



Close the Gap briefing for Scottish Conservative Debate: Expansion of Funded Childcare

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Close the Gap is Scotland's expert policy and advocacy organisation working on women's labour market participation. We have 19 years' experience of working with policymakers, employers and employees to influence and enable action to address the causes of women's inequality at work.

Introduction

Childcare is significantly gendered, with women in Scotland still doing the bulk of unpaid childcare in the home and comprising almost all of the Early Learning and Childcare (ELC) workforce. Women's propensity to take on caring roles in the household and their concentration in low-paid stereotypically female work, such as childcare, are key drivers of the gender pay gap. The expansion of childcare provision is a central pillar of a Fairer Scotland for Women, Scotland's gender pay gap action plan, and it is acknowledged as a critical policy area for addressing the gender pay gap.

The motion for this debate is informed by the findings of Audit Scotland's follow-up report into ELC, published earlier this month. While the report highlights important issues around the ELC workforce, we are disappointed that the report makes no reference to the fact the sector is female-dominated or the consequent economic undervaluation of the sector. The stark occupational segregation in the sector, the associated low pay, and the often poor terms and conditions, are key causes of the current workforce challenges.

The accessibility of quality, flexible ELC

Childcare is the most immediate barrier to women being able to work, study and train. The provision of quality, flexible childcare is inconsistent in Scotland. The prohibitively high cost means that many women leave their job to do part-time or full-time childcare. This is exacerbated by inflexible working practices, including a lack of quality part-time work, in the majority of workplaces which makes it difficult to combine childcare with a job that is commensurate with their skill level.

- Families working full-time spend up to 45% of disposable income on childcare.¹
- The high cost of childcare means that 25% of parents living in absolute poverty in Scotland have given up work, a third have turned down a job, and a further 25% have not been able to take up education or training.²
- A lack of affordable, flexible childcare is a barrier to lone parents (91%³ of which are women) entering employment.⁴
- Parents and carers working shift work, atypical or ad hoc hours face considerable challenges in accessing affordable, flexible childcare.⁵
- Barriers to accessing quality childcare are worse for disabled children; 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.⁶
- Research by Close the Gap found that a third of BME women noted that a lack of cultural diversity, specifically the under-representation on BME people among childcare staff, and a lack of cultural sensitivity in service delivery would prevent them from using paid-for childcare services.⁷

While the increase in the number of free hours of ELC to 1,140 hours has been a positive development, the delivery of the funded entitlement at the local level is very often insufficiently flexible to meet the needs of women and their families.⁸ Audit Scotland have also highlighted concerns that some aspects of the Scottish Government's policy, such as delivering flexibility and choice, will not be fully implemented by August 2020.⁹ Also, the revised entitlement does not deliver enough childcare hours to enable women to work full-time. 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 is therefore a major contributing factor to the gender pay gap.¹⁰

Close the Gap have called for a commitment to increase the funded childcare entitlement to 50 hours a week. 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.¹¹ Maternal

¹ Family and Childcare Trust (2017) *Childcare Survey 2017*

² Save the Children (2017) "Soaring childcare costs push parents out of work in Scotland".

³ NHS Health Scotland (2016) *Lone parents in Scotland, Great Britain and the UK: Health, employment and social security*

⁴ Glasgow Centre for Population Health (2014) *The barriers and opportunities facing lone parents moving into paid work*

⁵ Family and Childcare Trust (2018) *Childcare Survey 2018*

⁶ UK Parliament (2014) *Report of the parliamentary inquiry into childcare for disabled children*

⁷ Close the Gap (2018) *Still Not Visible: Research into Black and minority ethnic women's experience of employment in Scotland*

⁸ Audit Scotland (2018) *Early Learning and Childcare*

⁹ Audit Scotland (2020) *Early Learning and Childcare Follow-up*

¹⁰ 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

¹¹ Ibid.

employment in the UK continues to lag significantly behind the best performers in OECD countries.¹² While part-time work is a persistent feature of women's labour market participation in Scotland, this is not the case in Scandinavian countries where it is instead associated with students and older people tapering their hours towards retirement. In Denmark for example, the full-time maternal employment rate is 72%, compared with 33% in the UK.¹³

The ELC workforce is acutely segregated by gender, and undervalued

While the increase in the funded entitlement was accompanied with plans to fund providers to pay workers the Living Wage when delivering the funded hours, this still means that many practitioners are paid less than the Living Wage, or are only paid the Living Wage when delivering the funded entitlement. It is estimated that around 80% of practitioners and 50% of supervisors in private and third sector partner settings are paid below the Living Wage.¹⁴ Audit Scotland have also highlighted that the extent to which councils can ensure that staff delivering funded ELC from August 2020 will be paid the living wage is 'unclear'. The report also notes that councils are struggling to meet the commitment to pay the Living Wage and that 'there is also a risk that having to implement the Living Wage deters providers from participating in the expansion'.¹⁵ This ultimately highlights that the current funding model is insufficient in order to ensure that ELC roles are valued and appropriately remunerated. The national funding model should enable 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.

The significant over-representation of women among the ELC workforce is a cause and consequence of the notion that women are more naturally suited to childcare work because of their propensity to take on caring roles in the household. The undervaluing of the skills required to do ELC work contributes to the low pay which characterises the sector. In economics, the undervaluation of 'women's work' means that there is evidence of lower returns to women's productive characteristics.¹⁶ Practically, this means that women will receive lower pay from investing in education or from their own work experience. In the ELC context, the upskilling of the workforce in recent years, including the establishment of the BA in Childhood Practice, has not resulted in the uplift in pay across the sector as was hoped. The low pay and poor working conditions found in the sector were a key theme identified in the independent review of the Scottish ELC workforce and out of school care workforce, with more than three quarters of practitioner and stakeholder organisation responses highlighting tackling the low rate of pay as being important for raising the status of the workforce.¹⁷ The undervaluation of work done by women, such as in ELC, is a key strand linking together the causes of the

¹² 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

¹³ OECD Family Database LMF1.2: *Maternal employment rates*, available at <http://www.oecd.org/els/family/database.htm>

¹⁴ Skills Development Scotland (2018) *Skills investment plan for Scotland's early learning and childcare sector*

¹⁵ ¹⁵ Audit Scotland (2020) *Early Learning and Childcare Follow-up*

¹⁶ Grimshaw, Damien and Jill Rubery (2007) *Undervaluing women's work*, Equal Opportunities Commission

¹⁷ Siraj, Prof Iram and Denise Kingston (2015) *An independent review of the Scottish early learning and childcare workforce and out of school care workforce*

gender pay gap, occupational segregation, women's unequal share in caring, and pay discrimination.

While Scotland's gender pay gap action plan commits to encouraging men into the ELC sector, as part of the Scottish Government's efforts to diversify the workforce, there has been very little success in this area. If more men are to work in the care sector there needs to be an economic imperative to do so, with appropriately remunerated jobs with clear progression pathways as evidence that it is a good career choice. Women continue to comprise 97% of the ELC workforce¹⁸ and accounted for 93% of starts on the Social Services (Children and Young People) on the framework in 2018/2019.¹⁹ The Scottish Government should consider routes into the sector, including rolling out a graduate apprenticeship in ELC which embeds learning on challenging gender stereotypes and occupational segregation, ensuring that graduate apprentices entering the workforce are gender competent. A high-level qualification in the form of a graduate apprenticeship, accompanied with higher rates of pay, may assist with redressing the undervaluation of care work and help to move toward parity of esteem with other sectors.

Conclusion

A Fairer Scotland for Women acknowledges that the 'availability of high quality, affordable, and flexible childcare is a central factor in enabling women to participate fully in the labour market.'²⁰ However, childcare remains the most immediate barrier to women being able to work, study and train and a major cause of the gender pay gap is the availability of affordable and flexible childcare provision.

The Scottish Government will be unable to meet the increased staffing requirements necessitated by the new funded entitlement without addressing occupational segregation. This is only possible if the Scottish Government works to address the undervaluation of the ELC sector by considering routes into the sector, pay, conditions and the designation of ELC and care as a key growth sector. It is concerning that there are problems with the implementation of flexibility, as this is vitally important for enabling women to participate in the labour market, and in education and training on an equal basis with men.

¹⁸ Skills Development Scotland (2018) *Skills investment plan for Scotland's early learning and childcare sector*

¹⁹ Skills Development Scotland *Modern Apprenticeship Statistics, Quarter 4, 2018-2019*

²⁰ Scottish Government (2019) *A Fairer Scotland for Women*