



**Women's Budget Group Response to  
Department for Trade and Industry's Consultation:  
Work and Families: Choice and Flexibility**

**May 2005**

**About The Women's Budget Group**

The Women's Budget Group (WBG) is an independent organisation bringing together academics and people from non-governmental organisations and trades unions to promote gender equality through appropriate economic policy.

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## Introduction

The Women's Budget Group (WBG) welcomes the opportunity to respond to the government's proposals in the DTI's consultation document "Work and Families: Choice and Flexibility". Our response considers key elements that impact on gender equality contained in the proposals for changes to maternity leave and the extension of the right to request flexible work for carers and parents of older children and carers. It also considers how the impact of policy in this area should be monitored including some comments on the Regulatory Impact Assessment, highlighting factors that should enable a gender perspective to be better integrated into policy development.

These proposals have wide-ranging implications and can be assessed on a number of criteria. The Regulatory Impact Assessment notes the intended effects are to:

- give children the best start in life and parents more choice about how to balance their work and family responsibilities;
- enable parents to take longer leave during the first year after the birth of their child;
- give parents more choice about how best to arrange parental care for a new baby;
- enable fathers to take a part in caring for their child during the first year after the birth of their child;
- ease some of the costs for business of the existing arrangements;
- to provide carers of relatives with greater choices about how they meet work and caring responsibilities through flexible working in ways that meet the needs of business; and
- to provide parents of older children with the same choices in balancing work and childcare responsibilities through flexible working as are available to parents of young and disabled children, and to ensure the needs of business are met.

At the presentation made by the DTI to the Working Parents Group meeting on 9 May 2005, the government claimed that the proposals also aim to promote equal opportunities. As this is a prime focus of the WBG's work, we are pleased that this is an important consideration for the government. We agree that changing maternity regulations and extending the right to request flexible working could have an important effect on equal opportunities both in employment and at home for employees and carers of all ages. It is on these that we comment below.

Improving "Choice and Flexibility" for employees with parental and/or caring responsibilities can help equal opportunities in a number of ways:

1. By **increasing the involvement of men in caring for children and others needing care**, thus producing a less unequal gender division of caring responsibilities.
2. By **decreasing the disadvantages people experience in the labour market through fulfilling caring responsibilities**. Since there is currently an unequal division of caring responsibilities, measures that decrease consequent labour market disadvantage will help to diminish

gender inequalities in employment. These disadvantages currently include widening differences between the hours, pay, employment conditions and pension entitlements of men and women as they get older. They are largely due to employment conditions incompatible with fulfilling caring responsibilities resulting in mothers and carers either leaving employment or becoming trapped in low skilled part-time paid work as a result. This incompatibility may be a continuing one that flexible working could reduce, or it may arise from a specific event requiring adequate leave from employment, for example, the birth of a child.

3. By **challenging the picture of women as less reliable employees than men**, arising from a belief that caring responsibilities result in women taking more and less predictable time off employment than men.

The proposals in “Work and Families: Choice and Flexibility”, can make a contribution to improving opportunities in all three of these ways. However it is important that they are implemented appropriately, otherwise the effect could be to reinforce gender inequalities. It is also important that the policies are thoroughly monitored and evaluated from the outset.

## **A) Maternity Leave Proposals**

### ***1a) Extending paid “maternity” leave and making it transferable***

Extending the paid time that women can take off at the time of the birth of child will be welcomed by those women who feel that they need longer than six months at home with their child but cannot afford to take unpaid time off. It may also help retain in employment some of those women because:

- receiving paid maternity leave keeps open a stronger link with an employer than unpaid leave, as does receiving maternity leave payments from employers as opposed to the proposal for the Inland Revenue to do so;
- some mothers who have returned to employment unwillingly at the end of six months and find it unsatisfactory subsequently leave employment altogether for a period.

It is important that the extra time is not seen as “maternity leave” because to do so does not promote gender equality. There is no reason why it should be a mother rather than a father who looks after a child aged six months or older. Even if currently in practice more women will take leave to look after a child at this time, the government should be challenging rather than encouraging this gender stereotyping. Calling leave to care for a small child in this period “maternity leave” firmly suggests that it is a mother’s responsibility in the first instance. To increase “maternity leave” in this way will set back the cause of equal opportunities, by encouraging gender stereotypes and reinforcing gender inequalities both in the home and in employment. We believe this outcome is contrary to the government’s aims with this proposal.

We recognise that the proposal to make maternity leave transferable to the father is designed to help overcome this problem. This is insufficient. The

government's own figures predict that take-up by fathers for such transferable leave will be very low. While in the short-run this would probably be the case even if the leave had some less gendered name such as "baby care leave" there is more scope for change to occur especially if fathers are encouraged to take such leave (possible ways of doing this will be discussed below).

By European and rest of the industrialised world standards, UK maternity leave is already long (Moss and Deven, 2005). However, most other countries have longer periods of parental leave. There is no reason why British women should be discriminated against by employers for having in theory long periods of maternity leave while in practice they take no more time off than their European counterparts. All countries that have instituted parental leave allowing parents to choose who takes it, have found that it is more commonly mothers who take it. However, where it is seen as parental (or some other non-gender specific name), there is more scope for the government to take a lead in promoting a more egalitarian culture with respect to parental responsibilities.

**The WBG therefore proposes that instead of extending paid maternity leave, a different type of paid leave be instituted, that recognises with an ungendered name that its primary purpose is to care for a baby in the first year of its life.** Possible names include: "paid parental leave", "leave to care for a baby" or "baby care" leave.

### ***1b) Promoting fathers' take-up of leave***

Characteristics of leave that have been found to make men more likely to take it include:

- i. that some of it can be taken only by the father (similarly some only by the mother);
- ii. that it can be taken flexibly;
- iii. that it is close to replacing his earnings;
- iv. that there is an expectation that fathers will take it.

#### *i. Individual leave for fathers*

The first of these characteristics encouraging men to take leave to look after children by some of it being available only to the father could be achieved by making such leave an individual parent's right. We understand that the government does not wish any leave to look after a baby to be taken by mothers and fathers simultaneously. We can understand the reasoning behind this, in that it may be time alone with the child that enables fathers to be fully involved in the care of a child. However, children need some continuity in care. Ruling out *any* simultaneous leave may in practice discourage fathers from taking such leave. So we would suggest allowing a period of overlap in such leave but restricting most to one parent at a time.

Making such leave an individual right would be more expensive than that proposed by the government since more men would be able to take it. All men fulfilling the qualifying conditions would be able to take it, not only those whose partners qualify for the extra leave but do not take their full leave. While in the long-run it would be hoped take-up by men would increase, it has

to be recognised that in the short-run a low take-up by men would mean that the increased cost would be small. However, an individual rather than a transferred right to such leave would make it much more effective in promoting men's involvement in caring and gender equality in the long-run.

**We would propose that the new type of leave be available to both parents with a restriction on how much can be taken by both parents simultaneously.**

A less desirable, short-term solution would be to institute such leave in the form proposed for the extension of paid maternity leave, though with different ungendered name. If this is the case a high priority should be given to extending it in the near future to enable all men to take it and that attention be given to framing the current legislation to ensure that such an extension is possible in the future.

**If the extended form of leave is introduced in the restricted form proposed in the consultation document, a high priority should be given to extending it in the near future to enable all men to take it. Attention should be given in framing the current legislation to ensure that this does not become a difficult extension for the future.**

**In whichever form the leave is brought in, it is most important that its name be changed to a non-gendered one reflecting that its purpose is the care of the child in the first year of its life.**

#### *ii. Flexible leave*

Fathers are more likely to take leave to look after children when leave can be taken flexibly. The consultation document lays down fairly strict conditions for the taking and transfer of maternity leave. We recognise that one aim of this is to reduce uncertainty for employers but we recommend that restrictions such as that leave be taken full-time and continuously should not be necessary conditions for the receipt of statutory "maternity" pay. Rather those restrictions should apply to the fall-back position of rights that employees can demand of their employers. The government should facilitate and pay for leave taken more flexibly where this is agreed by both employer and employee, such as for example spreading the three months paid leave over six months half time.

Similarly where leave is shared between mother and father, we recommend that the requirement that one starts immediately when the other ends should not be imposed as a condition of payment. There may be cases where fathers can more easily take time off at other periods in the baby's first year and interim child care arrangements can be arranged. Where employer and parent can reach such an agreement, the government should not stand in their way, especially since one of its aims is to promote more choice and flexibility for parents.

If a mother does not take her full six months maternity leave, we would favour the time not taken being added to the time available for leave to look

after the baby. This is important since the low rate of maternity pay means that some women do not even take the full six months paid maternity leave to which they are currently entitled. We see no reason why fathers should not be able to take the leave in that case and enable the child to be looked after at home for those first six months, though for the reasons given above we would recommend that, even in this case, this leave be transferred into baby care leave rather than being called transferred “maternity leave”. In cases where there is no acknowledged father, mothers should be able to transfer that leave to another adult in order that the child can be cared for at home for at least six months.

**The WBG recommends that it should be possible for paid leave to look after a baby to be taken flexibly in the first year of the child’s life where such arrangements can be agreed between employers and parents**

*iii. Earnings related rate of pay*

The third factor encouraging men to take leave to look after a child is to pay it well. The rate of pay proposed will make leave unaffordable for the father in most couples where the man is the higher earner. Not all fathers take even the two weeks paternity leave to which they are entitled, instead they sacrifice annual leave, which is better paid.

Indeed, the current rate of maternity pay means a significant drop in pay for most women too, so that child bearing constitutes a severe strain on women’s income. Again some women do not take their full entitlement to paid maternity leave even at the current 26 weeks for that reason. An important step then in promoting equal opportunities would be to improve the rate of pay for all forms of leave in the first year of a child’s life. We would prefer that all leave becomes earnings related (to a ceiling above which employers should be encouraged to make up the difference). Employees and employers have after all made earnings related contributions to National Insurance, which is intended to provide for such interruptions in employment. An increase in the Upper Earnings Limit (UEL) for employees’ national insurance contributions would meet the concern that it would be unfair to pay a higher rate to better paid mothers. (Twenty-five years ago the UEL equalled one and a half male average earnings. With the fall in the basic state pension to which this level is linked, the UEL is now set at less than average male earnings.)

But if the government is determined that payment should be at a flat rate only, it should be at a level no lower than that paid to a full-time employee on minimum wage. The first year of a child’s life is not one in which a family’s income should fall. Although tax credits cushion the blow for some families, many more see an appreciable drop in income during that year. This is not a sensible strategy for a government concerned to encourage more people to have children and to make doing so compatible with employment.

*iv. Fathers should be expected to take leave*

The fourth factor that encourages fathers to take leave is the expectation that they will take it. A culture which promotes equal sharing of caring responsibilities between women and men is necessary to instil this

expectation. Government can contribute towards this expectation in some of the following ways:

- Implementing a public campaign for encouraging uptake by fathers.
- Encouraging male politicians and others in the public eye with newborns to take their full available leave.
- Promoting the expectation of fathers' take-up of leave in public sector employment.

## **2) Arrangements concerning return to employment after the birth of the child**

More dialogue between employers and expectant mothers and fathers about arrangements after the birth of the child is welcome and needed. We therefore support:

- i. *Statement of maternity and paternity rights.* The EOC's proposal that at their first ante-natal appointment pregnant women be given a written statement of their maternity rights to be passed on to their employer. A copy of a father's rights should be given via the mother to the father so that he knows how and when to exercise them.
- ii. *Encouraging employers to keep in touch with employees on maternity and other child-related leaves.* Employees should be encouraged to keep employers informed of their plans to return and whether they are likely to ask for any change in employment conditions (under the right to request flexible working conditions). We believe that such encouragement to keep in touch is likely to make it easier both for employers to plan and for employees to return to employment than changing notice periods and/or requiring binding commitments in situations which are inherently unpredictable. For example, it is both unrealistic and unfair to require a mother on maternity leave to give a longer notice to quit than any other employee.
- iii. *Making childcare more securely and thus predictably available through the country.* Childcare provision goes beyond the scope of this report, but the difficulty of finding and retaining childcare places is one of the most important factors leading to unpredictability in arrangements about returning to employment.
- iv. *Long working hours.* The long working hours worked by men and by full-time women workers is one of the main stumbling blocks to promoting great equality between fathers and mothers both in caring responsibilities and in labour market opportunities. Many women are restricted to low paid part-time paid work because of the long hours that their partners work in employment, which restricts both the father's ability to take part in caring for their child and the mother's available time for employment and consequent ability to take up labour market opportunities. The UK's full time hours, for both men and women, are the longest in Europe. This is, at least in part because the UK allows individuals to opt-out from the European Working Time Directive (WBG, 2004). However, decisions about the care of children are not individual ones. Giving individuals who share caring responsibilities the choice about their working hours restricts the choices of their partners. Leaving aside the issue of whether all individuals who opt to work longer hours are really choosing to do so, it is important to recognise

that in practice, this is a right exercised by men at the expense of women's labour market opportunities. In order to promote more gender equality in both caring responsibilities and the labour market, and to give children better opportunities to be cared for by both parents, the UK government should not attempt to retain its opt-out to the Working Time Directive.

### **3) Longer -term proposals**

At the presentation made by the DTI to the Working Parents Group, we were told that this set of proposals is a first step in the improvement of maternity and parental leave provisions in this country.

**As well as those proposals we recommend above, our recommendations for the next steps the government should take are as follows:**

- **Extend paternity leave to six weeks paid on the same basis as the first six weeks of maternity leave i.e. at 90% of earnings. Such leave to be able to be taken flexibly.**
- **Make any leave that follows maternity leave (whatever it is called) open to all men and women (if this has not already happened).**
- **Pay all forms of leave in the first year of a child's life at a higher rate, preferably earnings related and at least at a level no lower than that of a full-time employee on the minimum wage.**
- **Give some thought to providing a form of maternity benefit to mothers who are unemployed at the time of the birth of their child, so that they do not have to return to work earlier than if they had previously been in employment.**

### **B) Flexible Working Proposals**

It is the firm belief of the Women's Budget Group that all employees should have the right to work flexibly. Such a right would in the long-term benefit businesses, employees, and government. If the right to (request) flexible working were eventually extended to all, then businesses would develop the capacity to respond to requests to work flexibly and benefit from the better workplace culture that would result. This would in practice be more workable than the current need to make a special provision for only some employees. Further, if the right to request flexible working were extended to all, parents and carers would be in the same labour market position as other employees. This would remove any potential workplace resentment from other employees about "special privileges", and ensure that parents and carers did not have to pay for those privileges in inferior pay or working conditions in other respects.

We applaud the government's wish to extend the right to request flexible work as a first step in this direction. We understand that in the short-term the right to flexible work will not be introduced for all employees, and support the proposals in this consultation to extend this right to request to carers and parents of older children. Our response below focuses on the right to request flexible working for carers who we think constitute the most urgent case.



### ***1a) Flexible employment for carers***

The WBG welcomes the proposal to extend the right to request flexible working to those who are providing unpaid care to adults. The DHSS (1999) estimated that 2.7million carers were combining employment with care for another adult and the Census (2001) found that 1.6 million full-time employees were providing unpaid care to another adult. The problems of combining unpaid care with employment particularly affect older employees. The probability of being a carer increases from 8% when aged 16-29 years to 20% aged 50-59 years. Women in their fifties are more likely to be carers (25%) than men (18%). It is government policy to further increase older women's economic activity rates as well as to continue to reverse the decline in older men's rates which started 30 years ago. Raising women's pension age to 65 years will also keep carers in the labour market for longer. Since most carers are women, policies that enable carers to stay in employment while providing care should positively encourage and facilitate women's attachment to the labour market. Such policies should also enable men to combine paid employment with unpaid care, and thus help redress the imbalance between women's and men's contribution to caring. Both of these ends can be facilitated by enabling carers to work flexibly, contributing thereby towards promoting greater gender equity both at home and in the workplace.

Further enabling care to be combined with employment may prevent some who need care having to be admitted to a home or hospital, and may reduce the need for domiciliary services. There are therefore also considerable potential cost savings to the government in making such care possible through promoting flexible working.

### ***1b) Defining care and carer***

The General Household Survey found that 28% of the 6.8 million carers in Britain provided at least 20 hours a week and the Census (2001) found that in England and Wales 1 million were providing at least 50 hours. While they should be supported in employment, it should not be assumed that those providing fewer hours are not also providing crucial support and might need some sort of flexible working arrangements to be able to do so. Small amounts of care may seem trivial to those who have never had caring responsibilities but may make all the difference to the lives of those concerned. For example, for a carer being able to get to the person for whom they are caring in time to give them medication or a meal at the required time, or be there when an elderly person returns from the day centre can be very important.

Enabling such aspects of flexibility may reduce the need for domiciliary services and prevent the need for much more costly and life-changing forms of care, such as admission to a home or hospital. There are therefore also considerable benefits to those being cared for and potential cost savings to the government in making the definition of care encompass all who give care to others.

Further, confining the definition of carer to those looking after an adult in receipt of the Disability Living Allowance or Attendance Allowance is unlikely

to include many carers in employment, for it is hard to combine any paid work with the continuous and 'heavy' personal or physical caring recipients of those allowances need. It is therefore odd to use the same definition as that used for eligibility for the Carer's Allowance which is for those *out* of the labour market (defined as earning less than the Lower Earnings Limit (LEL)). In any case the right to ask to work flexibly should not depend on another adult's receipt of a particular benefit. Up-take of those benefits is not 100%, and in any case is confined to those with long term conditions.

Below are more detailed suggestions on recognising and defining a carer, and the recipient of care:

- i. *Recognising and defining a carer.* The Carers (Equal Opportunities) Act 2004 gives carers the right not only to be assessed by their local authority with respect to their needs as carers, but also to ask that their needs for training, education and employment be taken into account. Employers could ask to be given such assessment as evidence of a worker being a carer. However, we believe that few employers will require such proof, since they will realise that this right is unlikely to be abused.

**We recommend that definitions of a carer used for the right to request flexible working be broad and self-defined, and confirmed only where necessary by the social services department, or a GP.**

- ii. *Defining the recipient of care.* Confining the right to carers who are co-resident with the recipient of care would in practice restrict it in the main to those caring for a spouse or an adult child. A recent study of carers in employment found very few lived with the people they cared for, although a third lived less than 10 minutes drive away (Phillips, Bernard, and Chittenden, 2002). It would be unfair to restrict the ability of elderly people to remain in their own homes by placing obstacles in the way of their children caring for them that would not apply if they had moved into their children's homes. A smaller proportion of elderly people are co-resident with their adult children than was the case 40 years ago, not least because many more are living with a spouse. And where children do not wish to live with their parents but are willing to care for them, this should be enabled as an important contribution to the well-being of the parents.

Confining the right to certain familial relationships is also unfair, since many carers provide as much or more care on an ongoing basis to neighbours, friends or more distant relatives or friends. A policy which makes artificial distinctions among carers is likely to create resentment among colleagues and thus be less likely to succeed.

**The WBG recommends that the recipient of care should also be defined inclusively and not restricted either to those co-resident with the carer or to the carer's relatives.**

### **1c) Family friendly policies**

- i. *Recruitment and retention.* Overall, turnover figures cited in the consultation paper suggesting only 2% of individuals reported the main reason for leaving a job was to look after a family member are far too crude to measure the real need for and impact of family friendly policies. Carers are likely to be disproportionately employed in particular sectors, and in particular occupations within those sectors. The WBG recommends that the DTI consider these policies in the wider context of the problems of recruitment and retention in a number of key sectors, including the caring public services. For example, giving carers the right to work flexibly, if sufficiently broadly interpreted, should improve retention among those working in the health and formal care services. A recent study of nurses aged over 50 (146,000 nurses in England are over 50 years) found that growing numbers were taking early retirement, and both employers and nurses identified flexible hours as a key influence on nurses' decisions to return to or remain in work (Watson, Manthorpe, and Andrews, 2003). A quarter of the three-quarters of a million strong social care work-force is over 50 and many have caring responsibilities (ToPSS England, 2004).
- ii. *Impact on wages and pensions 'penalties' of caring.* Changes in working hours through a right to request flexible working should not have to be permanent. Carers should not be trapped on shorter hours permanently. One of the reasons why part-time employment in the UK depresses life-time earnings and opportunities is because women become trapped in part-time jobs. Using the Work-Life Balance Base-Line Survey, which asked about regular care and care which had lasted at least 3 months, 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. Carers currently are less likely to return to the hours of work held prior to taking on caring responsibilities and this has a negative effect on their pension entitlements (Evandrou and Glaser, 2003). The DTI should not develop rules which reinforce this trap.

This is particularly true for carers of adults for whom future demands on their time are particularly unpredictable. A parent of a baby may not wish to change their working hours again until the child goes to school; although they should have the right to review their hours at regular intervals. But other carers may not require more flexible arrangements than that. Requiring them to make a *permanent* change because they take on caring responsibilities lasting perhaps a few months is wrong and will do nothing to reduce women's poverty. The issue of re-training once a period of care is over is also important.

- iii. *The workplace culture.* Unless the political and workplace culture is seen to be supportive, carers will not take advantage of the right to request flexible working and the policy will not achieve its aims. The UK's 'long hours culture' is undermining of care and carers and, as noted above, the WBG recommends that the government does not continue to insist on an individual opt-out to the EU Working Time Directive. The greater the

difference between those in full-time employment and those working 'flexibly' involving shorter hours, the more likely the latter will be penalised in terms of pay, career development and promotion.

**The WBG urges the DTI to evaluate family-friendly policies, including the right to request flexible employment, within a broad policy framework.**

### ***2) Flexible employment for parents with older children***

The WBG believes that there is a good case for extending the right to request flexible employment to parents of older children. However, we would expect the take up of flexible working for this group of parents to be less than for those with young children.

Although care needs in general diminish as children get older, there are always some older children who need special amounts of care or care at particular times of the day. For example, parents are held responsible for truantiing children, but this responsibility cannot be exercised by parents whose working hours do not allow them to ensure that a truantiing child gets to school. A right to request flexible working would be a great help to such a parent.

### ***3) Regulating the right to request flexible employment for carers as opposed to parents***

Adult care and childcare are different in some important respects so regulations appropriate for one may not be appropriate for the other. For example the need for adult care can be unpredictable in its onset, and severity. Research on the process of becoming disabled shows that among the 2% of people of working age who become disabled each year, 44% experienced the sudden onset of a health problem and 44% had had an intermittent or chronic condition which had worsened (Burchardt, 2003). The requirement that the request to work flexibly can only be considered after the employee has been with an employer for 6 months may exclude some carers at a very critical time. The current regulations concerning the right to request for parents of young children may be particularly unsuitable for extension to carers of adults, because of the unpredictability as to when the need for arises and how long it will last.

**The WBG recommends that the differing needs and circumstances of adult carers be considered when developing regulations for the right to request flexible work. In particular, we recommend that there be no employment eligibility requirement dependent on length of service for carers nor any fixed period for which requested changes in working hours should have to apply.**

### ***4) Longer -term proposals***

As well as those proposals we recommend above, we want to see government promoting work-life balance, and gender equality in caring responsibilities more broadly.

**Our recommendations for the next steps the government should take to achieve this are as follows:**

- **Extend the *right to request flexible work* to parents of older children.**
- **Extend the *right to request flexible work* to all employees.**
- **Introduce a *right to work flexibly* to all employees.**

## **C) Monitoring the Impact of these Policies**

The methods used in the Regulatory Impact Assessment (RIA) need to be strengthened in several areas if a recognition of gender issues is to be incorporated more successfully into future policy development. Drawing on gender budgeting approaches, we recommend the following<sup>1</sup>:

### **1) *Monitoring and evaluation***

It is crucial that gender-sensitive monitoring and evaluation mechanisms are built into the proposed policy changes from the beginning. We are pleased to see that the DTI is exploring ways of monitoring the take-up of its proposals, for example in tracking development in the Labour Force Survey. We would also suggest qualitative surveys exploring the reasons for take-up (or lack thereof) between women and men. 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.

We would also recommend continuing the household sector satellite account survey to monitor the impacts on unpaid care work<sup>2</sup>. It is important to monitor and develop understanding of the relationship between paid and unpaid work to consider the gender implications of policy.

**The WBG recommends using a gender budgeting approach for monitoring and evaluating policy proposals' impact on gender equality. This would include collecting gender disaggregated data of take-up (or lack thereof) of paid leave, flexible employment, and impacts on unpaid care.**

### **2) *Defining and measuring costs and benefits***

It is necessary to include a broad and differentiated definition and measurement of costs and benefits in any assessment of the impact of regulations, especially those likely to impact on gender inequalities, such as the current policy proposals. Rather than only developing analysis of the costs and benefits to government and businesses, as the current Regulatory Impact Assessment (RIA) does, there should have been a cost-benefit analysis of the impact of the policy proposals on families and individuals within them, and

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<sup>1</sup> For more information on gender budgeting please visit [www.wbg.org.uk](http://www.wbg.org.uk)

<sup>2</sup> The National Statistician Len Cook has agreed to consider taking forward recommendation 11.1 of the Atkinson Review. This recommendation suggests that the household sector satellite account be used in conjunction with the measurement of government output of adult social services. Details available in Public letter from Len Cook, National Statistician and Registrar General to David Rhind, Chairman of the Statistics Commission, 28 January 2005.

consideration of the unpaid economy. For example, the costs of extending maternity leave are only calculated for government and employers, but not the impact of taking such leave on the incomes of individual women and men, and their households.

Such an impact assessment should take account of different individual and family situations. Not to do so can mask income inequality between women, such as that extended maternity leave may be financially viable for some women but not for others. We recognise that there are a wide variety of family types with differing income levels, and suggest that as a first step, future RIAs develop analysis based on a number of different possible family models, levels of household income and distribution of earnings between individuals within those households.

**The WBG recommends that RIAs include a wider assessment of costs and benefits, by including those impacting on different types of households and individuals.**

### ***3) Short and long-term approach to cost benefit analysis***

Moreover, the cost-benefit analysis should take both a short and long-term view. The costings in the RIA presume take-up of leave and flexible working based on current gendered caring roles. That is, the RIA is only looking at the first order affect, and not assuming consequent effects on attitudes and market structure. However, if proposals are meant to challenge these roles, then a longer-term view of the costs and benefits should be incorporated, in which a more equitable gender balance in take-up would be considered. We recognise that this longer-term view would be much more difficult to draw out.

**The WBG suggests developing both short and long-term cost and benefit analysis that reflect changes in current asymmetrical gender roles towards more equitable future ones.**

### ***4) Incorporating a broad view of government policy objectives***

Evaluation of any proposals should take a broad view of how they fit into wider government policy objectives, as well as their own specific objectives. This is necessary to ensure that policy proposals are coherent, and do not contradict each other. This is especially important to assess how far proposals promote gender equality, as the DTI Public Service Agreement 9 to promote gender equality across government makes this an essential criteria for developing policy.

**The WBG recommends that evaluation should take a broad view of wider government policy objectives, as well as DTI objectives.**

## References

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