www.wbg.org.uk @WomensBudgetGrp #WBGCommission



women's BUDGET GROUP

How unpaid care is at the heart of gender inequalities

Spirals inequality





Gender, Work and Care: Explaining Gender Inequality Across the UK

Gender inequality in the UK remains resistant to change. As we enter a new decade, women continue to earn less than men and are more likely to be in poverty.¹ They remain under-represented in senior decision-making positions in public life and business,² and gender-based violence persists with nearly 1.3 million women reporting that they experienced domestic abuse in the past year.³ In fact, in the latest World Economic Forum *Global Gender Gap Equality Report* the UK slipped from 15th position to 21st.⁴

The WBG's Commission for a Gender Equal Economy has been established to proactively develop alternative economic policies to promote gender equality in the UK. In this first report of the Commission, we set out the problem, tracing how inequalities between men and women are produced and maintained. We start with the uneven division of unpaid work, examining how this constrains the economic opportunities of women and thereby sets in motion a pathway that leads to economic and social inequalities between men and women.

This report is informed by an intersectional understanding of inequality which recognises gender intersects with other structures of inequality including those based on race, disability, class, age, sexuality and so on. This means that gender inequality takes different forms and can be more severe for some women than others. Wherever possible, we draw attention throughout this paper to such differential impacts.

Unpaid work: women continue to do the lion's share

At the heart of gender inequality in the UK is the unequal division of unpaid work between men and women. On average, women carry out 60% more unpaid work than men.⁵ Women spend around twice as much time on unpaid cooking, childcare and housework than men, with transport (driving self and others) being the only area where men do more unpaid work than women (see Figure 1).

Time-use data for 2000 to 2015 shows that there has been little shift in the overall gendered division of unpaid work.⁶ In respect of childcare, for instance, there has been a slight increase in the

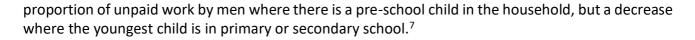
¹ ONS (2019) Gender pay gap UK: 2019 (<u>https://bit.ly/2GWMo4D</u>); DWP (2018) Households Below Average Income – Percentage of individuals in low-income groups by various family and household characteristics (AHC), 1994/95-2016/17 (<u>https://bit.ly/31DIozy</u>) ² Fawcett Society (2020) *Sex & Power 2020* (<u>https://bit.ly/2HtsChy</u>)

³ ONS (2018). Domestic abuse in England and Wales: year ending March 2018. (https://bit.ly/2Rbq1Mk)

⁴ World Economic Forum (2019) *Global Gender Gap Report 2020* (https://bit.ly/2vpqnc3)

⁵ ONS (10 November 2016) 'Women shoulder the responsibility of unpaid work' (<u>https://bit.ly/2KBdnG9</u>)

⁶ ONS (10 November 2016) 'Changes in the value and division of unpaid care work in the UK: 2000 to 2015,' (<u>https://bit.ly/39uim4u</u>)



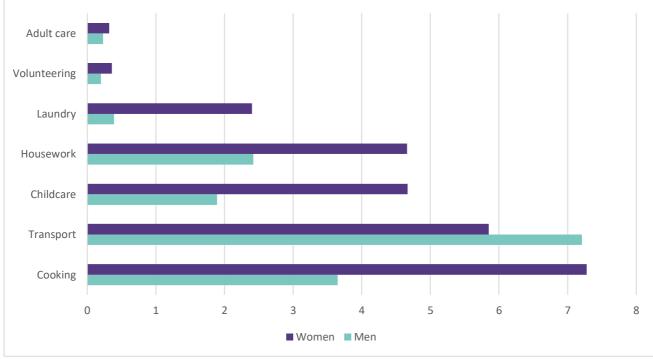


Figure 1: Average hours of unpaid work done per week in each category for men and women, UK, 2015 (Source: HETUS 2015)

Women aged 26 to 35 undertake the most unpaid work (34.6 hours on average per week compared with 17.4 hours for men in the same age group), suggesting that inequalities in unpaid work open up around the birth of the first child.⁸

The proportion of unpaid care for adults undertaken by women increased between 2000 and 2015.⁹ The gender disparity is most marked among those aged under 50, suggesting that the responsibility of caring for ageing parents falls primarily on women. Among those aged 50 and over, care is more likely to be for a partner and so more evenly shared, although 62.6% is undertaken by women.¹⁰

Unpaid work is vital to the functioning of society and the economy, and feminist economists have long argued for it to be recognised on par with paid work in systems of national accounting.¹¹ Partly as a result of such campaigns, the ONS now publishes 'satellite household accounts' that value, in monetary terms, unpaid work. The most recent estimate, in 2014, put the total value of unpaid work at £1.01 trillion, or the equivalent to 56% of GDP.¹²

⁷ Ibid

⁸ Ibid

⁹ ONS (10 November 2016) 'Changes in the value and division of unpaid care work in the UK: 2000 to 2015,' (<u>https://bit.ly/39uim4u</u>) ¹⁰ Ibid

¹¹ See for example, Waring, M. (1988) *If Women Counted: A New Feminist Economics.* San Francisco: Harper.

¹² ONS (10 November 2016) 'Women shoulder the responsibility of unpaid work' (<u>https://bit.ly/2KBdnG9</u>)

Limiting opportunities for paid work: women more likely to work part-time and earn less

While unpaid work underpins our collective wellbeing, the uneven gendered division means that women's opportunities for paid work are disproportionately constrained and this is a major contributor to economic inequalities between men and women.

Women are less likely to be in any form of paid work and, when they do undertake paid work, are more likely to be in part-time and precarious work (see Table 1). In 2019, the employment rate stood at 80.4%¹³ for men and 72.3%¹⁴ for women. Bangladeshi women (57.8%), Pakistani women (54.5%), and Chinese women (38.5%) have the highest rates of 'economic inactivity', while White British women (24.4%) have one of the lowest rates.¹⁵ Women with disabilities are also less likely to be in paid employment, with an employment rate of 50.8%.¹⁶ Of those women that are in employment, 41% work part-time compared to just 13% of men in employment.¹⁷ Mothers with the youngest child aged 3 to 4 are the most likely group to work part-time¹⁸ and disabled women are more likely to be under-employed (working fewer hours than they would prefer) than non-disabled women.¹⁹ Women are also more likely than men to be in precarious forms of employment,²⁰ such as temporary contracts and zero-hours contracts, with Black workers having seen the sharpest rise in temporary contract (a 58% increase between 2011 and 2016, or seven times the increase for White workers).²¹

| | Full-time | Part-time | Temporary |
|--------|-----------|-----------|-----------|
| Male | 86.8 | 12.8 | 4.5 |
| Female | 59.1 | 40.5 | 8.8 |

Table 1: Percentage of men and women in full-time, part-time and temporary employment, Feb-Apr 2019 (Source: EMP01)

Part-time working is a major driver of the gender gap, which stands at 17.3% for all employees²² and means that women, on average, earn 43% of less than men.²³ It is, however, not the only driver. When comparing full-time male and female employees, a pay gap of 8.9% remains.²⁴ With women now entering higher education in greater numbers than men and, in many areas, outperforming men,²⁵ the two main contributors to the persistent gender pay gap in earnings are occupational segregation and slowed career progression for women due to time out of the paid workforce.²⁶ Women continue to be over-represented in low-wage sectors of the economy, such as health and social work (79% of all jobs in this sector are held by women) and education (70% of all jobs are held by women), and make up 69% of all workers on low pay.²⁷ Feminists have argued that one of the

¹³ ONS (2019) Male employment rate (aged 16-64, seasonally adjusted) (<u>https://bit.ly/2UtUTvN</u>)

¹⁴ ONS (2019) Female employment rate (aged 16-64, seasonally adjusted) (<u>https://bit.ly/2SmOujw</u>)

¹⁵ ONS (2019a) 'Ethnic pay gaps in the UK: 2019' (<u>https://bit.ly/37mNJw8</u>); note that the use of 'economic inactivity' is problematic

as many of these women are unpaid carers and are, as a result, making an (albeit unpaid) economic contribution.

¹⁶ House of Commons Library (2018). *People with disabilities in employment*. Briefing paper No. 7540. (<u>https://bit.ly/2OJZOTr</u>) ¹⁷ ONS (2019) EMP01 (<u>https://bit.ly/3bhpltF</u>)

¹⁸ Office for National Statistics (26 September 2017) *Families and the labour market, England: 2017* (<u>https://bit.ly/2RTEe06</u>) ¹⁹ TUC (2018) *Disability employment and pay gaps 2018* (http://bit.ly/2yscwzA)

 $^{^{20}}$ TOC (2018) Disability employment and pay gaps 2018 (<u>http://bit.iv/2yscwzA</u>)

²⁰ ONS (2019) EMP01 (<u>https://bit.ly/3bhpltF</u>); ONS (2019) EMP17 (<u>https://bit.ly/38nhjD7</u>)

²¹ TUC (2017) Insecure work and ethnicity. (<u>https://bit.ly/2qOcdJG</u>)

²² ONS (2019) Gender pay gap UK: 2019 (<u>https://bit.ly/2GWMo4D</u>)

²³ WBG calculation based on median average earnings in ASHE (2019) (<u>https://bit.ly/2v9klwq</u>)

²⁴ ONS (2019) Gender pay gap UK: 2019 (<u>https://bit.ly/2GWMo4D</u>)

²⁵ Hewitt, R (2020) 'Mind the gap: Gender differences in higher education' (<u>https://bit.ly/2Q3q3HC</u>)

²⁶ Olsen, W. et. al. (2018) 'The gender pay gap in the UK: Evidence from the UKHLS' (<u>https://bit.ly/39tMRr2</u>)

²⁷ House of Commons Library (8 March 2018) Women and the Economy (<u>https://bit.ly/2EXjzoy</u>);

Resolution Foundation (2017) Low Pay Britain 2017 (<u>http://bit.ly/2Jf9JOm</u>) p.5

reasons that sectors where women are over-represented tend to have lower wages is because these are often seen as extension of the unpaid caring work women do 'naturally', leading to skills in these sectors being undervalued. Women's career progression and earnings is also hampered by high levels of pregnancy and maternity discrimination in Britain, with 75% of mothers reporting pregnancy discrimination.²⁸

It is also noteworthy that there are significant differences in the gender pay gap by ethnicity. Women of Pakistani and Bangladeshi origin and women of Black African origin women have the biggest gender pay gap, relative to White British men, at around 25% for all employees.²⁹ For Black African women, the gap has been particularly resistant to change, with only a 2% reduction in the period from 1990 to 2010.³⁰

We can see that the uneven gendered division of unpaid work sets in train a vicious and reinforcing cycle: women's greater share of unpaid work is a key contributor to lower earnings and, in turn, the lower earnings of women relative to men mean that women are more likely to take time out of the workforce to care for a child or relative and, in doing so, perpetuate this inequality between men and women.

Life course implications: benefits make up a larger proportion of income and austerity hits harder

The inequalities in labour market participation and earnings, which stem in large part from the uneven gendered division of unpaid work, mean that women are more likely to be on low incomes and to rely on some form of social security. They are also more likely to be heading up households that are in poverty. While overall adult women (21%) are only slightly more likely to live in poverty than adult men (19%),³¹ disparities become apparent when looking at single households. Nearly half (48%) of single parent households are living in poverty (compared to 24% of couple households), and in the vast majority of these households (86%) the single parent is the mother.³² Single female pensioners are also more likely to be living in poverty than single male pensioners, reflecting their lower ability to save over the life-course.³³ Among all 65-75 year olds, median pension wealth for men (£164,700) in England and Wales is almost ten times the median pension wealth for women (£17,300).³⁴

Given that, on average, benefits make up a larger proportion of women's incomes, it is not surprising that women have been hardest hit by the tax and benefit changes since 2010, losing the most from cuts to benefits and gaining the least from tax giveaways that have benefitted the better off. Women have lost more than men from direct tax and welfare reforms (2010-2017) at every income level. Overall, women have lost around £940 per year (real terms) on average, compared with £460 for

²⁸ Equality and Human Rights Commission (2018) *Is Britain Fairer? The State of Equality and Human Rights 2018* (<u>https://bit.ly/39QbhvL</u>)

 ²⁹ Fawcett Society (2017) Gender Pay by Ethnicity in Britain (<u>https://bit.ly/38gwFcB</u>)
³⁰ Ibid

³¹ DWP (2018) Households Below Average Income – Percentage of individuals in low-income groups by various family and household characteristics (AHC), 1994/95-2016/17

³² Women's Budget Group (2018). The female face of poverty. (https://bit.ly/2tceWA8)

³³ DWP (2018) Households Below Average Income – Percentage of individuals in low-income groups by various family and household characteristics (AHC), 1994/95-2016/17

³⁴ ONS (2015), Private pension wealth, Wealth in Great Britain, 2012 to 2014 (<u>https://bit.ly/2ijJTgH</u>)

men.³⁵ The lower incomes and higher rates of poverty among Bangladeshi, Pakistani and Black African/Caribbean households, however, mean that women from BAME backgrounds have seen the biggest losses. Figure 2 summarises findings from joint research by the Women's Budget Group and Runnymede Trust into the intersectional impacts of austerity (modelling reforms from 2010 to 2017).³⁶

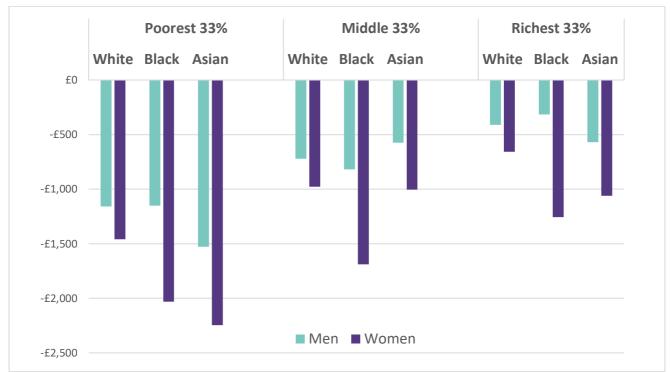


Figure 2: 2010-20 cumulative individual impact of changes in taxes and benefits (percentage of net individual income per annum by 2020) by household income groups, gender and ethnicity (selected)

In addition to the disproportionate impacts on women and those from BAME backgrounds, a number of changes to benefits for people with disabilities mean that households with a disabled individual have also experienced a disproportionate adverse impact. Modelling for the Women's Budget Group showed that, by April 2021, a single disabled woman would be 16% worse off than under the previous system as a result of tax and benefit changes between 2010 and 2017 and a lone mother who is disabled would be 26% worse off.³⁷

Public services: women hit hardest by cutbacks

As well as being disproportionately impact by changes to social security, women have also been hardest hit by cuts to spending on public services over the past decade.³⁸ Women are more likely to use public services, either for themselves or those that they care for, to be employed delivering public services and to step in to provide unpaid care where the State fails to do so, even if it compromises their own employment. The poorest families, including BME families and single parent families, have

³⁵ EHRC (2017) Distributional results for the impact of tax and welfare reforms between 2010-17, modelled in the 2021/22 tax year: Interim findings (<u>https://bit.ly/387ekP5</u>)

³⁶ WBG and Runnymede Trust (2017) Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK (<u>https://bit.ly/2tW902k</u>)

³⁷ WBG (2018) *Disabled women and austerity* (<u>https://bit.ly/3bwa262</u>)

³⁸ Stephenson, M. A. (2011) Women and the Cuts (https://bit.ly/3aPoEMO)

suffered the greatest impacts from cuts to public services and are also the least able to mitigate these by paying for private alternatives. Modelling on behalf of the Women's Budget Group found that lone mothers faced the largest percentage cut to living standard (10%) as a result of cuts to spending on public services between 2010 and 2017.³⁹

In addition to the effect on living standard, inadequate public services can adversely impact on women's paid employment and earnings.⁴⁰ The crisis in social care has put increasing pressure on women to care for elderly relatives, often at the expense of their employment. Women aged 45 to 54 are more than twice as likely as men to have given up work to care and over four times more likely to have reduced working hours due to caring responsibilities.⁴¹ Similarly, the lack of affordable, high-quality childcare and cuts to services for people with disabilities can constrain women's opportunities for paid employment.

Violence against women: "cause and consequence" of women's economic inequality

Economic hardship, whether the result of labour market inequalities, inadequate social security or gaps in public service provision, has implications beyond the economic sphere. Most immediately, it makes violence against women and girls (VAWG) more likely and makes it harder for women to leave abusive relationships. In the year ending March 2018, an estimated 2 million adults aged 16 to 59 years in England and Wales experienced domestic abuse in the previous 12 months.⁴² Of these, 1.3 million (65%) were women and 695,000 (35%) were men.⁴³ In terms of sexual assault, findings from the Crime Survey for England and Wales suggest that 20% of women and 4% of men have suffered sexual assault, including attempts, since age 16.⁴⁴ This is equivalent to an estimated 3.4 million women and 631,000 men.⁴⁵

There is a strong link between women's economic inequality and VAWG.⁴⁶ Poorer households present with higher rates of domestic abuse⁴⁷, and poverty can also prolong women's exposure to abuse by reducing their ability to leave violent relationships. The erosion of the state's welfare system and increasingly stringent eligibility criteria heightens the vulnerability of women in abusive relationships by placing them in a precarious economic position. At the same time, abusive relationships entrench disadvantage by limiting opportunities for paid work. In this way, violence against women is both a "cause and consequence" of women's economic inequality.

Institutions, policies and laws continue to be based on men's needs

The pace of change to address gender inequality has been slow. In some cases, such as with austerity policies, inequalities have even become more entrenched. With men over-represented in senior decision-making positions in politics, the civil service, business, law and the media it is not surprising that institutions, policies and laws are still failing to address the needs of women and progress on

³⁹ WBG and Runnymede Trust (2017) Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK (<u>https://bit.ly/2tW902k</u>)

⁴⁰ Stephenson, M. A. (2011) Women and the Cuts (<u>https://bit.ly/3aPoEMO</u>)

⁴¹ Carers UK (2016) '10 facts about women and caring on International Women's Day' (<u>https://bit.ly/2lCyN5d</u>)

 ⁴² ONS (2018) Domestic abuse in England and Wales: year ending March 2018. (<u>https://bit.ly/2Rbq1Mk</u>)
⁴³ Ibid

 ⁴⁴ ONS (2018) Sexual offences in England and Wales: year ending March 2017 (<u>https://bit.ly/2C0Y83y</u>)
⁴⁵ Ibid

⁴⁶ WBG (2018) The Female Face of Poverty (<u>https://bit.ly/2P4yX7C</u>)

⁴⁷ ONS (March 2018) Domestic abuse: findings from the Crime Survey for England and Wales, year ending March 2018 (<u>https://bit.ly/2qsBmiW</u>)

gender equality is slow. At the start of 2020, women accounted for 34% of MPs and 30% of Cabinet Ministers, 21% of senior civil servants participating in the Civil Service Board, around 25% of senior Judiciary members, 21% of national newspaper editors, 29% of FTSE 100 directors and just 6% FTSE 100 CEOs.⁴⁸ Fawcett's Sex and Power 2020 report found that women of colour are even more grossly under-represented. It showed that there are currently no women of colour in the highest levels of the civil service or among FTSE 100 CEOs, and there has never been a person of colour on the Supreme Court since its formation in 2009.⁴⁹

A number of factors contribute to the ongoing under-representation of women in senior roles. Unpaid caring by women plays a role by slowing career progression and constraining opportunities for involvement in public life.⁵⁰ Women also face discrimination as a result of conscious and unconscious bias, with those in positions of authority making assumptions about women's likely caring responsibilities, behaviours and leadership potential. This can lead to women being overlooked for promotion and senior roles.⁵¹ Finally, harassment and network effects remain barriers to women participating at senior levels.⁵² Without concerted efforts to address these barriers in order to increase women's representation at senior levels in business and public life, it is unlikely that we will see change on the scale that is required to address gender inequality in the UK. Decisions around policy, laws and spending will continue to be informed largely by the perspectives of men and, therefore, address, first and foremost, the needs of men.⁵³

A four nations approach: continuities and discontinuities

There are many commonalities, but also differences, in the way gender inequality is experienced across the four Nations of the UK – England, Wales, Scotland and Northern Ireland. Common to all of these contexts is women's relative economic disadvantage rooted in large part in the uneven division of unpaid caring work and the way this limits economic opportunities for women. There are, however, also differences related to each nation's unique history, geography, economy and socio-cultural context. Northern Ireland has the second highest femicide rate in Western Europe⁵⁴ and women's levels of paid economic activity are lower than in the rest of the UK.⁵⁵ In Wales, there are significant challenges around transport and the predominance of low paid work, particularly in rural areas.⁵⁶ Scotland is positioning itself as a progressive force and there is an established relationship between civil society and politicians that is enabling dialogue around gender equality, though progress remains slow. Each of these national contexts also provides unique political, economic and institutional opportunities for building a more gender equal economy. The Commission is committed to a Four Nations approach and has held evidence sessions each of the four nations.

⁵⁴ FactCheck NI (2019) (<u>https://bit.ly/2voLVFK</u>)

⁴⁸ Fawcett Society (2020) Sex & Power 2020 (https://bit.ly/2HtsChv)

⁴⁹ Ibid

⁵⁰ Hoobler, J. M., Lemmon, G., and Wayne, S. J. (2014). Women's managerial aspirations: an organizational development perspective. J. Manag. 40, 703–730. doi: 10.1177/0149206311426911

⁵¹ Player, A et al. (2019) Overlooked Leadership Potential: The Preference for Leadership Potential in Job Candidates Who Are Men vs. Women, *Frontiers in Psychology* (<u>https://bit.ly/39uiyAF</u>); Chartered Management Institute [CMI] (2016) *Men 40% More Likely Than Women to be Promoted to Management Roles* (<u>https://bit.ly/2SEXtMV</u>)

⁵² EHRC (2012) Gender Diversity on Boards: The Appointment Process and the Role of Executive Search Firms (<u>https://bit.ly/2uE5N7P</u>)

⁵³ Criado Perez, C. (2019) *Invisible Women: Exposing data bias in a world designed for men* (Chattos & Windus)

⁵⁵ NISRA (2019) Economic inactivity in Northern Ireland (<u>https://bit.ly/2uvuLX6</u>)

⁵⁶ Wales TUC (2019) 'Wales TUC calls for action on low pay as figures show over a fifth of Welsh employees earn less than a living wage' (<u>https://bit.ly/31Na6ty</u>)

Moving forward: next steps for the Commission

At the start of 2020, inequalities between men and women persist. The gendered division of unpaid work constrains women's paid work opportunities, leading to disadvantage relative to men and reinforcing traditional perceptions of the roles men and women perform in society and the economy. These inequalities are not only unfair, they undermine the UK's economic and social well-being. An alternative economic approach focused on gender equality is not only desirable, but economically feasible, and indeed, necessary if we are to have an economy that is fair, sustainable and resilient. The Commission on a Gender-Equal Economy is striving to develop this alternative economic approach, so that gender equality becomes a reality in the UK economy. Over the course of the next year, we will continue to gather evidence and ideas. We will present our final report and recommendations in Autumn 2020.

Written by Eva Neitzert; edited by Marion Sharples.



www.wbg.org.uk

April 2020