Close the Gap Briefing for Scottish Government Debate

Programme for Government – An Economy Fit for the Future

September 2026

Close the Gap is Scotland's policy advocacy organisation working on women's labour market participation. We have been working with policymakers, employers and trade unions for 25 years to influence and enable action that will address the causes of the gender pay gap. Our vision is for a Scotland where all women have a good working life.

1. Summary and key asks

Gender equality should not be treated as an optional social policy, but as an essential driver of macroeconomic growth. Scotland therefore cannot achieve sustainable economic progress while its core economic strategies remain fundamentally gender blind. The Scottish Government's Programme for Government 2026-31 states that 'We cannot eradicate violence against women and girls without addressing women's inequality' and recognises the need for increased economic opportunities for women as a way to tackle child poverty and violence against women.[1] Despite this, the Government's plans to grow Scotland's economy contain no direct actions to drive women's economic equality.

The National Strategy for Economic Transformation (NSET) systematically overlooks the structural barriers trapping women in low-paid, undervalued sectors. Closing the gender employment gap could **unlock a £17 billion boost** to Scotland's GDP. To realise this, economic policy must shift from prioritising male-dominated sectors to treating the care economy as critical national infrastructure.

Close the Gap calls on MSPs to urge Scottish Government to:

a) **Designate social care and childcare as key economic growth sectors** within Scotland's national strategy to drive policy focus, resource allocation, create jobs, and improve fair work in these sectors.

b) **Centre a gendered and intersectional analysis in the planned review of employability support and the new national skills plan** to ensure the barriers

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[1] Scottish Government (2026) *Programme for Government 2026 to 2031*, available at: https://www.gov.scot/publications/programme-government-2026-2031/documents/

women face when accessing employment and developing their skills are explicitly prioritised.

c) **Adopt a gender-competent approach to net-zero investment** by setting clear targets to dismantle occupational segregation, ensuring women are not excluded from the financial benefits of the green economy.

d) **Prioritise a childcare workforce strategy** to address sector recruitment and retention challenges by tackling the undervaluation of childcare work and, in turn, occupational segregation to strengthen the sustainability of the sector and enable economic growth.

e) **Address the economy-wide undervaluation of 'women's work'** so that women's skills are recognised and remunerated fairly.

2. Key evidence and data

- The potential macroeconomic gain to Scotland's GDP is **£17 billion** if the gender gap in employment is successfully closed.[2]
- Scotland's current headline gender pay gap is **10%**, driven heavily by systemic occupational segregation, with women concentrated in low-paid, undervalued jobs, and men in higher-paid technical and senior jobs.[3]
- The pay gap increases to **23%** when comparing women's part-time average hourly pay with men's full-time average hourly pay, showing the gendered penalties of working part-time.[4]
- Women currently comprise just **21.2%** of those employed in Scotland's priority green sectors, exposing a stark gender inequality in the net-zero transition.[5]
- Investment in care infrastructure has a greater impact on the economy than equivalent investment in construction, creating **2.7 times more jobs** and producing significantly less emissions.[6]

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

[3] See https://www.closethegap.org.uk/content/gap-statistics/

[4] Ibid.

[5] NOMIS, workforce jobs by industry (SIC 2007) and sex, 2023

[6] Women's Budget Group (2020) A Care-led Recovery from Coronavirus: The case for investment in care as a better post-pandemic economic stimulus than investment in construction

- Women make up **60%**[7] of workers earning below the Real Living Wage, and **43%**[8] of low-income mothers report being locked out of the workforce entirely due to a lack of flexible, local jobs.

3. The Context: Women's employment and economic growth

It is difficult to overstate the cost of gender blindness in Scottish economic policy. Scottish Government's vision for a wellbeing economy will remain unrealised if women's skills and talents continue to be systematically invisible and underutilised. Scotland's labour market is characterised by acute and chronic segregation: women dominate low-paid, part-time sectors, while men hold most higher-paid, technical and senior roles. This is driven by an ongoing shortage of flexible, quality work; engrained gender norms and stereotypes; male-orientated workplace cultures; and a lack of infrastructure supporting women with their unequal share of caring responsibilities.

Where once Scottish Government was a leader in the UK on tackling the gender pay gap, it risks falling behind through inaction. The subsumption of the gender pay gap action plan into the wider fair work action plan diluted focus on the structural, gendered barriers women face and limited action to address these. To genuinely grow the economy, Scottish Government must explicitly acknowledge that addressing women's labour market inequality is a primary driver of economic growth and implement targeted action to address the barriers women face.

4. Fair work for women

Close the Gap welcomes the focus on enabling fair work but fair work must mean fair work for women too. Women's employment is characterised by low pay, discrimination and harassment, insufficient working hours, underemployment, and precarious work. These inequalities are particularly acute for racially minoritised women, disabled women, young mothers, and single mothers.[9] Women comprise three-quarters of the part-time workforce and are 60% of those earning below the Real Living Wage in Scotland.[10] This concentration in low-paid, part-time roles is driven by an unequal share of unpaid care, compounded by a severe shortage of quality, flexible, and well-paid positions.

While research shows that 43% of women in low-income households (earning £30,000 or less) want to work more flexibly to balance employment with caring roles,

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[7] Close the Gap (2023) Briefing for Scottish Government Debate: Fair work in a wellbeing economy
[8] Flexibility Works (2024) Flex for Life 2024
[9] Close the Gap (2021) Response to Scottish Government Consultation on Becoming a Fair Work Nation
[10] Close the Gap (2023) Briefing for Scottish Government Debate: Fair work in a wellbeing economy

they are the least likely to have access to flexible work.[11] Improving access to high-quality flexible work is therefore a critical action required to utilise women's skills within the economy. Without explicitly mainstreaming gender in fair work policy to target structural barriers like inflexible practices and occupational segregation, women's labour market inequalities will continue to drive women's in-work poverty and therefore child poverty.

5. Childcare expansion as a strategic growth priority

Access to good-quality, flexible, and affordable childcare is a core determinant of women's labour market participation and a vital intervention to reduce child poverty. We therefore welcome the commitment in the Programme for Government 2026-31 to expand the childcare offer to provide support 52 weeks a year for children from 9 months old to the end of primary school.[12] However, to be successful the expansion must ensure childcare is designed to truly meet the needs of women and their families.

Close the Gap and One Parent Families Scotland previously published a set of principles, endorsed by 25 civil society organisations, outlining a progressive vision for a childcare system that puts gender equality at the heart of Scotland's economic planning.[13] Because women's unpaid caring responsibilities routinely restrict their engagement with the labour market, their capacity to study, and their access to training, childcare barriers directly constrain Scotland's economic growth. Enabling access to childcare is therefore a critical lever for unlocking women's latent economic potential.

6. Comprehensive investment in social infrastructure

Mainstream economic frameworks consistently mischaracterise spending on care as state consumption rather than long-term infrastructure investment, while entirely failing to account for unpaid care within national accounting models. This flawed outlook is starkly reflected in NSET, which completely omits the care economy from its strategic programmes. However, research by the UK Women's Budget Group demonstrates that investing in care infrastructure generates a significantly greater positive impact on the economy than equivalent spending on traditional physical infrastructure, creating 2.7 times more jobs than the construction sector while producing far lower carbon emissions.[14]

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[11] Flexibility Works (2024) Flex for Life 2024

[12] Scottish Government (2026) *Programme for Government*

[13] 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

[14] Women's Budget Group (2020) A Care-led Recovery from Coronavirus: The case for investment in care as a better post-pandemic economic stimulus than investment in construction

Direct public investment in childcare infrastructure delivers powerful, compounding economic multiplier effects across Scotland's communities. These include:

- **Supporting women's economic participation** by removing the primary barrier to sustainable employment and career progression.
- **Driving policy focus and resource allocation** away from a solely male-dominated sectors toward an inclusive growth model.
- **Tackling systemic inequalities** directly experienced by women, especially disabled women, single parents, young mothers, and racially minoritised women who are at greater risk of poverty.
- **Improving terms and conditions** for a heavily female-dominated workforces, thereby mitigating sector-wide recruitment and retention challenges.

Close the Gap therefore urges MSPs to press the Scottish Government to formally designate childcare and social care as key growth sectors in Scotland's economy, recognise them as essential social infrastructure, and utilise these as strategic sectors for securing sustainable economic growth.

7. The urgent need for a gender-competent transition to net zero

The transition to net zero is a pillar of Scotland's future economy, yet it is currently on track to entrench existing economic inequalities experienced by women. Significant investment is made in priority green sectors such as engineering, technology, and carbon capture where women represent just 21.2%[15] of the workforce. In construction and energy supply, the numbers are even lower. It is therefore disappointing that the Programme for Government 2026-31 lacks any commitment to ensuring the transition to net zero reduces, rather than reinforces, women's economic inequality.

Without a targeted workforce strategy that proactively reduces occupational segregation, the transition to net zero will function as a massive transfer of public wealth into male-dominated industries, widening the gender pay gap and further entrenching gender inequality. Scottish Government must introduce strict gender-equality conditionality on public procurement and economic development grants, ensuring companies receiving green transition funding are actively recruiting, retaining, and progressing women.

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[15] NOMIS, workforce jobs by industry (SIC 2007) and sex, 2023