

“Income distancing”: the gender pay gap in healthcare

Keywords: healthcare, care, gender pay gap, inequality, public investment, Covid-19

PICTURE: a female health worker, or a hospital ward with patients

The importance of quality care has been an international topic of discussion in recent months as people re-evaluate the cost of lives. Much of this discussion is focussed on the outcomes of care-giving, and less so on the care-givers, be it in healthcare, care for the elderly, childcare or social care. The conditions under which health workers, carers and medical staff have been working to provide care and contain fatalities has been the subject of significant media coverage, with special mention to protective personal equipment and access to coronavirus testing kits.

Under the pressure of dealing with the changes that COVID-19 has imposed on the sector, the gender pay gap will go conveniently unreported in organisations like the NHS. The 2020 reporting deadline of the gender pay gap (1st of April) for 2020 has been suspended, with an expectation that a new date will be set in the autumn. The shift may prove to be detrimental for equality reporting, as thousands of workers have been furloughed until October 2020 with little certainty about their employment. A potential scenario is that companies will be forced to lay off workers due to a decline in demand. Gender balance in the workforce may worsen, especially if one considers the role of women as carers at home. Lack of reporting, excused by COVID-19, should not be bypassed silently. It takes away the opportunity to monitor which employers are moving in the right direction, and it signals to workers that their concerns are not taken into account.

Understanding the consequences of gender equality requires assessing observed and unobserved gendered inequalities in opportunities and earnings which affect both men and women. Big differences with other sectors in the economy are conspicuous in terms of salary levels. This is perhaps unsurprising in the context of the gender pay gap; employment sectors with predominantly female workers usually exhibit lower pay levels. What is perhaps more surprising is how salary trends compare with other non-market areas of employment (such as public administration); while the sector always had significantly lower salaries, in recent years this gap has broadened.

The healthcare sector matters because it is predominantly an employer of women in the UK. Women make up 78.5 percent of the workforce in healthcare and are concentrated in the lower end of the pay scale, taking home about 74.5 percent of the total wages paid to healthcare staff according to Eurostat. The Office for National Statistics (ONS) found that the gender pay gap for all employees, in two different professional categorisations, professional and associate employees, was 24.8 percent and 10.5 percent respectively in 2018, compared to the 13.1 percent average for the economy as a whole. In terms of the gender pay gap for part-time employees, women are getting paid nearly one-third less than men in the professional category.

Zooming in to the NHS, [its most recent report \(2018\)](#) shows that it employs significantly more female than male employees, excluding agency personnel. Following the pattern of the healthcare sector in general, 73.6 percent of NHS staff in the lower quarter of the pay distribution are women. The ONS reports the median weekly pay for these roles is £392, while medical practitioners (one of the highest paid professions in the UK) make almost three times more.

Due to the gender composition of the workforce in the sector overall, women are not only worse off in terms of financial rewards, they are more exposed to COVID-19 too. [Women accounted for 53 percent of the reported deaths of care workers as of the 22nd of April 2020](#), while 69 percent of the care and health workers in lower paid jobs who lost their lives were women, highlighting their uneven exposure to the pandemic. In other words, 7 out of 10 low-paid key workers who died of COVID-19 were women working in the health and social sector. To stop this happening again, there is an urgent need to increase investment and ensure that women are better paid for their contribution.

The gender pay gap and the lack of financing are not separate. They determine the ability of health and care workers to deliver a quality service, and in order to do so a worker needs to feel respected, protected and appreciated. The outbreak has stressed the financial weakness of the public health system in the UK, especially the lack of investment. According to the [OECD](#), in 2018 the UK spent almost a tenth of its GDP on the health and social sector. This makes the UK 14th out of the 44 countries in the list. If we look how much this spending is per person, the UK ranks 17th in Europe and 25th out of the 44 countries in the OECD list, putting it below much smaller economies such as Czechia, and Hungary. Politicians' new-found regard for healthcare and care for the elderly poses uncomfortable questions about their perceived value, and the value of healthcare workers before this crisis.

In this context, investment offers a viable policy package for addressing inequality. In a recent [co-authored contribution](#), I suggested that a policy mix of social and physical public investment could help to close the gender gap by increasing women's wages more than men's wages.

A 1 percentage-point increase in public investment in the health and social sector, we argue, would have a substantial and positive impact on both GDP (by 2.7 percent in the medium-run) and employment. Employment of both women and men would increase by 3.2 percent and 0.4 percent respectively in the medium-run. Given that increasing wages of both men and women alongside closing the gender pay gap leads to higher GDP in both the short and the medium-run, the UK faces an opportunity to make economic growth equality-led. Naturally, this would also require institutional change: labour market policies such as an increase in the minimum wage or collective bargaining coverage, enforcement of equal pay legislation, and aiming at higher rates of increases in occupations at the bottom end of the pay scale where women constitute a large share of the workforce.

There is a growing recognition that inequality is both economically and socially destabilizing. Inequalities, weak public spending on the social sector and low productivity are linked. Thus, gender equality, income equality with higher wages, lower wealth concentration and investing in the social sector of the economy are key to social and economic sustainability.

Calling for a reduction of the gender pay gap should therefore still be a priority. It relates to the quality of work of health and care workers, especially women, who due to the gender pay gap may have to work longer hours and as a result be more exposed to the COVID-19 virus. This, coupled with the steep decline in investment in public health and care further worsens the working conditions of health and care workers. Reducing the pay gap and increasing investment in the health and social sector would have cost much less than the projected increase in public debt for the UK in 2020.

Keeping a safe distance from each other has been enforced to prevent people from falling ill. To prevent workers from losing dignity, the wage gap between men and women must be reduced.

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