



Close the Gap briefing for Scottish Government Debate: Programme for Government 2023/24 - Equality

September 2023

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 trade unions to influence and enable action to address the causes of the gender pay gap.

1. INTRODUCTION

Close the Gap welcomes the focus of Programme for Government on tackling poverty and inequality. As a result of gender inequality, **women are being disproportionately affected by the cost of living crisis, and women who were already struggling are now under enormous financial pressure.** This is particularly the case for groups of women who are already more likely to be living in poverty such as disabled women, racially minoritised women, single mothers and older women. This underscores the importance of an intersectional gendered approach to anti-poverty interventions. Without action to protect women's financial security, a long-term consequence of the cost of living crisis will be deepening poverty for women, and entrenched gender inequality.

Close the Gap welcomes a number of actions in Programme for Government including funding a pay increase to at least £12 an hour to private, third and independent sector early learning and childcare (ELC) workers and social care workers; expanding ELC provision in six local authority areas; recruiting 1000 childminders; continued investment in the Scottish Child Payment; and increasing Real Living Wage coverage through fair work conditionality for grants and fair work agreements. In addition to these commitments, there is a need for further action to boost women's incomes including increasing the funded childcare entitlement; reorientating policy focus and investment by designating childcare and social care as key growth sectors; and delivering gender-sensitive employability programmes. **Gender must be integrated into the design and delivery of all policy commitments** including those relating to green skills and fair work. As women's poverty is inextricably interlinked to child poverty, this is imperative to meet Scotland's child poverty targets.

2. TACKLING POVERTY MEANS TACKLING WOMEN'S POVERTY

It is 20 years since the Equal Opportunities Commission wrote "poverty in Britain is

highly gendered”¹, warning that policies which neglect to consider the realities of women living in poverty were destined to fail.² In 2023, poverty remains gendered:

- Women are more likely to be in low-paid work and are already more likely to be experiencing poverty.
- Women’s labour market engagement is constrained by their caring roles. This creates gendered barriers to women being able to increase their working hours and earnings.
- Women have lower levels of savings and wealth than men, and are more likely to be in debt. This lowers women’s financial resilience during periods of economic crisis.
- Women are more reliant on social security and have been disproportionately impacted by cuts to social security entitlements.
- Women are often “poverty managers” in the home and go without food and other necessities themselves in order to provide for their children. The cost of living crisis is likely to have a damaging effect on women’s physical health and wellbeing as they try to make household budgets stretch.

Women’s financial insecurity is directly linked to how they experience the labour market

- The gender pay gap is a key driver of women’s higher levels of poverty. Women are more likely to be in low-paid work, and account for **60% of workers in Scotland earning less than the real living wage**.
- 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. **Women are therefore three-quarters (75%) of the part-time workforce**. 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 face gendered barriers to increasing their working hours and earnings such as a lack of high-quality flexible working opportunities, including part-time work, and the **prohibitive cost of childcare**.

Women have lower levels of savings and wealth than men

- Even before Covid-19, women were more likely to be in debt and this has worsened as a result of the pandemic. **Prior to Covid-19, analysis by the UK Women’s Budget Group found that women were more likely to be in debt with**

¹ Bradshaw, J., Finch, N., Kemp, P., Mayhew, E. & Williams, J. (2003). Gender and Poverty in Britain. Manchester: Equal Opportunities Commission. Available at: <http://dx.doi.org/10.1017/S1474746403001246>

² Close the Gap and Engender (2021) *Joint briefing for Ministerial statement on the child poverty progress report*

61% of those getting into debt to purchase everyday necessities being women.³

Women's low pay increases their risk of falling into problem debt, particularly in the context of the ongoing sharp increases in the cost of necessities such as food and energy.

- Older women are already more likely than their male counterparts to be experiencing pensioner poverty. **Research by Age UK found that 1 in 5 female pensioners in 2021 were living in poverty** compared to 16% of male pensioners.⁴ Moreover, 27% of single women pensioners compared to 23% of single men pensioners were living in poverty. The gender pay gap is a key contributor to the gender pension gap, leading to higher rates of pensioner poverty among women.

Women are more reliant on social security and have been disproportionately affected by cuts to social security entitlements

Women are twice as dependent on social security as men. Social security should be an important anti-poverty measure for women, but this is not currently the case as the system is not designed to meet women's needs. Changes and cuts to the social security system, such as the benefit, have had a significant disproportionate impact on women over the last decade. These changes have reduced women's financial resilience, placing women at a greater risk of deeper and sustained poverty during periods of economic crisis. The five-week wait for universal credit claims also exacerbates women's financial insecurity, forcing many women to access other forms of finance including high-interest loans or to fall into council tax and rent arrears, fuel debt and social security debt.

Women are often "poverty managers" in the home

Evidence shows that the division of domestic labour continues to shape the management of poverty within households. **The cost of living crisis is having a devastating effect on women, negatively affecting their mental health as they try to make household budgets stretch further.** As "poverty managers", women will often shield their families from poverty by going without essentials themselves. This is particularly true for single parents, 90% of whom are women, who are already more likely to be experiencing poverty. Barriers that impact all women's participation in the labour market, including the lack of affordable childcare and lack of flexible working opportunities, are also particularly pertinent for single mothers. This further traps single mothers in poverty. Survey data from Scottish Women's Budget Group found that **one in five women respondents were skipping meals entirely, with this rising to more than third (34%) for disabled women, and almost half (46%) of single mothers.**⁵

³ Women's Budget Group (2021) *Household debt, gender and Covid-19*

⁴ Age UK (2021) *Pensioner Poverty: Making ends meet: why pensioner poverty is still an issue*

⁵ Scottish Women's Budget Group (2023) *Women's Survey 2023: Experiences of rising costs across Scotland*, available at: <https://www.swbg.org.uk/content/publications/SWBG-Cost-of-Living-report-proof-06.pdf>

3. FLEXIBLE, AFFORDABLE CHILDCARE PROVISION IS A CRITICAL ANTI-POVERTY MEASURE

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 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 and One Parents Families Scotland published a vision for a childcare system that works for all in Scotland.⁶ **Delivering quality, flexible, affordable childcare services need to be central to Scotland's childcare offer, and is critical to ensure that low-income women can access the services they need.** Choice needs to be at the heart of Scotland's childcare system so that the diverse needs of women and their families are met. Expanding the current funded entitlement to 50 hours a week is necessary to enable women to work full-time if they need to or want to.

4. TACKLING THE UNDERVALUATION OF THE EARLY LEARNING AND CHILDCARE WORKFORCE IS NECESSARY TO DELIVER HIGH QUALITY SERVICES

Improving rates of pay, and the terms and conditions of the ELC workforce must be core to future changes to ELC provision. Close the Gap welcomes the commitment to increase the pay of private, voluntary and independent ELC workers to at least £12 an hour, which is a positive step towards addressing the economy-wide undervaluation of "women's work". Work that is seen as "women's work", such as care, cleaning 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.⁷ **Women are 97% of the ELC workforce in Scotland and, as a result, this work is undervalued with the sector characterised by low rates of pay.**

If more men are to work in the 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.

Plans to pay the Real Living Wage to workers delivering the funded entitlement represent an important starting point. However, payment of the Real Living Wage alone is inadequate to address the sector-wide economic undervaluation. Inclusive growth

⁶ 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*

⁷ Grimshaw, Damien and Jill Rubery (2001) *Undervaluing Women's Work*, Equal Opportunities Commission

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.**⁸ It is of particular economic and social benefit to the poorest families, including those headed by single mothers.⁹ **Designating childcare and social care as key growth sectors would drive the policy focus and investment 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.**

⁸ 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>

⁹ 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/>