

# Regional inequality and gender

## Policy paper for the Commission on a Gender-Equal Economy

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*Disclaimer: This paper was commissioned by the Women's Budget Group to inform the Commission on a Gender-Equal Economy. An input to the Commission, it has been written by an independent author and should not be taken to represent the views of the Commission on a Gender-Equal Economy or the Women's Budget Group.*

### Executive summary

A feature of inequality in the UK is its strong spatial dimension. After decades of widening gaps between the most and least deprived areas, the UK is now one of the most spatially unequal countries in the industrial world and mortality rates now vary more within its regions than between the wealthiest and poorest countries in the OECD. This is sometimes characterised as being about productivity gains in London and the South East relative to the rest (especially the former industrial towns and cities of the North), and the language of the North/South divide now dominates the political discourse on this issue. However, this risks over-simplifying the issue and obscuring other manifestations of inequality, most notably rural poverty and deprivation in London and the South. Moreover, it promotes English dominance in economic policy and deflects from the fact some of the most deprived communities reside in Wales, Northern Ireland and Scotland.

A further feature of the spatial inequality debate is that a gender perspective is largely absent. Yet when we take a closer look, we find strong relationships between inequalities of place and gender. Women from deprived areas are more likely to be victims of domestic violence than those in the least deprived and are more likely to live in fuel poverty than men. In the past ten years the health of women in the most deprived areas has declined relative to women in the least deprived but their position relative to men in the most deprived areas has also worsened.

There is a clear spatial skew in research and development (R&D) spending (which is often cited as a driver of regional inequality), and the evidence suggests that this benefits men more than women. Men are more likely to work in well-paid sectors such as manufacturing and scientific, technological and financial services, and these are also unevenly spatially distributed. However, sectors which employ more women (e.g. health and social care) tend to be more evenly distributed across the country but are also less well-paid. Women are much more likely to work in atypical and part time roles, which again have a spatial skew. A greater proportion of productivity gains are captured by those working in the south east, and by men, and evidence also suggests that the largest gender pay gap exists in England (and within some of its more deprived regions), further evidence that women in those areas are losing out relative to men. Finally, both women and those living in the most deprived areas have borne more of the costs of the financial crisis and subsequent austerity policies.

Current Government regeneration policy is mainly contained in the idea of 'levelling up' economic outcomes between the North and South, which is largely a continuation of the previous Government's 'Northern Powerhouse' agenda. Both follow an electorally motivated policy of privileging the North of England over an approach that targets the more deprived neighbourhoods, which had been the policy target under previous governments. Policy details underpinning 'levelling up' are still unclear but announcements to date include £100 bn a year over the lifetime of the

parliament to be spent mainly on physical infrastructure and R&D, both of which have strong gendered implications. Reports from thinktanks on spatial inequality over the last few years have tended to lack a gender analysis, with the exception of the Marmot Review.

Addressing both spatial and gender equality requires more careful policy formation, as well as substantial investment to create countervailing forces that are sufficient to reverse the existing, strong polarising trends. The arguments set out here only go some of the way, and more research is needed, including gender-sensitive indicators of deprivation. Policies that would yield both a gender and spatial inequality dividend are as follows:

- Investing in social infrastructure
- Reducing poverty and strengthening the welfare system
- Improving women's decision-making roles as part of a broad and deep decentralisation initiative,
- Prioritising local transport routes, especially buses that serve local labour markets
- Conducting equality impact assessments of all regeneration, transport and physical infrastructure projects

## Introduction

Since the 2008 financial crisis, which was itself linked to patterns of inequality,<sup>1</sup> regional inequality (in concert with other forms) has moved up the policy agenda. Recent data show that the UK is one of the most regionally unbalanced countries in the industrialised world,<sup>2</sup> and there is now a large body of evidence suggesting the consequences of the 2008 crisis have been worst for low earners, women and those living in the most deprived areas.<sup>3</sup> After years of debate between economists on the trade-off between national growth rates and regional inequality,<sup>4</sup> there is now something of a consensus that spatially unbalanced development compromises national economic policy and requires policy action.<sup>5</sup> Moreover, it is increasingly recognised that regional inequality inhibits social cohesion and shared identity, and increases fragmentation.<sup>6</sup>

Looking ahead, the challenges of Brexit pose risks for the least well-off parts of the UK, including the risks resulting from border infrastructure between Wales, Scotland and Northern Ireland,<sup>7</sup> disinvestment in the poorest regions and an economic downturn that will impact the least economically resilient areas most.<sup>8</sup> Brexit has also been a highly centralising exercise with negotiations conducted almost entirely by central government, which has significantly set back the

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<sup>1</sup> Overman (2019) What are the economic forces polarising the UK? London School of Economics <https://blogs.lse.ac.uk/brexit/2019/12/09/what-are-the-economic-forces-polarising-the-uk/>

<sup>2</sup> McCann, P. (2020). Perceptions of regional inequality and the geography of discontent: Insights from the UK. *Regional Studies*, 54(2), 256-267.

<sup>3</sup> Bell, David N.F. and Blanchflower, David G., What Should Be Done About Rising Unemployment in the UK?. IZA Discussion Paper No. 4040. Available at SSRN: <https://ssrn.com/abstract=1351203>

<sup>4</sup> McCann, P. (2016). *The UK regional-national economic problem: Geography, globalisation and governance*. Routledge.

<sup>5</sup> Gardiner, B., Martin, R., Sunley, P., & Tyler, P. (2013). Spatially unbalanced growth in the British economy. *Journal of Economic Geography*, 13(6), 889-928.

<sup>6</sup> Lupton R. (2015) Deprived Neighbourhoods and Spatial Inequalities in England, University of Manchester [https://www.geography.org.uk/download/ga\\_conf15\\_ruthlupton.pdf](https://www.geography.org.uk/download/ga_conf15_ruthlupton.pdf)

<sup>7</sup> UKTPO (2020) New UKTPO report outlines impact of Brexit Withdrawal Agreement on Welsh economy <https://blogs.sussex.ac.uk/uktpo/2020/01/20/new-uktpo-report-outlines-impact-of-brexit-withdrawal-agreement-on-welsh-economy/>

<sup>8</sup> Centre for Cities. (2018). *The wrong tail*. Retrieved from <http://www.centreforcities.org/publication/the-wrong-tail/>

devolution agenda.<sup>9</sup> Most commentators agree that without robust and unprecedented government intervention, inequalities are set to widen further.<sup>10</sup>

Although we know that women are over-represented amongst low earners and, unsurprisingly, have fared worse since the crisis than men, less is known about the geographic implications of this. The pervasive nature of gender inequality means that it cuts across spatial inequalities but this has been largely absent from the debate. Several recent high-profile papers on regional inequality (e.g. by IPPR North, UK2070 Commission) have provided only a cursory gender analysis, and government policy in this area has historically lacked a gender lens.

The purpose of this paper is to start to fill this gap by examining inequalities of place and gender and how they intersect. The aim is to better understand the gender implications of regional inequality to inform policy recommendations for the Commission. The paper begins with a discussion of what we mean by regional inequality and the historical context. It goes on to discuss the current proposals to address regional inequality from a gender perspective, including those from other think tanks and commissions and concludes with a series of policy recommendations developed in the light of these findings.

### **What do we mean by regional inequality?**

The United Kingdom is historically characterised by persistent and significant regional economic disparities.<sup>11</sup> Disparities of income between the regions peaked in the late 19<sup>th</sup> century before beginning to fall. The decline in regional inequality in the first half of the twentieth century formed part of a wider trend of declining income inequality. As with income inequality, convergence between the rest of the UK and the South East stopped in the second half of the 20<sup>th</sup> century and the regions began to again diverge. This divergence has been especially marked since 1991.<sup>12</sup>

Regional inequality is more than about income, however, and refers also to the unequal distribution of phenomena such as employment, enterprise, productivity, education, investment, services – and more recently environmental factors such as air quality and access to green space – across regions. Although the UK has 12 regions (9 in England as well as Scotland, Wales and Northern Ireland), regional inequality is commonly thought (e.g. the IPPR *State of the North* report) as being predominately between the north and south of England, the so-called North/South divide.<sup>13</sup> This has gained much traction in the last decade, due to political interest in the north of England as a result of its changing electoral landscape. This began with the Coalition government's 'Northern Powerhouse' policy, and more recently bridging the North/South divide has been central to the 'levelling up' agenda.

An important caveat to this discussion is that findings on inequality of place vary depending on several factors (the unit/area of analysis), the measures used (income, wealth, health, housing etc.) and comparator area (i.e. whether a four nation or within country comparison is used).

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<sup>9</sup> Billing, C., McCann, P., & Ortega-Argilés, R. (2019). Interregional inequalities and UK sub-national governance responses to Brexit. *Regional Studies*, 53(5), 741-760.

<sup>10</sup> UK 2070 Commission (2020) Make No Little Plans Acting at Scale for a Fairer, Stronger Future. Final Report of the UK 2017 Commission. <http://uk2070.org.uk/wp-content/uploads/2020/02/UK2070-FINAL-REPORT.pdf>

<sup>11</sup> Zsibók, Z. (2017). Continuing divergence after the crisis: long-term regional economic development in the United Kingdom. *Regional Statistics*, 7(01), 17-42.

<sup>12</sup> Geary, F., & Stark, T. (2016). What happened to regional inequality in Britain in the twentieth century?. *The Economic History Review*, 69(1), 215-228.

<sup>13</sup> Raikes, L., & Giovannini, A. (2019). Divided and Connected Regional inequalities in the North, the UK and the developed world – State of the North 2019, IPPR North, <https://www.ippr.org/research/publications/state-of-the-north-2019>

## Problems with the 'North/South divide'

Whilst there are clear social and economic disparities between the north and south of England, there are also several problems with defining regional inequality predominately in these terms.

First, in England, a common measure of inequality is Indices of Multiple Deprivation (IMD)<sup>14</sup>. Analysis of the English IMD show that pockets of extreme deprivation (i.e. neighbourhoods in the bottom decile or quintile) exist across England (see Figure 1). Whilst there are substantial concentrations of these neighbourhoods around the Northern towns and cities, there are also concentrations in the South East, Cornwall and London, and concentrations of affluent neighbourhoods in the top decile/quintile across all regions.<sup>15</sup> Indeed, of the 317 Local Authority Districts in England, 260 have at least one neighbourhood that falls in the most deprived 20 per cent.

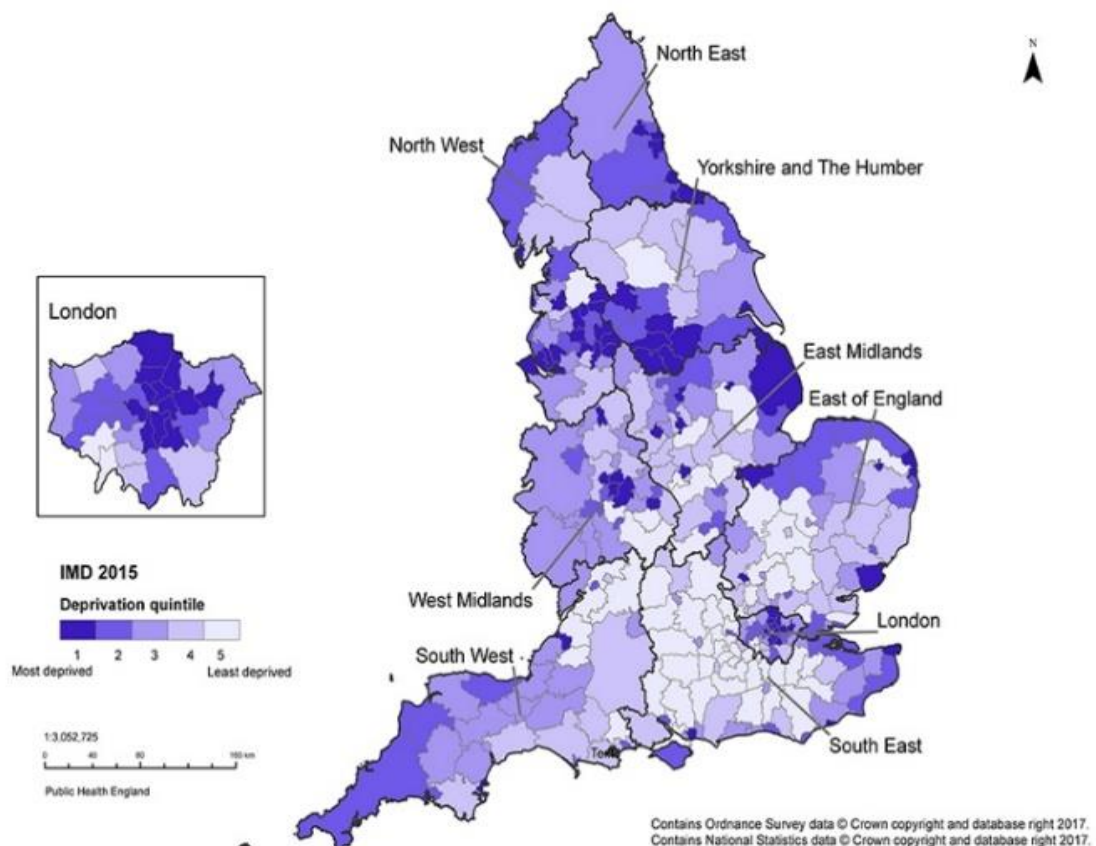


Figure 1: Spatial inequality in England (IMD, 2015)

Second, the North/South divide ignores the vast inequalities between the regions of the United Kingdom. According to Eurostat, West Wales and Cornwall are the two lowest-income regions, not just of the UK but of the whole of Northern Europe, and inner London takes the top spot as the richest region in the EU.<sup>16</sup> Research to compare deprivation across the constituent countries finds Northern Ireland is the most deprived in the UK with 37% of the population living in areas in the most deprived quintile, followed by Wales with 22%.<sup>17</sup> The measure of inequality used also matters.

<sup>14</sup> These provide a set of relative measures of deprivation, based on seven domains: employment, income, education, health, crime, housing and living environment. Analysis is provided at the neighbourhood level (Super Output Area (SOA)), district level (wards), local authority level, and regional level (NUTS).

<sup>15</sup> MHCLG (2019) English indices of deprivation 2019 <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

<sup>16</sup> Inequality Briefing (2020). The poorest regions in the UK are the poorest in Northern Europe. Available online: [http://inequalitybriefing.org/graphics/briefing\\_43\\_UK\\_regions\\_poorest\\_North\\_Europe.pdf](http://inequalitybriefing.org/graphics/briefing_43_UK_regions_poorest_North_Europe.pdf)

<sup>17</sup> Abel, G. A., Barclay, M. E., & Payne, R. A. (2016). Adjusted indices of multiple deprivation to enable comparisons within and between constituent countries of the UK including an illustration using mortality rates. *BMJ open*, 6(11), e012750.

For example, Figure 2 compares life expectancy across the nations and shows the lowest life expectancy is in Scotland (and its islands) along with northern England, Northern Ireland and parts of Wales.

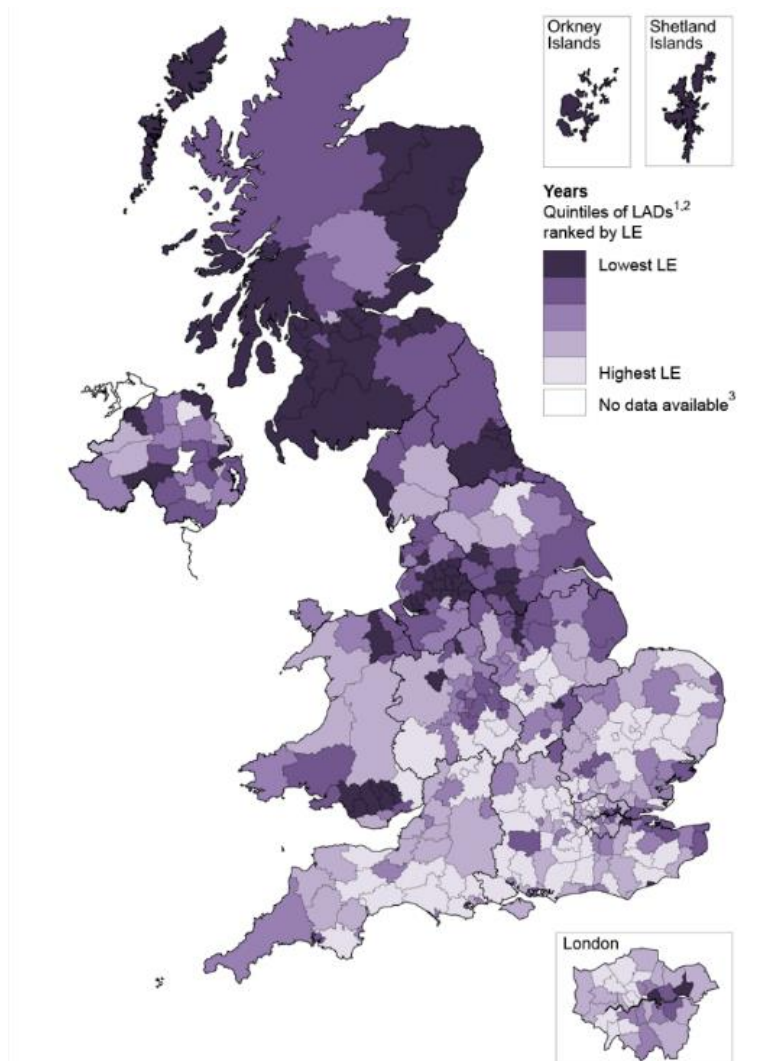


Figure 2: Quintiles of Local Authority Districts ranked by life expectancy

Third, London has some of the starkest inequalities in the UK and Europe, characterised not just by extremes in income but also in wealth. 50% of London's wealth is owned by the richest 10% of its households, while the bottom 50% of households own just over 5% of the city's wealth.<sup>18</sup> Although London has a 50% higher level of productivity than any other nation or region in the UK,<sup>19</sup> one in four children live in overcrowded homes, over twice the English average,<sup>20</sup> 16% of Londoners live in England's poorest decile,<sup>21</sup> and 28% live in relative poverty after housing costs.<sup>22</sup>

Fourth, regional analysis has an urban bias, as it focuses largely on the productivity gap between the major towns and cities in the North and London. This can obscure poverty in rural areas, which can

<sup>18</sup> Trust for London (2018) *Inequality: The gap between the richest and poorest in London*. Available online: <https://www.trustforlondon.org.uk/data/topics/inequality/>

<sup>19</sup> UK 2070 Commission (2020) *Make No Little Plans Acting at Scale for a Fairer, Stronger Future*. Final Report of the UK 2017 Commission. <http://uk2070.org.uk/wp-content/uploads/2020/02/UK2070-FINAL-REPORT.pdf>

<sup>20</sup> MHCLG, (2020) *English Housing Survey 2018 to 2019: headline report*. MHCLG.

<sup>21</sup> Trust for London (2018) *Inequality: The gap between the richest and poorest in London*. Available online: <https://www.trustforlondon.org.uk/data/topics/inequality/>

<sup>22</sup> Goulden, C. (2020) *UK Poverty 2019/20*, Joseph Rowntree Foundation <https://www.irf.org.uk/report/uk-poverty-2019-20>

be particularly relevant to women due to lack of locally based employment and poor transport, infrastructure and connectivity in those locations. There is an evolving urban/rural divide in the UK, and since 2012, jobs growth has been concentrated in large urban areas of the country, with almost a million jobs created across 12 of the UK's largest cities.<sup>23</sup> However, analysis of the growth of professional roles in recent years finds that the three largest sectors are IT, computer software and financial services, and that 65% of these 'emerging' roles are held by men.<sup>24</sup>

Finally, evidence shows that the factors that most influence people's well-being are local, such as employment, access to health services, pollution and security, and that experiences of inequality are closely linked to where people live and work.<sup>25</sup> The regional focus runs the risk that local solutions are misidentified and that the root causes of inequality are not addressed. The limitations of centralised regeneration policy have been repeatedly emphasised in previous analyses,<sup>26</sup> and yet, as will be discussed below, the policies initiated since 2010 are, if anything, more top down than what has gone before.

The language of the North/South divide risks diverting attention away from some of the poorest communities in the UK, and it also a majoritarian approach that emphasises the dominance of England over the other nations. The geographical distribution of social, environmental and economic resources does matter (and is discreet from other forms of inequality). However, rather than focusing on regional inequality per se, the language of *spatial inequality* that considers the most disadvantaged areas as a group (e.g. the bottom decile or quintile on the IMD) – irrespective of their location - is preferable. A great strength of the IMD approach is that it has depoliticised regeneration by providing data on a range of indicators (albeit, as will be discussed, gender-blind ones).

### **Gender implications of spatial inequality**

Regeneration is a gendered concept, and the gender implications from spatial inequality have not historically been a feature of regeneration policy. Assessing the gender implications is therefore challenging, as spatial inequality statistics tend to exclude indicators that are central to the well-being of women (availability of childcare, or comprehensive measures of Violence Against Women and Girls (VAWG) being just two examples). However, drawing on the data that are available, we can see that there is indeed an important gender component to spatial inequality. Some key statistics are as follows.

#### Health and wellbeing

- Women who live in the 20% most deprived areas of England and Wales are more likely to experience domestic abuse (11.1%) than in the least deprived (5.6%).<sup>27</sup>
- Although the gap in life expectancy between the most and least deprived areas is narrower for women than men, the recent Marmot review of health inequalities in England and Wales has found that over the past ten years the gap for women has widened more than for men, suggesting that women are bearing more of the costs of rising spatial inequality.<sup>28</sup> One

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<sup>23</sup> McCurdy C. (2020) Election 2019: how Britain's North-South divide is changing, The Resolution Foundation

<https://www.resolutionfoundation.org/comment/election-2019-how-britains-north-south-divide-is-changing/>

<sup>24</sup> LinkedIn (2020) 2020 Emerging Jobs Report <https://business.linkedin.com/content/dam/me/business/en-us/talent-solutions/resources/pdfs/emerging-jobs-report-uk-new.pdf>

<sup>25</sup> OECD (2016) Regions at a glance <https://www.oecd.org/regional/oecd-regions-at-a-glance-19990057.htm>

<sup>26</sup> For a discussion of this see Tallon, A. (2013). *Urban Regeneration in the UK*. Routledge.

<sup>27</sup> ONS, (2016) Intimate personal violence and partner abuse Office of National Statistics <https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/compendium/focusonviolentcrimeandsexualoffences/yearendingmarch2015/chapter4intimatepersonalviolenceandpartnerabuse#prevalence-of-intimate-violence-trends>

<sup>28</sup> Marmot, M. Allen, J. Boyce, T. Goldblatt, P. Morrison, J. (2020) Health Equity in England: The Marmot Review 10 Years On. London: Institute of Health Equity

explanation for women's declining position advanced by the Marmot review is that they have been more affected by cuts to public services (both as employees of those services and users of them) and by austerity policies, which have impacted more on lower wage and part-time positions, within which women predominate.<sup>29</sup> Women also live in poor health for longer than men,<sup>30</sup> as do people in more deprived areas.<sup>31</sup>

### The labour market: sectors and industries

- There is an uneven geographical distribution of skills across the UK<sup>32</sup> and a clear spatial skew in spending on Research and Development (R&D) in the UK, with over half being spent in London, the South East and East. Spending per head in the East of England is four times that of Wales.<sup>33</sup> This also has a clear gender dimension, with large and persistent gender gaps in access to STEM subjects and STEM careers for women (especially computer science, physics and engineering),<sup>34</sup> and even with STEM careers there are large gender pay gaps (this increased to 22% in 2019).<sup>35</sup> This shows little sign of changing. To give an example, the expansion of apprenticeships in recent years – considered an important policy to tackle spatial inequalities – has reproduced existing gender inequalities, with better paid roles in construction, industry and manufacturing being male-dominated, and lower paid, more insecure roles in areas such as social care and hairdressing being highly female-dominated.<sup>36</sup>
- A feature of the UK economy is the high geographical concentration of certain kinds of industries. Manufacturing jobs (which is a well-paid sector but not one which tends to hire women)<sup>37</sup> are concentrated in the East and West Midlands and Wales.<sup>38</sup> Highly paid roles in professional, scientific and technological services and financial/insurance sectors are concentrated in London, with the fewest in Wales. Again, there are more men in these roles than women and fewer part-time options available.<sup>39</sup> It is interesting to note that the sectors that women dominate in (health and social care, retail and education) are services that do not tend to have a spatial concentration. Part-time options are more likely in these roles, but they are also less well-paid.

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<sup>29</sup> Oxfam, (2013) The true cost of austerity and inequality: UK case study Oxfam [https://www-cdn.oxfam.org/s3fs-public/file\\_attachments/cs-true-cost-austerity-inequality-uk-120913-en\\_0.pdf](https://www-cdn.oxfam.org/s3fs-public/file_attachments/cs-true-cost-austerity-inequality-uk-120913-en_0.pdf)

<sup>30</sup> Albert, A. (2018) UK women live longer than men but have more years of poor health

<https://www.homecare.co.uk/news/article.cfm/id/1599914/UK-women-may-live-longer-than-men-but-live-more-years-in-poor-health>

<sup>31</sup> Marmot, M. Allen, J. Boyce, T. Goldblatt, P. Morrison, J. (2020) Health Equity in England: The Marmot Review 10 Years On. London: Institute of Health Equity

<sup>32</sup> UKCES (2011) Spatial inequality and skills in the UK <https://dera.ioe.ac.uk/10460/1/equality-spatial-inequality.pdf>

<sup>33</sup> Rhodes, C. (2020) Research & Development Spending House of Commons Library <https://commonslibrary.parliament.uk/research-briefings/sn04223/>

<sup>34</sup> UKCES (2015) Opportunities and outcomes in education and work: Gender effects

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/477360/UKCES\\_Gender\\_Effects.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/477360/UKCES_Gender_Effects.pdf)

<sup>35</sup> New Scientist/SRG (2018) Annual Salary Survey <https://www.newscientist.com/article/mg23731670-100-how-the-gender-pay-gap-permeates-science-and-engineering/>

<sup>36</sup> UKCES (2015) Opportunities and outcomes in education and work: Gender effects

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/477360/UKCES\\_Gender\\_Effects.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/477360/UKCES_Gender_Effects.pdf)

<sup>37</sup> Devine and Foley (2020) Women and the Economy, House of Commons Library. Available at:

<https://commonslibrary.parliament.uk/research-briefings/sn06838/>

<sup>38</sup> ONS (2015) The spatial distribution of industries in Great Britain: 2015

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/thespatialdistributionofindustriesingreatbritain/2015#main-points>

<sup>39</sup> UKCES (2015) Opportunities and outcomes in education and work: Gender effects

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/477360/UKCES\\_Gender\\_Effects.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/477360/UKCES_Gender_Effects.pdf)

## The labour market: employment, pay and job type

- A lower proportion of women than men are in employment across all countries and regions of the UK, but the employment gap varies from 6% points in the North East to 12% points in London.<sup>40</sup>
- Although unemployment rates have been at historic lows in recent years, people living in the most deprived areas are more than twice as likely to be unemployed as the average person across England and more than four times more likely than those in the least deprived areas.<sup>41</sup> The unemployment gap between these areas has increased since the recession and for the first time since 1980, the unemployment rate for women is higher than for men<sup>42</sup>, suggesting that the gains in employment have gone disproportionately to men and the better off.
- Recent data finds regional productivity gaps are higher than they have been for a century.<sup>43</sup> Taking into account the limitations with productivity measures (i.e. that it doesn't capture value added in key sectors such as health and social care), we can also observe that the gains from higher productivity are most likely benefiting men more than women. Whilst the gender pay gap also varies by region, as with unemployment, the biggest gap is for those working in the South East (20.5% per cent), closely followed by the East (19%), with the lowest gaps in Wales, Scotland and Northern Ireland).<sup>44</sup> This suggests that productivity gains in London and the South East are largely captured by men. Reasons for a low gender pay gap in Northern Ireland (the lowest in the UK by region) include the public sector 'premium' in these regions, and a slightly lower level of wage inequality generally.<sup>45</sup>
- Women are much more likely to work in atypical and part time roles and the proportion (58%) of these roles taken by women has only decreased slightly since 2008.<sup>46</sup> These roles are increasingly a feature of the UK economy with two thirds of all roles created since the recession described as 'atypical'.<sup>47</sup> The growth of men in these roles has partly explained a narrowing of the gender pay gap,<sup>48</sup> but this is hardly a point to celebrate, especially given the large increases in ethnic minority, immigrant and disabled groups in these roles.<sup>49</sup> Furthermore, there has been a big growth in take-up of these roles amongst single parents,<sup>50</sup> 90% of whom are women. There is also a spatial dimension. For example, rates of part-time employment vary by region<sup>51</sup> and self-employment jobs growth has been more concentrated in cities in recent years.<sup>52</sup>

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<sup>40</sup> Devine and Foley (2020) Women and the Economy, House of Commons Library. Available at:

<https://commonslibrary.parliament.uk/research-briefings/sn06838/>

<sup>41</sup> Nobles, S (2020) Mind the gap – how did deprived areas fare in the recession? Oxford Consultants for Social Inclusion

<https://ocsi.uk/2011/09/09/mind-the-gap-how-did-deprived-areas-fare-in-the-recession/>

<sup>42</sup> Jackson, G. (2018) Women more likely to be unemployed than men *Financial Times* <https://www.ft.com/content/98b3701c-335a-11e8-ac48-10c6fdc22f03>

<sup>43</sup> Giles, C. (2020) UK regional productivity gap widest in a century <https://www.ft.com/content/12cf3bb2-46a3-11ea-aeb3-955839e06441>

<sup>44</sup> ASHE 2019, table 7.12

<sup>45</sup> P. McDowell, The Gender pay gap in context: Cause, consequences and international perspectives. Equality Directorate Research Branch, Office of the First Minister and Deputy First Minister, Northern Ireland.

<sup>46</sup> Olsen, W., Gash, V., Sook, K., & Zhang, M. (2018). The gender pay gap in the UK: evidence from the UKHLS.

<sup>47</sup> Clarke S and Cominetti N (2019) Setting the record straight: How record employment has changed the UK

<https://www.resolutionfoundation.org/app/uploads/2019/01/Setting-the-record-straight-full-employment-report.pdf>

<sup>48</sup> Olsen, W., Gash, V., Sook, K., & Zhang, M. (2018). The gender pay gap in the UK: evidence from the UKHLS.

<sup>49</sup> Clarke S and Cominetti N (2019) Setting the record straight How record employment has changed the UK

<https://www.resolutionfoundation.org/app/uploads/2019/01/Setting-the-record-straight-full-employment-report.pdf>

<sup>50</sup> Ibid.

<sup>51</sup> Powell, A. (2020) Labour market statistics: UK regions and countries House of Commons Library file:///C:/Users/eilis/Downloads/CBP-7950.pdf

<sup>52</sup> Magrini, E. (2019) Self-employment in cities, Centre for Cities <https://www.centreforcities.org/publication/self-employment-in-cities/>



## Sustainability

Fuel poverty has a strong spatial dimension (e.g. it is more concentrated in urban than rural areas)<sup>53</sup>, and research suggests women are more vulnerable than men to fuel poverty.<sup>54</sup> This is especially important in creating a just transition from fossil fuel dependence (see Box 1).

### **Box 1: Achieving gender and spatial equality in the 'Just Transition'**

The Just Transition refers to the transition of societies away from carbon intensive economic activity in a socially and economically equitable way. The idea stems from the legacy of deindustrialisation in the UK and the US, where a lack of transitional arrangements led to the scarring effects of large job losses, environmental externalities and associated social problems. A further feature of this legacy was the high levels of spatial inequality both countries experience today.

The Just Transition has both a spatial and gender element to it. In the move away from fossil fuels, we must identify new industries that can replace high polluting ones. Many of these such as cement, aluminium and steel are located in the most deprived regions where they provide badly needed high skilled, high paid jobs. As well as being high polluting, however, they tend not be good employers of women. But neither is the renewable energy sector,<sup>55</sup> and it is far less employment-intensive than fossil fuels in general. The challenge therefore is to develop an industrial strategy that combines objectives on both gender and spatial equality.

A further feature of the Just Transition is the investment in retrofitting homes and energy efficiency generally. As with fossil fuels, these jobs tend to be linked to the construction industry, another historically poor employer of women. There is a high risk that new jobs created further disadvantage women, unless urgent action such as introducing gender quotas in the industry are introduced.

### **Gender implications of current regeneration policies**

The roots of regeneration policy lie in responses to deindustrialisation and the replacement of traditionally male working-class industrial roles.<sup>56</sup> The literature on gender and regeneration is limited, but what exists suggests that women have not fared especially well (and similar conclusions have been reached on race).<sup>57</sup> For example, Gosling finds that regeneration policies can be destructive of local communities, which can disproportionately affect women, as they are more likely to rely on local community support networks than men.<sup>58</sup> Studies have also found that women tend to take on more informal roles, or roles that are an extension of their traditional domestic roles in regeneration projects<sup>59</sup> - and there is little evidence of equality impact assessments of regeneration policies.

<sup>53</sup> Robinson, C., Bouzarovski, S., & Lindley, S. (2018). 'Getting the measure of fuel poverty': The geography of fuel poverty indicators in England. *Energy Research & Social Science*, 36, 79-93.

<sup>54</sup> Robinson, C. (2019). Energy poverty and gender in England: A spatial perspective. *Geoforum*, 104, 222-233.

<sup>55</sup> Rebecca Pearl-Martinez & Jennie C. Stephens (2016) Toward a gender diverse workforce in the renewable energy transition, *Sustainability: Science, Practice and Policy*, 12:1, 8-15, DOI: 10.1080/15487733.2016.11908149

<sup>56</sup> Hall, S. (2016). The rise and fall of urban regeneration policy in England, 1965 to 2015. In *Fraktale Metropolen* (pp. 313-330). Springer VS, Wiesbaden.

<sup>57</sup> Maginn, P. J. (2017). *Urban regeneration, community power and the (in) significance of 'race'*. Routledge.

<sup>58</sup> Gosling, V. K. (2008). Regenerating communities: Women's experiences of urban regeneration. *Urban Studies*, 45(3), 607-626.

<sup>59</sup> Beebejaun, Y., & Grimshaw, L. (2011). Is the 'New Deal for Communities' a new deal for equality? Getting women on board in neighbourhood governance. *Urban Studies*, 48(10), 1997-2011.

Despite its limitations from a gender perspective, the UK has had sustained commitment to regeneration policy since the 1960s. That is, until the 2008 financial crisis and the 2010 election of the Coalition government, at which point large scale regeneration programmes – focused on the most deprived neighbourhoods - which had been a constant feature of UK national policy, were abandoned.<sup>60</sup> They have been replaced with the concept of the Northern Powerhouse, which was based on the theory of economic agglomeration, i.e. that if the northern English cities were joined into a single functional economy, they would have the scale to counterbalance London.<sup>61</sup>

The impetus behind this was partly an acceptance of the evidence that ‘rebalancing’ the economy would be positive for net growth. For example, the Treasury has estimated that raising the growth rates in the North to match those of the rest of the UK would add £56 billion in nominal terms to the economy.<sup>62</sup> It was also driven by political ends, and the Conservative party, which has traditionally been weak in the North, believed it would enable it to gain electorally. In practice, the Northern Powerhouse is mainly a transport-led initiative, with some emphasis on science and innovation, devolution and to a lesser extent, culture. Lee has dubbed it a ‘vague concept’ that can be understood both as a strategy and a political brand that gives a focus to disparate and often pre-existing policies.<sup>63</sup> Whilst it has meant some new resources and institutional changes, he concluded it is ‘geographically fuzzy’ and insufficiently funded.<sup>64</sup> The current government has continued the policy of bridging the North/South divide but with less focus on the Northern Powerhouse branding. It favours the idea of ‘levelling up’, which is to date more of an aspiration than a clear policy platform but appears (from announcements to date) to be a continuation of the large-scale infrastructure investment (the green light for HS2, which creates a high-speed connection between London and Northern cities, speaks to this point). Other ideas floated include moving parts of the Treasury north, reopening some rail lines, or relocating the House of Lords to the North.<sup>65</sup>

There are several obvious problems with both the Northern Powerhouse project, and what we know about the ‘levelling up’ agenda. The kinds of policies that underpin the North/South divide agenda are exactly the kinds of policies that are not especially positive for women. First, they draw on the concept of the North/South divide, which is, as discussed above, is a flawed concept that does not provide sufficiently local solutions.

Second, as pointed out above, the development of the Northern Powerhouse project was accompanied by the largest shrinkage of the state and cuts to social security since the Second World War, which disproportionately affected parts of the North. At the same time, we know that austerity policies have disproportionately affected women, and within that Black, Asian and Minority Ethnic women, and disabled women, have been hit the hardest.<sup>66</sup>

Third, there is limited evidence that physical regeneration – in and of itself - impacts on the real wages and economic conditions of the most deprived areas.<sup>67</sup> It contrasts with the whole-of-life

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<sup>60</sup> Hall, S. (2016). The rise and fall of urban regeneration policy in England, 1965 to 2015. In *Fraktale Metropolen* (pp. 313-330). Springer VS, Wiesbaden.

<sup>61</sup> R. Crawford (2010) ‘Public services: serious cuts to come’, Institute of Fiscal Studies presentation, October, <http://www.ifs.org.uk/budgets/budgetjune2010/crawford.pdf>

<sup>62</sup> HM Treasury. (2010). Spending review 2010. London: HMSO.

<sup>63</sup> Lee, N. (2017) Powerhouse of cards? Understanding the ‘Northern Powerhouse’, *Regional Studies*, 51:3, 478-489, DOI: [10.1080/00343404.2016.1196289](https://doi.org/10.1080/00343404.2016.1196289)

<sup>64</sup> Ibid.

<sup>65</sup> Bounds, A. (2020) Boris Johnson’s ‘levelling-up’ plan carries £1tn price tag *Financial Times* <https://www.ft.com/content/e9203af0-589f-11ea-abe5-8e03987b7b20>

<sup>66</sup> WBG and Runnymede Trust (October 2017) *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>) & WBG (2018) *Disabled Women and Austerity* <https://bit.ly/2GPTYiE>

<sup>67</sup> Crisp, R., Gore, T., Pearson, S., & Tyler, P. (2014). *Regeneration and Poverty: Policy and Practice Review*. Sheffield: CRES, Sheffield Hallam University and York: JRF.

policies set out in the Marmot review that focus on early interventions in people and place – early years, childcare and education – through to skills and employment/enterprise creation in later life along with better investment in safety nets and other aspects of the social infrastructure such as health. Physical infrastructure projects are more likely to hire men in the construction phase,<sup>68</sup> and long-term, the type of infrastructure selected for investment is not gender neutral. Indeed, previous research by the Women’s Budget Group has found strong gendered impacts of job creation in social vs physical infrastructure investment: namely, that investing 2% of GDP in care services would create almost as many jobs for men as investing in construction industries, but would create up to four times as many jobs for women.<sup>69</sup> There is also evidence that women value access to sanitation more than men and that transport design can improve women’s feelings of safety.<sup>70</sup>

Moreover, projects like HS2 strengthen links with London, rather than create an alternative economic centre, which would require greater investment in East/West linkages. In Wales the opposite is true, where the main rail routes link Wales with England but with very poor connections between North and South Wales.<sup>71</sup> Evidence suggests that 50% of people only ever work in the local labour market where they were born (rising to 60% for those without a degree).<sup>72</sup> Moreover, women are more likely to seek out work closer to home and may not be as prepared - or able - to make long commutes to distant towns or cities.<sup>73</sup> This calls into question the equalising effect of policies like HS2 that simply create faster routes to the South. There is also evidence that women, and those in deprived areas use buses more than men,<sup>74</sup> and proposed investments in railways are therefore more likely to benefit men and the better off.<sup>75</sup>

Finally, there is the scale of ambition and the a-structural nature of many of the Northern Powerhouse/levelling up agenda plans (or ‘gimmicks’ in the words of Lord Kerslake).<sup>76</sup> The government has pledged to spend about £100bn over the parliament on physical infrastructure,<sup>77</sup> however, the details on this are unclear as a National Infrastructure Plan that was due to be published alongside the March 2020 Budget has been delayed and the Budget itself only committed to £27 billion spending on roads, £5.2 billion on other forms of transport.<sup>78</sup> This contrasts with Kerslake’s estimate of a minimum of £1tn over 20 years (for comparison, the German government spent £1.5 tn. on German reunification) to be spent on transport, skills and R&D. The IFS also estimate that raising transport spending to the London level nationally would cost an extra £19 billion per year.<sup>79</sup>

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<sup>68</sup> UKCES (2015) Opportunities and outcomes in education and work: Gender effects

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/477360/UKCES\\_Gender\\_Effects.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/477360/UKCES_Gender_Effects.pdf)

<sup>69</sup> WBG and OECD (2016) Investing in the Care Economy: A gender analysis of employment stimulus in seven OECD countries

<https://wbg.org.uk/analysis/investing-2-of-gdp-in-care-industries-could-create-1-5-million-jobs/>

<sup>70</sup> Wellenstein, A. and Gill, M. (2019) Making infrastructure work for both women and men. World Bank

<https://blogs.worldbank.org/voices/making-infrastructure-work-both-women-and-men>

<sup>71</sup> Morris, S. (2020) Plaid Cymru calls for trans-Wales railway to boost economy *the Guardian*

<https://www.theguardian.com/politics/2019/dec/07/plaid-cymru-calls-for-trans-wales-railway-to-boost-economy-adam-price>

<sup>72</sup> Bosquet, C., & Overman, H. G. (2019). Why does birthplace matter so much?. *Journal of Urban Economics*, 110, 26-34.

<sup>73</sup> Wellenstein, A. and Gill, M. (2019) Making infrastructure work for both women and men. World Bank

<https://blogs.worldbank.org/voices/making-infrastructure-work-both-women-and-men>

<sup>74</sup> DoT (2018) Transport Statistics Great Britain 2018, Department of Transport: London.

<sup>75</sup> Gill (2019) Public Transport in a Gender Equal Economy, Women’s Budget Group [https://wbg.org.uk/wp-](https://wbg.org.uk/wp-content/uploads/2019/11/Transport-in-a-Gender-Equal-Economy.pdf)

[content/uploads/2019/11/Transport-in-a-Gender-Equal-Economy.pdf](https://wbg.org.uk/wp-content/uploads/2019/11/Transport-in-a-Gender-Equal-Economy.pdf)

<sup>76</sup> Bounds, A. (2020) Boris Johnson’s ‘levelling-up’ plan carries £1tn price tag *Financial Times* <https://www.ft.com/content/e9203af0-589f-11ea-abe5-8e03987b7b20>

<sup>77</sup> Parker, G. (2019) Boris Johnson plans to pour billions into Midlands and North *Financial Times* <https://www.ft.com/content/0acabafa-1f4c-11ea-b8a1-584213ee7b2b>

<sup>78</sup> HM Treasury (2020) *Budget 2020* Available at: <https://www.gov.uk/government/publications/budget-2020-documents/budget-2020>

<sup>79</sup> Zaranko, B. (2020) Levelling up: what might it mean for public spending? Institute for Fiscal Studies

## Gender implications of alternative policies

The past few years, especially the period since the EU referendum, have seen the publication of several high-profile studies from think tanks and commissions responding to the critical issues set out in this paper. However, despite containing radical proposals to address spatial inequality, these responses have been largely gender blind. One of the best of these is the Marmot review, which disaggregates data by gender and provides a set of wide-ranging recommendations - many of which are consistent with those set out below. In this section, we provide an overview of three of these studies by way of example: the UK2070 Commission<sup>80</sup>, the IPPR North report<sup>81</sup> and the Resolution Foundation.<sup>82</sup>

### *The UK2070 Commission*

Although there are many solid proposals and a commendable level of ambition, the UK2070 Commission's recommendations echo many that already underpin (at least in theory) the Northern Powerhouse proposals, such as investment in transport and physical infrastructure. From a gender perspective, it is not clear that women's transport patterns and priorities have been taken into account. The proposals which focus on intercity connections, upgrading railways and cycling infrastructure – whilst welcome and of themselves - are all likely to benefit men more than women. Similarly, the governance proposals which focus on giving people a voice through meaningful devolution, citizens' assemblies and so on do not explicitly set out how this would ensure that existing power imbalances of gender, ethnicity, disability status and so on are not replicated within such structures.

### *The Resolution Foundation*

In 2019, the Resolution Foundation published a paper which examined the relative economic performance of UK regions and nations since the 1960s, and the extent to which this has driven differences in household living standards. The paper argues that whilst productivity gaps between the regions are very high and rising, analysis at the household income level shows these differences are in decline due to redistribution through the tax and benefit system and the minimum wage. In line with arguments set out here, the paper shows the value of household poverty reduction as a means to offset spatial differences, but it warns against complacency with regard to these inequalities. What the paper fails to consider is the clear gender element to the analysis that has been undertaken. The redistribution measures and the minimum wage disproportionately impact on women, as do certain important transfers like child benefit. The paper calls for greater devolution, but lacks discussion of how these new arrangements would relate to existing mechanisms for redistribution, or their gender implications.

### *IPPR North*

IPPR North publishes an annual State of the North report, which reviews the economic and social position of the North of England. The most recent report (2019) took a wider view of the issue and assessed the north relative to rest of the UK and put regional inequalities in a wider developed world context. It argues that the UK is more regionally divided than any comparable country and that this is causally related to centralisation of power in Westminster. It also makes the case that

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<sup>80</sup> UK 2070 Commission (2020) Make No Little Plans Acting at Scale for a Fairer, Stronger Future. Final Report of the UK 2017 Commission. <http://uk2070.org.uk/wp-content/uploads/2020/02/UK2070-FINAL-REPORT.pdf>

<sup>81</sup> Raikes, L., & Giovannini, A. (2019). Divided and Connected Regional inequalities in the North, the UK and the developed world – State of the North 2019, IPPR North, <https://www.ippr.org/research/publications/state-of-the-north-2019>

<sup>82</sup> Clark, S (2019) Mapping Gaps: Geographic inequality in productivity and living standards <https://www.resolutionfoundation.org/app/uploads/2019/07/Mapping-Gaps.pdf>

devolution to metro mayors has been highly successful and demonstrates that more radical devolution will lead to economic prosperity. In this one policy achievement however, the paper also notes that despite the diversity of the areas they govern, there have been no female or ethnic minority mayors. This highlights the need for applying a gender lens to devolution processes to ensure democratic representation. Aside from this, the paper lacks any other gender analysis.

## Conclusions and recommendations

Spatial inequalities are historically high and on current trends are set to widen further. Widening spatial inequalities is not inevitable and comparable countries such as France have succeeded in narrowing them in the past twenty years.<sup>83</sup> Although the issue has moved up the political agenda in the UK, it clearly lacks a gender lens. However, as we have shown, spatial and gender inequalities intersect and compound each other, meaning that a holistic approach to reducing inequality of place should take account of the unique role of women with that economy.

A clear recommendation from this paper is for the Commission to support more research on the intersection between gender and spatial inequality. One observation from existing work on spatial inequality is the wealth of data that is held by economic geographers in the UK. Thomas and Dorling,<sup>84</sup> for example, provide a cradle to grave analysis of the distribution of a range of phenomena but only disaggregate a small number by gender. This shows the analysis is possible as the data exist but that this question has not to date been a priority for those studying spatial inequality.

As well as disaggregating these datasets further research is required in the following areas:

- More analysis of the implications of these findings
- The identification of a suite of gender-sensitive indicators to measure spatial inequality
- Practical proposals on equality impact assessments of physical infrastructure and regeneration spending

Recommendations for policy are as follows:

### *Social infrastructure*

In line with the Marmot review, addressing spatial inequalities is in large part about improving life chances through investment in a functioning social infrastructure (i.e. investment in early years provision, social security, health and social care). This will help the least well-off individuals and families but also tackle area-based disadvantage. There would be a clear gender gain due to the higher rates of poverty among women and the fact that they are more likely to be using public services and working in them. As Marmot argues, this requires an intergenerational perspective that starts with improving life chances from birth. More specifically this would involve:

- Improving the pay and qualifications of the childcare workforce to improve the quality of childcare provision
- Expanding and reducing the costs of universal childcare
- Investing more in social infrastructure (e.g. social care, childcare, education). This will create jobs (likely to be taken mainly by women)<sup>85</sup> and can also free up unpaid carers to do more paid work

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<sup>83</sup> OECD (2016), OECD Regions at a Glance 2016, OECD Publishing, Paris, [https://doi.org/10.1787/reg\\_glance-2016-en](https://doi.org/10.1787/reg_glance-2016-en)

<sup>84</sup> See for example Thomas, B., & Dorling, D. (2007). *Identity in Britain: A cradle-to-grave atlas*. Policy Press.

<sup>85</sup> WBG and OECD (2016) Investing in the Care Economy: A gender analysis of employment stimulus in seven OECD countries <https://wbg.org.uk/analysis/investing-2-of-gdp-in-care-industries-could-create-1-5-million-jobs/>

- Investment in social infrastructure/public services should be proportionate to need in each area and have a higher deprivation weighting than it currently has

### *Poverty and cuts to welfare*

Arguably, the most effective way to increase the incomes of the poorest areas without directing the spend at a particular geography is to reverse the highly damaging austerity policies. Specific recommendations are:

- Increase the quality and security of employment, focusing on the most deprived areas
- Improve the earnings of low-income working families through the tax and benefit system and by increasing legislative protections and the minimum wage
- Strengthen the benefits system by removing conditionality and indexing payments to wages, rather than inflation.
- Increase the amount of low-cost housing in deprived areas.

### *Governance*

To effectively target policies, governments need the tools to fully understand local conditions and the expectations of their citizens.<sup>86</sup> The UK is the most centralised country of its size in the developed world and some argue that this has directly led to the prioritising of London and the South East in economic development.<sup>87</sup> Decentralisation is an urgent requirement. Specific recommendations are as follows:

- Moves to decentralisation governance should embed gender equality into its structures and ensure minimum levels of women's participation in senior/decision-making roles
- New administrations should take a lead in conducting rigorous equality impact assessments of economic development and regeneration policies, including for example, how to design gender-sensitive physical infrastructure and assessments of the social and economic benefits of social infrastructure spending relative to physical infrastructure.
- As discussed, regional comparisons of social and economic conditions can often mask significant local variation. As well as lacking data on spatial variation by gender, more data are required at smaller geographies to ensure that solutions are appropriately identified. In line with greater devolution, to regions, greater devolution to local authorities and communities is needed to support this

### *Physical infrastructure and transport*

The focus on large-scale transport/infrastructure projects are problematic. Specific recommendations are as follows:

- In rail transport, routes that link the more deprived regions with each other, rather than with London (e.g. North East-North West, Wales-Scotland should be prioritised if economic agglomeration is to take place).
- Local routes – especially bus routes - that serve local labour markets should be prioritised.

### *Education and skills*

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<sup>86</sup> OECD (2016), OECD Regions at a Glance 2016, OECD Publishing, Paris, [https://doi.org/10.1787/reg\\_glance-2016-en](https://doi.org/10.1787/reg_glance-2016-en)

<sup>87</sup> Raikes, L., & Giovannini, A. (2019). Divided and Connected Regional inequalities in the North, the UK and the developed world – State of the North 2019, IPPR North, <https://www.ippr.org/research/publications/state-of-the-north-2019>

Well-designed policy and legislation are vital to ensure that communities have the right skills to create quality jobs, including in the green economy. Ensuring that the skills base of women and deprived areas more generally is improved is important on a range of fronts. Specific recommendations include:

- Dramatically increase funding to schools in most deprived areas
- Introduce a range of school-based interventions to improve the attractiveness of STEM subjects that address role models, course content, stereotyping and other barriers to female/low-income participation
- Employers should be incentivised to provide more part-time/family friendly options, including homeworking across all sectors and levels of seniority
- Better connections between schools, colleges and employers to link students in deprived areas with good quality employment options
- Better routes (e.g. apprenticeships) into well-paid sectors like manufacturing and computer science should exist for girls.

### *Sustainability*

Due to the urgency of the climate crisis, greater diversity in energy production and conservation has been linked with a range of benefits including promoting more sustainable practices, accelerating innovation, enhancing women's opportunities, and empowering communities to engage in energy-system change.<sup>88</sup>

Women are also more vulnerable than men to fuel poverty, as are people living in the most deprived areas, and it is crucial that the transition away from fossil fuels does not lead to an increase in fuel costs for these groups. Otherwise, even if fuel costs fall in absolute terms, relative costs will rise for the less affluent, once again widening inequality. Specific recommendations are as follows:

- Developing and locating new technologies in the most deprived parts of the UK in ways that could yield a triple dividend by tackling gender and spatial inequality and by bringing environmental benefits.
- Retrofitting and other green jobs must happen in a socially equitable way
- Ensuring that government investment is enough to offset private investment in more affluent households.

### *Scale of investment*

UK growth has exhibited strong polarising trends for some years now. Reversing these trends will require policies that are up to the scale of the task. A conclusion from all of the reports reviewed here is that small tinkering and minor tweaks of existing policies will not be up to the scale of the task, which requires ambition, commitment and political will. Specifically, the recommendations are:

- The size of investment needs to be enough to reverse the strong polarising trends
- Achieving rebalancing will most likely also require placing breaks on growth in the least deprived areas (e.g. through land-value or wealth taxes) to ensure that policies create enough of a countervailing force.

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<sup>88</sup> Pearl-Martinez, R., & Stephens, J. C. (2016). Toward a gender diverse workforce in the renewable energy transition. *Sustainability: Science, Practice and Policy*, 12(1), 8-15.