



Close the Gap briefing for Scottish Government Debate: International Women's Day

March 2021

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

1. International Women's Day

Close the Gap welcomes the annual International Women's Day debate in the Scottish Parliament. In the context of the ongoing COVID-19 crisis, International Women's Day offers an important opportunity to draw attention to the disproportionate impact of the pandemic on women's social, economic and labour market equality.

In line with this year's theme, 'choose to challenge', it is vital that the Scottish Government makes substantial efforts to challenge women's continued inequality in the labour market by adopting a gendered approach to economic recovery and labour market policymaking in response to the COVID-19 crisis. The 2021 Scottish Parliament elections also present an opportunity for political parties to show leadership on gender equality and take the bold action that is needed to realise fair work for women.

2. The persistence of the gender pay gap

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, with **Scotland's gender pay gap remaining stubbornly high at 10%.**¹

Women comprise the majority of low paid workers, and work that is seen as 'women's work', such as cleaning, care and retail, is systematically undervalued in the labour market. 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 occupations and sectors. **Women's**

¹ Close the Gap (2021) *Gender Pay Gap Statistics*

employment is also becoming increasingly precarious with women accounting for two-thirds of workers earning less than the living wage and 55% of workers on zero-hour contracts are women.²

Disabled women, Black and minority ethnic (BME) women, LBT women and refugee women experience different, multiple barriers to participation in the labour market, and to progression within their occupation, which also contributes to the pay gap. This is why it is necessary to take an intersectional approach to work on the gender pay gap and women's labour market inequality. For example, across the labour market, disabled women and some groups of BME women are more likely to be underemployed in terms of skills, to report higher levels of discrimination, bullying and harassment, and experience higher pay gaps.³ **Research by Close the Gap found that 72% of BME women have experienced racism, discrimination, racial prejudice and/or bias in the workplace.⁴** Disabled women, BME women and young women have been disproportionately impacted by COVID-19 job disruption and this has the potential to further entrench labour market inequality for these groups of women who already face multiple barriers to good quality employment.

Crucially, *A Fairer Scotland for Women*, Scotland's first gender pay gap action plan, was published in 2019. This Plan is an important step in driving Government action on the gender pay gap. Close the Gap has welcomed the breadth of ambition in the plan which recognises that the causes of the pay gap reach far beyond the workplace with change also necessary in early years settings; schools, colleges and universities; economic development; and procurement. Taken together, the actions contained within this plan have transformational potential for women's labour market experience and the tackling of women's poverty. However, it is crucial that implementation of the plan ensures that this ambition is realised.

3. Women have been disproportionately impacted by COVID-19 job disruption

The existing inequalities women face in the labour market means they have been hardest hit by COVID-19 job disruption. Analysis published by Close the Gap found that:

- **Because of occupational segregation, women are more likely to work in a shutdown sector such as hospitality and retail, and this is especially the case for BME women and younger women.**
- **Women make up the majority (77%) of key workers in care, early years and childcare, nursing and in supermarkets, but are undervalued, underpaid and under-protected.**
- **Women's poverty rates, and subsequently child poverty rates, will rise as a result of low-paid women being particularly affected by job disruption;**

² Close the Gap (2018) *Women, Work and Poverty: What you need to know*

³ Close the Gap (2018) *The Gender Penalty: Exploring the Causes and Solutions to Scotland's Gender Pay Gap*

⁴ Close the Gap (2019) *Still Not Visible: Research on BME women's experiences of employment in Scotland*

- **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 are more likely to lose their jobs over the course of the recession.**⁵

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 and economic wellbeing.**⁶ To prevent similar disproportionate impacts on women, 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.

It is vitally important that employers also prioritise action to challenge women's workplace inequality. **For businesses across Scotland, the business case for gender equality is even clearer during recession and recovery.** Ensuring that workplaces consciously support female employees will also support business recovery. Making small changes to employment practice can make a big difference to female employees, preventing the loss of female talent in the workplace. Employers who take action to advance gender equality are able to recruit from a wider talent pool, address skills gaps, and see their businesses become more productive, more innovative, and more profitable.⁷

4. Women's under-representation in positions of power

The Scottish Government's Gender Equality Index domain of power is designed to measure gender equality in decision-making positions across political, economic and social spheres.⁸ **In 2020, Scotland's gender equality score for the power domain was 44.** When assessing the economic sub-domain, which looks at the gender balance of the heads of public bodies and large private-sector companies, the gender equality score falls to 34. **In 2019, only 30% of Scotland's public boards were men with headed by women and women accounted for only 4% of Scotland's private sector CEOs.** These low gender equality scores are a reflection of the barriers women experience to career progression including male-dominated working cultures, and a lack of flexible working opportunities and quality part-time work. Tackling women's under-representation in positions of power fundamentally means tackling the barriers that exclude women from participation in all levels of politics and public life.

⁵ Close the Gap (2020) *Disproportionate Disruption: The impact of COVID-19 on women's labour market equality* available at <https://www.closesthegap.org.uk/content/resources/Disproportionate-Disruption---The-impact-of-COVID-19-on-womens-labour-market-equality.pdf>

⁶ Close the Gap (2010) *Women in Recession: Making gender equality a priority for economic recovery*

⁷ Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

⁸ Scottish Government (2020) *Gender Equality Index*

As outlined in Close the Gap and Engender's recently published research, *Gender and Economic Recovery*, **Scotland's economy should be governed by gender-balanced, gender-competent leaders, making decisions based on intersectional gender-sensitive sex-disaggregated data.** A healthy economy is one that provides equality for all, including between all groups of women and men. BME, disabled, LGBT, and older and younger women must have power to participate in decision-making about their economy.

5. The 2021 Scottish Parliament elections

Close the Gap's manifesto for the 2021 Scottish Parliament elections, [The Gender Pay Gap manifesto](#), outlines 14 policies that should be adopted over the next parliamentary term to address the gender pay gap and realise fair work for women. In line with the multiple causes of the gender pay gap, the policy priorities cover early learning and childcare, automation, the public sector equality duty, employment practice, occupational segregation, low pay, skills policy, and economic development.

It is often repeated that as employment law is not devolved to Scotland, it is not possible for the Scottish Parliament to address the causes of Scotland's gender pay gap. Our manifesto highlights that this is untrue as the majority of the causes of the gender pay gap are not unlawful, and therefore sit outside of the scope of employment law. Instead, action is required in a number of policy areas over which the Scottish Parliament has the power to enact change now. Some of Close the Gap's key policy calls include:

- Designate childcare a key growth sector, along with social care, to recognise care as vital infrastructure.
- Ensure action to address the undervaluation of "women's work", including in adult social care and childcare, is core to labour market and economic recovery policymaking in response to COVID-19.
- Support the employer accreditation programme Equally Safe at Work through continued funding.
- Deliver a further extended funded childcare entitlement equivalent to 50 hours a week to enable women to work full-time.
- Recognising the link between women's poverty and child poverty, prioritise substantive action to tackle women's low pay in addressing child poverty.

Taking substantive action on women's labour market inequality will enable the Scottish Parliament to realise the ambitions of fair work and inclusive growth. **Prioritising equality during times of economic crisis makes good economic sense.** Women's inequality in the labour market is a drag on economic growth and productivity, and occupational segregation is correlated with sector skills shortages. **Research by Close**

the Gap has highlighted that closing the gender gap in employment is worth £17 billion to the Scottish economy.⁹

The 2021 Scottish Parliament elections present an opportunity for political parties to show leadership on gender equality and take the bold action that is needed to realise fair work for women. Action on women's labour market inequality has been rendered even more pivotal by the ongoing COVID-19 crisis. The social, economic and labour market impacts of COVID-19 have the potential to reverse gender equality gains and exacerbate women's pre-existing inequality. It's time for cross-party support for challenging women's inequality at work and closing the gender pay gap in Scotland.

6. Conclusion

International Women's Day is an opportunity to consider the actions that are necessary to make progress towards gender equality in Scotland. The focus on the gender pay gap has never been sharper, yet we are still very far from meaningful progress on the inter-related barriers women face in entering and progressing in employment. Substantive action is required by the Scottish Government, policymakers and employers to address the causes of the gender pay gap and women's inequality in the labour market. The economic, social and labour market consequences of the COVID-19 crisis have rendered this action even more pivotal.

⁹ Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality*