GENDER & INCLUSIVE GROWTH

ENGENDER

Close the Gap

Making inclusive growth work for women in Scotland

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Contents

Introduction

Over recent years, Inclusive Growth (IG) is a term that has become more prominent in the policy, development and academic arenas as the uneven distribution of the benefits of growth becomes more and more apparent. Increasing economic inequality within countries has led to new approaches to macroeconomic policy that recognise the benefits of ensuring that countries not only grow the size of their economy but ensure that inequality is addressed. Economic inequality between men and women is an example of where the benefits of economic growth have not traditionally been shared equally among groups in society. Gender inequality has long been recognised as a drag on economic growth and closing the employment gap between men and women has been a key goal of successive development agendas. As feminist economists have long since argued, traditional measures of growth have ignored unpaid work which often takes place within the household and is disproportionately done by women, which reinforces gender unequal access to economic resources and prosperity. As it is currently conceived, IG agendas are not adequately gendered and run the risk of exacerbating gender inequality in the distribution of economic growth.

IG is a term which has no universally accepted definition, and has been operationalised by different agencies and governments in different ways. IG was explicitly adopted by the Scottish Government in its 2015 Economic Strategy which emphasises two mutually supportive goals: increasing competitiveness and tackling inequality, to achieve sustainable economic growth. The promotion of gender equality is presented as a key feature of tackling inequality in Scotland, and offers the potential for enhancing a fairer distribution of the benefits of growth, However, from a feminist economics perspective the opportunity to embed gender equality within Scotland's IG approach has not been fully realised. As IG indicators remain focussed on paid employment, it is indicative of an 'add women and stir' approach, rather than one which recognises the gendered nature of economic growth itself. In the current pandemic situation, where a public health crisis is precipitating a severe economic recession a gender sensitive response is even more critical to Scotland's inclusive recovery. As the 2008 recession demonstrated, responses to economic crises that are not sufficiently gendered exacerbate, rather than alleviate, gender inequalities in the economy. Responses to the COVD-19 crisis must therefore recognise that the potential of the current IG agenda in Scotland to reduce gender inequality is limited. This paper argues that through a focus on paid employment underpinned by a traditional economic macroeconomic framework, limited consideration of the undervaluation of female dominated work and occupational segregation, and the devaluation of the reproductive economy, Scotland's IG agenda largely ignores the reality of women's lives and will not deliver a marked improvement in gender equality.

What is Inclusive Growth?

Increasing economic growth, as measured by increases in Gross Domestic Product (GDP), has long been recognised as a key indicator of the economic 'health' of national states and the key concern of economic development work. Development economics, as a sub-branch of the economics discipline is the study of how to bring economic growth and advancement to low income countries at the national level or economic deprivation in localised areas and communities. Traditionally, economic development has been conducted within a 'growth first and foremost' framework underpinned by 'trickle down' theory. 'Trickle down' suggests that redistribution by fiscal levers dampens the entrepreneurial spirit needed to grow and innovate and that without intervention the benefits of growth will eventually flow to those at the bottom of the income distribution. More recently, this theoretical perspective has been called into question as empirical analysis indicates that benefits do not trickle down as the rich become richer (Dabla-Norris et al 2015) and the benefits of economic growth have been increasingly concentrated in the hands of the few both globally (Stiglitz 2016) and the in the UK (Waite et al 2019). Furthermore, the UK Government's response to the 2008 recession in the form of public sector spending cuts was widely recognised as instrumental in widening inequalities not only between income groups, but also exacerbating the existing economic inequalities between women and men (WBG 2016).

IG is a concept developed out of the recognition that the growth of economies in recent times has been accompanied by an increase in income inequality (see for example Dabla-Norris et al 2015, ADB 2018, WEF 2018). Particularly since the economic crash and subsequent recession of 2008, governments, development agencies and academic economists have articulated the need to ensure that the poorest in society specifically benefit from economic growth (see for example Stuart 2011, Ranierie and Ramos 2013). IG represents the first mainstream conceptual alternative to the traditional 'growth first' mantra that dominated economic and development policy in recent decades (Ramos et al 2013, Pouw and Gupta 2017). As such it can be considered as a broader concept than its predecessor 'pro-poor growth' which first recognised that growth itself would not necessarily translate into increases in living standards for the poor and that poverty reduction strategies must also be implemented to alleviate poverty (Ngepah 2017). However, pro-poor growth as a development strategy focussed only on those below the poverty line (an absolute measure of poverty) missing out others along the income distribution, and not fully addressing income inequalities between social groups such as men and women *(ibid)*.

According to de Haan (2015) the concept of IG has been gaining popularity, and has been led by debates in emerging economies, not just in economics and international institutions but also in the business world (de Haan 2015). There is no universal definition of IG, largely due to the multitude of agencies and governments attempting to operationalise it, and the concept itself has been described as 'fuzzy' (Lee 2019). However, there are certain key elements that cut across all definitions and aid understanding of IG's departure from the traditional growth agenda. Firstly, IG's departure from traditional trickle down approaches is concerned with not the pace of growth but the *patterns* of its impact on different groups in society. This could be in different industrial sectors, across regions or between different groups e.g. labour and capital. Within traditional approaches, the key concern from policymakers and development economists was to first increase the volume of national output (as measured by GDP), which in low income countries could come with improvements in basic infrastructure and increases in labour market opportunities for the local population, and *then* address how that growth was to be redistributed amongst the population through use of the usual fiscal levers and social security programmes. However, the IG agenda posits that economic growth can and should be pursued at *the same time as* measures to reduce income inequality and that these macroeconomic objectives are in fact mutually dependent (Ostry, Berg and Tsangarides 2014). Indeed, the Scottish Government's Economic Framework rests on the two pillars of 'Competitiveness' and 'Tackling Inequality', acknowledging the interdependence of sustainable growth and actions to reduce economic inequality. As noted in the 2015 Economic Strategy:

> "Reducing inequality not only important in itself, but is vital to creating the conditions to deliver sustainable economic growth over the long term." (Scottish Government 2015:7).

The Economic Strategy for Scotland also sets out four priorities: Investment, Innovation, Internationalisation and IG, defining IG as "growth that combines increased prosperity with greater equity; that creates opportunities for all and distributes the dividends of increased prosperity fairly" (Scottish Government 2015). The Scottish Government priorities in promoting IG are to:

- Promote Fair Work and build a labour market that provides sustainable and well paid jobs;
- Address long-standing barriers in the labour market so that everyone has the opportunity to fulfil their potential;
- Tackle cross-generational inequality through, for example, improved childcare, boosting attainment and early years intervention that gives every child a fair start in life; and
- Realise opportunities across Scotland's cities, towns and rural areas, capitalising upon local knowledge and resource to deliver more equal growth across the country *(ibid)*.

The Scottish Government's approach to IG rests on the potential of the paid labour market in facilitating economic growth and the importance of supporting labour markets to work in a way that is inclusive and non-discriminatory, and recognises the decentralisation of economic development and the IG agenda to local economies (see also RSA 2017 and Lee 2019). The Scottish Government's approach is not dissimilar to definitions and approaches to IG across the world. Table 1 offers a summary of the definitions of IG offered by international and national development agencies, short commentary on the issues that each approach emphasises in order to assess any commonalities therein and a brief assessment of the extent to which gender analysis features in IG's operationalisation. The vast majority of these articulations emphasise, as Scotland does, the paid labour market as a key route to growth, including increasing the productive capacity of those already in paid employment, and removing barriers to labour market participation which may include those stemming from race or gender. Equality of opportunities features as a key objective while racial and gender equality is highlighted specifically only by the approach to IG adopted by the Asian Development Bank and the Scottish Government.

Source	Definition	Emphasis	Level of gender analysis
OECD	Inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all.	Multi-dimensional Distributional consideration Policy impact	None
UNDP	Inclusive economic growth is not only about expanding national economies but also about ensuring that we reach the most vulnerable people of societies.	Participation and benefit sharing Increasing returns to labour input and employment productivity Sustainability/environmental concerns Broad-based Special focus on the working poor and unemployed	None
World Bank	Raising the pace of growth and enlarging the size of the economy by providing a level playing field for investment and increasing productive employment opportunities.	Board based across all sectors Equality of opportunity Social protection Productive employment and increasing the productivity of those employed	Very Weak (Refers to the productive potential of women as part of 'smart economics' agenda)
IMF	A broad sharing of benefits, and the opportunities for economic growth, growth that helps reduce inequality.	Expanding access to quality education and healthcare Investing in infrastructure Financial inclusion Increased labour force participation and productivity	Very Weak (Refers to increasing the labour force participation of women)
RSA Inclusive Growth Commission	Enabling as many people as possible to contribute to and benefit from growth.	Productive employment Physical and social infrastructure investment Inclusion industrial strategies Business-led productivity and quality jobs Macro-environment including legal and financial inclusivity	Very Weak (Recommends data disaggregated by gender as important to addressing skills and employment distribution)
Asian Development Bank	Inclusive growth as non-discriminatory and disadvantage-reducing growth.	Emphasises gender, race and ethnicity Equality of opportunity Environmental sustainability Emphasises process focussed growth	Weak (Identifies reducing gender inequality as a key pillar with five associated action points)
African Development Bank	Rapid, sustainable growth needs to be equitable for poverty reduction.	Broad-based across sectors Promotes productive employment and enhances the resilience of disadvantaged and marginalized groups from adverse shocks Fairness, equality and political plurality	Weak (Notes the percentage share of women in total and agricultural employment, gender discrimination in land rights and access to credit and the need to mainstream gender equality in development work)
Scottish Government	Growth that combines increased prosperity with greater equity; that creates opportunities for all and distributes the dividends of increased prosperity fairly.	Labour market Sustainable Well paid jobs Removing barriers to employment	Weak (Recognises the importance women's 'social role' and sets targets for women's labour market participation underpinned by some support for childcare)

As with most definitions, Scotland's focus is on equality of opportunity within paid labour markets, increasing earnings in low paid sectors ('Fair Work') and removing barriers to people being able to fulfil their economic potential (Scottish Government 2015:59). Women, the young workforce, disabled people and ethnic minority groups are mentioned as being subject to 'systemic institutional barriers' that will be challenged under Scotland's IG framework. With specific reference to women, the Scottish Government recognises that the drive towards gender equality is commensurate with the pursuit of economic growth:

> **"Maximising economic opportunities for women to participate fully in the economy and recognising the wider social role they provide, is key to improving economic performance and tackling inequality." (Scottish Government 2015:64).**

The 'social role' of women is supported by increasing levels of funded childcare infrastructure for 3 and 4 year olds and promoting flexible working while demand-side measures include addressing gender imbalance in educational settings, supporting women's entrepreneurship and the setting of voluntary targets to achieve gender parity on boards of management. The understanding of gender equality, and the economic power of women's full participation in the labour market as a key driver of growth, is not new. A large body of evidence exists linking gender equality in labour markets to macroeconomic performance (Gonzales et al 2015) and to the profitability of individual firms (see for example Thomson & Hakeem 2016). However, it could be argued that the potential of the IG agenda to reduce gender inequality has not yet been fully realised, particularly through its focus on paid work and productivity.

Operationalising the concept of Inclusive Growth

Attempts to operationalise the concept of IG into measurement frameworks reflects a continued focus on (narrowly defined) economic factors, including paid work and productivity, with many approaches effectively indistinguishable from pro-poor growth (Habito 2009, Grosse et al 2008, Rauniyar and Karber 2015). Klasen (2010) argues that IG should be characterised as broad based growth that includes non-discriminatory participation, and discusses how it could be interpreted/redefined from meaning every citizen to focus those who have been systematically disadvantaged, and makes explicit this could include race, gender or ethnic differences. McKinley (2010) set out to create indicators that would help measure IG by creating a four-component, country-level Inclusive Growth Composite Index including income inequality, income poverty and productive employment (McKinley 2010). In one section entitled 'addressing income poverty and general equity' the author discusses gender inequalities with reference to inclusive growth, providing four potential indicators for gender equity: literacy rates, educational enrolment, births that had a healthcare professional, and the share of women in non-agricultural wage employment *(Ibid)*. The article also discusses the need for indicators for how inclusive growth impacts human capabilities, such as health and education[1]. However, achieving economic growth/increasing employment is given 50% of the index's final weighting, reducing poverty/gender inequality is given half that, at 25% weighting and enhancing human capabilities receives 15% of the weight, and finally social protection is allocated 10% of the overall index.

The Asian Development Bank's 2030 strategy (ADB 2018) identifies inclusive, resilient and sustainable growth as its key pillars, and identifies 'accelerating progress in gender equality' as one of its seven operational priorities. Under this priority, five areas of focus

[1] The 'capabilities' approach (Nussbaum and Sen 1993) to development underlines the importance of individual freedom and the multi-dimensional nature of human wellbeing as based not solely on income and access to economic resources but also on the 'freedoms' and 'functionings' that human beings value including political involvement, freedom of opportunity and health. As a philosophical framework, the approach has established the importance of including substantial 'non-economic' factors in development work, and moving away from uni-dimensional development indicators.

were identified: women's economic empowerment, gender equality in human development, gender equality in decision making and leadership, reduced time poverty of women, and women's resilience to external shocks *(Ibid)*. Promoting women's economic empowerment is conceived as strengthening women's access to markets and opportunities for skilled jobs in 'non-traditional sectors' such as technology and supporting women's entrepreneurship. While this latest iteration of IG from the ADB has a marked increase in the visibility of gender equality as a growth priority, there is no evidence of mainstreaming gender equality within the other pillars, such as tackling climate change, even though the impacts of climate change are highly gendered (Nelson 2008).

Another approach developed by Ramos, Ranieri and Lammens (2013) attempts to measure the inclusiveness of the growth process, rather than measuring the levels of growth achieved.

> **"What is important for the analysis is not how much growth a country realised, but rather now much *inclusiveness* was generated in that period of time, which is generally characterised by growth." (Ramos et al 2013:5)**

In other words, a focus on growth processes asks how many people were involved in the generation of economic growth and it generated employment for a significant proportion of the population. The authors therefore use employment ratios as a proxy for participation alongside benefit sharing as a proxy for poverty alleviation and reductions in income inequality. According to the authors, these three indicators were deliberately given the same weight in the index in an attempt to avoid arbitrarily determining the weight of each indicator (Ramos et al 2013). However, none of the indicators are disaggregated by sex and their detailed analysis of 43 developing countries tells us nothing about the extent to which economic growth impacted on gender (in)equality.

Operationally therefore, IG has tended to disproportionately focus on economic/income factors with less focus given to 'human' indicators of wellbeing. De Haan (2015) outlines the fact that these definitions vary due to their focus on either *outcome* measures of wellbeing or some assessment of individual or group access to jobs (process measures); the key differences therefore lie in how the concept of IG is applied and that depends largely on institutional differences. As emphasised by Ranieri and Ramos (2013) it is difficult to measure the non-economic aspects of IG which may go some way to explaining why attempts to develop IG indices are so variable, and often focus in practice on economic and income measures whether in terms of *outcomes* (who benefitted from growth in the time period) or processes (how many people were involved in the growth process). However, it has become clear that while IG as a concept has sometimes included a rhetorical focus on women and gender inequality, practical measures may not include sex disaggregated data and will therefore tell us very little about the impact of economic growth on gender (in)equality. From a feminist economics perspective, analysing the extent to which growth processes create and sustain jobs is an inadequate means by which to ensure IG is gender-inclusive. Given that women's patterns of labour market attachment are often different to men's, and that the barriers to paid work are gender differentiated, it makes more sense to recognise these differences and focus not just on jobs per se, but on occupational desegregation and the structural barriers that women face to labour market participation.

What’s gender got to do with it?

As pointed out, one aspect that competing and/or complementary definitions of IG have is that the majority do not explicitly mention gender inequality in outcome measures, or even women as a distinct group. The majority of conceptual discussions offered by international and supranational development organisation have failed to acknowledge that economic growth is itself a gendered process. As Elson & Fontana (2019) note:

> **“Unless the gender dimensions of inclusive growth are made explicit, and policies for inclusive growth deliberately aim to improve women’s well-being and address gender gaps, is it is unlikely that growth will benefit women and men equally.” (Elson & Fontana 2019:20)**

Overall, gender analysis is largely absent and consideration of women is limited to their levels of paid employment with some limited recognition of their role as primary care givers and how care giving and other aspects of unpaid work impacts on individuals’ ability to engage in paid work.

Economists have long since voiced concerns about the uni-dimensional nature of GDP as a measure of economic prosperity, recognising that the pursuit of GDP growth alone does not guarantee that the benefits of growth are distributed equitably, and that factors such as health and education outcomes are also important measures of economic ‘progress’ (Niiimi 2009, Mitra & Das 2019). Feminist economists, particularly those working in development economics, have pushed for consideration of economic development and growth programmes that consider the gendered nature of economic participation (Elson 1998, Chant and Sweetman 2012), barriers to women’s economic empowerment stemming from their primary role as carers and provisioners (Kabeer 2012, Power 2004) and the burden of their unpaid work excluded from official growth measures (Waring 2003). Early approaches to addressing women’s unequal access to economic resources began with the Women in Development (WID) agenda, which focussed on addressing ‘women’s issues’ within the economy and was articulated largely through the development of separate development projects targeted at women. Latterly, the Gender and Development Framework emphasised the social construction of gendered roles and responsibilities and attempted to form an interdisciplinary framework for the analysis of development work from a feminist economics perspective, with associated policy attempting to mainstream gender as a locus of analysis (Kabeer 2020, Elson & Seth 2019).

Current debate and discussion of addressing gender inequalities through IG from a feminist economics perspective notes that indices of IG that are based on outcome measures (e.g. people in paid employment) even where gender disaggregated data are available, still do not recognise that the economy is a gendered structure therefore growth processes themselves are also gendered (Seguino 2020, Elson and Fontana 2019). With reference to the paid labour market women and men are occupationally segregated, women are more likely to be in informal or precarious employment situations, and the gender pay gap remains stubbornly persistent (Close the Gap 2020). IG measures that focus firmly on the productivity and quality of employment opportunities (as most do) risk entrenching existing labour market inequalities if the gendered nature of the labour market itself is not properly factored into IG strategies. For example, export-led growth was a key feature of many developing economies economic growth at the end of the 21st century but much of the employment opportunities it created served to entrench horizontal and vertical occupational segregation by gender, and did very little to address women's poverty as jobs creation was often in low paid sectors (Hancock et al 2012).

In both developed and developing economies, the systematic undervaluation of women's work (Grimshaw and Rubery 2015, Leuze and Struass 2016) is not challenged by growth strategies that focus on increasing employment opportunities alone. Traditional economic theory explains wage disparities in productivity terms, emphasising the role of supply and demand interaction and individuals 'rational' choice in establishing wage rates (Becker 1975). Sociological explanations draw attention to the influence of institutions, both formal in the case of collective bargaining and informal in terms of social norms and values, in setting wage rates (Austen et al 2013). Under patriarchy, the understanding of appropriate wage levels for male and female dominated jobs leads to significant undervaluation rooted "in the way that reproductive work has historically been work conducted by women in the private sphere without pay" (Sandberg et al 2018: 709) and associating reproductive work with inherently 'female' skills and preferences.

The biologically deterministic belief that women are 'naturally' more adept than men at emotional and domestic labour goes some way to explaining not just the undervaluation of female dominated job roles, but also the invisibility of the economic contribution of unpaid work to the global economy, without which it would not function.

As feminist economists have documented, there is a sizeable (re)productive economy of unpaid work consisting of child and elder care and domestic production (Elson 1998). This production is shared unequally between men and women, with women undertaking around 60% of unpaid work (OECD 2020). In the UK, the economic 'value' of unpaid work is estimated at £1.1 trillion or around 56% of GDP (ONS 2016). This work is not routinely featured in impact measures of IG strategies, but rather mentioned as a 'barrier' to women's productive potential. However, from a feminist economics perspective, women are already hugely productive as they working more hours than men in total if unpaid work is included with paid work (Folbre 2015). The difference is that paid work is explicitly *valued* as a productive output in economic terms whereas unpaid work is not. Mainstream definitions of the 'economy' are too narrow to capture work that is done without pay, but that nonetheless have significant productive and reproductive value, and risk tacitly devaluing unpaid work by ignoring its considerable economic impact. Similarly, it has been shown that IG strategies focus on paid work and productivity, without recognising that women's paid work is often grossly undervalued and that unpaid work is more than a 'barrier' to economic progress but rather the pillar on which the paid economy depends. In failing to track the impact IG strategies may have on the distribution of unpaid work, the undervaluation of so much of women's paid employment, patterns of occupational segregation and the associated gender pay gap, the IG agenda is indicative of an 'add women and stir' approach. This means that women are added to existing conceptual frameworks without changing the underlying 'recipe' for economic growth which itself has been shown to be highly gendered. It is argued that the potential for IG to remedy gender inequality in the economy is currently less than its potential to entrench existing inequalities unless an explicitly gendered analysis is adopted. The current COVID-19 pandemic is a public health crisis which is resting disproportionately on the shoulders on women both as current frontline workers and as the group most effected by associated job losses and loss of income. There has never been a more pressing time to adopt gender sensitive policy frameworks and feminist economic definitions of the macroeconomy than in responding to this crisis.

Inclusive Recovery: Remaking the economy after the COVID-19 pandemic

At the time of writing, public health responses to a global pandemic of the COVID-19 virus have shut down much of the Scotland's economy and growth is predicted to contract by as much as 33% of GDP during social distancing measures (Gillespie 2020). In addition to the predicted economic crisis, there will undoubtedly be associated increases in social inequality (WBG 2020). The COVID-19 crisis has already been shown to be impacting disproportionately on women as a result of occupational segregation, their over-representation in low paid and insecure employment and in unpaid work.

In Scotland women are 77% of the healthcare workforce (NHS IDS 2019) working on the frontline of care services during the pandemic which have been widely reported to lack adequate personal protective equipment (PPE), particularly in the social care sector (WBG 2020). Women, particularly young women under the age of 25, are more likely than men to be working in a sector that was shut down as part of social distancing measures such as retail, hospitality and leisure facilities (Joyce and Xu 2020). The closure of schools and nurseries has resulted in large increases in the levels of unpaid work, particularly care work, as outlined by recent Close the Gap and Engender joint briefing:

> **"In the current context of COVID-19, the unequal distribution of care will be replicated during lockdown, and in many cases magnified, following the closure of schools and nurseries. 91% of lone parents are women, and lone parents face particularly stark challenges managing full-time childcare with employment. (Close the Gap and Engender 2020:1).**

Many feminist organisations across the world have called for a gender sensitive response to the current public health crisis, and subsequent economic recovery packages (see for example Engender 2020, WBG 2020, Hawai'i State Commission on the Status of Women 2020, Alon et al 2020). All have been united in calling for an increased focus on gender equality and gender sensitive analysis in responding to the health and economic crisis. The need for IG strategies and recovery measures to be fully gender sensitive is at its most acute, or there is a risk of exacerbating current gender inequalities, particularly in economic terms. As outlined by Ranieri & Ramos (2013) the impact of external shocks and crises has not been sufficiently considered in discussions of IG concepts and measures:

> **"A related issue that is typically overlooked is how to treat instances in which even though the country follows policies geared towards the promotion of greater inclusiveness, there is a worsening of one or more indicators of inclusion due to an external shock. Externally generated crises may be burdensome to the point of causing the deterioration of one or more indicators of inclusiveness. In this context, what should happen in an inclusive country?... In this case, the assessment of inclusiveness is situated within the external context and is sensitive to the distribution of the impacts of the crisis." (Ranieri & Ramos 2013:14).**

Whilst tracking the gender impacts of the inevitable and severe economic recession will remain an important part of ensuring gender inclusive economic recovery, it is also argued that feminist economics approaches must be included in the formulation of economic recovery and growth strategies ex ante. Current emergency responses in the UK have failed to adequately consider the realities of many women's lives, particularly in the areas of employment support and social security (Close the Gap and Engender 2020). In the longer term, governments must consider existing gender inequalities from the outset to ensure that economic recovery is fully inclusive. As has been argued, IG strategies that focus on *outcome* measures of inclusivity (particularly those that focus on a combination of GDP, income distribution indicators and employment statistics alone) do not adequately address gender inequalities stemming from occupational segregation and imbalances in the gender division of unpaid work. The COVID-19 crisis calls for recovery and growth processes that are gender sensitive, in the broadest sense, given that women are disproportionately impacted by their concentration in health and social care jobs, and women carry the burden of unpaid reproductive and care work.

During the last major economic recession which was precipitated by the financial crash of 2007/08, the UK initiated a monetarist[2] response in the form of quantitative easing, followed by public spending austerity after the election of a Conservative-Liberal Democrat coalition government in 2010. After a decade of public sector spending cuts, 86% of which came from women's incomes through cuts to social security and tax credits (WBG 2016), economic inequality in the UK has increased (Waite et al 2019). The austerity agenda has been shown to have widened inequalities in Europe, and delivered the opposite of IG:

> **"In no part of the world have misguided ideas had such adverse effects: continuing austerity is having its toll, as the gap between where the Eurozone would have been had trend growth before 2008 continued and where it is today, continues to widen." (Stiglitz 2016:694).**

Celebrated economist Joseph Stiglitz has stated that the central economic problem is "a lack of global aggregate demand." (*Ibid*:693) indicating that stimulating the demand for goods and services may be a better way of recovering growth patterns affected by COVID-19, and that means putting money into the hands of those who are most likely to spend it when the productive economy re-opens. The burden on the reproductive economy has increased exponentially and there is an intensified need for public investment in health and social care, not just in terms of easing the burden of care but also in terms of stimulating demand from low paid workers on the margins of the economy.

From a feminist economics perspective, investment in public provision of these services can help deliver gender inclusive recovery in two major ways. Firstly, it has been shown that investment in health, child and social care delivers more GPD growth through direct (job creation), indirect and induced effects than investment in physical infrastructure such as construction (Kim et al 2019, Antonopoulos and Kim 2011, de Henua et al 2016

[2] Monetarism is an approach in macroeconomics which emphasises the role of government in controlling the supply of money. Monetarist theory asserts that the money supply is a key lever by which the government can influence economic growth and output and is generally associated with right wing ideologies, particularly the approach of 'Reaganomics' in the US and Thatcherism in the UK.

and 2017). Traditionally, Keynesian[3] demand stimulus approaches have focussed on physical infrastructural improvements reflecting gender bias in public accounting systems. The United Nations System of National Accounts (UNSNA) makes a distinction between capital and current account expenditure. Investment in physical infrastructure is counted as capital spending (investment bringing economic returns in future time periods) while spending on social care infrastructure such as child, elderly and social care is considered a cost in the current time period. Under current regulatory frameworks, permissible levels of national debt and deficit can be exceeded provided extra expenditure is on capital investment (de Henau et al 2016). There is a clear need therefore to consider spending on social infrastructure as capital investment. Investment in health, education and care has been shown to have greater multiplied economic impacts therefore their inclusion as current account expenditure is unjustified, even by the limiting standards of GDP as a measure of growth. Another positive impact of health and social care investment is an associated reduction in the burden of unpaid work for women:

> **"Public investment in caring also contributes to resolving the care deficit that arises because more women are in paid employment than ever before but men have not increased the amount of domestic work or caring they do sufficiently to make up the difference." (de Henau et al 2016:14)**

Similarly, investment in this sector offers an opportunity to address the systematic undervaluation of female dominated job roles, particularly those in health and social care and retail) given so many of these occupations are now classified as 'essential' and their true value to society has been recognised as incommensurate with their low rates of pay. It could also be argued that there are considerable positive socio-economic spill-over effects to investment in this sector in terms of human capital and child development (Campbell et al 2013) which could provide multiplied economic and social benefits in the long term.

'Keynesianism', based on the ideas of economist John Maynard Keynes, argues for increased government spending and lower taxation as a means to stimulate aggregate demand in response to economic recession/depression.

Conclusion

Traditional growth models assumed that in general the private sector produces wealth and the state redistributes it and poverty has been characterised as an unfortunate side effect of how markets function. In response to increasing inequality, the IG agenda has broadened early attempts to consider poverty-reduction strategies *at the same time* as growth strategies, theoretically offering a broader approach than 'pro-poor growth'. In practice however, it has been found that IG is very similar to pro-poor growth, conceptually and particularly in terms of measurement. The understanding of gender inequality as a drag on economic growth and the recognition of the huge economic potential of closing gender gaps in labour markets has been established for many years, both in macro and micro-economic terms, however, discussions of IG have tended to treat gender as a variable in outcome measures, rather than recognising the gendered nature of the macro-economy and the gender bias inherent in growth processes themselves. Hence, these approaches neglect the reasons that women might be excluded from the labour market in the first place – from feminist economics perspective this omission seriously undermines the potential for IG to address gender inequality.

Ideas of inclusive growth that focus on access to markets can move beyond a 'residual' approach whereby governments only intervene redistribute growth but, from a feminist perspective, they cannot address gender inequality while ignoring the (re)productive activity that takes place outside of market transactions. As a case in point, the current pandemic exposes a crisis in the provision of health and care services that is highly gendered. The last decade of public sector spending cuts has not delivered sustained economic growth, and has increased income and gender inequality. There is a clear need therefore for gender sensitive response packages that have at this heart investment in the health and social care sector to deliver gender inclusive recovery in the short to medium term, a recasting of the economy to recognise the extent to which growth itself is driven by women's labour both paid and unpaid, and to value that contribution accordingly.

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Close the Gap works in Scotland on women's labour market participation. We work with policymakers, employers and unions to influence and enable action that will address the causes of women's inequality at work.

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Close the Gap (SCIO) (known as Close the Gap) is a Scottish charity, SC046842.

Engender is Scotland's feminist policy and advocacy organisation. For over 25 years we have worked for a Scotland where women have equal opportunities in life, equal access to resources and power, and are equally safe and secure from harm.

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