

**Women's Budget Group Response to
Women and Equality Unit Consultation:**

**Advancing Equality for Men and Women: Government proposals to
introduce a public sector duty to promote gender equality**

January 2006

About The Women's Budget Group

The Women's Budget Group (WBG) is an independent organisation bringing together individuals from academia, non-governmental organisations and trades unions to promote gender equality through appropriate economic policy. In all of our work we ask the question 'where are resources going, and what is their impact on gender equality?'.

The WBG is co-chaired by Adele Baumgardt, Kate Bellamy, and Alifia Chakera.

If you would like more information about the work of the WBG, or to join the group and contribute to our work, please contact the Project Officer, Erin Leigh, or visit our website.

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Introduction

The Women's Budget Group (WBG) welcomes the opportunity to respond to the government's proposals in the Women and Equality Unit's consultation document "Advancing Equality for Men and Women: Government proposals to introduce a public sector duty to promote gender equality". Our response considers key elements of the proposals for a public sector duty to promote gender equality. In particular, it proposes a specific duty to incorporate gender budgeting, and considers the proposals from this perspective.

Gender budgeting and the public sector duty to promote gender equality

The WBG supports Government's proactive approach to advancing gender equality by introducing this public sector duty. Achieving gender equality will rely on an approach that incorporates gender analysis from the policy design stage, through to its implementation, as well as evaluating and monitoring this process against its aims. The WBG believes that in order to achieve this, a gender analysis should be incorporated into tracking public bodies' resource sources, and allocation, otherwise known as gender budgeting.

Evidence from the UK, and internationally, attests to the positive role that a gender analysis of resource raising and distribution can have on gender equality in conjunction with other gender mainstreaming and equality actions. Resources are the critical link between policy design and implementation – without sufficient resources a policy cannot be implemented. Moreover, a gender-sensitive policy that does not also consider how its resources will impact on women and men, may end up continuing to perpetuate inequalities rather than challenge them. So too will the duty if it does not ensure a similar analysis is conducted within public bodies.

The WBG recommends that a specific duty be in place to incorporate gender budgeting as an implementation and monitoring mechanism for the duty.

Overarching strategy

The WBG is concerned that the consultation document, and development of the specific duties is not able to draw on an overarching gender equality strategy. A vision of gender equality that sets out bold and complementary outcomes is required within government. This vision should be the basis for creating a strategy to achieve these outcomes, and can enable cross-departmental and joined up thinking across policies and programmes to achieve it. For example, the duty and HM Treasury's Comprehensive Spending Review, including a Public Service Agreement to promote gender equality, will begin in 2007. Rather than creating isolated and inconsistent policies and programmes, these mechanisms should complement and reinforce one another. Enabling high-level targets and strategies to be integrated would reduce the burden of targets on all levels of government and make achieving the duty and the PSAs a more straight-forward process.

Recognition and analysis of the unpaid economy The Women's Budget Group believes that an underlying element of any gender equality strategy must be the recognition of the unpaid care economy in addition to the paid economy. The unpaid care economy is based on an outdated stereotype that women should be mainly responsible for the care of children, the frail elderly, and people with disabilities, and that men's main role is to provide financially for their families. These outdated stereotypes underpin the unpaid economy, and shift many caring costs from the paid economy, whether the public or private sector, onto unpaid carers.

Evidence of this can be drawn from the recent Work-Life Balance Base-Line Survey, which asked about regular care and care which had lasted at least 3 months¹. Evandrou and Glaser (2003) calculated that a fifth of women aged 45-59 who ever had caring responsibilities had stopped work altogether on starting caring and another fifth worked fewer hours, earned less money and could only work restricted hours. In shifting caring responsibilities into the unpaid economy – where women predominate, the paid economy 'saves' money, while the unpaid economy both provides a free service *and* loses paid wages, negatively impacting on women's earnings, career opportunities, and pension entitlements.

Gender disaggregated data

Collecting gender disaggregated data for monitoring take up is critical for evaluating current proposals' impact on gender equality, and for developing gender analysis for future policy proposals and changes.

To support the most meaningful and equality minded policy development, in line with the upcoming Commission for Equality and Human Rights, the collection of gender disaggregated data should include not only information disaggregated by sex, but also by race, sexual orientation, etc.

Moreover, as mentioned in the DTI consultation document, we would urge public bodies to be creative and thoughtful in the type of data they collect, and to include qualitative data, measuring women's and men's views on whether policy is meeting their needs. This is especially important in light of the UK's progress towards measuring quality of national output, not just quantity. Women's and men's experience and measurement of public services' quality may vary greatly, and must be monitored and accounted for².

¹ Evandrou, M., and Glaser, K. (2003) "Combining Work and Family Life: the Pension penalty of Caring" *Ageing and Society* 23,pp 582-601

² For more information please see the WBG's response to the Atkinson Review: <http://www.wbg.org.uk/documents/WBGresponsetoAtkinsonReviewInterimReport.doc>

Design of data In addition to ensuring the collection of gender disaggregated data, we believe that a specific duty on collecting gender disaggregated data must also give due consideration to gender bias in the design and collection of data. For example, we were very pleased to see the 1994-95 to 2002-03 edition of the Department for Work and Pensions Households Below Average Income (HBAI) Report, following a methodological review of the HBAI statistics, acknowledge that just as figures are produced before and after housing costs, they could also be provided before and after caring costs³. Rigorous analysis of the design and collection of data is necessary for it to be sufficient for achieving equality.

We recommend that a specific duty be in place to ensure the collection of gender disaggregated data, and that the design of data be gender-sensitive.

Gender equality scheme

The WBG welcomes the DTI's proposal for a specific duty for public bodies to have a gender equality scheme. We believe that this specific duty needs to be enhanced, to turn plans and ideas into positive change. A public body's scheme, and compliance with the duty will only be as good as its outcomes. In order to ensure the achievement of positive outcomes the following should be included in the specific duty:

- **Action plan.** All gender equality schemes must be accompanied by an action plan with clear objectives and timelines in place. Experience shows that a scheme without an action plan to implement it will not be successful. Gender budgeting should be included as part of the action plan.
- **Linking in with other government goals.** Schemes and action plans should link in with other government goals and targets to rationalise the work of public bodies, and reduce inconsistencies and systems required to achieve them. For example, outcomes of schemes should link in with HM Treasury's Public Service Agreement (PSA) to promote gender equality. Moreover, reporting every three years, would therefore coincide with reporting on progress on spending reviews. Annual reports are another reporting mechanism that could include more regular review of progress against the action plan.
- **Resources.** Sufficient human and financial resources should be identified and made available to implement the scheme and its concomitant action plan.
- **Consultation.** Consultation with women and men beneficiaries of public bodies, as well as with women's organisations in civil society should be institutionalised throughout the process of drawing up, implementing, and

³ Despite this analysis, these costs have not been accounted for. Action on gender-sensitive analysis of data design and collection is critical. For a more in-depth discussion of this proposal please see WBG (2005) 'WBG Response to 16th Households Below Average Income Report': http://www.wbg.org.uk/documents/WBGResponsetoHBAIReport16_2005_final.pdf

monitoring the gender equality schemes and action plans. Resources for both the process but also the time required for their participation must be made available.

The WBG urges the DTI to revise its specific duty on gender equality schemes to include an action plan that links in with other government goals, with sufficient resources earmarked to achieve it, and to include consultation with the public and the women's sector at all stages of its design, implementation and monitoring.

Gender Impact Assessments

The WBG is pleased to see the consultation document include budgets as an area where a gender impact assessment (GIA) may be applied. As stated above, we believe that a GIA of a budget – that is gender budgeting – should be a part of all GIAs. Moreover, as with the gender equality schemes, we would argue that a GIA should not simply identify the impacts, but must include an explicit commitment to reforming policy design and implementation that plans action to redress identified inequalities.

Initial screening GIA. The WBG supports the idea of conducting an initial screening of proposals to determine whether a more in depth GIA should be conducted. However, we are concerned that the description of what this may entail undermines the spirit of the duty: '[t]his can be a straightforward exercise using data readily available' (para 3.54, p.21). Unfortunately, gender disaggregated data is often unavailable, and this will continue to be the case following the duty's implementation while it is still being collected. It is for this reason that we have proposed a specific duty to collect gender disaggregated data. However, we are particularly concerned that an apparently gender-neutral policy or programme may have negative consequences for gender equality, but no data collected to gauge this. For this reason, as recommended in our proposal on the specific duty for a gender equality scheme, it is critical for public bodies to have a dialogue with women's organisations, academics, and trade unions, who have particular expertise on the gendered effects of policy on women and men as part of an initial screening process. They may be able to provide much needed advice on whether a proposed policy should have a more in-depth GIA, especially in the absence of publicly collected gender-disaggregated data.

Reforming existing programmes and policies. The WBG also recommends that the specific duty on GIAs be amended to ensure that GIAs can also be conducted retrospectively, in addition to covering new legislation and policy. If the duty is not able to assess previously existing policies and programs, it will stand little chance of being able to successfully advance gender equality in the UK. Many of the issues inhibiting gender equality are well-entrenched in current policy. For example, current pension provision, based on an outdated male-

breadwinner model has resulted in one in five single women pensioners living in poverty⁴.

Regulatory Impact Assessments. As described by the DTI, proposed legislation will always be subject to a GIA. Moreover, the consultation document also suggests that GIAs may be conducted in conjunction with other assessments. The WBG would like to emphasise that all Regulatory Impact Assessments, which provide a cost-benefit analysis of legislative proposals, be conducted within the framework of a broader GIA⁵.

The WBG recommends that gender budgeting be incorporated into the gender impact assessment (GIA) process.

Gender Training

In order to effectively implement the duty, so that it goes beyond words, and makes a meaningful difference on the ground, gender-awareness, gender impact assessment, and gender budgeting training are necessary. It is evident from the prevailing gender inequalities despite actions to challenge them that this is necessary. We are pleased to see that the consultation document identifies training as a necessary component of developing gender-sensitive procurement processes, and believe that this should be extended to an explicit specific duty across the board, with concomitant resources and time incorporated.

We believe that part of this training duty should be required in professional training organisations that train many of the public servants in all levels of government. In particular, from a gender budgeting perspective we would urge that organisations such as the Chartered Institute of Public Finance and Accountancy (CIPFA) be required to incorporate gender budgeting in their training modules.

The WBG urges for a specific duty to be included for resources (monetary, human, and time) to be provided for gender training to enable public servants to implement the duty effectively. Moreover, this should be extended to professional training bodies whose students are predominantly headed towards public service.

Procurement: guidelines for public bodies

The WBG welcomes the duty's inclusion of public procurement under the duty. Rather than only being required to demonstrate good practice on gender equality in the area they have been contracted for, however, we believe that private contractors should be required to demonstrate how they comply with the Equal Pay Act and the Sex Discrimination Act in their entire organisation as a whole.

⁴ Department for Work and Pensions (2005) *Households Below Average Income 1994/5 – 2003/4*

⁵ The WBG conducted a brief analysis of how the RIA for the recent maternity and paternity leave proposals could have been more gender-sensitive. It is available at:
<http://www.wbg.org.uk/documents/WBGresponsetoDTIWorkandFamilies.pdf>

Equal Pay Reviews would provide one obvious way to demonstrate such compliance.

The West Midlands Forum Race Equality Standard has been used for assessing service providers to local authorities since 1998, helping providers to comply with their legal obligations for non-discrimination, and helping Councils to take steps within their legal powers to ensure that service providers practice equal opportunity in employment⁶. This good model needs now to be extended to gender equality. We are aware that the climate for taking such considerations into account in the procurement process is favourable, however, there is still much confusion about the legalities pertaining to this. We recommend that the Government act swiftly and proactively to provide clear information to local authorities and other public sector bodies on this issue.

- ***We recommend that the Government apply the lessons learnt from the West Midlands Forum Race Equality Standard to the issue of gender equality in public procurement, giving clear guidance to local and central Government organisations on the legality of, and rules for, considering gender equality in the procurement process. sex equality.***
- ***We urge the Government to encourage public sector bodies to use such guidelines and to require their private or voluntary sector contractors to meet fair employment standards as part of the new public sector duty's approach to procurement.***

One of the problems encountered by local authorities trying to implement the West Midlands Race Equality Standard is the difficulty in verifying progress amongst private sector contractors. The government has recently abandoned the Operating and Financial Review which would have encouraged more companies to report on employee issues. We believe that the duty must therefore make recommendations for improved private sector reporting on gender equality in the workplace in order to enable public authorities to track progress amongst their suppliers. This is a central element of applying the duty to the procurement process. As noted in paragraph 3.30 of the consultation document:

Bodies will need to understand how they are performing, and be able to track the effects of improvement activity they undertake. Publishing the results of such monitoring is crucial if people inside and outside the organisation are to have confidence that the authority is committed to delivering equality, and making progress to tackle deficiencies (p.17).

The same principle applies to suppliers of public authorities.

⁶ Equality in Services Provision Group, *Evidence to the Women and Work Commission, Equality in procurement*, 11th February 2005, para 5.

Equal Pay

The WBG supports other gender equality organizations, including the Equal Opportunities Commission's stance on the specific duty on equal pay. We are dismayed that as it is currently worded the duty does not require action if pay discrimination is identified in a public body. It is essential for action to challenge discrimination be legally required. Moreover, action must account for the three causes of the pay gap – namely, the negative impact of caring responsibilities on women, discrimination, and occupational segregation.

The WBG recommends that the specific duty on equal pay include a legal requirement for public bodies to take action to address pay inequalities.

Annex 1

A vision of implementation

We would like to outline how we vision the gender duty, which would include the proposals above, impacting on HM Treasury, and central government's spending and budget making process.

HM Treasury. The duty will apply to central government, including HM Treasury (HMT). An upcoming piece of major policy development is the **Comprehensive Spending Review (2007)**. Given its importance in setting the outcome-focused agenda for public spending, it would have to undergo a gender impact assessment – and in fact be a gender budget analysis. As suggested in the consultation document, the GIA of the CSR could be conducted in conjunction with other assessments already being conducted.

In the case of the CSR, GIAs could form part of HMT's '**zero-base reviews**' which are meant to establish the 'efficiency' of previous spending, to help determine what is required in the next spending round. Incorporating a GIA in the zero-base review would then include reflection on what 'efficiency' means, taking into account the relationship between the paid and unpaid economies, and short and long-term benefits on gender equality. An illustrative example follows.

As Ray Jones (2006)⁷, Director of Adult and Community Services at Wiltshire County Council recently commented, the NHS drive for efficiency and savings is too narrow. In narrowing the responsibility of the NHS to provide 'continuing healthcare' to those who need 'considerable assistance', and shifting responsibility onto local level social care providers, overall savings and efficiency may not be achieved, but decreased (ibid). Under-resourced local level providers have to restrict the care they provide, leaving unpaid carers to pick up the difference. This will have negative impacts on those being cared for, and paid and unpaid carers alike, who are burdened with undervalued and underpaid provision.

With respect to unpaid carers in particular, as Evandrou and Glaser (2003)⁸ have found, for example, older women carers have sacrificed paid work, pensions, and time, to provide unpaid care which saves the public sector significant amounts of time, money, and worry. However, the overall impact of this shift of cost onto the unpaid economy has longer term inefficiency impacts on the paid economy, where women continue to be economically disadvantaged, and unable to meet their full potential, damaging overall labour market success, and productivity. In order to avert a narrow understanding of NHS efficiency, and ensure that both

⁷ Jones, Ray (2006) 'Cause and effect: NHS cuts undermine social care for our most vulnerable people' *Guardian*, Wednesday January 4, 2006.

⁸ Evandrou, M., and Glaser, K. (2003) "Combining Work and Family Life: the Pension penalty of Caring" *Ageing and Society* 23,pp 582-601

gender equality, and overall productivity are enhanced, the CSR 2007's zero-base review should include a gender impact assessment.

Once the CSR has been finalised, goals set, and funding distributed to departments, with gender equality central within this, it will be essential for public inspectorate and regulatory bodies in their role of evaluating whether or not value for money has been achieved, to do this in light of the duty as well. We are pleased to see that the consultation document includes relevant bodies such as the **Audit Commission**, and while not explicitly listed, the **National Audit Office and Office for Government Commerce** would also be subject to the duty, and be required to evaluate spending, and 'value for money' against gender equality principles as well. Moreover, we believe that it should be made clear that firms such as Price Waterhouse Coopers and Chartered Institute of Public Finance and Accountancy (CIPFA) in their roles as auditors of public accounts will be subject to the duty under procurement rules. These are critical bodies to ensuring the success of the public sector duty, as they are the main vehicles for measuring government accountability. Evidence clearly shows that unless there are mechanisms for ensuring accountability to achieve gender equality progress is slow if not retrogressive.