

WBG responds to recovery roadmap

Updated 29 May 2020

This week, the Government launched its test and trace scheme to try to control the spread of Coronavirus as lockdown eases. There are a number of equality issues to take account as we move towards stage two of the Government's roadmap:

Isolation and sick pay

Under the Test and Trace programme anyone who has Covid-19 symptoms should self-isolate and request to be tested. If the test is positive, they will be asked to give details of anyone they have been in close contact with in the last two weeks. These people will then be contacted and asked to self-isolate for 14 days.

For those back at work, who are unable to work from home, this will mean claiming Statutory Sick Pay (SSP) for at least two weeks unless their employer decides to allow them to remain on full salary. SSP is still just £95.85 which will create severe financial hardship for many people, especially those with caring responsibilities including single parents. Only those who earn an average of £120 a week or more are entitled to SSP, leaving 2 million workers without entitlement to any sick pay¹.

For those on zero-hours contracts (54% of whom are women) or part-time hours (74% are women)² the erratic nature of earnings can make it complicated to calculate average earnings. Women are less likely than men to qualify for SSP because they are more likely to be low paid, and more likely to be in insecure employment.

Women are 50% more likely than men to be ineligible for SSP: WBG calculations find that 15.5% of women in paid work in the UK are not eligible for SSP (12.5% of all workers and 10.6% of men are ineligible)³.

1 in 10 low paid workers cannot work from home⁴. Women are the majority (69%) of low paid workers⁵. Black, Asian and Minority Ethnic (BAME) workers are over a third more likely to be in precarious work, which is lower paid, than white workers⁶. Women are twice as likely to be key workers and 63%⁷ of key workers are mothers i.e. have caring responsibilities.

This means low paid and BAME women are disproportionately likely to be unable to work from home. Being asked to isolate will therefore have a disproportionate impact on these women's lives particularly those without savings to fall back on as they maybe be required to live off SSP, if they qualify. This is also a public health issue given data from the SAGE committee which says that over half of people with symptoms are not self-isolating⁸. Financial hardship caused by low levels of SSP is a serious disincentive to self-isolate and increases the risk of a second spike.

¹ <https://www.tuc.org.uk/blogs/coronavirus-why-every-worker-should-get-sick-pay-day-one>

² <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-gender-employment-and-earnings/>

³ Calculations based on ONS Annual Survey of Hours and Earnings, Table 8.1a, Weekly pay (Gross) (<https://bit.ly/2XvwS6K>)

⁴ <https://www.resolutionfoundation.org/publications/risky-business/>

⁵ <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-gender-employment-and-earnings/>

⁶ <https://www.tuc.org.uk/news/bame-workers-over-third-more-likely-be-insecure-work-finds-tuc>

⁷ <https://www.ifs.org.uk/publications/14763>

⁸ <https://www.theguardian.com/world/2020/may/29/coronavirus-symptoms-not-isolating-sage-track-and-trace>

IFS data confirms looming childcare chaos

Schools are set to begin reopening from 1 June whilst shops may be allowed to open from 15 June. Yet schools will not be open full time, young secondary aged children will still need care with no school until September, nurseries will be limited by social distancing requirements and social distancing rules still prevent care by grandparents or other family members. This will create a particular problems for women working in retail (where 60% of staff are women), childcare (where 97% of staff are women) and education (where 80% of staff are women) who will find it difficult to return to work with limited childcare available.

An IFS study of 5000 heterosexual two-parent households⁹ finds that mothers are doing double the amount of unpaid work during lockdown compared with fathers, suggesting that the Covid-19 crisis has increased the pre-existing gender gap in unpaid care.

The IFS study also confirms that women are more likely to have been furloughed or made unemployed during lockdown. There is concern this will be exacerbated with a two-tier return to work unless action is taken to fill the gaps in childcare services. Short term intervention is required to save the sector immediately with a longer term move towards a truly comprehensive childcare strategy.

Tapering the Coronavirus Job Retention Scheme (CJRS)

The Chancellor has also confirmed today that employers will be required to National Insurance Contributions and pension contributions from August, he calculates this is about 5% of wages. From September, employers will be required to pay 10% of employees' wages, from October this will increase to 20%. Employees will be able to return part time with 'flexible furlough' from 1 July which is a positive development for families and should be bought forward to June. To implement the flexible furlough, the Chancellor also announced that the CJRS will close for new employees on 10 June to prepare for 30 June cut off which, concerningly, assumes a linear recovery and no second spike.

It seems inevitable that requiring employers to pay a percentage of furlough wages will lead to redundancies as sectors who are making zero profit and cannot reopen anytime soon choose who they can afford to pay. Sectors where there is uncertainty as to when and if they can open and/or be financially viable due to distancing requirements such as hospitality and tourism. These sectors are dominated by women and are likely to be particularly badly hit risking disproportionate redundancies.

WBG continues to call for the Government to carry out and publish a comprehensive and meaningful Equality Impact Assessment on its response to the pandemic, including on these proposals. This should take account of widespread evidence that it is women, especially Black, Asian and ethnic minority, low-paid, young and disabled women bearing the economic brunt of lockdown. This assessment should inform the strategy for the UK's recovery to the pandemic to stop women and minority groups being left behind.

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⁹ <https://www.ifs.org.uk/publications/14860>