

METHODS OF GENDER IMPACT ASSESSMENT OF TAX AND PUBLIC EXPENDITURE IN THE UK SUSAN HIMMELWEIT

1) Main objective of the session:

To equip students with the theoretical tools for understanding how fiscal policies, both taxation and expenditure, can impact on gender inequalities and some of the statistical tools for analysing such gender equality impacts.

2) Brief description or outline of subtopics that will be discussed in each lecture slot:

The first session will introduce the argument for doing equality impact assessment and examine the range of gender inequalities on which fiscal policy can impact. The session will then concentrate on using tax/benefit models for analysing the impact of taxes and transfer payments, as a tool for gender equality impact assessment. It will also consider the limitations of such models and what can still be done without such models and/or with less than perfect data.

The second session will start in the same vein by examining the range of gender equality impacts of public expenditure (e.g. the “triple whammy” of austerity cuts in public services on women’s jobs, unpaid labour and standards of living). It will look at how tax/benefit models can be extended to incorporate the gender equality impact on living standards of changes in expenditure on public services. It will then move on to the arguments for seeing such expenditure as investment in social infrastructure, and why that matters. It will look at how the (gendered) employment impact of such spending can be estimated and compared with that of spending similar amounts on physical infrastructure.

3) Learning objectives: (gender analytical skills and knowledge expected to be achieved by the fellows)

Lecture 1: Gender Equality Impact Assessment of Taxes and Transfer payments

- An understanding of the reasons for carrying out gender equality impact assessment of all policies
- Knowledge of the range of gender inequalities on which fiscal policies can impact.
- Some stylised generalisations, that we already know from theory without having to use simulation models, about the gender impact of fiscal policies
- Familiarity with concepts, such as gendered household types and individual financial autonomy, useful for understanding gender inequalities at both household and individual level, and arguments for particular types of inequalities as to at which level they are best assessed.

- An understanding of what tax-benefit simulation models are, what data they need and their limitations.
- The skill to adapt a tax-benefit model, typically developed for other purposes, to examine gender inequalities (including for those who will not use such models themselves, to advise the models' direct users on how to include gender inequality impacts)
- A feel for when a full-blown tax/benefit model is needed and when other less demanding forms of analysis can be used

Lecture 2 _& 3: Gender Equality Impact Assessment of expenditure on public services

- Knowledge of the range of gender inequalities on which fiscal policies about spending on public services, can impact.
- An understanding of what a public service model is (enough to follow an account of how such a model works rather than construct one from scratch), what sort data one needs and its limitations
- Familiarity with different conceptions of income (market, disposable, post-tax and final) and how a public service model can be used to add to a tax-benefit model to build a fuller picture of household living standards and thus adapted to examine inter-household gender inequalities (and some of the difficulties that stop one doing this at an individual level).
- An understanding of what it means to talk about “investment in infrastructure” and why feminist economists see health, education and care services as social infrastructure. Why talking in terms of “investment” might matter.
- An understanding of what input-output analysis is (including some of its limitations) and an overview of how it can be used to estimate the gendered employment generated by increasing demand (e.g. by public investment) in different industries (not the detailed stages of analysis, which can be read up by anyone interested).
- How such analysis that can be used to compare the gendered employment impacts of investing in different sorts of infrastructure, physical and social, under a range of assumptions.

NB I have concentrated on giving participants the skill to use, or talk to those who use, tax-benefit models because my understanding is that they are the more readily available models. My intention is that the discussion of public sector models and input-output analysis will be less hand on, more to enable participants to assess whether they would be useful and/or feasible for their own country rather than to construct such models themselves (though if they want to I can point them to instructions for doing so)

4) Contents or topics of the sessions (with suggested timings):

Lecture 1: Gender Equality Impact Assessment of Taxes and Transfer payments with UK examples

1. Introduction to gender (and other) equality impact assessment of policy and why it matters (15 mins)
 - a. The range of gender equalities on which policies can impact:

- b. How policies can impact on some inequalities positively and others negatively
 - c. Prospective vs after the event assessment and monitoring
 - d. Quantitative vs qualitative assessment of policy impacts
2. Introduction to tax/benefit models and how they can be used for gender impact assessment **(30mins)**
 - a. What a tax/benefit model is
 - b. How a tax benefit model can be used to produce gender impact assessments

Lecture 2 & 3: Gender Equality Impact Assessment of expenditure on public services with UK and OECD examples

3. Impacts of spending on public services and why they are gendered. **(5 mins)**
 - a. Use and impact on living standards
 - b. Unpaid labour
 - c. Employment
4. Introduction to public spending models (brief) of impact on public services on living standards **(10 mins)**
 - a. What a public spending model is
 - b. Relevant differences/limitations in how they work from tax/benefit models
 - c. How a public spending model can be used to produce gender impact assessments
5. Investment in social infrastructure **(10 mins)**
 - a. Why feminist economists talk about (many) public services as part of social infrastructure
 - b. Why it matters
6. Assessing gendered employment effects of spending on different industries **(15 mins)**
 - a. Direct, indirect and induced employment effects
 - b. Use of input-output analysis to derive (gendered) employment multipliers (with and without induced effects) – what assumptions are implicit in doing this
 - c. Cross national findings about (gendered)employment effects of investing the care vs construction
 - d. Implications for net costs of such investment
 - e. Limitations of such analysis and scope for improvements by relaxing assumptions
7. Reiterate importance of knowing about potential gender impacts in policy making – but that it's not enough just to know about them, the aim is that they should affect policy making (to come up in lectures the following day on mainstreaming gender in macroeconomic and fiscal policy). **(5 mins)**

NB Some of the topics of Lecture 2 are likely to have been covered earlier in the course, but I've put them all in here so that you know what is required for understanding these topics. If you tell

me what will have been covered previously, I can cover them more quickly, by just reminding students of what they know already. If none of them will have been covered I may not be able to do all this in Lecture 2. (See next page for more detail on Lecture content)

5) Required Reading (1 per lecture slot)

Lecture 1 (relevant to Lecture 2 too)

UK Women's Budget Group (2018) *Women Count: A casebook for gender responsive budgeting groups*, Section on "WHAT GENDER BUDGET ANALYSIS CAN SHOW"

<https://womenscount.wbg.org.uk/what-gender-budget-analysis-can-show>, or pp 15-41 of pdf downloadable from <https://womenscount.wbg.org.uk/>

Lecture 2 & 3

De Henau, Jerome, Susan Himmelweit, Zofia Lapniewska and Diane Perrons (2016), 'Investing in the Care Economy. A gender analysis of employment stimulus in seven OECD countries', Women's Budget Group Report to the International Trade Union Confederation, Brussels, March 2016

https://www.ituc-csi.org/IMG/pdf/care_economy_en.pdf

6) References (used in slide presentation) NB These are guesses at the moment and there may be more in practice

Lecture 1 References

Reed, H. and Portes, J. (2018) *The cumulative impact of tax and welfare reforms*. EHRC Research Report no. 112. Manchester: Equality and Human Rights Commission

<https://www.equalityhumanrights.com/sites/default/files/cumulative-impact-assessment-report.pdf>

Women's Budget Group and Runnymede Trust (2017) *Intersecting Inequalities The impact of austerity on Black and Minority Ethnic Women in the UK*, Chapter 2 <http://wbg.org.uk/wp-content/uploads/2018/08/Intersecting-Inequalities-October-2017-Full-Report.pdf>

Lecture 2 & 3 References

Women's Budget Group and Runnymede Trust (2017) *Intersecting Inequalities The impact of austerity on Black and Minority Ethnic Women in the UK*, Chapter 3 <http://wbg.org.uk/wp-content/uploads/2018/08/Intersecting-Inequalities-October-2017-Full-Report.pdf>

<https://www.equalityhumanrights.com/sites/default/files/cumulative-impact-assessment-report.pdf>

Ilkharacan, Ipek, Kijong, Kim, and Tolga Kaya (2015) *The Impact of Public Investment in Social Care Services on Employment, Gender Equality and Poverty: The Turkish Case*. İstanbul Technical University, Women's Studies Center in Science, Engineering and Technology and Levy Bard Institute. http://www.levyinstitute.org/pubs/rpr_8_15.pdf

Laura Addati, Umberto Cattaneo, Valeria Esquivel and Isabel Valarino (2018) *Care work and care jobs for the future of decent work*, CHAPTER 5, Care jobs for a better future of work, International Labour Office: Geneva, https://www.ilo.org/global/publications/books/WCMS_633135/lang-en/index.htm

De Henau, Jerome (2019), *Employment and fiscal effects of investing in universal childcare: a macro-micro simulation analysis for the UK*, IKD Working Paper No. 83, The Open University, March, [online] http://www.open.ac.uk/ikd/sites/www.open.ac.uk.ikd/files/files/working-papers/DeHenau_costingchildcareUK.pdf

7) Supplementary Resources (including databases; average of 5-7 per session)

EUROMOD see eg <https://www.euromod.ac.uk/about/what-is-euromod> and pages accessible from there. Also H. Sutherland and F. Figari 'EUROMOD: the European Union tax-benefit microsimulation model' *International Journal of Microsimulation* (2013) 6(1) 4-26 available at http://repository.essex.ac.uk/7780/1/2_IJM_6_1_Sutherland_Figari.pdf

LANDMAN ECONOMICS PUBLIC SPENDING MODEL described in:

T. Horton and H.Reed (2010) *Where the money goes: How we benefit from public services*, a report written for the TUC and UNISON

<https://www.tuc.org.uk/sites/default/files/extras/wherethemoneygoes.pdf> which also includes a very clear discussion of the issues in modelling the impact of public sector services on living standards

updated in:

Reed, H. and Portes, J. (2014) *Cumulative impact assessment: a research report by Landman Economics and the National Institute of Economic and Social Research (NIESR) for the Equality and Human Rights Commission*. EHRC Research Report no. 94. Manchester: EHRC

<https://www.equalityhumanrights.com/sites/default/files/research-report-94-cumulative-impact-assessment.pdf> (but the original account is much clearer)

INPUT-OUTPUT ANALYSIS best account is:

Scottish Government (2015). *Input-Output Methodology Guide* [online], available at <http://www.gov.scot/Topics/Statistics/Browse/Economy/Input-Output/MultiplierMethodology>