

PRESS RELEASE

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Osborne's tax giveaways must help repair the Coalition's reputation with women.

George Osborne needs to think carefully about his tax giveaways now that he finds himself under pressure from car drivers, businesses and MPs to halt the proposed rise in fuel duty.

The Chancellor's decision in the March 2011 Budget to scrap the fuel escalator and reduce fuel duty was a massive tax giveaway worth over £1,900 million in 2011/12 fiscal year.

But analysis conducted for the Women's Budget Group (WBG)¹ found that the Chancellor's populist tax giveaway particularly benefited childless couples and single male households the most.² Single female pensioners and lone mothers benefited the least.

If the Coalition is serious about repairing its reputation with women and families it would do better to reduce VAT again. The rise in VAT from 17.5% to 20% raised £12,100 million in 2011/12 fiscal year.

The WBG's analysis found that this revenue was coming disproportionately from women's pockets, with lone mothers experiencing the largest increases in tax as a proportion of their income. This is despite the fact that items such as food and children's clothes are zero-rated.

The WBG strongly urges the Chancellor to reduce the rate of VAT rather than reverse his decision to increase the price of petrol. This will benefit everyone, and the poorest and most vulnerable the most.

The Women's Budget Group is a network of over 200 academics and activists. For more information, please contact Amy Watson (admin@wbg.org.uk), WBG Coordinator. Dr Claire Annesley can be contacted for further comment on this release: 07894047264.

¹ <http://www.wbg.org.uk/>; admin@wbg.org.uk

² Jerome De Henau and Cristina Santos (2011) 'Gender analysis of the changes in indirect taxes introduced by the coalition government, 2010-2011', Women's Budget Group