a political decision, not an economic necessity. Recognising this is crucial to changing the narrative about public spending, which will be necessary if we are to improve the lives of women and minority groups⁴.

12. To create and protect jobs post-pandemic, it will be vital to replicate higher levels of Government spending. Public spending is needed to invest in an economic recovery, green jobs and improve our public health infrastructure. But we also need to go further to extend this logic beyond the pandemic to other departments including social security, local government and social care where austerity continues to be the norm. An end to austerity requires refinancing what has been lost, not simply stopping cuts.

13. **The value of key work:** Coronavirus has arguably demonstrated that how we value work needs to change. Those who have kept society going have been dubbed 'key workers' and include bus drivers, supermarket workers and care workers. Women are twice as likely to be key workers as men⁵ whilst 39% of working mothers are key workers compared with just 27% of the working population as a whole⁶ while BAME and migrant women are overrepresented⁷. They are overwhelmingly low paid and insecure work including zero hours contracting is rife⁸. One benefit of this group of workers being singled out is that it makes their exploitation and precarity visible and challenges ideas about what (and whose) work matters. As part of a greener fairer caring economy we need to translate this revaluation into improved pay, rights and working conditions for key workers, especially health and care workers.

14. **Care is a public good:** If we have learnt one thing from the pandemic it should be that care – adult social care for the elderly and/or disabled, healthcare and childcare – are the backbone of our society. The Government has encouraged people to 'clap for carers' each week while simultaneously presiding over the catastrophe in residential and domiciliary care, where there have been more than 30,000 excess deaths⁹. Care workers are twice as likely to die from Covid-19 than non-key workers¹⁰. It's now clear that the precarity, devaluation and low pay of care workers as well as the historic privatisation, financialisation and deregulation of the care sector is at least partly to blame for these fatal consequences¹¹. A new settlement for social care which includes better pay, training and working conditions surely cannot be delayed any further. Polling suggests the pandemic has helped build political will for this

⁴ Women are more likely to rely on social security and public services because they are more likely to have unpaid caring responsibilities.

⁵ The Resolution Foundation (2020) Risky business
<https://www.resolutionfoundation.org/publications/risky-business/>

⁶ The Resolution Foundation (2020) Risky business
<https://www.resolutionfoundation.org/publications/risky-business/>

⁷ WBG (2020) Unequal impact: the gendered economic impact of Covid-19
<https://wbg.org.uk/analysis/consultation-responses/submission-coronavirus-and-the-gendered-economic-impact/>

⁸ The Resolution Foundation (2020) Risky business
<https://www.resolutionfoundation.org/publications/risky-business/>

⁹ William, L. and Buisson. (2020) 34,000 older care home residents in England will have died from Covid-19 and collateral damage by the end of June, it is projected. *Care markets*.
https://www.laingbuisson.com/wp-content/uploads/2020/06/Covid-story_v4.pdf

¹⁰ ONS (2020) Coronavirus (COVID-19) related deaths by occupation, England and Wales: deaths registered between 9 March and 25 May 2020
<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/causesofdeath/bulletins/coronaviruscovid19relateddeathsbyoccupationenglandandwales/deathsregisteredbetween9marchand25may2020#women-and-deaths-involving-covid-19-by-occupation>

¹¹ WBG (2020) Coronavirus and the past, present and future of social care
<https://wbg.org.uk/blog/coronavirus-and-the-past-present-and-future-of-social-care/>

much needed change: for example, polling by the Fawcett Society shows that 7 in 10 Conservative voters support a rise in income tax to fund social care¹².

15. **Infrastructure isn't just roads and rails:** The Government has demonstrated that economic intervention is possible and necessary to mitigate the worst economic effects of the pandemic. It is now starting to make the case for investment in infrastructure as key to creating jobs and a post-pandemic recovery. This is a positive divergence from policies of the past decade. However, spending priorities are misguided: the ambition to 'build build build' is a crucial acknowledgement that investment is central to economic recovery, but it neglects both the climate emergency and gender inequality. Of course, green energy, transport and housing will be required for a greener fairer economy, but investing only in construction of physical infrastructure risks sustaining gendered segregation in the labour market where just 12% of construction workers are women,¹³ unless specific measures are taken to ensure that the majority of such construction jobs go to women.
16. But above all, it is investment in social infrastructure where short term funding injections and long-term settlements are desperately needed. Many social care providers and childcare centres are now facing possible insolvency due to increased costs and decreased demand as a result of safety concerns. Even before the pandemic 1 in 7 older people had unmet care needs while only 57% of local authorities had enough childcare for parents working full time¹⁴. Post-pandemic investment policies must include substantial investment in care if they are to be beneficial for the whole of society and create an economic recovery that improves people's quality of life, not just GDP.
17. **We all need social security sometimes:** The economic fallout from Covid-19 is only just beginning; yet there are many reports of widespread job losses, increases in social security claims and an 89% increase in food bank usage (more for families with children)¹⁵. This last figure in part demonstrates that Universal Credit and other social security benefits are failing to protect people from poverty and destitution. This failure pre-dates Covid-19, since we know that both in-work and child poverty have increased since the system was introduced¹⁶. The Coronavirus crisis also presents a moment to reconfigure the British public's approach to social security since many people who may never have imagined themselves doing so are now relying on social protection of one form or another, whether it be the job retention scheme (CJRS), self-employment support payments (SEISS), Jobseeker's Allowance or Universal Credit. For too long the 'skiver' and 'scrounger' narratives have dominated the conversation to demonise those claiming benefits; but the Government must ensure that people remember that the social security system is a universal protection against risk that everyone might need to use to some point. This could spur on political will for the much-needed overhaul of the system outlined below.

¹² The Fawcett Society (2020) The vast majority of the public think care workers are underpaid <https://www.fawcettsociety.org.uk/news/vast-majority-of-the-public-think-care-workers-are-underpaid>

¹³ GMB (2020) Construction industry just 12.5% women and 5.4% BAME <https://www.gmb.org.uk/news/construction-industry-just-125-women-and-54-bame>

¹⁴ WBG (2020) A Care-led Recovery from Coronavirus <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

¹⁵ The Trussell Trust (2020) Press release: UK food banks report busiest month ever <https://www.trusselltrust.org/category/press-releases/#:~:text=The%20Trussell%20Trust%20reports%20a,the%20same%20period%20last%20year>

¹⁶ The Joseph Rowntree Foundation (2020) What has driven the rise of in-work poverty? <https://www.jrf.org.uk/report/what-has-driven-rise-work-poverty#:~:text=As%20a%20society%20we%20believe,workers%20now%20live%20in%20poverty.&xt=Over%20the%20last%20five%20years,low%20growth%20in%20their%20earnings.>

What steps should be taken to create a sustainable recovery over the medium and longer term?

18. Action to tackle the climate emergency and decarbonise must be central to recovery plans. These should aim to leave the UK in a better position socially and economically than it was before, especially in terms of wellbeing. The recovery should aim to rebuild key public services that have been hardest hit and ensure people have access to the services that they need in a way that ends poverty, promotes equality and fosters a more caring society. Progress should be measured by indices of well-being and various measures of gender and other types of inequality, not just of incomes, but of access to services and other opportunities.

19. **A Care-led Recovery:** as above, the stimulus package for recovery from Covid-19 must include a focus on care including healthcare, adult social care, care and independent living for disabled people and childcare. These sectors were underfunded before Covid-19, but the pandemic has exposed and exacerbated shortfalls in both the quality and quantity of care available. Since women are the majority of those in need of care, the majority of those working in the care sector, and the majority of those providing unpaid this is also a matter of gender equality.

- a. A new settlement for the social care sector cannot be delayed any further: underfunding, precarity, low pay and lack of regulation in the adult social care sector is partly to blame for the number of excess deaths from Coronavirus. WBG calls for sustainably funded National Care Service with a highly trained, well-paid workforce providing high quality care to all who need it.
- b. Universal free childcare is needed to prevent attainment gaps widening further for children. It would also help protect against the danger of a two-tier return to work whereby women are restricted from returning to work at the same time as men by childcare shortages. This should be accompanied by a new system of shared parental leave.
- c. Those working in care, health and education must be recognised for their enormous contribution to society that pre-dates Covid-19. Their pay and employment security must be a first priority.

20. **Redistributing unpaid care:** prior to the pandemic women were doing 60% more unpaid work than men, which limited their time for paid work. Employment strategies must include policies redistribute this unpaid labour. Investment in childcare and social care as set out above will be crucial for this. It also requires genuinely shared parental leave policies whereby well-paid, individual, non-transferable entitlements are available for each parent¹⁷, as well as policies outlined above like flexible working. Increases to paid Carers' Leave and Carers' Allowance are also key to allow people but especially women to care and work without suffering financial penalties.

21. **Redistributing wealth:** must be a central component of a greener, fairer economy, reducing gender and other inequalities (men, especially white men, have more wealth and financial assets than women due to the historic gender pay gap¹⁸). Taxation is central to this, as below. More detailed proposals for a fairer, gender-equal tax system can be found on WBG's website¹⁹.

¹⁷ WBG (2020) Parental leave and pay <https://wbg.org.uk/wp-content/uploads/2020/03/WBG-Parental-leave-and-pay.pdf>

¹⁸ WBG (2019) Taxation and gender <https://wbg.org.uk/commission/inputs-to-the-commission/policy-papers-social-security-and-taxation/>

¹⁹ Himmelweit, S. and Bennett, F. (2020) Taxation and social security <https://wbg.org.uk/wp->

How should the Government support training and skills development?

22. There are opportunities to reskill and divert people who have lost their jobs as a result of the Covid-19 pandemic as well as creating green and caring jobs by investing in social and physical infrastructure projects. The UK Women's Budget Group echoes the call from the Trade Union Congress that these new jobs are paid at an increased and accurate real living wage, are securely contracted and unionised²⁰. The Government should invest in innovative ways to transfer peoples' skills from high-carbon sectors like aviation into low-carbon sectors like care, hospitality and education.
23. For all sectors of new investment including care and green infrastructure/technology, there will be a need to recruit and reskill workers diverted from sectors that have been hardest hit such as aviation and hospitality or, those whose jobs are at risk through automation. This will require providing subsidies or other incentives (including paid education leave) to support access to training and development programmes and give more people, especially for women and people from low-income and BAME backgrounds, access to high-skilled work.
24. In the care sector, like most other areas of new investment, workers' skills also need investment. Although we are prepared to entrust our young and old to them, most of those working in child and adult care are classified as unskilled, given minimal training, often on zero-hours contracts, with little or no prospects for promotion. Care work is high-skilled work requiring substantial training throughout a workers' career. Training opportunities and qualifications ought to reflect this at every level and be designed to recruit younger people and men as well as women into the caring professions.
25. Investment in the greener fairer economy should be accompanied by action to reduce occupational segregation and enable women to take advantage of the new green jobs created. We must not see a replication of inequalities of pay, seniority and roles in the design of these new green jobs. This is particularly for construction jobs. Currently just 12% of construction workers are women and 5.4% are Black, Asian or ethnic minorities²¹. It's crucial that new green sectors train, employ and retain women and ethnic minority workers so that they can benefit from investment in green physical infrastructure. A good example of this occurred during the construction of the Olympic 2012 sites²².
26. At the same time, efforts must be made to encourage more men into jobs in the sectors where women currently predominate such as education, health and care, by increasing pay, and improving job security and career prospects, which would also help close the gender pay gap.
27. Education and training also have a role in ending such occupational segregation. This requires funding for programmes in schools, universities and vocational education to support women and girls, especially those from disadvantaged backgrounds, into STEM roles, including green ones, and men

[content/uploads/2020/03/tax-and-social-security-overview.pdf](https://wbg.org.uk/wp-content/uploads/2020/03/tax-and-social-security-overview.pdf); Palmer, R. (2020) Wealth, tax and gender <https://wbg.org.uk/wp-content/uploads/2020/03/tax-and-social-security-overview.pdf>

²⁰ TUC (2020) Why we need a new jobs guarantee <https://www.tuc.org.uk/research-analysis/reports/new-plan-jobs-why-we-need-new-jobs-guarantee>

²¹ GMB (2020) Construction industry just 12.5% women and 5.4% BAME

<https://www.gmb.org.uk/news/construction-industry-just-125-women-and-54-bame>

²² Construction.co.uk (2009) Women build Olympic win <https://www.construction.co.uk/construction-news/103861/women-build-olympic-win>

into more caring roles, through training and apprenticeships. This should be accompanied by financial support, including subsidised training and paid education leave, to support women, low-income and BAME people to access training and development programmes and give more people access to high-skilled work in the new green economy.

28. Prior to the pandemic women were doing 60% more unpaid work than men, which limited their time for paid work. Employment strategies must include policies redistribute this unpaid labour. Investment in childcare and social care as set out above will be crucial for this. It also requires genuinely shared parental leave policies whereby well-paid, individual, non-transferable entitlements are available for each parent²³, and is also available for other types of care.

What positive and negative trends in employment may have been accelerated as a result of COVID-19?

29. Parents and other with caring responsibilities have had their employment patterns altered in positive and negative ways. COVID-19 pandemic has arguably changed how parents daily work time allocation. Following the pandemic, parents paid work takes up an average of 3 hours partly driven by the loss of employment. Before pandemic (2014/15) comparable figures show that on a regular school day parents did 6.5 hours of paid work.²⁴

30. Research from WBG members at the University College London (UCL) suggests that trends in employment have affected mother and father differently. So far research has been contradictory but one study from UCL in April found that mothers may be more likely to lose their job, quit or be furloughed compared to fathers. For example, mothers who were in work in February were 9 percentage points less likely to be currently working or pay in April. Those mothers who are working are more likely to be interrupted (50% more often) than fathers during working time. This indicates not only concern about women's labour market enrolment, but those who are still in employment are also being interrupted to carry out non-work-related duties. It may be signal employers that mothers cannot handle the workload and are less productive. This may affect mothers future career progression.²⁵

31. Those parents who are not working have substituted previous work time for childcare and household responsibilities. On average, the same UCL study found that the need for childcare has increased, and parents allocate on average 40 additional hours of childcare a week. Although both parents take part in childcare activities, there is a significant gender difference in the proportion of time allocated. Mothers who stopped paid work while their partners continue to do twice as many childcare and housework as their partners. While in a reverse situation where the father stops working, the childcare and housework are shared equally. Specifically, for childcare, most of the hours are done by women; for example, women on average do 10 additional hours of childcare a week compared to men. The amount of childcare done by women is less sensitive to employment than it is for men whereby men undertake childcare if

²³ WBG (2020) Parental leave and pay <https://wbg.org.uk/wp-content/uploads/2020/03/WBG-Parental-leave-and-pay.pdf>

²⁴ Andrew, A., Cattan, S., Dias, M.C., Farquharson, C., Kraftman, L., Krutikova, S., Phimister, A. and Sevilla, A., 2020. How are mothers and fathers balancing work and family under lockdown?. *Institute for Fiscal Studies*. <https://www.ifs.org.uk/publications/14860>

²⁵ Andrew, A., Cattan, S., Dias, M.C., Farquharson, C., Kraftman, L., Krutikova, S., Phimister, A. and Sevilla, A., 2020. How are mothers and fathers balancing work and family under lockdown?. *Institute for Fiscal Studies*. <https://www.ifs.org.uk/publications/14860>

they have time outside of working hours. The research has also shown that on average, the gender childcare gap has fallen by around 10 per cent. The fall is mainly dependent on fathers employment status. There is a more significant change in the gender childcare gap if the father is out of work or furloughed.²⁶

32. **Predictions:**

- a. The impact of COVID-19 is most likely to result in the greater gender gap in pay and promotion. Mothers are more likely to lose their jobs or to have reduced working hours. Further, they are more likely to interrupted during work time compared to father that may affect productivity. These factors may lead employers to penalise mothers when making pay and promotion decisions in the future.
- b. The increase in childcare by father may have a prolonged effect on how couples' view towards childcare. It may lead to a fairer childcare responsibility among parents and help to reduce the childcare gap.

33. **POSTIVE: Flexible working:** lockdown has surely made the case for flexible, remote and home working - even as it has also exposed the gendered tensions with childcare shortages and the enduring inequalities of unpaid work. Women and equality organisations have long called for flexible working to be written into law as a 'day one right' and this was effectively introduced during the Coronavirus lockdown. As the Government encourages people back to offices, there is an opportunity for it and employers to acknowledge the benefits of flexible remote working, not only to reduce the environmental costs of commuting, but to ease people's lives especially of those with caring responsibilities and disabled people. Nonetheless, flexible working cannot be a substitute for universal affordable childcare and genuinely shared parental leave²⁷

34. Throughout the pandemic it has been reported by the IFS, ONS²⁸ and many private polls²⁹ that women have taken on considerably more of the unpaid childcare and home schooling than men. The childcare sector is in crisis with a quarter of nurseries or 150,000 childcare places suggesting they might close within the year³⁰ and the Government is now encouraging employers to force workers back to offices, without ensuring childcare is available. A key lesson of the pandemic must be that flexible working is possible, and can help those with unpaid care responsibilities, but needs to be backed up by affordable high-quality care provision.

35. **NEGATIVE: zero hours contracts:** latest ONS employment figures show record increase of 17.4% in people on zero-hour contracts compared to last year. This was driven by men, who make up 95% of new zero-hour contract workers.³¹ There are now over a million zero hour contracts in the UK and,

²⁶ Sevilla & Smith (forthcoming). "Baby steps: The gender division of childcare during the COVID19 pandemic." Oxford Review of Economic Policy, issue 36(S1)

<https://www.iza.org/publications/dp/13302/baby-steps-the-gender-division-of-childcare-during-the-covid-19-pandemic>

²⁷ For more information about both these policies, see WBG submission to a 2019 BEIS inquiry on shared parental leave WBG (2019) Parental leave and pay <https://wbg.org.uk/wp-content/uploads/2020/03/WBG-Parental-leave-and-pay.pdf>

²⁸ ONS (2020) Parenting in lockdown: Coronavirus and the effects on work-life balance <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/parentinginlockdowncoronavirusandtheeffectsonworklifebalance/2020-07-22>

²⁹ IFS (2020) How are mothers and fathers coping under lockdown? <https://www.ifs.org.uk/publications/14860> and University of Cambridge (2020) Women bear brunt of coronavirus economic shutdown in UK and US. <https://www.cam.ac.uk/research/news/women-bear-brunt-of-coronavirus-economic-shutdown-in-uk-and-us>

³⁰ The Guardian (2020) UK childcare industry crushed by Coronavirus crisis <https://www.theguardian.com/education/2020/apr/24/childcare-industry-crushed-by-coronavirus-crisis>

despite this increase for men, women still make up the majority of those on zero hour contracts (54%.) This is in part a reflection of the use of zero-hours contracts in the social care sector where 83% of staff are women and BAME and migrant women are overrepresented. Zero hour contracts have been connected with excess deaths from Covid-19 in care homes³² and, they create enormous precarity in terms of hours and income.

27 August 2020

³¹ <http://bit.ly/336L3SI>

³² WBG (2020) Coronavirus and the past, present and future of social care
<https://wbg.org.uk/blog/coronavirus-and-the-past-present-and-future-of-social-care/>