



Close the Gap briefing for Members' Business: Challenge Poverty Week 2024

October 2024

Close the Gap is Scotland's policy advocacy organisation working on women's labour market participation. For more than two decades, we have been working with policymakers, employers and unions to influence and enable action that will address the causes of women's labour market inequality.

1. Introduction

Poverty in Scotland is gendered, with women being more likely to be in poverty than men, more likely to experience in-work poverty, find it harder to escape poverty and being more likely to experience persistent poverty than men.¹ The impact of the Covid-19 pandemic and cost-of-living crisis have also had a disproportionate impact on women, and has pushed more women and their families into poverty, and for those already living in poverty their experiences have intensified.

Women are not a homogenous group, and disabled women, racially minoritised women, young women, single parents, and refugee and asylum-seeking women face intersecting inequalities which compound and put them at greater risk of poverty. **Women's poverty is also directly tied to child poverty**, meaning action to address women's poverty is crucial to eradicating child poverty.

However, poverty is not inevitable, and Challenge Poverty Week highlights that with targeted policy responses, poverty in Scotland can be tackled. As women's experiences of poverty is directly linked to their experience of the labour market, **action to address the causes of the gender pay gap, and particularly women's low pay, is crucial to challenging poverty.**

2. Addressing the undervaluation of women's work is necessary to eradicate poverty

Women's low earnings are a crucial driver of their experience of poverty. As women comprise the majority of low-paid workers in Scotland, **addressing women's low pay is key to eradicating women's and children's poverty.** Women's low pay is driven by the systemic undervaluation of "women's work", such as cleaning, care and retail, whereby the work predominately done by women is undervalued in the economy because it is done by women. The concept of undervaluation underpins gendered experiences of low pay,

¹ Close the Gap (2024) *Close the Gap briefing for Social Justice and Social Security Committee debate: Addressing child poverty through parental employment*, available at: <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-debate-briefing-for-SJSS-committee-debate-on-addressing-child-poverty-through-parental-employment.pdf>

poverty, occupational segregation and the gender pay gap.² Effectively addressing this undervaluation is crucial for increasing women's incomes and helping support them and their families out of poverty. The extension of the Real Living Wage in undervalued female-dominated jobs and sectors, such as hospitality and retail, is an important starting point in addressing women's low pay. However, delivering the Real Living Wage in stereotypically female occupations does not equate to a revaluing the skills and status of these jobs.

Despite the undervaluation of women's work being a key driver of women's poverty and therefore child poverty, there is no policy focus on addressing this economic injustice. The National Strategy for Economic Transformation (NSET) is largely gender-blind, and fails to recognise the care economy, and how it enables the formal economy to operate. There are no actions to address the economy-wide undervaluation of women's work or occupational segregation. **There is also no action on tackling undervaluation in the fair work action plan, despite this being a necessary step in realising fair work for women.** Scottish Government commissioned research on international practice on tackling undervaluation, which was published in 2021. Three years later, it is still to publish its response to the recommendations.

Women comprise around 60% of workers earning below the living wage, and represent three-quarters of the part-time workforce in Scotland.³ Issues around low-paid, precarious work are particularly acute for racially minoritised women, disabled women, and single parents, more than 90% of whom are women. 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. This sees women further concentrated into low-paid and insecure work, as most part-time work is found in the lowest paid jobs and sectors, often leading to women working below their skill level.

Women's concentration into these jobs is caused in part due to the significant lack of quality, flexible and well-paid working opportunities, which allows them to balance caring with earning.⁴ Research from Flexibility Works has found **women earning under £20,000 were the least likely to have access to flexible work, but almost half (47%) would like to work more flexibly to balance their caring responsibility with earning.**⁵ Improving women's access to quality flexible work is therefore critical to addressing low pay, as well as tackling women's and children's poverty.

The lack of emphasis on women's labour market equality has worsened since the Scotland's first gender pay gap action plan was subsumed into the fair work action plan.

² Grimshaw, D., and Rubery, J. (2007) *Undervaluing Women's Work*, Equal Opportunities Commission, available at: <https://research.manchester.ac.uk/en/publications/undervaluing-womens-work>

³ Close the Gap (2023) *Briefing for Scottish Government Debate: Fair work in a wellbeing economy*, available at: <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-Debate--Fair-work-in-a-wellbeing-economy-Nov-2023.pdf>

⁴ Close the Gap (2023) *Submission to the Social Justice and Social Security Committee inquiry into child poverty and parental employment*, available at: <https://www.closesthegap.org.uk/content/resources/CtG-submission-SJSS-Committee-inquiry-into-child-poverty-and-parental-employment.pdf>

⁵ Flexibility Works (2022) *Flex for Life 2022*, available at: <https://www.flexibilityworks.org/flexible-working-research/flex-for-life-report-2022/>

Close the Gap highlighted significant concerns at the time that it would result in a diminished focus on the complex and interrelated causes of the gender pay gap, and a much more limited range of action to address these causes. These concerns have been borne out and are evident in the much narrower focus of 'fair work'.⁶ This significantly constrains progress on addressing women's experiences of poverty.

3. Affordable and accessible childcare is necessary to reduce women's poverty

The lack of affordable, flexible, and accessible childcare reinforces women's labour market inequality as they provide the bulk of unpaid childcare. This constrains their engagement with the labour market, and whether they are able to study or train. **Consequently, childcare provision routinely determines whether women have a job, the type of job they have, the hours they work, and the amount of pay they get.**⁷ Therefore, **action to improve the affordability, accessibility and flexibility of current childcare provision is crucial to supporting women's employment and tackling their experiences of poverty.**

Close the Gap welcomed the delivery of 1140 funded hours entitlement, however, it is vital that **1140 hours is not the end of reform, as it only equates to the school day and therefore does not enable women to work full-time should they need or want to.** In addition, the inflexibility of childcare provision, which generally follows a typical 9-5 work pattern, makes it inaccessible to those who work irregular hours, such as shift work. **Research by Scottish Women's Budget Group has shown two-thirds of women reported that these hours do not cover their childcare needs,**⁸ and this limited flexibility in delivery further constrains their ability to enter, remain or increase their paid working hours,⁹ or to access training and education opportunities. **Moreover, the increased funded entitlement has not negated the need for expensive top-up childcare,** particularly for single parents and those who work atypical hours. Top-up childcare costs remain prohibitively high, presenting a significant financial barrier for parents to enter and remain in paid work. This issue is particularly acute for single parents, 91% of whom are women in Scotland, as research shows more than one-fifth can no longer afford childcare.¹⁰

⁶ Close the Gap (2021) *Response to the Scottish Government Consultation on Becoming a Fair Work Nation*, available at: <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-response-to-the-Scottish-Governments-consultation-on-Becoming-a-fair-work-nation---December-2021.pdf>

⁷ Close the Gap and One Parent Families Scotland (2023) *A childcare system for all: A vision that puts gender equality at the centre of Scotland's childcare strategy*, available at:

<https://www.closesthegap.org.uk/content/resources/CtG-and-OPFS---A-childcare-system-for-all-FINAL.pdf>

⁸ Scottish Women's Budget Group (2022) *Women's experiences of childcare shared through our survey*, available at: <https://www.swbg.org.uk/news/blog/womens-experiences-of-childcare-shared-through-our-survey/>

⁹ Close the Gap and One Parent Families Scotland (2023) *A childcare system for all: A vision that puts gender equality at the centre of Scotland's childcare strategy*, available at:

<https://www.closesthegap.org.uk/content/resources/CtG-and-OPFS---A-childcare-system-for-all-FINAL.pdf>

¹⁰ One Parent Families Scotland (2022) *Living Without a Lifeline*, available at: <https://opfs.org.uk/wp-content/uploads/2022/09/Living-without-a-lifeline-full-report.pdf>

Close the Gap and One Parent Families Scotland have published a joint vision and a set of principles,¹¹ endorsed by 25 civil society organisations, that describe a childcare system that works for everyone. **The principles are framed around the need for everyone, including those on low incomes, to be able to access the services they need.** The principles include:

- A universally funded entitlement of 50 hours per week for children aged 6 months plus, free at the point of use, and fully flexible in delivery to that women can work full-time if they need to or want to;
- Flexible delivery that enables families to access childcare when they need and want it;
- A diverse and skilled childcare workforce that is valued, fairly paid and gender balanced; and,
- A high-quality service which delivers positive outcomes for children and realised children's rights.

Expanding provision would put choice at the heart of the system, and all women would have more agency to determine how and when they engage with the labour market.¹² This is necessary to advance women's labour market equality and in turn, reduce women's experiences of poverty.

4. Gender-sensitive skills and employability programmes

Increasing women's incomes is a critical aspect of lifting women and their families out of poverty. Skills and employability programmes are important mechanisms to enable women to enter or progress in the labour market into better paid jobs. However, **the current approach to employability programmes replicates gendered patterns of skills acquisition and employment.** Mainstream employability and training programmes routinely fail to consider women's caring roles or how women's readiness and ability to work is impacted by these roles.¹³ Employability and training programmes often result in women being funnelled into low-paid, inflexible jobs, such as retail and care, **further entrenching occupational segregation and barriers to women's progression in work. This contributes to women's higher levels of poverty.**

It is crucial that employability, and upskilling and reskilling programmes are designed to be gender-sensitive and take **account of the gendered barriers women face in accessing training, such as their caring roles, occupational segregation, gender norms and stereotypes, the need for flexibility, and men's violence.** Occupational segregation is a cause and a consequence of women's inequality in employment, acting as a barrier to

¹¹ Close the Gap and One Parent Families Scotland (2023) *A childcare system for all: A vision that puts gender equality at the centre of Scotland's childcare strategy*, available at:

<https://www.closesthegap.org.uk/content/resources/CtG-and-OPFS---A-childcare-system-for-all-FINAL.pdf>

¹² Close the Gap (2023) *Submission to the Social Justice and Social Security Committee inquiry into child poverty and parental employment*, available at: <https://www.closesthegap.org.uk/content/resources/CtG-submission-SJSS-Committee-inquiry-into-child-poverty-and-parental-employment.pdf>

¹³ Engender (2016) *Unblocking the pipeline: Gender and Employability in Scotland*, available at:

<https://www.engender.org.uk/content/publications/Unblocking-the-Pipeline---Gender-and-Employability-in-Scotland.pdf>

women's progression in the workplace, and entrenching women's in-work poverty. Therefore, action to address occupational segregation must be viewed as key to eradicating poverty.

5. Conclusion

In order to make meaningful progress on addressing women's poverty, Scottish Government needs to take a gendered approach by:

- a) Implementing action that will address the undervaluation of 'women's work' in female-dominated sectors such as childcare, social care, and retail.
- b) Recast NSET to integrate a gender analysis so that the gendered barriers to the labour market are tackled.
- c) Developing a roadmap to delivering 50 hours of high-quality, flexible funded childcare to all children aged 6 months and over.
- d) Designing targeted skills programmes that will tackle occupational segregation and move low-paid women into higher-quality and better-paid jobs.
- e) Designing employability programmes that consciously tackle occupational segregation, and providing flexible opportunities for women in fair work jobs.
- f) Commit to the adoption of a gender-sensitive minimum-income guarantee.

It is therefore vital the Scottish Government takes a gendered approach to challenging poverty and challenges women's economic and labour market inequalities. Without doing so, women will continue to be disproportionately affected by poverty.