



Close the Gap response to the Advisory Group on Economic Recovery

May 2020

1. INTRODUCTION

Close the Gap is Scotland's policy advocacy organisation working on women's labour market participation. We have been working with policymakers, employers and employees since 2001 to influence and enable action that will address the causes of women's labour market inequality.

The COVID-19 crisis has resulted in a rapid, and unprecedented shift in the economic landscape in Scotland. The Scottish Government estimates that during the current lockdown, output in the Scottish economy could fall by 33%.¹ One of the early implications of the ongoing crisis has been to further highlight women's labour market inequality. COVID-19 is likely to have long-term consequences for women's equality and there is an urgent need to integrate gender perspectives and women's needs into response measures.

The evidence from previous pandemics demonstrates that gender equality measures and action plans are vital components of an effective response², particularly as women and men are being impacted by COVID-19 in different ways. For example, COVID-19 job disruption will disproportionately impact women's employment; women make up the majority of key workers; women's poverty rates, and subsequently child poverty rates, will rise as a result of low-paid women being particularly affected by job disruption; and women are facing increased childcare responsibilities as a result of school and nursery closures.

Close the Gap welcomes the invitation to submit evidence to the Advisory Group on the economic recovery. In addition to this paper, Close the Gap have submitted three additional reports for consideration by the Advisory Group. Firstly, *Disproportionate Disruption: The impact of COVID-19 on women's labour market equality*³ which explores the disproportionate impact of job disruption on women's labour market

¹ Scottish Government (2020) *State of the Economy*

² Engender (2020) *Women and COVID-19*

³ Close the Gap (2020) *Disproportionate Disruption: The impact of COVID-19 on women's labour market equality*

participation, a further paper written in collaboration with Engender, *Gender and Economic Recovery*,⁴ which details the principles for a gender-sensitive economic recovery, and, finally, a paper by Emily Thomson, published by Close the Gap and Engender, *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*.⁵ Taken together, these submissions provide a comprehensive overview of the implications of COVID-19 on women's employment, the importance of a gendered approach to labour market and economic recovery policymaking, and provide detail on the key principles for a gendered economic recovery.

As women and men had different levels of economic wellbeing before Covid-19, that have subsequently been deepened by the crisis, the principle of equality and non-discrimination must be core to the economic recovery.⁶ Scottish Government must not implement a recovery that merely facilitates a return to the status quo, cementing women's labour market and economic inequality in the process. Instead, Scotland's economic recovery should focus on rebuilding and transforming the economy to further gender equality and tackle pre-existing inequalities. The idea of building back better and promoting a better recovery must mean building a labour market and economy that values and counts women's work, and recognises the complexities of their lives.

2. CLOSE THE GAP'S RESPONSE TO THE KEY AREAS FOR CONSIDERATION

a) Labour Market and Inequalities

Measures to contain COVID-19 will have far-reaching impacts on Scotland's labour market that are likely to last at least several years. Women, particularly those in lower paid jobs, will be disproportionately impacted by emerging labour market challenges because of their pre-existing inequality in the labour market. The gender pay gap, the key indicator of women's labour market equality, represents the divergent experiences men and women have not only in employment but also in education, training, care and other domestic labour. It is a persistent feature of Scotland's labour market, remaining stubbornly high at 13%.⁷

Women comprise the majority of low-paid workers, and work that is seen as "women's work", such as care, cleaning and retail, is systematically undervalued in

⁴ Close the Gap and Engender (2020) *Gender and Economic Recovery*

⁵ Emily Thomson (2020) *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*, Close the Gap and Engender

⁶ Close the Gap and Engender (2020) *Gender and Economic Recovery*

⁷ Close the Gap (2020) *Gender Pay Gap Statistics*

the labour market.⁸ The majority of the key worker jobs identified by the Scottish and UK Governments are undervalued female-dominated occupations including nurses, carers, early learning and childcare workers and supermarket workers.⁹ Many of these key worker jobs, such as those in adult social care and childcare, are characterised by low pay, and poor terms and conditions. The undervaluation of “women’s work” results in the low pay associated with those jobs and sectors and has lifelong impacts for women such as having less access to resources and assets, including occupational pensions, and a higher risk of in-work poverty. Women are more likely than men to have caring responsibilities and therefore face the additional pressure of finding work that allows them to balance earning with caring. As a result, women are further concentrated into low-paid and often insecure work, as most part-time work is found in the lowest paid occupations and sectors.

Research published by Close the Gap earlier in May, which has been submitted to the Advisory Group, concluded that women will be disproportionately impacted by job disruption as a result of COVID-19, and women are also more likely to lose their job in the anticipated “jobs recession”.¹⁰ The key findings of *Disproportionate Disruption* are:

- Because of occupational segregation, women are more likely to work in a shut down sector such as hospitality and retail, and this is especially the case for BME women and younger women.
- Women are more likely to have lost their job, had their hours cut, and more likely to be furloughed.
- Women make up the majority of key workers, in care, early years and childcare, nursing and in supermarkets, but are undervalued, underpaid and under-protected.
- Women are bearing the brunt of the increase of childcare and care for adults in the home, making it difficult to do their paid work from home, where this is required by their employer.
- Women in low-paid jobs will be particularly affected by job disruption, placing them at greater risk of poverty.
- Women are more likely to lose their jobs in the recession, and be affected by underemployment.

⁸ Grimshaw, Damien and Jill Rubery (2007) *Undervaluing Women’s Work*, Equal Opportunities Commission

⁹ UK Government (2020) ‘Guidance for schools, providers, colleges and local authorities in England on maintaining educational provision’ available at <https://www.gov.uk/government/publications/coronavirus-covid-19-maintaining-educational-provision/guidance-for-schools-colleges-and-local-authorities-on-maintaining-educational-provision>

¹⁰ Close the Gap (2020) *Disproportionate Disruption: The impact of COVID-19 on women’s labour market equality*

These findings render it essential that labour market and economic recovery policymaking integrate gender equality and address the inequalities women face at work as a core aim. Otherwise, one of the key long-term impacts of COVID-19 will be to exacerbate gender inequality in the labour market. The lack of consideration afforded to gender in the aftermath of the 2008 financial crisis resulted in the recession having a disproportionate impact on women's employment.¹¹ To prevent similar disproportionate impacts on women, it is essential that the Advisory Group adopt a gendered approach when assessing the impacts of COVID-19 on the labour market, and make recommendations which address the specific impacts of COVID-19 on women's labour market participation.

How should inequalities by geography, generation, gender, age and ethnicity be addressed?

It is important that women's equality, and equality more broadly, remains a key priority for the Scottish Government in responding to the crisis. There has already been some visible deprioritising of women's equality which is likely to have long-term implications for efforts to close the gender pay gap and advance women's equality. For example, UK Government's decision to suspend gender pay gap reporting is likely to lead to further inaction on the causes of the gender pay gap by employers, and will ultimately compound women's inequality in the labour market.¹² It is therefore essential that Scottish Government demonstrates its commitment to the realisation of women's equality in Scotland.

To address women's inequality in the labour market, it is essential that the Scottish Government implement a gendered response to the anticipated jobs recession, which includes interventions specifically designed to tackle the causes of women's inequality at work. To this end, in *Disproportionate Disruption*, Close the Gap made a number of recommendations to Scottish Government including:

- ensuring that that gender-sensitive sex-disaggregated data informs future labour market analysis;
- ensuring policymaking to address COVID-19 labour market disruption addresses occupational segregation as a central aim;
- integrating gender-sensitive data analysis and gender mainstreaming approaches into labour market and economic recovery policymaking, and programme and service design; and

¹¹ Close the Gap (2010) *Women in Recession: Making gender equality a priority for economic recovery*

¹² Close the Gap (2020) 'Lockdown on the gender pay gap' available at <https://www.closesthegap.org.uk/news/blog/lockdown-on-the-gender-pay-gap/>

- addressing the undervaluation of women’s work should be core to labour market and economy recovery policy responses.¹³

It is necessary to adopt an intersectional approach to economic recovery policy making. Our evidence highlights that some groups of women are at particular risk of job disruption and, in line with the multiple labour market barriers experienced by different groups of women,¹⁴ COVID-19 also leaves some groups of women at even greater risk of poverty.¹⁵ For example, Black and minority ethnic women are more likely to work in a sector that has been shut down; more likely to be in insecure work which puts them at increased risk of loss of hours and earnings; and are concentrated in low-paid service sectors which are more susceptible to redundancies over the course of the crisis. This has the potential to further entrench labour market inequality for Black and minority ethnic women who already face multiple barriers to good quality employment.¹⁶ Labour market and economic recovery policymaking should not, therefore, treat women as a homogenous group. It is vital to consider the specific impacts of COVID-19 for different groups of women and develop policy responses that recognises their lived experiences.

How will the workplace change? What does this imply for productivity and fair work?

There have been unprecedented changes in the way workplaces across Scotland are operating during periods of lockdown and social distancing. However, there remains a lack of clarity as to whether these changes will be temporary and how the workplace will change in the longer-term. There is the potential for work to become more flexible, for employers to better support women to manage work with their caring responsibilities, and for gender equality and fair work to be prioritised as part of recovery planning. However, without integrating gender equality into the crisis response, there is a significant risk there will be a return to the status quo which will roll back progress on women’s inequality in the workplace.

Gender equality in business recovery planning

Employers should make gender equality a strategic focus by including it as a priority in recovery planning. However, there is a significant risk that gender equality is

¹³ Close the Gap (2020) *Disproportionate Disruption: The impact of COVID-19 on women’s labour market equality*

¹⁴ Close the Gap (2018) *Women, Work and Poverty: What you need to know*

¹⁵ Close the Gap (2020) ‘Women, work and COVID-19: The stark implications for women’s poverty’ available at <https://www.closesthegap.org.uk/news/blog/women-work-and-covid-19-the-stark-implications-for-womens-poverty/>

¹⁶ Close the Gap (2019) *Still Not Visible: Research into Black and minority ethnic women’s experience of employment in Scotland*

deprioritised and considered secondary to what is perceived to be the more urgent work of business recovery and planning, rather than seeing gender equality and economic recovery as intrinsically inter-related.¹⁷

There is a clear business case to advance gender equality. Employers are able to recruit from a wider talent pool, address skills gaps, and see their businesses become more productive, more innovative, and more profitable. Effective utilisation of women's skills and talents is also catalyst for economic growth, worth up to £17bn to Scotland's economy.¹⁸ It therefore makes strong business sense that gender equality is integral to business recovery and planning activities.

Support for women with caring responsibilities in returning to work

Women's disproportionate responsibility for care and other domestic labour affects their ability to enter and progress equally in the labour market. Women are four times more likely to give up employment because of multiple caring responsibilities and are more likely to be in low-paid, part-time employment.¹⁹ These trends have been exacerbated by the current crisis with women across the UK typically providing at least 50% more childcare, as well as spending around 10% to 30% more time than fathers home schooling their children.²⁰ More information on gendered patterns of care and COVID-19 is available in section five of *Disproportionate Disruption*.

Women with caring responsibilities, in particular lone parents, 90% of whom are women, will face severe difficulties in returning to work before schools and nurseries are fully reopened. Women have reported having to use their annual leave to fulfil caring responsibilities and, when this entitlement soon runs out, they may have their hours cut or lose their job. There is a significant risk that the increase in caring responsibilities will force many women to leave their jobs, affecting their income and career prospects, and ultimately placing women and their children at greater risk of poverty. Indeed, research has shown that among those working in February 2020, mothers are now 9 percentage points less likely to still be in paid work than fathers.²¹ Evidence also highlights that women with caring responsibilities in paid work have

¹⁷ Emily Thomson (2020) *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*, Close the Gap and Engender

¹⁸ Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

¹⁹ Carers UK and Employers for Carers (2012) *Sandwich Caring: Combining childcare with caring for older or disabled relatives*

²⁰ Ferguson, Donna (2020) "I feel like a 1950s housewife": how lockdown has exposed the gender divide' *The Guardian*, 3 May, available at <https://www.theguardian.com/world/2020/may/03/i-feel-like-a-1950s-housewife-how-lockdown-has-exposed-the-gender-divide>

²¹ Institute for Fiscal Studies (2020) *How are Mothers and fathers balancing work and family life under lockdown?*

reduced their paid working hours substantially, and by more than their male counterparts.²²

Additionally, restrictions around the Job Retention Scheme provisions have increased the likelihood of women leaving work in order to care. In particular:

- There is no employee right to be furloughed, it must be jointly agreed between the employer and the employee. Widespread inflexible working practice shows that many employers do not support women to balance their work with childcare, and in the current context may not furlough their female employees for this reason;
- There is low awareness among employers of the furlough provision for employees with caring responsibilities, and as a result many women are facing immense challenges as they struggle to provide childcare for young children while also working from home;
- The lack of provision for part-time furlough at present is particularly problematic for women, as this would provide a solution for many women who want to continue to work during lockdown while also providing childcare at home. Part-time furlough will be introduced from August. However, there remains a lack of detail around how this will work in practice. There is also evidence that some women have had an involuntary reduction in hours which adversely affects their pay and puts them and their families at higher risk of in-work poverty. The lack of part-time furloughing may force some women to leave their job creating longer-term impacts to their income, career, and the wider economy as employers lose female talent²³; and
- There is an appetite among employers for part-time furlough. Survey data from the Institute of Directors found that more than one-third of employers using the Job Retention Scheme said they would bring the majority of their furloughed workers back on a part-time basis, if this were permitted by the programme. Less than one in ten employers said they would not bring anyone back part-time.²⁴ This highlights the importance of flexibility in financial support systems and implies that an earlier introduction of part-time furlough would not only have assisted women in balancing care and paid work, but

²² Institute for Fiscal Studies (2020) *How are Mothers and fathers balancing work and family life under lockdown?*

²³ Close the Gap and Engender (2020) *Women, Caring Responsibilities and Furloughing during COVID-19*

²⁴ Institute of Directors (2020) 'Furlough will mean "difficult decisions" for firms' available at <https://www.iod.com/news-campaigns/news/articles/Furlough-costs-will-mean-difficult-decisions-for-firms>

would also have enabled women to protect more of their earnings during lockdown.

Providing additional support for women with caring responsibilities in returning to work should be a key priority for the Scottish Government, local authorities and employers as the crisis is managed. Employers can provide support with childcare through measures such as participation in a childcare voucher scheme; an onsite creche; childcare allowance; and/or discounted childcare through a partnership with a local provider. As highlighted in the section below, employers have a key role to play in providing for flexibility in the workplace, with flexible working being key for women in managing childcare, their workload and enabling work life balance. Greater support for childcare in the workplace improves recruitment and retention and helps to build inclusive workplace cultures, which will mean lower costs, higher productivity and the ability to attract and retain expertise. Evidence from Scotland²⁵, and internationally²⁶ finds that investment in care infrastructure, including investment in high quality childcare, stimulates job creation, community regeneration, and provides increased opportunities for under-employed women.²⁷ As a result of these economic benefits, the state gains from an increased tax base and relieved pressure on social security.

Changes to inflexible workplace cultures

Women's disproportionate responsibility for care means that the lack of quality flexible working makes it difficult for them to balance work with family life.²⁸ Changes to working patterns and practice necessitated by COVID-19 have again called into question pervasive presenteeism²⁹ in many workplaces, and a cultural presumption against flexible working which create a significant barrier to women's progression and labour market equality. COVID-19 has also highlighted that many more roles are capable of being done on a flexible basis. However, it is not pre-determined that this new-found flexibility and changes to workplace cultures will be maintained in the aftermath of the crisis, and the Scottish Government should seek to encourage employers to introduce increased flexible working opportunities. The

²⁵ Lapniewska, Zofia (2016) *Growth, Equality and Employment: Investing in Childcare in Scotland*, WISE Research Centre

²⁶ De Henau, Jerome, Sue Himmelweit, Zofia Lapniewska and Diane Perrons (2016) *Investing the Care Economy: A gender analysis of employment stimulus in seven OECD countries*, ITUC

²⁷ Lapniewska, Zofia (2016) *Growth, Equality and Employment: Investing in Childcare in Scotland*, WISE Research Centre

²⁸ Close the Gap (2020) *Flexible Working for All? The impact of the right to request regulations in Scotland*

²⁹ Presenteeism is the practice of being present at work outwith one's normal hours, and for more hours than is required. Cultures of presenteeism negatively impact women because of their disproportionate caring responsibilities outwith work which makes it more difficult to be at work outside their normal hours.

current crisis represents an opportunity for employers to change workplace culture, and ensure flexible working is available at all levels of the organisation. Currently, only 6% of jobs paid £20,000³⁰ or more are advertised as being available on a flexible basis.³¹ While all employees have the right to request flexible working, research by Close the Gap has found that there is no evidence of an increase in the use of formal flexible working in Scotland since 2010.³²

Promoting the importance of flexible working at all levels of an organisation is therefore a vital aspect of promoting fair work for women. Flexible working opportunities will be vitally important in enabling women with caring responsibilities to return to work, particularly if there are any additional barriers in accessing appropriate childcare, as highlighted in the section above. Providing for flexible working also provides benefits for organisations in terms of growth and productivity. Whyman and Petrescu (2015) analyse workplace flexibility policies against the backdrop of a recession and concluded that all forms of workplace flexibility can contribute to increased business performance.³³ The benefits of flexible working are well-established, including improved staff recruitment and retention; reduced recruitment and training costs; and reduced stress and improved employee wellbeing. Increased flexible working opportunities across all levels of the labour market will also assist in closing Scotland's gender pay gap.

Addressing the undervaluation of women's work

The concept of undervaluation underpins gendered pay inequality, occupational segregation and the gender pay gap. In economics, the undervaluation of "women's work" means that there is evidence of lower returns to women's productive characteristics.³⁴ Practically, this means that women will receive lower pay from investing in education or from their own work experience. The systematic undervaluing of "women's work" contributes to women's higher levels of poverty. As highlighted in section one of *Disproportionate Disruption*, most of the key worker jobs identified by the Scottish and UK Governments are female-dominated roles.³⁵ For this reason many of these jobs are systematically undervalued in the labour market and some jobs, such as those in social care, childcare and retail, are

³⁰ £20,000 full-time equivalent or more.

³¹ Family Friendly Working Scotland (2017) *The Timewise Flexible Jobs Index Scotland*

³² Close the Gap (Forthcoming 2018) *Flexible Working for All? The impact of the right to request regulations on women in Scotland*

³³ Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

³⁴ Grimshaw, Damien and Jill Rubery (2007) *Undervaluing Women's Work*, Equal Opportunities Commission

³⁵ UK Government (2020) 'Guidance for schools, providers, colleges and local authorities in England on maintaining educational provision' available at <https://www.gov.uk/government/publications/coronavirus-covid-19-maintaining-educational-provision/guidance-for-schools-colleges-and-local-authorities-on-maintaining-educational-provision>

characterised by low-pay, and poor terms and conditions.³⁶ Particularly in the case of care work, whether for children, older or disabled people, it has long been assumed that women choose this type of work more for job satisfaction than pay.³⁷ The low pay associated with key worker roles is not directly linked to the intrinsic or economic values of these roles, but results from policy choices.³⁸

There are clear and pressing arguments for greater investment in care work and other key work. 1 in 5 care workers were born outside the UK³⁹ which has implications for the future of the care sector. The sector is likely to experience significant staffing pressures due to Brexit and the wage threshold set in the UK Government's new immigration bill. Indeed, the immigration bill cements the undervaluation of care work, signalling that this work is unskilled.⁴⁰ Any gaps in social care provision are likely to lead to increased pressure on women to fulfil these roles on an unpaid basis, potentially driving them out of the workforce and into greater poverty.⁴¹ Many employers in the care sector report high vacancy rates, a shortage of good quality applicants and high staff turnover. It is difficult to see how these issues can be resolved while maintaining low pay in the sector. If men are to be attracted to work the care sector, there needs to be an economic imperative to do so.

Increasing attention has been afforded to working conditions and pay in key worker roles, such as retail, social care and childcare. The ongoing crisis has given rise to public debates around the low wages associated with women's frontline work with roles which were previously branded "unskilled" labour now being branded as essential. Consequently, a core call from Close the Gap in *Disproportionate Disruption* is that addressing the undervaluation of "women's work", including in social care and childcare, should be core to labour market and economic recovery policymaking in response to COVID-19. Scotland needs to use state and public body wage-setting powers to increase pay in these sectors and improve their conditions of work. Measures to address undervaluation can also be taken at the organisational level such as developing gender sensitive pay and grading systems, strengthening the

³⁶ Women's Budget Group (2020) 'It is women, especially low-paid, BAME & migrant women putting their lives on the line to deliver vital care' available at <https://wbg.org.uk/blog/it-is-women-especially-low-paid-bame-migrant-women-putting-their-lives-on-the-line-to-deliver-vital-care/>

³⁷ Folbre, N (2012) *Should Women Care Less? Intrinsic Motivation and Gender Inequality Should Women Care Less? Intrinsic Motivation and Gender Inequality*.

³⁸ Grimshaw, Damien and Rubery, Jill (2007) *Undervaluing Women's Work*, Equal Opportunities Commission

³⁹ Engender (2020) *Women and COVID-19*

⁴⁰ Syal, Rajeev (2020) 'Points-based UK immigration bill passes initial Commons stage' 18 May 2020, *The Guardian*, available at <https://www.theguardian.com/uk-news/2020/may/18/points-based-uk-immigration-bill-passed-by-parliament>

⁴¹ Close the Gap (2020) *Disproportionate disruption: The impact of COVID-19 on women's labour market equality*

right to flexible working and promoting transparency of reward in the workplace.⁴² Action to address undervaluation is key to addressing women's poverty, tackling the gender pay gap and promoting fair work for women. As highlighted in *Gender and Economic Recovery*, inclusive growth must mean investing in a care economy.⁴³ Investment in childcare and care for disabled people and older people should be considered as necessary infrastructure for a sustainable wellbeing economy and a good society.

Prioritisation of fair work by the Scottish Government

It is necessary that the Scottish Government prioritise fair work for women in recovery and renewal to prevent any regression in workplace standards, employer equalities practices or in women's terms and conditions. This means mainstreaming gender in all labour market policymaking and better integrating gender equality into the concept of fair work. While fair work is a key policy priority for the Scottish Government, we remain some distance from realising fair work for women. The Scottish Government's Fair Work Action Plan is not well-gendered.⁴⁴ The action plan is characterised by a lack of gender analysis and does not make use of gender-disaggregated data. While links are made to the Scottish Government's Gender Pay Gap Action Plan, gender is not mentioned in the Fair Work Action Plan actions. Fair work should explicitly address the causes of the gender pay gap as a central aim.

How do we capture and reflect in policy, changes in societal attitudes to the value and composition of key workers?

Please refer to the section on addressing the undervaluation of women's work above.

To what extent will the recovery require new investment in skills and training? How could the skills strategy reduce inequalities and help achieve other goals such as improved wellbeing?

Investment in gender-sensitive skills and training interventions will be a critical aspect of the recovery. Low-paid women are at disproportionate risk of job disruption and unemployment, and the changing jobs landscape will make upskilling and reskilling particularly important. Workers in low paid jobs have less opportunity

⁴² Grimshaw, Damien and Rubery, Jill (2007) *Undervaluing Women's Work*, Equal Opportunities Commission

⁴³ Close the Gap and Engender (2020) *Gender and Economic Recovery*

⁴⁴ Close the Gap (2019) *Close the Gap briefing for Scottish Government debate: Fair Work Action Plan* available at <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-Debate---Fair-Work-Action-Plan.pdf>

for training and progression.⁴⁵ Some of the sectors where job losses will be greatest as a result of COVID-19, such as retail, have high rates of outflow into unemployment, particularly long-term unemployment.⁴⁶ Additionally, many of the sectors at high risk of job disruption as a result of COVID-19 are sectors which are also at high-risk of automation, meaning that demand in these sectors may continue to decrease over time. Women who are made redundant from these sectors will therefore face additional pressure to find jobs in other sectors and areas of the economy. As such, it is critical that national and local skills programmes do not unintentionally disproportionately benefit men and “men’s jobs”.⁴⁷

Prior to the outbreak of COVID-19, a return to lifelong learning was being prioritised as part of the Scottish Government’s response to the fourth industrial revolution.⁴⁸ Any refocus on adult learning opportunities as a priority for skills policy rested, at least in part, on youth employment being less of a priority following the recovery from the 2008 financial crisis. However, evidence from previous crises⁴⁹ indicates that economic downturns tend to have particularly detrimental effects on younger workers and action will once again be necessary to address youth unemployment. Young women are disproportionately represented in sectors that have been shut down⁵⁰ and one-third of 18-24-year-old employees (excluding students) have lost their jobs or been furloughed, compared to one-in-six of those aged 35-49.⁵¹ In the aftermath of COVID-19, therefore, it is likely that Scottish Government will have to invest in skills and training in a way that addresses the anticipated rise in youth unemployment, with interventions designed to tackle young women’s unemployment specifically, while providing access to reskilling opportunities for workers who have lost their job.

Women are more likely to have lost their job as a result of COVID-19, and women’s concentration in service sectors make them more susceptible to further redundancies over the course of this crisis. Survey data from the Institute of Directors found that one-quarter of employers with furloughed staff said they cannot afford to contribute to the cost of the job retention scheme between August and

⁴⁵ Devins, D, Bickerstaffe, T., Mitchel, B. & Halliday, S. (2014) *Improving progression in low-paid, low-skilled retail, catering and care jobs*

⁴⁶ Ibid.

⁴⁷ Close the Gap (2015) *A tool for assessing the gender impact of spend on skills and training*, available at <https://www.closesthegap.org.uk/content/resources/GBA-Tool.pdf>

⁴⁸ See Scottish Government (2019) *Protecting Scotland’s Future: The Government’s Programme for Scotland 2019-2020* and Enterprise and Skills Board (2018) *Working Collaboratively for a Better Scotland: Strategic Plan*

⁴⁹ Resolution Foundation (2020) *Class of 2020: Education Leavers in the Current Crisis*

⁵⁰ Close the Gap (2020) *Disproportionate disruption: The impact of COVID-19 on women’s labour market equality*

⁵¹ Resolution Foundation (2020) *Young workers in the coronavirus crisis*

October,⁵² making it likely that there will be a further wave of redundancies when changes to the operation of the scheme come into force from August. This means that a key priority for skills and training policy during economic recovery are interventions which meet women's skills requirements and provide access to pre-and in-work skills and training programmes for women. The strategy on skills must be informed by gender sensitive, sex-disaggregated data⁵³ and gender analysis and should explicitly address occupational segregation as a central aim.

Gender sensitive sex-disaggregated data in skills planning policy

The lack of gender sensitive sex-disaggregated data used to develop skills planning policy was highlighted in *A Fairer Scotland for Women* and improving the range of gender-disaggregated data used in skills policy has been a long-term ask of Close the Gap. The existence of these data gaps is acknowledged, yet there has been very little meaningful action taken to address the problem.⁵⁴

Gender sensitive sex-disaggregated data is essential to understanding women's experiences of skills and training and is also a critical component of gender-sensitive policymaking that takes account of the needs of different groups of women. Occupational segregation is correlated with sectoral skills shortages,⁵⁵ and if women's skills are to be effectively utilised, skills policy must be informed by gender sensitive sex-disaggregated data. The current context provides a critical juncture at which to incorporate gendered perspectives in the skills planning response to the impact of COVID-19 on the labour market, particularly as women and men will have differing skills needs as a result of their employment being impacted in different ways.

Gender equality must be mainstreamed in skills policy

Scotland's skills strategy was published in 2010 with a focus on post-recession recovery, although gender is largely invisible.⁵⁶ More recently, while the analytical annex to the Future Skills Action Plan (2019) does outline some gendered dimensions of skills, these considerations are not visible within the plan itself which is

⁵² Institute of Directors (2020) 'Furlough will mean "difficult decisions" for firms' available at <https://www.iod.com/news-campaigns/news/articles/Furlough-costs-will-mean-difficult-decisions-for-firms>

⁵³ Gender-sensitive sex-disaggregated data is broken down by sex, so that it is possible to compare and contrast differences between men and women. It is not just counting women and men, though, and comprises statistics and other information that adequately reflect gendered differences and inequalities in the situation of women and men. See Engender (2020) *Covid-19: Gathering and using data to ensure that the response integrates women's equality and rights*

⁵⁴ Close the Gap (2020) *The Gender Pay Gap Manifesto*

⁵⁵ Women in Scotland's Economy research centre (2013) *How Modern is the Modern Apprenticeship in Scotland?*

⁵⁶ Scottish Government (2010) *Skills for Scotland: Accelerating the recovery and increasing sustainable economic growth*

characterised by a lack of gender analysis. Equally, the Enterprise and Skills Strategic board is expected to play a crucial role in shaping Scotland's response to future skills challenges. Despite an action in A Fairer Scotland for Women around embedding the gender pay gap in the work of the Strategic Board, the Board has yet to give focus to gender equality in its work. If this trajectory post-crisis, it is likely that skills and training interventions will exacerbate women's labour market inequality.

Women's experiences of in-work training and development

Employers are less likely to be prioritising training and development, particularly non-essential training, during periods of recession. This means that state-funded skills programmes will be the main lever for upskilling and reskilling opportunities to support women to re-enter the labour market. There is a need for skills programmes to support women with both pre-work and in-work training, with existing evidence around women's experience of employer training highlighting the importance of Scottish Government interventions.

Women are less likely to receive employer training than men; are more likely to access generic training such as health and safety; are more likely to contribute to the costs of their training; and are less likely to have received a pay rise as a result of receiving training.⁵⁷ Low paid, part-time women workers, who are more likely to work in a sector that have been shut down, are the least likely to receive any type of training.⁵⁸ It is therefore essential that upskilling and reskilling interventions should be informed by pre-existing evidence on women's access to skills acquisition and in-work training and development.

b) Micro/Enterprise

Are there any sectors or regions of Scotland for which the consequences are likely to be particularly severe, or where the impacts are likely to be different?

The economic impact of COVID-19 is expected to vary by sector which, because of occupational segregation, means that the impact will not be equally shared by women and men. Scottish Government analysis concludes that over half of sectors in the Scottish economy are considered at high risk of job disruption.⁵⁹ Research by Close the Gap highlights that women's over-representation in these sectors and jobs makes them particularly susceptible to the labour market disruption, as they are more likely to be concentrated in low-paid, lower-skilled service-sector roles. More information on the sectoral impacts of job disruption is available in sections three

⁵⁷ Ibid.

⁵⁸ House of Commons Women and Equalities Committee (2016) *Inquiry into the gender pay gap*

⁵⁹ Scottish Government (2020) *State of the Economy*

and four of *Disproportionate Disruption*.⁶⁰

c) Wellbeing, Inclusive Growth and Net zero

Do changes in lifestyle behaviour and work practices brought on by the pandemic represent an opportunity to improve individual wellbeing?

As mentioned in the section on workplace changes above, increasing the availability of flexible work at all levels of organisations has the potential to provide improvements in women's wellbeing. Flexible working enables women to balance work and family life; to access work that is commensurate with their skill level; and provides women with caring responsibilities more access to higher paid roles, thus reducing their risk of poverty.

There is evidence that changes to lifestyle behaviour and work practices have had a negative impact on women, with gendered patterns of care being exacerbated during the crisis. More information on the difficulties women are experiencing in balancing work and caring responsibilities is available in section five of *Disproportionate Disruption*.

The female poverty rate is anticipated to increase as a result of COVID-19. Section four of *Disproportionate Disruption* contains information on low-paid women being particularly affected by job disruption and the expected 'jobs recession', placing them at greater risk of poverty. Evidence highlights that fears around 'making ends meet' is a key source of stress and anxiety for women during this crisis, particularly for women with caring responsibilities. Across the UK, almost half (48%) of parents with young children say they are worried about how they will pay their rent or mortgage, compared to 20% of other respondents. Over half of parents of young children expect to be in greater debt after the coronavirus crisis 57% of parents of under-11s say that they believe they will come out of the outbreak in more debt than before.⁶¹ Direct financial boosts for women on low incomes will therefore likely be an important aspect of recovery support.⁶² Also, women facing involuntary reduction of hours, reduced earnings as a result of being furloughed and redundancy will be forced to access social security which is not designed to meet the needs of women's lives and after a decade of austerity and welfare reform has proven to push women

⁶⁰ Close the Gap (2020) *Disproportionate Disruption: The impact of COVID-19 on women's labour market equality*

⁶¹ Women's Budget Group (2020) "Half of parents with young children 'struggling to make ends meet'" available at <https://wbg.org.uk/media/half-of-parents-with-young-children-struggling-to-make-ends-meet/>

⁶² Poverty Alliance (2020) 'Campaigners call for emergency cash boost to prevent child poverty' available at <https://www.povertyalliance.org/campaigners-call-for-emergency-cash-boost-to-prevent-child-poverty-crisis/>

further into poverty.⁶³ Economic recovery across the UK should include enhancing women's economic position through introducing split payments of Universal Credit, removing the five-week wait for Universal Credit payments, and removing the two-child cap.

d) Lessons and Data Insights

Responding to the crisis in a way that advances women's equality necessitates gathering, analysing and using gender-sensitive evidence and gender-sensitive sex-disaggregated data. Gender-sensitive evidence and data is also essential in enabling the monitoring and evaluation of policy responses.⁶⁴ Despite the disproportionate impact of COVID-19 on women's employment, much of the data relating to COVID-19 does not include gender-sensitive sex-disaggregated data and this creates significant challenges in ensuring that women's experiences are recognised, and integrated into responses to the crisis.

The 2008 recession demonstrates that responses to economic crises that are not sufficiently gendered exacerbate, rather than alleviate, gender inequalities in the economy.⁶⁵ Responses to the COVID-19 crisis must therefore recognise that the potential of the current inclusive growth agenda in Scotland to reduce gender inequality is limited.⁶⁶ 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.⁶⁷ It is therefore vital that Scottish Government develop a gendered response to the anticipated jobs recession, with interventions specifically designed to tackle women's labour market inequality.⁶⁸

What role will technology play in Scotland's future economy? Will the rate of technological change increase? If so, what will be the mechanisms? What will be the workforce implications?

⁶³ Close the Gap (2018) *Women, Work and Poverty: What you need to know*

⁶⁴ Engender (2020) *COVID-19: Gathering and using data to ensure that the response integrates women's equality and rights* available at <https://www.engender.org.uk/content/publications/Covid-19-Gathering-and-using-data-to-ensure-that-the-response-integrates-womens-equality-and-rights.pdf>

⁶⁵ Emily Thomson (2020) *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*, Close the Gap and Engender

⁶⁶ Ibid.

⁶⁷ Women's Budget Group (2016) *A cumulative gender impact assessment of ten years of austerity policies*

⁶⁸ Close the Gap (2020) 'Disproportionate Disruption: New Close the Gap report shows women will be harder hit by COVID-19 job disruption' available at <https://www.closesthegap.org.uk/news/blog/disproportionate-disruption-new-report-from-close-the-gap-highlights-women-are-more-likely/>

Artificial intelligence (AI) and data driven technologies undoubtedly create opportunities for the Scottish labour market and society. However, these technologies also present a number of key challenges around women's labour market inequality, built-in discrimination and bias, and future skills challenges. Technology is expected to play an ever-growing role in Scotland's future economy, with implications for the nature of work and jobs. It is currently unclear whether COVID-19 will accelerate this trend. However, there are a number of reasons to suspect that the pace of automation will increase as a result of the ongoing crisis.

Evidence from 2008 found that routine jobs that could easily be automated disappeared with the financial crisis, and did not return during the recovery phase, contributing to a "jobless recovery". Evidence from the three recessions in the past 30 years found that 88% of job losses took place in highly automatable occupations, with automation being viewed as accounting for "essentially all" of the jobs lost in the crises.⁶⁹ Evidence also shows that automation tends to happen in bursts, often concentrated in the wake of economic shocks when labour becomes relatively more expensive as firms' revenues rapidly decline.⁷⁰ The expected recession may also lead to consumers seeking cheaper goods and services which may encourage businesses to seek less labour-intensive business models in order to cut costs. Moreover, COVID-19 may change consumer behaviour as a result of social distancing and fear of contracting the virus, leading to consumers preferring automated services to face-to-face interactions in sectors such as hospitality and retail for the foreseeable future, adding further incentives to businesses to automate their services.⁷¹ As these sectors are female-dominated, increasing automation puts women in these roles at greater risk of unemployment.

If automation and the adoption of new technologies does accelerate as a result of COVID-19, this would further compound women's disproportionate risk of unemployment, reduced hours, and underemployment. Many of women's jobs at risk of automation are the same jobs which are at risk of job disruption as a result of COVID-19. In addition, job disruption as a result of automation and new technologies is also expected to have a gendered impact.⁷² The ONS finds that women account for 70.2% of employees in jobs at high risk of automation, and 42.6% of employees in jobs at low risk of automation. Furthermore, part-time workers, of whom women

⁶⁹ Jaimovich, Nir and Siu, Henry (2012) *Job Polarisation and Jobless Recoveries*

⁷⁰ Muro, Mark (2020) 'Will the covid-19 pandemic accelerate automation?', *The Economist*, April 22 2020, available at <https://eiperspectives.economist.com/technology-innovation/will-covid-19-pandemic-accelerate-automation>

⁷¹ Benedikt Frey, Carl (2020) 'COVID-19 will only increase automation anxiety', *Financial Times*, April 21 2020, available at <https://www.ft.com/content/817228a2-82e1-11ea-b6e9-a94cfd1d9bf>

⁷² World Economic Forum (2018) *The Global Gender Gap Report 2018*

comprise the majority, make up 69.9% of all employees in jobs at high risk. This compares with only 11% of jobs at low risk of automation being held by part-time positions.⁷³ Women workers are concentrated at the extreme ends of the automation spectrum, with women over-represented in jobs that are at the highest risk of automation, such as retail or secretarial roles, and under-represented in the sectors where job growth is likely as a result of automation, such as STEM.⁷⁴ Occupations most at risk of automation for men have the lowest earnings, whereas there is considerable risk to “women’s jobs” in better paid occupations, which has the potential to reverse gender equality gains.

Overall, it remains vitally important that Scotland’s response to ‘the fourth industrial revolution’ is gendered, thus ensuring new technologies do not cement, or indeed, worsen existing gender inequalities. In the *Fairer Scotland for Women* action plan, the Scottish Government have committed to ensuring that addressing the causes of the gender pay gap are central to policies on automation and artificial intelligence.⁷⁵ Despite this, strategies at the Scottish and UK-levels have been characterised by a lack of gender analysis and limited use of gender-disaggregated data.

⁷³ ONS (2019) ‘Which occupations are at high risk of being automated’ available at <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/whichoccupationsareathighestriskofbeingautomated/2019-03-25>

⁷⁴ Close the Gap (2020) *Response to the Scottish Government’s Consultation on Developing Scotland’s Artificial Intelligence Strategy*

⁷⁵ Scottish Government (2019) *A Fairer Scotland for Women: gender pay gap action plan*