

**Women's Budget Group Response to the
Women and Work Commission
February 2005**

The Women's Budget Group (WBG) is an independent UK organisation bringing together academics and people from non-governmental organisations and trades unions to form a network of experts to promote gender equality through appropriate economic policy. Our primary concern is to examine policy options and decisions in light of the question “Where do the resources go and what is the impact on gender inequality?”

If you would like more information or to follow up this response please contact:

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Introduction

The Women's Budget Group (WBG) is pleased to submit its response to the Women and Work Commission's call for evidence. We welcome the opportunity to engage with it, and look forward to hearing its outcomes. The Commission presents an opportunity towards transforming women's paid and unpaid work in the UK.

Summary

Work is an important element in the lives of the majority of women in the UK, affecting their economic, social and personal well-being in a variety of ways.

The WBG has a particular interest in how gender affects people's experience of paid *and* unpaid work and influences the context in which they make choices.

Government policies in all the areas highlighted by the Women and Work Commission have the potential to challenge gender stereotypes and make more effective use of resources in improving women's economic position.

The WBG is aware that a number of bodies and individuals have already submitted evidence to the Commission which broadly reflects the views of the group. We will not therefore repeat that evidence here, but simply outline the Group's main concerns in the areas highlighted.

Response to the Commission's Questions

Overarching issues

- Monitoring should make use of the research that has been carried out on modelling the gender pay gap in terms of the impact of different factors.
- Productivity measures should take into account the value to the economy of unpaid work, most of which is provided by women and, in many important areas, greatly exceeds the contribution of formal paid services. For example, the value of informal care for frail elderly or disabled adults is currently six times the value of the social care services provided for this group.
- Further research is needed into the question of exactly what impact paid work has on poverty reduction. Even where people would benefit in the long-run from employment, the real costs of working (e.g. transport, childcare) and loss of benefits may result in current income being reduced and work therefore being unaffordable..

Labour market

- The introduction of the minimum wage has been shown to have had a significant impact on the gender pay gap and to have been beneficial to part-time workers. The Government should ensure that increases to the minimum wage are set at a level which maintains this effect. Raising the minimum wage would have a much better effect on gender inequalities than subsidising low wages through the WTC. It is a wasteful subsidy to employers providing low quality jobs to set the

minimum wage so low that those working 30 hours on it qualify for the WTC.

- All policies and action by Government, employers and support groups should be designed to challenge traditional job roles and reduce occupational segregation.
- The lack of quality part-time job options results in women with caring responsibilities “down-shifting” in the labour market, which impacts on current and future income. The best way to rectify this would be to breakdown the distinction between the pay and conditions of full-time and part-time employment, by making all jobs open to those wanting to work part-time.
- Long working hours for full-time work for both men and women increases the difficulties for women in combining caring responsibilities with good quality full-time employment. The UK’s long hours’ culture hinders women’s employment and promotion prospects.

Education, careers guidance, skills

- Education, careers guidance and skills development at all stages contributes to building human capital, and it can be argued that women are disadvantaged at all stages in this process.
- Even when women have built up a high level of personal human capital, later downward shifts in career to accommodate flexible working patterns leads to this human capital being underused and further under-developed.

Occupational segregation

- Given that occupational choices are governed by attitudes developed very early in life, as well as by incomplete information and current opportunities, occupational segregation must be addressed at all stages in job choice.
- Resources should be directed to improve career guidance for women at all stages in their working lives, with imaginative and individually-focussed advice so that skills are properly identified and matched to job options.
- Interventions to persuade employers to consider how more women can be attracted to work in traditionally male fields should be initiated and supported by the Government.

Organisational practice

- The Equal Pay review is a tool that reflects the WBG’s interest in assessing how resources reach women and impact on gender inequalities. The experience of members of the WBG suggests that a voluntary approach to equal pay reviews has achieved very limited results. The WBG therefore believes that the Government should seriously consider means of making such reviews compulsory. In the public sector this could be linked to the forthcoming introduction of the duty on public sector organisations to promote gender equality. The proposed review of anti-discrimination legislation following the establishment of the Commission for Equality and Human Rights would

present an opportunity to reconsider the Equal Pay Act and incorporate compulsory equalities auditing of pay systems.

- Public procurement contracts given to firms in the private sector should be made subject to confirmation that equal pay reviews are carried out at regular intervals, and that the company is developing a plan for addressing any gender pay gaps identified. This would ensure that public expenditure on procurement is used to promote gender equality, and could thus be seen as an integral part of the new public sector duty.

Recommendations

A number of factors must be addressed to encourage women's participation in the labour market and ensure that they get a fair deal, and these will need to be tackled by a variety of bodies with particular expertise.

The Women's Budget Group urges the Women and Work Commission to include the following in the recommendations it makes to the Government:

- Further investigation into the particular factors that have been identified (by the EOC and others) as limiting women's earning potential and ways of overcoming them.
- Recommending mandatory pay reviews as part of both the review of discrimination legislation following the establishment of the CEHR and in the public sector duty on gender equality.
- Ensure that public procurement contracts include a requirement to carry out an equal pay review and to report on progress in relation to gender equality in the workplace and the gender pay gap in particular.
- Encourage improved reporting of gender equality workplace issues, and equal pay audits in particular, as part of corporate social responsibility (CSR) reporting.
- Particular concentration on how to remove indirect discrimination from human capital development¹.
- Further increases to the minimum wage, which particularly helps women in low-paid, part-time jobs and effective policing to ensure that all employers conform to the regulations.
- Encouraging employers to develop better quality part-time work options and improve opportunities for flexible working at all levels and in all occupations.
- Every effort should be made to reduce long hours working and the long hours culture encouraged by many UK employers, and to promote work-life balance for both men and women.
- Further studies of the relationship between paid and unpaid work are needed. These should take into account how individual women manage to combine the two, with or without the use of formal paid services, and how these are shared across the generations as well as between men and women.

¹ Olsen W. and S. Walby, 2004. 'Modelling Gender Pay Gaps', EOC Working Paper No. 17, Equal Opportunities Commission.

