



Close the Gap briefing for Members' Business January 2023

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 more than 20 years to influence and enable action that will address the causes of women's labour market inequality.

1. Introduction

Childcare remains the most immediate barrier to women being able to work, study and train. The provision of quality, flexible childcare is inconsistent in Scotland and the prohibitively high cost means that many women leave their job to do part-time or full-time childcare. The need to balance earning with caring means women are more likely to work part-time which sees women further concentrated into low paid and insecure work, as most part-time work is found in the lowest paid jobs and sectors. This also makes it difficult for women to combine childcare with a job that is commensurate with their skill level.

Close the Gap has welcomed the introduction of 1140 hours of funded childcare. However, this entitlement must be viewed as the starting point, rather than the end point, of reform. The delivery of the funded entitlement at the local level is very often insufficiently flexible to meet the needs of women and their families¹ and the 1140 entitlement also does not deliver sufficient funded hours to enable women to work full-time. Women need wraparound childcare to allow them to participate in the labour market, and in education and training, on an equal basis with men. In turn, higher female labour market participation contributes to increased economic growth and reduced rates of poverty, including child poverty.² Programme for Government commitments around wraparound childcare must be implemented as an early priority for the Government, and, in addition, Close the Gap are calling for a commitment to further increase the funded childcare entitlement to the equivalent of 50 hours a week.

2. Women's unpaid caring roles

The unequal distribution of unpaid work and care remains a key cause of the gender pay gap in Scotland. **Scotland's Gender Equality Index published in 2020 finds that 85% of**

¹ Audit Scotland (2018) *Early Learning and Childcare*

² Olsen, Prof Wendy, Dr Vanessa Gash, Sook Kim, Dr Min Zhang (2018) *The gender pay gap in the UK: Evidence from the UKHLS*, Government Equalities Office

people aged 16-64 who were “economically inactive” due to caring were women. Scotland’s overall score on the measure of inactivity due to caring is low, leading Scottish Government to conclude that “Scotland is a long way from full gender equality in this area.”³ Gendered patterns of care are long entrenched and have been slow to disrupt.⁴ **The most recently available time-use data for pre-pandemic Scotland shows that women in opposite sex couples were undertaking approximately 68% of childcare.**⁵

Maternal employment in the UK continues to lag significantly behind the best performers in the OECD⁶ and women account for 75% of the part-time workforce. 42% of employed women work part-time compared to 13% of men. This exacerbates women’s concentration in low paid and insecure work, as most part-time work is found in the lowest paid jobs and sectors, contributing to women’s higher rates of in-work poverty. In addition, research consistently finds that years spent working part-time or taking time out of the labour market to care for family negatively impacts women’s pay, progression opportunities and pension. The gender differences in work histories are therefore a major contributing factor to the gender pay gap.⁷ As the pandemic disrupted informal and formal childcare, schooling and social care, gendered patterns of unpaid care were exacerbated further.⁸ **Evidence from the Institute of Fiscal Studies highlights women with caring responsibilities in paid work reduced their paid working hours substantially, and by more than their male counterparts.**⁹ It is therefore critical that improving the provision of affordable, flexible and accessible childcare is a key priority of economic recovery.

These barriers are particularly acute for different groups. **Parents and carers of disabled children pay higher than average costs, and three-quarters have reduced their hours or left their job because of difficulties accessing appropriate childcare.**¹⁰ Securing a reliable number of working hours which fit with school and available childcare provision is a particular challenge for single parents, especially as single parents are more likely to be concentrated in sectors such as retail which are characterised by precarious and insecure work. Research by Close the Gap also found that racially minoritised women face additional barriers to accessing affordable, flexible and appropriate childcare.¹¹ For

³ Scottish Government (2020) *Gender Equality Index*

⁴ Emily Thomson (2020) *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*, Close the Gap and Engender available at <https://www.closesthegap.org.uk/content/resources/Gender-and-Inclusive-Growth---Making-inclusive-growth-work-for-women-in-Scotland.pdf>

⁵ Wishart R, Dunatchik A, Speight S, Mayer M (2019) *Changing patterns in parental time use in the UK*. NatCen. Available at: http://natcen.ac.uk/media/1722408/Parental_time_use_report.pdf

⁶ Campbell, Jim, Prof Diane Elson and Prof Ailsa McKay (2013) *The Economic Case for Investing in High Quality Childcare and Early Years Education*, Women in Scotland’s Economy Research Centre

⁷ Olsen, Prof Wendy, Dr Vanessa Gash, Sook Kim, Dr Min Zhang (2018) *The gender pay gap in the UK: Evidence from the UKHLS*, Government Equalities Office

⁸ C. Hupkau and B. Petrongolo (2020) *Work, care and gender during the Covid-19 Crisis*

⁹ Institute for Fiscal Studies (2020) *How are Mothers and fathers balancing work and family life under lockdown?*

¹⁰ *UK Parliament (2014) Report of the parliamentary inquiry into childcare for disabled children*

¹¹ Close the Gap (2019) *Still Not Visible*

racially minoritised migrant women, the absence of informal networks of family or friends close by to help with childcare increased the burden of childcare, limiting their ability to enter the workforce or increase their working hours.

3. Improving the provision of affordable, flexible and accessible childcare

The provision of high quality, flexible childcare remains inconsistent in Scotland and the high cost of childcare particularly affects women because the cost of childcare in an opposite sex household is often set against the woman's pay. **One-quarter of parents in severe poverty have had to give up work and one-third turned down a job because of high cost of childcare.**¹² As highlighted by the current Child Poverty Delivery Plan, expanding the provision of ELC provision is therefore critical to address women's poverty and child poverty. Childcare can also play an important role in local economic regeneration strategies in terms of dealing with area-based poverty through offering employment, providing opportunities for mothers to access the wider labour market, and improving the quality of provision for children in areas of deprivation.

Close the Gap welcomed the increase in the number of free hours of ELC to 1140 hours as a positive development in the provision of affordable, flexible childcare. However, the **1140 hours must be viewed as the starting point, rather than the end point, of reform.** The 1140 entitlement also does not deliver sufficient funded hours to enable women to work full-time and the delivery of the funded entitlement at the local level is very often insufficiently flexible to meet the needs of women and their families.¹³ **We are calling on the Scottish Government to deliver a funded entitlement of 50 hours for children aged 6 months onwards to enable women to work full-time if they need to or want to.** Commitments in the Programme for Government around wraparound childcare and the expansion of free early learning and childcare to 1 and 2 year-olds are welcome. The delivery of these commitments should be implemented as early priorities for the Government in recognition of the importance of affordable and accessible childcare in meeting child poverty targets.

4. Tackling the undervaluation of the ELC workforce

Improving rates of pay, and the terms and conditions of the ELC workforce must be core to future changes to ELC provision. Work that is seen as "women's work", such as cleaning, care and retail, is systematically undervalued in the labour market because this work is done by women. The concept of undervaluation underpins gendered experiences of low pay, occupational segregation and the gender pay gap.¹⁴ **Women account for 97% of the ELC workforce in Scotland and, as a result, this work is undervalued with the ELC sector characterised by low rates of pay.**

¹² Family and Childcare Trust (2017) Childcare Survey 2017

¹³ Audit Scotland (2018) Early Learning and Childcare

¹⁴ Grimshaw, Damien and Jill Rubery (2007) Undervaluing Women's Work, Equal Opportunities Commission

While the increase in the funded entitlement has been accompanied with plans to fund providers to pay workers the Living Wage who are delivering the funded hours, this still means that many practitioners are paid less than the Living Wage. It is estimated that around **80% of ELC practitioners and 50% of supervisors in private and third sector partner settings are paid below the Living Wage.**¹⁵ If more men are to work in the ELC sector, which is a prerequisite to meeting staffing requirements, reducing occupational segregation and closing the gender pay gap, there needs to be an economic imperative to do so. This requires appropriately remunerated jobs with clear progression pathways as evidence that it is a good career choice. **The Scottish Government must ensure that the national funding model enables private and third sector ELC providers in partner settings to pay the Living Wage to all ELC staff, not just those delivering the funded entitlement, with a more ambitious target around pay to set thereafter.**

Plans to pay the Living Wage to workers delivering the funded entitlement are positive and represent an important starting point in tackling the undervaluation of the ELC workforce. However, payment of the Living Wage alone is inadequate to address the sector-wide economic undervaluation. Inclusive growth means investing in a care economy. **Care is as essential to our economy as bricks, steel, and fibre optic cable. Spending on childcare and care should be viewed as infrastructure investment as it is an enabler of paid work, but also supports the realisation of women’s equality and rights, and children’s rights.**¹⁶ It is of particular economic and social benefit to the poorest families, including those headed by single mothers.¹⁷ **Designating childcare and social care as key growth sectors would drive the policy focus and allocation of resources necessary to grow these sectors, and address the systemic undervaluation of “women’s work” by reorientating strategic focus to women’s position in the economy, as workers and as carers.**

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¹⁵ Skills Development Scotland (2018) Skills investment plan for Scotland’s early learning and childcare sector

¹⁶ See: De Henau J, Himmelweit S, Lapniewska Z, Perrons D (2016) Investing in the Care Economy: A gender analysis of employment stimulus in seven OECD countries. International Trade Union Confederation. Available at: https://www.ituc-csi.org/IMG/pdf/care_economy_en.pdf and Lapniewska Z (2016) Growth, Equality and Employment: Investing in Childcare in Scotland. WiSE Research Centre, Glasgow Caledonian University. Available at: <https://www.gcu.ac.uk/wise/media/gcalwebv2/theuniversity/centresprojects/wise/98178%20WiSE%20BRIEFING%20PAPER%204%20August.pdf>

¹⁷ Women’s Budget Group (2020) 2020 WBG Briefing: Childcare and gender. Available at: <https://wbg.org.uk/analysis/uk-policy-briefings/2019-wbg-briefing-childcare-and-gender/>