

Scottish Women's Budget Group
Tackling gender inequality as costs keep rising
Pre-budget Briefing 2022

The Covid-19 pandemic and the resultant economic turmoil shone a bright light on the persistent and deepening inequalities within Scottish society. Women, black and ethnic minority communities and disabled people were economically the hardest hit by the crisis,¹² putting equality further out of reach. This has been closely followed by the current cost-of-living crisis which, again, will not be felt equally. Women are being disproportionately impacted due to existing inequalities across all areas of life. They are more likely to be living in poverty, have lower levels of savings and wealth and are less able to increase paid work than men due to caring responsibilities.

As a consequence of both crises, women, particularly women from black and ethnic minority communities and disabled women, are facing a rising tide of poverty. Highlighting the need for a gender-transformative approach to the economic crisis and recovery packages put in place.

A gender transformative budget must prioritise:

- **Measures to tackle the cost-of-living crisis;**
- **Investing in care (adult social care and childcare) and those who work in these sectors;**
- **Tackling rising energy costs and the climate crisis;**
- **A caring social security system that provides a genuine safety net when needed most;**
- **Progressive and fair taxation to support a caring economic recovery.**

Crucial to ensuring a gender-transformative recovery is ensuring a robust intersectional gender analysis, and use of gender-sensitive sex-disaggregated data, on the impacts of the cost-of-living crisis are incorporated into policymaking and recovery planning.

What is intersectional gender budget analysis?

Intersectional gender analysis considers the lived realities of women and men in their diversity. While 'lived realities' is meant to recognise differences between women and men, the addition of 'in their diversity' recognises how other characteristics such as age, socioeconomic situation, disability, race, ethnicity, religion and rural or urban location can also affect women and men in their lived realities.

The principle aim of gender budgeting is to integrate intersectional gender analysis into economic policy. Through this process raising awareness of different impacts on women and men of publicly funded policies and programmes and challenging the assumption that budgets are 'gender blind'.

¹ Engender (2020) Women and Covid-19

² Glasgow Disability Alliance (2020) Supercharged: A Human Catastrophe

Measures to tackle the cost-of-living crisis

Women are being disproportionately impacted by the cost-of-living crisis, due to existing inequalities across all areas of life. Women are more likely to be poor, have lower levels of savings and wealth, and are less able to increase paid work than men due to caring responsibilities. Overall, women are more likely to be in lower paid or insecure work, are twice as reliant on the social security system, and have lower and less access to pensions. Women's poverty is also closely linked to child poverty as women are more likely to be primary caregivers for children.

The gendered nature of the cost-of-living crisis highlights the importance of incorporating a robust intersectional gender budget analysis into all cost crisis budget packages.

Calls for Budget 2023-24:

- Uprate Scottish Social security benefits in line with inflation;
- Increase Scottish Child payment to £40 per week;
- Ensure everyone is getting what they are entitled to through a comprehensive programme to promote benefit take-up;
- Extend free bus travel to people on low incomes, including asylum seekers;
- Investment in care as part of tackling the vulnerabilities brought about by cost-of-living crisis, as detailed below.

For a full set of recommendations on tackling the cost-of-living crisis see our research with the Poverty Alliance: [“It’s hard work being poor” Women’s Experiences of the Cost-of-Living Crisis in Scotland.](#)

Invest in care (adult social care and childcare) and those who work in these sectors

The need for change in Scotland's social care sector is widely recognised. After years of underfunding and undervaluation and the impact of the Covid-19 pandemic the foundations of social care services are creaking.

The pandemic and responses to it presented specific challenges and pressures for disabled people with this culminating for disabled women as a 'triple whammy' of being disabled, being a woman and dealing with Covid-19,³ as outlined by Glasgow Disability Alliance. Many people who use social care support were left abandoned and without access to even the most basic of human rights.

The undervaluation of care has consequences for individuals and society, as well as the state. It impacts poverty rates (and the failure to reduce these), entrenches women's inequality, leads to greater spending on emergency medical interventions that could be prevented and it holds people back from living flourishing lives. Over a quarter of the people in receipt of social care support live in the most deprived areas and unpaid carers in these areas are more likely to care for longer periods of time.⁴ Nearly half (49%) of all those living in poverty in the UK, are either disabled people or live in a household containing a disabled person.⁵

The high cost of childcare means that 25% of parents living in absolute poverty in Scotland had given up work, a third had turned down a job, a further 25% had not been able to take

³ Glasgow Disability Alliance (2022) Triple Whammy: Disabled Women's Lived Experiences of Covid-19

⁴ Scottish Government (2022) National Care Service Fairer Scotland Duty Assessment

⁵ Joseph Rowntree Foundation (2022) UK Poverty Report 2022

up education or training.⁶ To address these persistent challenges, we stand with other feminist organisations in Scotland calling for 50 hours of free (flexible) childcare per week, and designating child care a key growth sector, along with social care.⁷

Across both adult social care and childcare, investment in the workforce is critical within these highly gendered sectors, including investing in fair wages and delivering fair work principles including access to decent sick pay, paid breaks, and unsocial hours payment.

Calls for Budget 2023-24:

- Provide an urgent cash injection to support social care in the short-term while work on establishing the National Care Service continues including meeting the ambition for a 25% increase in social care spending to the first half of the current parliamentary term, rather than by 2026, and fulfil commitments to end non-residential social care charges;
- Uprate wages in line with inflation across childcare and social care settings, setting minimum rates within these professions above the real living wage to better value this work;
- Work towards an entitlement of 50 hours per week of funded, good quality, flexible education and childcare for all children between six months and five years and in the short-term increase flexibility of provision of funded hours.

Tackle rising energy costs and the climate crisis

Scotland has a responsibility to tackle the climate crisis and has set ambitious targets on how Scotland will reduce emissions. The energy cost crisis brings the reliance on fossil fuels into sharper focus and the urgency of actions that can tackle both crises, such as home insulation and energy efficiency programmes delivered to those on low incomes, clearly visible.

There is much to be done to transition to a low carbon economy and a gendered analysis is a vital part of the planning process. There is a risk that investment in much needed infrastructure change within housing, transport and construction will widen labour market gender inequality, if a gendered analysis is not built into the planning process.

Alongside this analysis a broader view of infrastructure investment is a vital part of a green transition and it must incorporate investment in social infrastructure and care.

Calls for Budget 2023-24:

- Fast track energy efficiency spending within the budget to reach those on lowest incomes in addition to fuel support payments;
- Delivery of feminist just transition, meaning transforming high polluting, male-dominated industries of transport, energy and construction as well as investing in the low-carbon, labour intensive, female dominated caring and service industries;
- The Green Jobs Fund should include a portion to specifically support people from areas of socio-economic deprivation, women, lone parents, those belonging to minority ethnic communities, refugees, disabled people, carers and young people to train for and get green jobs;

⁶ Scottish Government (2020), Towards a Robust, Resilient Wellbeing Economy for Scotland: Report of the Advisory Group on Economic Recovery

⁷ Close the Gap (2021) [The Gender Pay Gap Manifesto](#)

- Incorporate a gendered analysis into the plans for transition to net carbon zero to enable policy makers to maximise the opportunities for poverty reduction and tackling inequality that the transition presents.

A caring social security system that provides a genuine safety net when needed most

Women are disproportionately likely to rely on social security in Scotland. This stems from women's economic inequality, which is rooted in the undervaluation of care work across our economy, and women's inequality in the labour market. Through the 2023-24 Budget, there is an urgent need to boost women's incomes through action on fair work, and crucially, action to strengthen Scotland's social safety net, through social security and universal basic services. The cost-of-living crisis has further highlighted the urgency of this action.

Calls for Budget 2023-24:

- Increase level of all Social Security Scotland payments by at least inflation;
- Mitigate the two-child limit and young parent penalty through additional payments of the Scottish child payment;
- Double carer's allowance supplement for 2023/24;
- Increase funding for the Scottish Welfare Fund to ensure there is sufficient resources to meet the demand and increase funding for promotion of the fund;
- Financial security for women who experience domestic abuse including crisis funding to enable women to leave and to bridge the gap between leaving and the first Universal Credit payment.

Progressive and fair taxation to support a caring economic recovery

How our revenue is generated has an important role to play in tackling inequality. Just like decisions on how best to spend public money, decisions about how best to raise public funds through tax can affect women and men differently. Regressive taxes place greater pressure on those on lower incomes, with wealthy men the most likely to benefit. Women make up a higher proportion of those on low incomes and therefore tax changes to realise a more progressive tax system will improve efforts towards gender equality.

Evidence from the Office of the Chief Economist demonstrates that changes made in Scottish income tax in 2021-22 compared to a scenario of no tax changes since 2016-17 has meant that in 2021-22 85% of women will pay less tax, compared to 72% of male taxpayers.⁸

However, other taxes in Scotland are regressive. Council Tax is a particularly regressive form of taxation that is within the control of the Scottish Government. According to data from the Office of National Statistics, households in the bottom quintile pay 4.6% of their income on Council Tax, whereas those in the top quintile pay just 1.4% of their income on this tax.⁹ Efforts to reform Council Tax into a progressive form of local taxation would benefit those on low incomes.

With tight budgets additional forms of revenue raising need to be sought by the Scottish Government to build a fairer economy.

⁸ Office of the Chief Economist [Income Tax: Cumulative Impacts on Income Levels and Equality](#)

⁹ Office of National Statistics (2020) [Taxes as a percentage of gross income, disposable income and expenditure for all individuals by quintile groups Scotland 2018 to 2019](#)

Calls for Budget 2023-24:

- Continued delivery of progressive income tax reform;
- Reform of local taxation and options for local revenue raising should be agreed over the course of the 2023-24 budget year;
- Consideration of options for delivery of a wealth tax at the devolved level;
- Development of carbon taxes, including use of powers on Air Departure Tax.

For more information please contact: Sara Cowan, SWBG Coordinator

sara.cowan@swbg.org.uk