UK needs a feminist recovery out of the recession



Ruhi Khan, journalist and ESRC Researcher at the LSE, reflects on the UK government's Autumn Statement 2022 and its impact on women and argues that for UK to emerge out of the recession, a feminist recovery is the key to ensure no one is left behind. This post is inspired by Ruhi's <u>recent talk</u> at the <u>Fawcett Society conference</u> on **Feminist Recovery: Looking at the new economy that works for women**.

Recessions and public service cuts often fall hardest on the shoulders of women. Yet the entire autumn statement only mentioned women once.

This is not surprising. Historically we have seen that systems and structures typically often privilege male perspectives at the expense of women – clearly the Other when it comes to economics, oft forgotten and reduced to a footnote. According to Anneliese Dodd, shadow women and equality secretary, the autumn statement will cost women $\frac{2605 \text{ million}}{2605 \text{ million}}$ over the next five years. Austerity cuts <u>hits hardest</u> on Black, Asian and ethnic minority and disabled women.

Economics often is gender blind, focusing on the <u>economic man</u> in market driven economy as the norm and failing to recognise that addressing structural gender imbalances should be a central characteristic of any economic policy. Such economics also turns a blind eye to the non-economic, unpaid domestic and care work that disproportionately falls on the shoulder of women which in turn also affects the market economics. Ignoring these gendered relations will only lead to an economic policy that is set up to eventually fail.

We must now think about a feminist recovery to pull UK out of recession and set it on a

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path to growth and prosperity. A feminist recovery means a recovery for all, rather than one charted by men, primarily for men. It is inclusive, not privileging one over the other but is based on need and urgency. Feminism, to me, is when women can speak not just for women but for humankind. It's not about displacing men from the helm but about creating parity and equality. If the country needs to make a recovery, it has to be a feminist effort spearheaded by both women and men, a collective action where we must do what we can to ensure no one is left behind.

The false positives

One thing that could be a sigh of relief for many women, especially single mothers, is that benefits are increasing in line with inflation, preventing 100,000 more lone parents and 200,000 more children being pushed into poverty. But this increase won't come into effect until April 2023 which means that many single parents will struggle to keep their families afloat this winter. Add to this, the Chancellor, Jeremy Hunt, has failed to abolish the 'two-child limit' wherein parents do not get any extra support through universal credit or child tax credit to help raise a third child, pushing more single parent households into child poverty.

Increasing the National Living Wage to £10.42 is good news as more women tend to be lower earners. However this is below the <u>Real Living Wage</u> which stands at £10.90 in the UK and £11.95 in London. Also, any rise will be easily offset by higher energy bills – the increase in the energy price cap in April from £2500 to £3000 is also worrying. Combine this with rising food prices and mortgage rates, and add to this childcare costs which saw no respite in the government's budget, and there really is not much support to 1.7 million mothers who are unable to work because of exorbitant childcare costs. Measures increasing available childcare could boost the economy by £28 billion, yet the government chose to turn a blind eye.

The government also wants public services like schools and hospitals to find cuts. The workforce in these spaces is largely women – <u>76.7% of NHS workers</u> and <u>75.5% of</u> teachers are women. And this means there is a greater threat to their jobs and salary that will have percolating effects on their financial and mental health, and wellbeing.

The forgotten women

I want to specifically call out three groups forgotten in the autumn statement:

1. Women and children experiencing domestic abuse

The reality is that nothing has changed for them with this budget. Violence against women and girls escalated during the pandemic and it will only get worse with the recession. Many women cannot afford to leave their abusers who could be the sole or main breadwinners and homeowners. 73% of survivors said that the cost of living crisis had either prevented them from leaving or made it harder for them to leave their abuser and many claimed that their abusers are now using the cost of living increase and concerns about financial hardship as a tool for coercive control.

When it comes to a choice between physical abuse and a cold homeless winter, many pick abuse over hunger and homelessness. Which is why we all need to echo the call for an Emergency Domestic Abuse Fund.

2. Pensioners

The government's decision to suspend the triple lock for the current tax year affected millions of state pensioners who were handed an increase of just 3.1 percent, while inflation is at 11.7 per cent. This makes it exceptionally tough for lone women retirees as the state pension made up 60% of total gross income for single women, while it was 50% for single men. Women also had only 27% of their income from occupational pension compared to 30% for men. This means cuts to pensions hit women harder than men. Single pensioners in London had the lowest average incomes, 10% below the UK average.

Even though it has now been confirmed that retirees are getting a 10.1% increase to their state pension from April, this is below inflation. We must also remember that inflation is tough on pensioners because most of their money goes on essentials like energy and food which have risen exponentially in price. Inflation also destroys the value of retirement savings in real terms. Savings of £10,000 today are expected to be less than £9000 in spending value next year.

3. Pregnant women

Research conducted in eight European countries showed that UK women are three times more likely to die around time of pregnancy than those in other European countries like

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Norway or Denmark. UK had the second-highest maternal death rate out of the eight countries (only Slovakia had higher). Another report showed that UK has a maternal mortality rate of 10.9 women per 100,000 babies born – 24% higher than in 2017 to 2019 – and warned that this is only rising. This is serious and a complete shame considering the UK is a developed economy with cutting edge research. With cuts to the NHS this will only get worse, yet the Autumn statement takes no account of this.

What would the feminist recovery look like?

Let's look at one example: Jeremy Hunt said he wanted to make the UK "the world's next Silicon Valley", setting out a series of measures to support entrepreneurship.

But what does this entrepreneurship look like? According to The <u>Gender Index</u>, which studied 4.4. million UK companies, only 17% of all active companies are led by women, and they attracted less than 12% of investments made in UK firms in 2022. In comparison, 61% of active companies are led by men, and those firms attracted two-thirds (66%) of all investment. 17% of investment was obtained by firms led by a gender-balanced team.

A concerted effort by the government is required to acknowledge this discrepancy and find measures to narrow this gendered gap. The solution is not telling women that they need more confidence to lead, they should learn new skills, or do some power dressing or learn public speaking or a million other things that squarely put the blame on women. This has become such a common-sense argument that no one really questions the burden it puts on women in the name of empowerment. Confidence culture reframes social injustices in terms of internal obstacles and personal deficits, rather than identifying the root causes of structural inequality and finding specific measures for them.

A feminist recovery in this case would mean acknowledging that there is a massive gender imbalance here, not because women do not want to lead companies or that they lack the skills to do so – in fact women are starting more companies than ever before (about 145,200 new companies were founded by women in 2021). Various economists argue that gender equality in education and participation in the labour force, without exploiting women, contributes to the pace of growth. So structural issues related to pay gaps, promotions, credit and loan extensions to women are the real source of this

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gender imbalance in entrepreneurship. So in order for entrepreneurship to thrive in the UK, you have to tackle these issues which are specific to women and so the remedial measures will also have to be specific to women but beneficial to the overall economy of the country – this is feminist recovery.

This article represents the views of the author and not the position of the Media@LSE blog, nor of the London School of Economics and Political Science.

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