



Rosa, the UK Fund for Women and Girls, was set up to support initiatives that benefit women and girls in the UK. While many women and girls do enjoy freedom of choice and the opportunity for success in their lives, that's simply not true of all. This paper is one of four, which each look at where we are on a key issue: economic justice, safety, leadership & participation and health & wellbeing. Each paper describes the issues that need tackling, where we want to be, and how we'll know we're there.

Without a strong, vibrant women's sector, and the money to underpin action, we can't hope to bring about women's equality. Rosa's aims are to achieve social justice and equality for all women in the UK.

Economic Justice

Where are we now?

Economists rarely undertake gender analysis;¹ as a rule, they consider economic policy to be gender neutral. However, gender is a key organising principle within the economy, influencing wealth, employment, and access to public goods and services, as well as capital and credit. Women are more likely to live in poverty in the UK than men. This goes across the lifetime: women earn less than men, with a gender pay gap of around 20%, as measured by hourly earnings for all employees,^{2, 3} and continuing into old age: women planning to retire in 2015 have, on average, an expected retirement income of £14,300 compared with £19,100 for men.⁴ The pay gap varies across sectors, with the public sector being at 19.6% and the private sector at 25.1% in 2013.⁵ Beyond this structural bias within the economy, there is direct discrimination, with around half of all pregnant women suffer discrimination at work.⁶ This sort of inequality is wrong in principle, and also inefficient in economic terms. Reducing the gendered skills and human capital gap, and improving the effective and competitive functioning of labour markets, would increase the productivity of the UK.⁷ Since 1995, narrowing the gap between male and female employment rates has accounted for half of the increase in Europe's overall employment rate and a quarter of annual economic growth.⁸

This systemic gender divide is manifest in a number of key ways:

Occupational segregation which means the labour market is segregated by sex both horizontally and vertically. This means that women are crowded into the lower paid levels; only 20% of senior executives in the FTSE 100 are women.⁹ Overall, just under two thirds of senior management jobs are held by men.¹⁰ Conversely, women account for 59% of minimum wage jobs.¹¹ Because of this, women are more likely to be excluded from aspects of pay such as bonuses and other benefits that are given to higher level workers (cars, mobile phones, etc.), exacerbating their low salaries.¹²

- Many sectors are dominated either by men or women; for example, only 8% of employees, and 6% of apprentices, in the engineering sector are women.¹³ Sectors dominated by men are much more highly paid than those dominated by women.
- Educational achievement does not feed into higher pay, especially for graduates; female graduates more likely to work in a slightly lower skilled occupation group than men.¹⁴ As further demonstration of inefficiencies in the part time labour market, four out of five part timers – mainly women – are working below their skill level.¹⁵

Women are concentrated in the low paid '5 Cs' - cleaning, catering, and caring, cashiering and clerical work. Women are not using the skills specific to the paid economy that they have acquired and this is inefficient. Women apprentices are much more likely to be found in the service sectors where pay, qualification levels and career prospects tend to be lower.¹⁶ Removing barriers to women working in occupations traditionally done by men, and increasing women's participation in the labour market, could be worth between £15 billion and £23 billion or up to 2.0 % of GDP.¹⁷ It would increase productivity by decreasing the shortage of skilled labour, and grow the economy. And the value of unpaid caring is often invisible in the economy, being unrecorded; the effect of carers switching to and from paid work (for example, as social care is cut¹⁸) is not analysed or taken into account in economic or social policy.

Women dominate in public sector employment. The austerity cuts have impacted disproportionately on this sector (resulting, for example, in job losses of 4.5% over 2011/2012 alone). Within this overall figure, there have been falls of 7.2% in public administration and 7.4% in other health and social work, increasing unemployment among women.¹⁹

Gendered roles in caring mean that women have less opportunity than men to obtain well-paid work. Overall, men have consistently higher employment rates than women above the age of 22.²⁰ Women undertake more caring and domestic duties than men. In the UK, women do 70% of all housework, and even where women work over 30 hours per week, they still do nearly two-thirds of all housework.²¹ Caring is partly undervalued because so much of it is done free; occupations are paid less if there is a caring aspect to them. Mothers reduce their hours of paid work, and get stuck in low paid part time jobs, while fatherhood leads men to increase their working hours, although 70% of fathers with babies under 15 months want to be *more* involved with their children, showing that few are happy with their work/life balance.²² Despite tax credits, childcare remains expensive and there are insufficient places to meet demand. Women within discriminated groups often suffer a double whammy – they are more likely to be among the poorest e.g. Pakistani women. Lone parents are overwhelmingly women, and are likely to live in poverty. 25% of men, but 40% of women, either lack a car in their household or do not have a driving licence.²³ This is important because people in households without a car make half the journeys of those with a car, suggesting that it constitutes a significant form of exclusion.²⁴

Entrepreneurial Activity: Lower female self-employment rates may be caused by greater difficulties in raising finance. In the UK, women-owned businesses start with lower capital, lower ratios of debt finance, and less use of private equity or venture capital. The level of start-up capitalization used by women-owned businesses is, on average, a third of that used by male-owned businesses.²⁵

- Debt - women make up nearly two thirds of the 8 million 'over-indebted' who struggle to pay bills, and cannot make ends meet.²⁶
- Women Entrepreneurs - Twice as many men as women own businesses. In 2014 women made up just under one third of the self-employed (1.4 million).²⁷

- The top three occupations for self-employed women are all low paid: cleaners and domestics, childminders and related occupations, and hairdressers.²⁸
- Just 18 % of small and medium sized enterprises are female owned.²⁹

Forced choices: Women's economic inequality in other countries drives the supply side of trafficking, and brings an estimated 2,600 to 9,200 women each year into the UK.³⁰ The majority of women in prostitution in London are from overseas. That the industry around prostitution is exploitative is indisputable, the women being drawn from the most vulnerable: having experienced family abuse (85%), being under 18 (up to 70%), being black and minority ethnic, and having experienced being in care (up to 70%).³¹ That it is also extremely dangerous for women has been demonstrated in successive studies: one survey in the US tracked women in prostitution over more than thirty years: their rate of death was 18 times that of women in the population as a whole. Murder or drug abuse were the two top causes of death.³² Poverty also drives women's patterns of offending. The most common category of offence for which women are received into prison is theft and handling, for which the average term of imprisonment is two months.³³

The gendered economy impacts on women across the life course:

Young women and girls

- Links between poverty in the teenage years and unemployment/non-participation and lone parenthood for adult women³⁴
- A trend towards poverty persisting across generations linked to mother's nonemployment³⁵
- Education - girls and boys study similar subjects at GCSE level, but at A Level more young women choose arts /biological sciences; more young men choose physical sciences and mathematics
- University - fewer women study engineering, computer science, physics and mathematics; they are then under-represented in the occupations for which these subjects are the entry qualifications.³⁶ A higher proportion of female graduates work in non-graduate jobs³⁷
- Careers guidance – few girls take engineering or IT placements, few boys take placements in childcare.³⁸ Young women would make different choices in Modern Apprenticeships had they known the pay rates³⁹
- Socio-economic disadvantage can be both a cause and a consequence of teenage motherhood: poor educational achievement, poor physical and mental health (for both mother and child), social isolation and poverty. There is a strong link between under-18 conceptions and unemployment.⁴⁰

Working Age

- Income – the gender pay gap is around 17% for fulltime work and 37% for part time work (comparing mean hourly rates). Two thirds of those on the National Minimum Wage are women. At the current rate of progress, it will take until 2085 for the gender pay gap to be closed, while some groups, such as Pakistani and Bangladeshi women, are unlikely ever to achieve parity in employment⁴¹
- Women comprise two thirds of all part-time workers⁴²

- There are more disabled women than men in the UK. In 2012/13, there were 6.6 million disabled women (21%) and 5.5 million disabled men (18%). This has remained broadly stable over time. Disabled men experience a pay gap of 11% compared to non-disabled men, while the gap between disabled women and non-disabled women is double this at 22%.⁴³
- Graduate pay gap - women earn less on average even when they have the same UCAS entry tariff points, studied the same subjects, at a similar type of institution, and entered the same industry or occupation⁴⁴
- Tax and income -50% of tax relief goes to higher income groups, around 10% going to higher-paid women, 40% to men. Seven-eighths of the very top income group is men, so if 25% of tax relief is going to the group as a whole, around 3% is going to very high-paid women, 22% to men.⁴⁵
- Promotion - the glass ceiling means that women are underrepresented in higher-grade jobs; just over a third of managers and senior public sector officials are women. There is less than 23% female representation on FTSE100 boards. Women make up 29.8% of Non-Executive Directors and 9.6% of Executive Directors.⁴⁶
- Minority women can have more problems – 15% of Pakistani women and 17% of Bangladeshi women are unemployed compared to 5% of white women.⁴⁷
- The new system of universal credit means that it is paid to one person in the household – in the case of a couple, this will usually go to the man. This means that women have no independent source of income.

Older Women

Women's average income in retirement is only 57% of the average for men.⁴⁸ Women who have occupational or private pensions reach retirement with pots worth on average 47% less than men (£107,000, almost half that of men who, on average, retire with a fund worth £201,000). Nearly a quarter of women approaching retirement will rely *solely* on the state pension, which is currently a maximum of £113.10 per week.⁴⁹ The relative poverty that women experience throughout life is continued in old age. Women live longer than men and they do so with less income.

Where we want to be

- National Minimum Wage is consistently raised above the rate of inflation, to lift more women out of poverty
- The Public Equality Duty is enforced, to ensure equal pay
- Gender budgeting at all levels, to ensure that the impact of economic policy on women is assessed
- Girls able to access good careers advice and find well paid work
- Women returners to the labour market find work on a par with their skills
- Migrant women able to use, and increase, their qualifications and contribute to the economy
- Accessible, affordable, quality child/elder care
- Men take equal part in caring, especially in taking parental leave
- Long hours culture disappears, allowing men to spend more time on unpaid caring work
- Poverty no longer pushes women into offending, or into prostitution, from within the UK or via trafficking from overseas

- Research suggests that an additional 150,000 businesses would be created if rates of business ownership among women were the same as among men and an additional 900,000 businesses would be created if the UK had the same rates of women's business ownership as in the US. In Scotland, an additional 108,480 businesses would be created if women's business ownership rates equalled those of men, a 32% increase in Scotland's business base and an increase in GVA of £7.6 billion, equivalent to 5.3% growth in the Scottish economy.⁵⁰
- Investing in women (e.g. amplifying voice, promoting leadership, women-only services)

Globally, in 2010, around 32 million girls were still out-of-school compared to 28.6 million boys.⁵¹ An extra year of secondary schooling for girls can increase their future wages by 10 to 20%.⁵² India's potential economic growth if girls received the same secondary school opportunities as boys would be \$33 billion per year.⁵³

How we'll know when we're there

- A caring, sustainable economy, as set out in Plan F,⁵⁴ is established, marked by investment in social infrastructure
- A labour market unsegregated by sex, race, or disability
- No gender pay gap; no pay gap between fulltime and part time work; no gender pensions gap
- Care work, paid and unpaid, is properly valued; a welfare system that helps women out of poverty, and provides them with an independent source of income
- Women and men own equal numbers of enterprises, and have equal access to credit
- No glass ceiling – equal numbers of women and men in the highest paid jobs
- No women in prison for poverty-related offences
- Demand to buy women's bodies is eradicated, while women are supported to exit prostitution.

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