



Close the Gap

Close the Gap response to the Economy, Energy and Fair Work Committee's inquiry into COVID-19: impact on businesses, workers and economy

July 2020

1. INTRODUCTION

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

The COVID-19 crisis has resulted in a rapid, and unprecedented shift in the economic landscape in Scotland. One of the early implications of the ongoing crisis has been to further highlight women's labour market inequality. COVID-19 is likely to have long-term consequences for women's equality and there is an urgent need to integrate gender perspectives and women's needs into response measures.

The evidence from previous pandemics demonstrates that gender equality measures and action plans are vital components of an effective response¹, particularly as women and men are being impacted by COVID-19 in different ways. For example, women make up the majority of key workers; COVID-19 job disruption will disproportionately impact women's employment; women's poverty rates, and subsequently child poverty rates, will rise as a result of low-paid women being particularly affected by job disruption; and women are facing increased childcare responsibilities as a result of school and nursery closures. We would therefore urge the Committee to apply a gendered lens when considering evidence and making recommendations within the context of this inquiry.

Close the Gap welcomes the opportunity to submit evidence to the Economy, Energy and Fair Work Committee on the impacts of COVID. Rather than answering all of the questions across all four consultation areas, Close the Gap's response instead focuses on questions in our area of expertise, primarily women's experience of the labour market.

¹ Engender (2020) *Women and COVID-19*

2. COVID-19: Impact on businesses and workers as lockdown eases

Research published by Close the Gap in May concluded that women will be disproportionately impacted by job disruption as a result of COVID-19, and women are also more likely to lose their job in the anticipated “jobs recession”.² The key findings of *Disproportionate Disruption* are:

- Because of occupational segregation, women are more likely to work in a shut down sector such as hospitality and retail, and this is especially the case for BME women and younger women.
- Women are more likely to have lost their job, had their hours cut, and more likely to be furloughed.
- Women make up the majority of key workers, in care, early years and childcare, nursing and in supermarkets, but are undervalued, underpaid and under-protected.
- 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 in low-paid jobs will be particularly affected by job disruption, placing them at greater risk of poverty.
- Women are more likely to lose their jobs in the recession, and be affected by underemployment.

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.

Should the ongoing response be tailored for different sectors, regions and local areas across Scotland?

That the impact of COVID-19 will not be felt evenly across the labour market points to the importance of sector-specific responses. Research by the Scottish Government found that certain sectors were at greater risk of COVID-19 job disruption than others. Women account for the majority (51.5%) of those in jobs that are deemed to be at high exposure to job disruption,³ putting women at greater risk of unemployment, enforced reduction of hours and being furloughed. Some of the sectors where women’s high exposure roles are concentrated will be less likely to recover after the end of the COVID-19 crisis, including accommodation, food services

² Close the Gap (2020) *Disproportionate Disruption: The impact of COVID-19 on women’s labour market equality*

³ Ibid.

and retail, as these sectors will be impacted by consumer spending power, tourism and changing consumer preferences. The high-risk sectors where women are concentrated are also low-paid in comparison to male-dominant high-risk sectors, putting the women in these sectors at greater risk of poverty. Some of the service sectors where job losses will be greatest as a result of COVID-19, such as retail, have high rates of outflow into unemployment, particularly long-term unemployment.⁴ Targeted interventions will thus be essential to prevent large-scale job losses for the predominantly female workforces in these sectors. Additionally, the gendered barriers to training and development are well-established and, thus, a failure to introduce targeted interventions may lead to investment disproportionately benefiting men and men's jobs across the labour market.

There are also opportunities to adopt a sector-based approach to invest in care as a key priority. Childcare and social care is critical infrastructure which enables women's labour market participation, and is a necessary step in realising women's wider economic equality. Along with this response, we have submitted a paper recently published by Engender and Close the Gap, *Gender and Economic Recovery*, which details the principles for a gender-sensitive economic recovery.⁵ As highlighted by principle 4 in *Gender and Economic Recovery*, inclusive growth means investing in a care economy. Care is as essential to our economy as bricks, steel, and fibre optic cable. Investment in childcare and care for disabled people and older people should be considered as necessary infrastructure for a sustainable wellbeing economy and a good society. As a starting point, designating care a growth sector would re-orientate strategic focus to women's position in the economy, as workers and as carers. Currently, Scotland's growth sectors, as designated in Scotland's economic strategy,⁶ are heavily weighted towards male-dominated industries which contributes to women's higher rates of poverty, sectoral skills shortages, and the gender pay gap.

In terms of local and regional responses, there will be additional barriers for women in rural areas in accessing paid work and childcare. As a result of being less likely to drive and own cars than men, women are more reliant on public transport which compromises their access to paid work. The lack of public transport in rural areas, including issues with scheduling and connections, create additional barriers for women who are more likely to make multi-purpose journeys to drop children at school or nursery before making a further journey to work.⁷ Consequently, restricted

⁴ Devins, D, Bickerstaffe, T., Mitchel, B. & Halliday, S. (2014) *Improving progression in low-paid, low-skilled retail, catering and care jobs*

⁵ Close the Gap and Engender (2020) *Gender and Economic Recovery*

⁶ Scottish Government (2015) *Scotland's Economic Strategy*

⁷ Engender (2020) *Engender response to the Scottish Government consultation on Scotland's National Transport Strategy*

timetables and COVID-related guidance on travel times are likely to particularly affect the ability of women in rural areas to travel to work at the times required by their employer. Women in rural areas also face additional barriers in accessing childcare, with research concluding that parents in rural areas and those without access to transport are more likely to find location a constraint on their access to ELC,⁸ which may create a barrier for women in maintaining or returning to paid work.

What can be learned from the response so far?

Scottish Government's response to COVID-19 has been characterised by a lack of gender mainstreaming and poor Equality Impact Assessment (EqIA) processes. Close the Gap are concerned about the quality of EqIAs being developed during COVID-19, with use of post-hoc EqIAs increasingly common and a number of EqIAs have deviated from the stated methodology. In addition, analysis relating to the economic and labour market impacts of the pandemic have not incorporated sufficient gender analysis, rendering women's specific experiences invisible. For example, the UK Government's Job Retention Scheme initially did not include any provision for employers to secure wage replacement for those doing caring roles and there was no provision for part-time furlough.⁹ The lack of provision for part-time furlough at present is particularly problematic for women, as this would provide a solution for many women who want to continue to work during lockdown while also providing childcare at home. There is also evidence that some women have had an involuntary reduction in hours which adversely affects their pay and puts them and their families at higher risk of in-work poverty. The lack of part-time furloughing has forced some women to leave their job creating longer-term impacts to their income, career, and the wider economy as employers lose female talent.¹⁰ Between May 2019 and May 2020, the percentage of women in Scotland who were unemployed rose from 2.9 per cent to 4.4 per cent,¹¹ and research has shown that, among those working in February 2020, mothers are now 9 percentage points less likely to still be in paid work than fathers.¹² Responding to the crisis in a way that advances women's equality necessitates gathering, analysing and using gender-sensitive evidence and gender-sensitive sex-disaggregated data. Gender-sensitive evidence and data is also essential in enabling the monitoring and evaluation of policy responses.¹³ The 2008

⁸ Scottish Government (2018) *Parents' views and use of early learning and childcare*

⁹ Engender (2020) *Gender and unpaid work: The impact of COVID-19 on women's caring roles*

¹⁰ Close the Gap and Engender (2020) Women, Caring Responsibilities and Furloughing during COVID-19

¹¹ Cassidy, Jane (2020) 'Coronavirus: Scottish Labour call for women's job guarantee' *The National*, 18 July 2020 available at <https://www.thenational.scot/news/18591273.coronavirus-scottish-labour-call-womens-job-guarantee/>

¹² Institute for Fiscal Studies (2020) *How are Mothers and fathers balancing work and family life under lockdown?*

¹³ Engender (2020) *COVID-19: Gathering and using data to ensure that the response integrates women's equality and rights* available at <https://www.engender.org.uk/content/publications/Covid-19-Gathering-and-using-data-to-ensure-that-the-response-integrates-womens-equality-and-rights.pdf>

recession demonstrates that responses to economic crises that are not sufficiently gendered exacerbate, rather than alleviate, gender inequalities in the economy.¹⁴ To date, responses to COVID-19 have not learned from the mistakes of the previous recession, as there has been insufficient focus applied to gender equality and the differing impacts of COVID-19 on women and men. Responses thus risk further exacerbating gender inequality, particularly in the labour market.

As women and men had different levels of economic wellbeing before Covid-19, that have subsequently been deepened by the crisis, the principle of equality and non-discrimination must be core to the economic recovery.¹⁵ Scottish Government must not implement a recovery that merely facilitates a return to the status quo, cementing women's labour market and economic inequality in the process. Instead, Scotland's economic recovery should focus on rebuilding and transforming the economy to further gender equality and tackle pre-existing inequalities. The idea of building back better and promoting a better recovery must mean building a labour market and economy that values and counts women's work, and recognises the complexities of their lives. As discussed in more detail below, Close the Gap and Engender have published a joint response to the report of the Advisory Group on Economic Recovery.¹⁶ Our response highlights the lack of gender analysis in the report and the need for the Scottish Government to take mitigating actions to prevent the Group's recommendations from further exacerbating gender inequality in Scotland. Moving forward, responses to the COVID-19 crisis must recognise that the potential of the current inclusive growth agenda in Scotland to reduce gender inequality is limited,¹⁷ and the Scottish Government must also develop a gendered response to the jobs recession, with interventions specifically designed to tackle women's labour market inequality.¹⁸

Do employers need support in adopting fair work practices at this time?

There have been unprecedented changes in the way workplaces across Scotland are operating during periods of lockdown and social distancing. However, there remains a lack of clarity as to whether these changes will be temporary and how the workplace will change in the longer-term. There is the potential for work to become

¹⁴ Emily Thomson (2020) *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*, Close the Gap and Engender

¹⁵ Close the Gap and Engender (2020) *Gender and Economic Recovery*

¹⁶ Close the Gap (2020) *Response to the Advisory Group on Economic Recovery* available at <https://www.closethegap.org.uk/content/resources/Close-the-Gap-evidence-for-the-Advisory-Group-on-Economic-Recovery---May-2020.pdf>

¹⁷ Ibid.

¹⁸ Close the Gap (2020) 'Disproportionate Disruption: New Close the Gap report shows women will be harder hit by COVID-19 job disruption' available at <https://www.closethegap.org.uk/news/blog/disproportionate-disruption-new-report-from-close-the-gap-highlights-women-are-more-likely/>

more flexible, for employers to better support women to manage work with their caring responsibilities, and for gender equality to be prioritised as part of recovery planning. However, without integrating gender equality into the crisis response, there is a significant risk there will be a return to the status quo which will roll back progress on women's inequality in the workplace. It is necessary that the Scottish Government prioritise fair work for women when supporting employers to adopt and maintain fair work practices.

While fair work is a key policy priority for the Scottish Government, we remain some distance from realising fair work for women. The Scottish Government's Fair Work Action Plan is not well-gendered,¹⁹ characterised by a lack of gender analysis and does not make use of gender-disaggregated data. While links are made to the Scottish Government's Gender Pay Gap Action Plan, gender is not mentioned in the Fair Work Action Plan actions. Fair work should explicitly address the causes of the gender pay gap as a central aim. Moving forward, this means mainstreaming gender equality in all labour market policymaking and better integrating gender equality into the concept of fair work. Employers should also be supported by the Scottish Government to make gender equality a strategic focus by including it as a priority in recovery planning and fair work. To date, the visibility afforded to gender equality has been inconsistent within the Scottish Government's response. For example, neither the joint statement on fair work with the STUC or the refreshed fair work principles are well-gendered. The refreshed fair work principles do not acknowledge the gendered nature of care, make no reference to pregnancy and maternity rights, and provide insufficient detail on support for women with caring responsibilities. It is thus unclear how employers are expected to operationalise fair work for women in their response to COVID-19.

Without such support, there is a significant risk that gender equality is deprioritised and considered secondary to what is perceived to be the more urgent work of business recovery and planning, rather than seeing gender equality and economic recovery as intrinsically inter-related.²⁰ For example, the UK Government's decision to suspend gender pay gap reporting is a clear deprioritisation of women's equality at work. It is also unnecessary as pay gap reporting itself is unlikely to have a significant impact on large employers' ability to operate, given much of the work to report was likely to have been in progress, as evidenced by the fact over 5000

¹⁹ Close the Gap (2019) *Close the Gap briefing for Scottish Government debate: Fair Work Action Plan* available at <https://www.closethegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-Debate---Fair-Work-Action-Plan.pdf>

²⁰ Emily Thomson (2020) *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*, Close the Gap and Engender

employers had reported on their gender pay gap in April 2020.²¹ However, the message to employers, regardless of whether they chose to report or not, is that gender equality does not matter in periods of economic crisis. This deprioritisation is despite the fact there is a clear business case to advance gender equality. Employers are able to recruit from a wider talent pool, address skills gaps, and see their businesses become more productive, more innovative, and more profitable. Effective utilisation of women's skills and talents is also catalyst for economic growth, worth up to £17bn to Scotland's economy.²²

Is the Scottish Government's Economic Strategy (based on 4 Is) and Economic Action Plan, which both guide enterprise agency activities, still applicable in the current economic crisis? If changes are needed, what should they be?

Close the Gap and Engender have recently published two papers which develop Scotland's existing commitment to inclusive growth. Firstly, the principles detailed in *Gender and Economic Recovery*²³ describe features of an economy that works for women as well as men. The nine principles range from specifying that gender-sensitive inclusive growth is about the pattern of growth and not its rate, to stipulating that Scotland's economy should be governed by gender-balanced, gender-competent leaders, making decisions based on intersectional gender-sensitive sex disaggregated data. Another principle stresses that "women's work" in care, cleaning, catering, retail, and clerical roles have for too long been undervalued, underpaid, and under-protected. These principles should be used as the basis for making changes to Scotland's economic framework.

The second paper is by feminist economist at the Wise Centre for Economic Justice, Emily Thomson, published by Close the Gap and Engender, *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*.²⁴ This paper assesses the opportunities for the Inclusive Growth agenda to deliver a marked improvement in gender equality, and critiques current approaches to inclusive growth for a failure to recognise the realities of women's lives. Within Scotland's Economic Strategy, the promotion of gender equality is presented as a key feature of tackling inequality in Scotland, and offers the potential for enhancing a fairer distribution of the benefits of growth. However, from a feminist economics perspective the opportunity to embed gender equality within Scotland's inclusive growth approach has not been fully realised. As inclusive growth indicators remain

²¹ Business in the Community (2020) 'Half of businesses choose not to report 2019-2020 gender pay gap' available at <https://www.bitc.org.uk/news/half-of-businesses-choose-not-to-report-2019-2020-gender-pay-gap/>

²² Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

²³ Close the Gap and Engender (2020) *Gender and Economic Recovery*

²⁴ Emily Thomson (2020) *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*, Close the Gap and Engender

focussed on paid employment, it is indicative of an ‘add women and stir’ approach, rather than one which recognises the gendered nature of economic growth itself.

Responses to the COVID-19 crisis must therefore recognise that the potential of the current inclusive growth agenda in Scotland to reduce gender inequality is limited. *Gender & Inclusive Growth* argues that through a focus on paid employment underpinned by a traditional economic macroeconomic framework, limited consideration of the undervaluation of female dominated work and occupational segregation, and the devaluation of the reproductive economy, Scotland’s inclusive growth agenda largely ignores the reality of women’s lives and will not deliver a marked improvement in gender equality.

3. COVID-19: Impact on young people

Do you agree that a Scottish Job Guarantee Scheme is needed? How effective would it be in addressing the potential scarring effect of the crisis on the lives of young people? What practical steps and resources would be needed to implement it?

The Future Jobs Fund, which operated in Scotland, was established by the UK Labour Government in the aftermath of the 2008 financial crisis, and job guarantee schemes, including the EU Youth Guarantee, are common elsewhere in Europe. However, it is difficult to determine from publicly available data and information whether these schemes have been successful in meeting young women’s needs. Publicly available evaluation reports and statistical releases relating to the Future Jobs Fund do not contain any gender-sensitive, sex-disaggregated data and contain no references to women’s employment.²⁵ Equally, the European Commission’s country by country factsheets do not make any reference to women and contain no sex-disaggregated data.²⁶ This makes it difficult to make an assessment around the effectiveness of the programme for young women specifically.

The design of the Job Guarantee Scheme

The design of a Scottish Job Guarantee Scheme is therefore vitally important if the scheme is to benefit young women and men equally. Modern apprenticeships have replicated occupational segregation, and it would be easy for a jobs guarantee scheme to further entrench occupational segregation in the labour market. Patterns of occupational segregation in modern apprenticeships are persistent and acute, and

²⁵ DWP (2011) *Early analysis of Future Job Fund Participant Outcomes* available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/223071/early_analysis_of_fjf_participant_outcomes_march2011.pdf

²⁶ European Commission ‘The Youth Guarantee Country by Country’ available at <https://ec.europa.eu/social/main.jsp?catId=1161&langId=en>

these figures have barely shifted in the past 15 years meaning that the training scheme has exacerbated women's concentration in certain jobs and sectors, primarily low-paid, undervalued work. Individual Training Accounts (ITAs) are being refreshed to respond to COVID-19 with temporary restrictions placed on the sector-specific training course options.²⁷ As the approved sectors, including construction, social care and STEM, are characterised by high levels of occupational segregation, this phase of the ITA programme is likely to reinforce women's concentration in low-paid, undervalued work as tackling occupational segregation has not been integrated as a key aim of the programme.

Generic employability programmes also replicate gendered patterns of skills acquisition and employment, ultimately entrenching occupational segregation and widening the gender pay gap. These mainstream employability programmes have also adopted a 'one size fits all' approach that does not take account of women's caring roles and fails to acknowledge that women's readiness to work will be impacted by these caring roles.²⁸ Finally, the job-matching approaches adopted within these programmes are often inappropriate as women are funnelled into low-paid, inflexible jobs such as retail, which they inevitably leave as a result of these roles being incompatible with their caring responsibilities and the realities of women's lives. Occupational segregation is a cause and a consequence of women's inequality in employment, widening the pay gap, acting as a barrier to women's progression in the workplace, and cementing women's economic inequality. For a Jobs Guarantee Scheme to be effective in addressing the potential scarring effect of the crisis on young women, the scheme has to challenge occupational segregation by design.

This means gender considerations must be incorporated at the earliest stage of design of a jobs guarantee, with addressing occupational segregation being a central aim of the programme. Ensuring that the Job Guarantee Scheme is accessible to women may include offering jobs on a part-time basis over 2 months to enable women with caring responsibilities to access the scheme.²⁹ It is also vital that gender-sensitive, sex-disaggregated data is collected on participants, types of jobs accessed and outcomes. This data is critical in evaluating the impact of the scheme on gender equality, occupational segregation and female employment rates.

A Job Guarantee cannot replicate 'workfare' models. Jobs created through a Job Guarantee Scheme must pay at least the real living wage for all participants,

²⁷ Skills Development Scotland (2020) Individual Training Accounts: Operational Rules available at <https://www.skillsdevelopmentscotland.co.uk/media/43695/operational-rules.pdf>

²⁸ Engender (2016) *Unblocking the pipeline: Gender and Employability in Scotland*

²⁹ TUC (2020) *A New Plan for jobs: Why we need a new jobs guarantee*

regardless of age, offer a secure contract of no less than 12 months, and ensure women get the skills needed to move into permanent work. Jobs created through the Job Guarantee Scheme should also be additional jobs, meaning that funding should only be available for jobs that would not have been created in the absence of such a scheme. This criteria ensures that job guarantee participants are not replacing existing workers.³⁰ This is particularly important as data from the modern apprenticeship programme in Scotland has indicated that modern apprentices may be used by some employers as subsidised and replaceable labour in certain sectors. For example, there are low rates of retention in ELC modern apprenticeships, which may imply that employers utilise the scheme to access less costly labour to satisfy staff to child ratios. This aligns with anecdotal evidence gathered by Close the Gap on ELC modern apprentices experiences of working in the sector. Ensuring that jobs created through the scheme are additional jobs is important to ensure that employers do not make permanent, more highly paid staff redundant in order to access cheaper female labour through the Job Guarantee Scheme.

Evidence from the evaluation of the Future Jobs Fund found that participants and employers valued the fact that the scheme offered a ‘proper job’ with a good wage and opportunities gain new skills.³¹ Any Job Guarantee Scheme should come with an entitlement to Government-funded learning and training opportunities which have been informed by evidence on the gendered barriers to training and development. Providing support for participants to move into long-term sustainable employment is a critical measure of success, and access to upskilling opportunities is a key aspect of this. Finally, any Job Guarantee Scheme must not be an isolated measure but sit alongside other employability support measures and a strengthened social security system to protect those who cannot find work, or are unable to work.

Priority groups for the Job Guarantee Scheme

Evidence from previous economic crises³² indicates that economic downturns tend to have particularly detrimental effects on younger workers. Indeed, young women are disproportionately represented in sectors that have been shut down³³ and one-third of 18-24-year-old employees (excluding students) have lost their jobs or been furloughed, compared to one-in-six of those aged 35-49.³⁴ However, evidence from the EU Youth Guarantee Scheme highlights that there is no one-size-fits-all approach, with some countries extending eligibility to 30-year-olds. The TUC have also noted that workers over 25 who have been unemployed for more than 6 months should be

³⁰ TUC (2020) *A New Plan for jobs: Why we need a new jobs guarantee*

³¹ Ibid.

³² Resolution Foundation (2020) *Class of 2020: Education Leavers in the Current Crisis*

³³ Close the Gap (2020) *Disproportionate disruption: The impact of COVID-19 on women’s labour market equality*

³⁴ Resolution Foundation (2020) *Young workers in the coronavirus crisis*

eligible to access any Job Guarantee.³⁵ Scottish Labour have also supported the idea of a women's Job Guarantee in response to the impact of COVID-19 on women's employment.

Certainly, women are already more likely to have lost their job and, because of occupational segregation, women are more likely to lose their job than men over the course of the crisis. The percentage of women in Scotland who were unemployed rose by 0.7 per cent between March and May 2020 alone. Close the Gap's research concluded that women in low-paid jobs will be particularly affected by job disruption, placing them at greater risk of poverty. These low-paid female-dominated sectors, such as retail and hospitality, are less likely to 'bounce back' at the end of the crisis, meaning the impact on women's employment is unlikely to be fleeting. During 2010 and 2011, hospitality and non-food retail accounted for 22% of employment entries from unemployment. However, those traditionally labour-absorbing sectors during recoveries are the very sectors most likely to be shedding labour in the aftermath of COVID-19, potentially making this recovery particularly difficult and prolonged.³⁶

If a Jobs Guarantee Scheme is intended to focus on groups at particular risk of unemployment, then it is clear that women should be a priority group as a result of the disproportionate impact of COVID-19 on women's labour market participation, the challenges facing female-dominated sectors in the aftermath of the crisis and the pre-existing gendered barriers that exist in accessing training and development opportunities. Consequently, there is a need for tailored support to assist these women back into the labour market. A jobs guarantee scheme with embedded upskilling and training opportunities is one option of providing this support.

Close the Gap are supportive of interventions that help women to get back into good quality employment. However, as highlighted above, we know that generic employability programmes do not benefit women and the lack of gender-disaggregated data about pre-existing and previous job guarantees makes it difficult to determine whether they have been successful for women. The design of any targeted job guarantee for women is therefore the key determinant as to whether it will benefit women. Any job guarantee scheme that is targeted for women must challenge occupational segregation by design so as not to funnel women into low-paid, female-dominated work and the jobs provided through the scheme must be flexible to accommodate caring responsibilities. The scheme must also be developed to mitigate pre-existing gendered barriers to training and development and incorporate the features we referenced above, including being paid at the living wage for all ages, be additional and offer at least 12 months of employment.

³⁵ TUC (2020) *A New Plan for jobs: Why we need a new jobs guarantee*

³⁶ Resolution Foundation (2020) *Getting Britain working (safely) again: The next phase of the Coronavirus Job Retention Scheme*

What will the impact of the economic crisis be on apprenticeships? What can the Scottish Government and its agencies do to ensure that apprenticeships continue to be available to young people?

Modern apprenticeships replicate existing patterns of gender segregation in the labour market. Consequently, in line with the evidence above on the disproportionate impact of COVID-19 job disruption on women's employment, the sectors where female apprentices are concentrated will be most impacted by job disruption. For example, health and social work, administrative and support services, retail and hospitality have been identified as sectors most exposed to labour market disruption by the Scottish Government. Table 1 highlights the gender breakdown of modern apprenticeship starts in these frameworks.

Table 1: Modern apprenticeship starts by framework and gender			
Framework	Female starts (% of total)	Male starts (% of total)	Total starts
Retail	59.5%	40.5%	1,368
Hospitality	55.6%	44.4%	2,109
Business and administration	70.5%	29.5%	1,544
Hospitality Management Skills			
Technical Apprenticeship	57%	43%	272
Social Services and Healthcare	84.8%	15.2%	2,100

Source: Skills Development Scotland (2020) *Modern Apprenticeship Statistics Full Year Report 2019/20*

This data highlights that female apprentices are more likely to be made redundant, and that there may be a reduction in female apprenticeship starts if these female-dominated sectors reduce the use of apprenticeships in response to the economic crisis. In addition, the aftermath of the 2008 financial crisis brought renewed focus to STEM-related apprenticeship frameworks as a priority for investment. A similar focus in response to the jobs recession will further disadvantage women, will widen the gender pay gap and intensify investment gap in men and women's skills.

In times of crisis, work on equalities is regularly deprioritised. There has already been some visible deprioritising of women's equality which is likely to have long-term implications for efforts to close the gender pay gap and advance women's equality. For example, the Scottish Funding Council have delayed the deadline for the publication of gender action plans. The postponement of policy commitments around gender equality, either with or without good reason, ultimately sends a message that gender equality is not important during periods of crisis. It is therefore essential that, moving forward, the Scottish Government and Skills Development Scotland maintains a strong commitment to the promotion and realisation of

equalities in Modern Apprenticeships. This should include focusing on the continued implementation of the MA Equalities Action Plan as a key priority.

How can equal opportunities for young people be promoted during the economic crisis?

It is important that any new interventions or programmes developed to respond to the COVID-19 crisis follow a robust Equality Impact Assessment (EqIA) process. In addition, the Scottish Government should ensure that gender-disaggregated data is used in planning, monitoring and evaluation of all policies, interventions and service design. Close the Gap has become increasingly concerned about the quality of EqIAs being developed, particularly during COVID-19, and in particular the deviating approaches taken which are some distance from the stated methodology. EqIA is intended to be done early and throughout the policymaking process to ensure that outcomes are gender-sensitive and do not exacerbate women's inequality. When done post hoc, it is too late in the process to make changes that may mitigate a negative impact on women. We are also increasingly concerned about the use of 'interim', 'ongoing', 'partial', 'living' and other caveated EqIAs. Our experience is that such documents are rarely, if ever, revisited, and we can find no evidence of their usefulness as a mainstreaming tool. It is therefore pivotal that robust EqIAs are developed for new youth employment initiatives, particularly given the existing evidence around the lack of discernible change for girls and young women resulting from the DYW Strategy.³⁷

A continued focus on fair work and employer action on the gender pay gap is vitally important in promoting equality for young women. Merely investing in training and pre-employment support for young women cannot be successful in promoting equality in the labour market unless coupled with employer action to build inclusive workplace cultures and action to tackle the gender pay gap. Without employer action, young women will enter a labour market where they will continue to face discrimination, barriers to progression and inflexible workplace cultures.

How effective were the Scottish Government's policies aimed at supporting young people during the previous recession of 2008-9? What lessons can be learned?

The Developing the Young Workforce (DYW) strategy was developed in response to the youth unemployment caused by the 2008-2009 recession. While the Strategy commits to action to tackle the gendered inequalities in education and skills acquisition, Close the Gap's recent review of the implementation of the DYW

³⁷ Close the Gap (2021) *A gender review of Developing the Young Workforce: Scotland's youth unemployment strategy* available at <https://www.closethegap.org.uk/content/resources/A-gender-review-of-Developing-the-Young-Workforce--Scotlands-youth-unemployment-strategy.pdf>

Strategy³⁸ highlights pressing concerns regarding the lack of positive outcomes delivered for girls and young women thus far.

Our review found that there has been no substantive action on gender under the strategy, with the majority of activity limited to generic ‘equalities’ focused work which is unlikely to create change. The evidence suggests that work to address gender stereotyping and segregation is inconsistent and not being prioritised. This indicates the strategy’s commitment to embed equality throughout its work has not been realised and there has been little discernible change for girls and young women.

In particular our key concerns around the design and implementation of DYW include:

- **Inappropriate indicators** - Of the strategy’s 11 KPIs, only two have a specific gender component³⁹. This creates the basis for a reporting approach which does not effectively track or encourage action on gender inequality. The gender KPIs themselves are also insufficient to drive meaningful work on gender stereotyping and segregation. They are open to interpretation and only relate to a small part of the education and skills pipeline, with no KPIs focused on schools or employers.
- **Unclear stakeholder reporting and a lack of accountability** - Scottish Government publish annual progress reports on DYW which contain information on each of the five key areas of the strategy and on progress towards the KPIs. However, the lack of a clear or consistent external reporting by other stakeholders has created challenges in relation to reporting and accountability.
- **Lack of focus on the employer role in tackling gender inequality** - Gender is missing entirely from the employer section of the strategy. The pipeline approach simply will not be effective for girls and young women if gender is only a focus in certain sections.
- **Gender-blind resources** - The vast majority of the resources and guidance reviewed do not mention gender and where equalities is mentioned, this is marginal.

It is likely that the response to the ongoing crisis will include a refreshed approach to youth employment. This presents an opportunity to introduce a changed approach to work on gender equality, ensuring that gender is mainstreamed throughout each

³⁸ Close the Gap (2021) *A gender review of Developing the Young Workforce: Scotland’s youth unemployment strategy*

³⁹ KPI 7: To reduce to 60 per cent the percentage of MA frameworks where the gender balance is 75:25 or worse by 2021. KPI 8: Increase by 5 percentage points the minority gender share in each of the 10 largest and most imbalanced superclasses by 2021.

stage of the skills pipeline and every aspect of the strategy. Some of this work has already started, the most recent progress update⁴⁰ from Scottish Government commits to work with Close the Gap to:

- Develop a strategic approach to building gender competence in teachers and other education practitioners;
- Ensure the DYW Regional Groups review is informed by gender expertise;
- Develop guidance for employers engaged with DYW on tackling gendered occupational segregation, and build capacity on the importance of gender equality at work in realising the ambitions of DYW; and
- Ensure any new resources developed for teachers and careers practitioners are gender-sensitive and include guidance on tackling gender stereotyping and segregation.

We also welcome the commitment from Skills Development Scotland in its new Career Information, Advice and Guidance Action Plan⁴¹ to roll out mandatory training for career practitioners to build their gender competence and to undertake focused work on gender stereotyping with school pupils and parents.

4. COVID-19: Role of enterprise agencies, SNIB and other economic development partners

Do existing initiatives, such as innovation centres and city deals, need to be adapted in response to the economic crisis? If yes, what type of change is needed?

Pre-existing City Deals have not taken account of gender equality and women's inequality in the labour market. Scotland's current City Region and Growth deals do not make use of gender analysis, gender sensitive, sex-disaggregated data and have not adopted gender mainstreaming approaches. If additional City Deals are to be developed in the aftermath of the crisis, or if pre-existing City Deals are to be revisited, it is vital that changes to the model are made so that investment benefits women and men equally.

For example, the Edinburgh and South East Scotland Deal contains only one reference to gender inequality as an inclusive growth challenge, but there is no information as to how this challenge has been addressed within the context of the Plan.⁴² Additionally, the Inverness and Highland deal contains no references to

⁴⁰ Scottish Government (2019) *Developing the Young Workforce: Scotland's Youth Employment Strategy –5th annual progress report*

⁴¹ Skills Development Scotland (2019) *Careers Information, Advice & Guidance Equality Action Plan*

⁴² Edinburgh and South East Scotland City Region Deal available at

<https://static1.squarespace.com/static/55c87967e4b05aa55020f656/t/5c263201898583ec74c01146/1546007049724/ESESCR+Deal+Document+6+August+2018+signed.pdf>

gender equality, contains no sex-disaggregated data and there is no indication that gender equality was considered in the design of the Plan. There is also a strong focus on science skills and life sciences.⁴³ As these sectors are male-dominated, it is likely that this investment will disproportionately benefit men.

If additional City Deals are to be adopted as a response to the crisis, these deals must be informed by sex-disaggregated data, adopt gender mainstreaming approaches, and address occupational segregation as a central aim. Otherwise, additional investment through the City Deal model is likely to exacerbate gender inequality. Indeed, as highlighted in *Gender and Economic Recovery*, inclusive growth means investing in a care economy.⁴⁴ Research by the Women's Budget Group also found that investment in care is an effective way to stimulate employment, reduce the gender employment gap and to counter economic recession.⁴⁵ This research found that investment in care in the UK would produce 2.7 times as many jobs as an equivalent investment in construction, investment in care is greener than investment in construction and more of its costs would be recouped in increased income tax and National Insurance contributions. To date, City Deals have focused on traditional infrastructure projects which have focused on creating jobs in male-dominated industries.

How should the forthcoming Scottish National Investment Bank missions be framed to provide the support needed by businesses in the short-term whilst promoting longer-term targets (such as net-zero emissions of all greenhouse gases by 2045)?

The legislation to create the Scottish National Investment Bank contains a number of key commitments with regards to gender equality including:

- An ancillary object relating to equality and non-discrimination;
- The Bank is required to publish and review a gender equality strategy;
- The Bank must gather intersectional gender disaggregated data on its investments, programmes and services, and report on its progress against the Gender Equality Strategy; and
- The Bank is required to carry out a regular equal pay review.

The mission setting process, as set out in the legislation to create the Bank, requires Ministers to consider how the missions will further the Bank's ancillary objects,

⁴³ Inverness and Highland City Deal available at <https://www.highland.gov.uk/cityregiondeal>

⁴⁴ Close the Gap and Engender (2020) *Gender and Economic Recovery*

⁴⁵ 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* <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf>

including the ancillary object on ‘advancing equality and non-discrimination’.⁴⁶ This process means that Ministers have a positive duty to consider equality when setting missions. This early integration of gender equality is critical as the decision-making process for determining missions has the potential to widen or narrow Scotland’s gender pay gap and therefore impact women’s equality. It is vital that gender be considered at the earliest and highest stage of mission design and that gender equality is mainstreamed throughout all the missions.⁴⁷

It is important that the Investment Bank does not lose this focus on equality and ensures that the development of an ambitious and robust gender equality strategy is developed as a priority. In the context of the Bank’s work, equality should not be considered secondary to what is perceived to be the more urgent work of business recovery and planning. The work of gender equality should not be viewed as an add-on to the core work of the bank, but should be seen as integral to all of the Bank’s activities. Developing the gender equality strategy should be the key priority for the Bank, particularly as this approach is even more pivotal in the context of the economic and labour market impacts of COVID-19. To date, there has been little progress on the development of the strategy. The strategy must ensure that the Bank’s investments promote gender equality in Scotland, that investment does not disproportionately benefit men’s jobs, and that women-led businesses have equal access to finance.

What should the criteria be for public sector investment in companies? How will that be scrutinised? How has this been managed previously? What lessons can be learned?

The Fair Work First criteria contains a gender component in that it asks employers to commit to action to tackle the gender pay gap.⁴⁸ It is important that guidance for employers on operationalising this element of Fair Work First is clear and prescriptive. When guidance on gender equality at work is vague and interpretive, it does not result in change. Lessons from the Scottish Business Pledge should be incorporated when designing criteria relating to action on equality. Before the pledge was refreshed, the previous “balanced workforce” element had the lowest take-up of all the Pledge elements, with only 38% of companies signed up. The element with the second lowest take-up is “supporting progressive workforce engagement” to which 80% of companies have signed up.⁴⁹ In addition, findings from research by the WiSE

⁴⁶ Scottish National Investment Bank Act 2020 available at <https://www.legislation.gov.uk/asp/2020/3/enacted>

⁴⁷ Close the Gap (2020) ‘New legislation puts gender equality at the heart of the Scottish National Investment Bank’ available at <https://www.closethegap.org.uk/news/blog/new-legislation-puts-gender-equality-at-the-heart-of-the-scottish-national-investment-bank/>

⁴⁸ Scottish Government (2019) *Fair Work Action Plan*

⁴⁹ *Scottish Business Pledge Statistical Overview July 2018* available at <https://scottishbusinesspledge.scot/information/scottish-business-pledge-statistical-overview-july-2018/>

Centre for Economic Justice with Business Pledge companies suggests that the voluntary initiative is not persuading employers to take action on gender equality. The study found that only 12% of companies have set targets for gender balance on their board, only 9% have initiatives in place to tackle women's under-representation, and only 7% have a recruitment strategy in place to target gender imbalance in their workforce. Furthermore, when asked what would make them take action to advance women's equality at work, one-fifth reported that nothing would motivate them to do this.⁵⁰ The ability of voluntary initiatives to initiate change appear somewhat limited.

Fair Work First conditionality criteria applied to public sector investment in companies should be robust and include particular criteria relating to gender equality, including flexible working provision, support with caring responsibilities, gender pay gap data and occupational segregation information.

In a recent letter to the Economy, Energy and Fair Work Committee on the implementation of the gender pay gap action plan, the Minister for Business, Fair Work and Skills provided an update on the fair work criteria being attached to Scottish Enterprise support grants, such as Regional Selective Assistance grants.⁵¹ The letter notes that "*one element of the criteria asks employers to take action to address the gender pay gap, specifically applicants with over 250 employees are required to meet the legal requirement to report on their gender pay gap; and smaller applicants are signposted to supported from Close the Gap by Scottish Enterprise to help calculate their gender pay gap.*" This criteria is insufficient to embed fair work and will not stimulate the transformational change that is necessary to close the gender pay gap. There is also no publicly available data or information as to what the outcomes have been for women working in these companies.

Companies with over 250 employees are legally obliged to do gender pay gap reporting, and thus criteria which requires companies to meet pre-existing legal obligations is inadequate. In addition, gender pay gap reporting has not led to meaningful action on the causes of the gender pay gap and should thus not be viewed as sufficient in itself to be synonymous with action on the pay gap. Close the Gap's assessment of Scottish private sector employer reporting in 2019 found that less than a third had published actions; only 6% published targets; an only 4% had published evidence of action taken in the past year. Additionally, while signposting to

⁵⁰ Thomson, E (2018) *Employer Perceptions of the 'Business Case' for Gender Equality in Scotland*, WiSE Centre for Economic Justice Working Paper Series: Glasgow Caledonian University

⁵¹ Letter from the Minister for Business, Fair Work and Skills to the Convenor of the Economy, Energy and Fair Work Committee, 27 February 2020, available at https://www.parliament.scot/S5_EconomyJobsFairWork/Inquiries/20200228-GenderPayGap-SG_Response.pdf

resources is a useful starting point, this does not build-in the necessary accountability as there is no obligation to take action. When determining fair work first conditionality in the context of the Scottish National Investment Bank, it is important that criteria is more robust and far-reaching. In addition, equality considerations should be mainstreamed throughout the work of the Bank as the Scottish National Investment Bank will be subject to the public sector equality duty, including the Scotland specific duties. This means the Bank will be required to proactively advance equality throughout all of its functions, including investment decisions.

In making recommendations in this area, the Committee should also consider the action in *A Fairer Scotland for Women* which commits the Scottish Government to developing sustainable procurement tools and guidance to help buyers across the public sector in Scotland identify and pursue equality outcomes in relevant procurements, and identify a suitable public contract requirement from which we can develop an exemplary case study of how public sector equality duties can be met with respect to gender and procurement.⁵²

5. COVID-19: Economic recovery

What are your views on the Scottish Government Advisory Group on Economic Recovery's report? If the recommendations are to be implemented, what practical action is needed now?

Are there areas of economic recovery not covered by the Report which you believe should have been included? If so, please provide details.

What needs to be done in the next a) 6 months b) 12-18 months c) 3-5 years to promote economic recovery?

Close the Gap and Engender have published a joint response to the report of the Advisory Group on Economic Recovery.⁵³ Our response highlighted that, despite the wide-ranging evidence and advocacy around the gendered issues of the economic effects of COVID-19, the Advisory Group's report is not gendered. Despite the profoundly gendered nature of the crisis, which has impacted female-dominated sectors and substantially increased women's unpaid work, the report barely mentions these as concerns. These gendered concerns have not been integrated into the analysis, and there is no evidence of gendered considerations in the report's recommendations. This is particularly frustrating as Close the Gap submitted

⁵² Scottish Government (2019) *A Fairer Scotland for Women*

⁵³ Engender and Close the Gap (2020) *Response to the Advisory Group on Economic Recovery report* available at <https://www.closethegap.org.uk/content/resources/Close-the-Gap-and-Engender-response-to-the-AGER.pdf>

evidence to the Advisory Group⁵⁴, and Close the Gap and Engender submitted our aforementioned reports *Gender and Economic Recovery* and *Gender and Inclusive Growth*. Consequently, it is pivotal that the Scottish Government pay particular attention to taking a gendered approach within the response to the Advisory Group's report. This gendered approach is critical to avoid a redistribution of jobs from women to men being a feature of the economic recovery. Without mitigation, actions for recovery based on the advisory group's report will worsen women's economic position, and widen income and wealth gaps.⁵⁵

The report of the Advisory Group notes that recovery plans must be informed by gender-sensitive sex-disaggregated data. However, the report itself ignores this advice which is indicative of a profound gap in capacity and focus. The policy areas the report touches on are unquestionably gendered: employment, skills, enterprise and entrepreneurship, education, care, macroeconomics. Consequently, women's different experiences of work, skills acquisition, entrepreneurship, education, and care will need to be core to Scottish Government's thinking and action as they respond to the report.

Gendering the response to specific Advisory Group's recommendations

The following section presents some key issues that Scottish Government should consider when developing its response to the report of the Advisory Group. These issues should also be key considerations for the Economy, Energy and Fair Work Committee over the course of this inquiry.

- 1. Infrastructure spending should include childcare and social care.** We recognise the value to the economy of spending on digital infrastructure, as well as its value as an enabler of home-working and digital participation. We also recognise that spending on childcare and social care should be treated as infrastructure spending. It too is an enabler of paid work, but it also supports the realisation of women's equality and rights, and children's rights.⁵⁶ It is of particular economic

⁵⁴ Close the Gap (2020) *Response to the Advisory Group on Economic Recovery* available at <https://www.closethegap.org.uk/content/resources/Close-the-Gap-evidence-for-the-Advisory-Group-on-Economic-Recovery---May-2020.pdf>

⁵⁵ Engender and Close the Gap (2020) *Response to the Advisory Group on Economic Recovery* report available at <https://www.closethegap.org.uk/content/resources/Close-the-Gap-and-Engender-response-to-the-AGER.pdf>

⁵⁶ 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%20BREIFI NG%20PAPER%204%20August.pdf>

and social benefit to the poorest families, including those headed by single mothers.⁵⁷

- 2. Regional and place-based models can exclude women and other protected groups.** There is evidence that place-based programmes can redistribute spending away from women, BME people, and disabled people.⁵⁸ Mechanisms like the public sector equality duty (PSED) have failed to ensure that local decision-making is gender-sensitive.⁵⁹
- 3. The care sector review should also include developing action to address the undervaluation of the predominantly female workforce.** The challenges around recruitment and retention of the care workforce cannot be viewed in isolation from the gendered experiences of working in the care sector⁶⁰. Women care workers are undervalued, underpaid and underprotected in an increasingly precarious employment landscape⁶¹. The review should integrate an understanding that a valued, fairly remunerated workforce in secure employment is a necessary step in delivering good quality care services.
- 4. The acceleration of fair work should also mean fair work for women.** Fair work is important in an increasingly precarious labour market but realising fair work for women means recognising women's higher levels of employment precarity⁶², their concentration in low-paid work⁶³, and the gendered barriers to flexible working⁶⁴ to enable women to balance work with their caring role. A Centre for Workplace Transformation must be gender competent, take a gendered approach, and prioritise the increasing precarity of women's employment and the undervaluation of women's work. Addressing undervaluation is necessary to address women's and children's poverty, and to tackle the gender pay gap⁶⁵.

⁵⁷ 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/>

⁵⁸ O'Hagan A, Hill-O'Connor C, McRae C, Teedon P (2019) Evaluation of participatory budgeting activity in Scotland 2016-2018: research findings Scottish Government. Available at: <https://www.gov.scot/publications/evaluation-participatory-budgeting-activity-scotland-2016-2018/>

⁵⁹ Coalition for Racial Equality and Rights (2018) Effectiveness of the PSED Specific Duties in Scotland. Equality and Human Rights Commission. Available at: <https://www.equalityhumanrights.com/en/publication-download/effectiveness-psed-specific-duties-scotland>

⁶⁰ Hayes, Lydia (2017) Stories of Care: A labour of law - gender and class at work, Palgrave: London

⁶¹ Close the Gap (2020) Submission to the Scottish Parliament Health and Sport Committee inquiry into social care, available at: <https://www.closethegap.org.uk/content/resources/Close-the-Gap-submission-Health-and-Sport-Committee-inquiry-into-social-care.pdf>

⁶² Close the Gap (2020) Falling Through the Cracks: Women, Covid-19 and the gig economy, available at: <https://www.closethegap.org.uk/content/resources/Women-COVID-19-and-the-gig-economy.pdf>

⁶³ Close the Gap (2018) Women, work and poverty in Scotland, available at: <https://www.closethegap.org.uk/content/resources/1---Women-work-and-poverty-what-you-need-to-know.pdf>

⁶⁴ Close the Gap (2019) Flexible Working for All? The impact of the right to request flexible regulations in Scotland, available at: <https://www.closethegap.org.uk/content/resources/Flexible-Working-for-All.pdf>

⁶⁵ Grimshaw, Damian and Jill Rubery (2007) Undervaluing Women's Work, European Work and Employment Research Centre, University of Manchester, Equal Opportunities Commission: Manchester

- 5. Skills interventions should work to reduce occupational segregation as a central aim.** Gender-blind skills initiatives entrench the gender segregation that characterises Scotland's education and skills pipeline⁶⁶. Occupational segregation drives the disproportionate impact of Covid-19 on women's labour market equality, and is a key factor in the disproportionate level of unemployment women, especially Black and minority ethnic women and young women, have experienced, and are anticipated to experience in the future⁶⁷. Occupational segregation also contributes to sectoral skills shortages, and is a drag on growth⁶⁸. Upskilling and reskilling initiatives should be gendered, and aim to reduce occupational segregation. There should also be sufficient flexible places in colleges and universities to enable women to combine learning with caring roles.
- 6. In-work training programmes should be informed by women's experiences of training in the workplace.** There is evidence that women are less likely to have access to training, particularly women working in low-paid part-time jobs⁶⁹, less likely to undertake training that will enable them to progress or secure a pay rise, and more likely to have to do training in their own time and to contribute towards the cost⁷⁰. The expansion of the Flexible Workforce Development Fund should target the effective utilisation of women's under-used skills, reduce occupational segregation, and gather gender-sensitive sex disaggregated data on learner participants including the types of courses undertaken.

To what extent might future ways of doing business change? And might this be a catalyst for a more considered view of how our economy interacts with wellbeing and tackles inequalities?

As highlighted by principle 7 in *Gender and Economic Recovery*,⁷¹ economic success should not only be measured by GVA or GDP but by an increase in wellbeing of the people of Scotland. Gendered wellbeing indicators should take a human rights approach, and measure the extent to which all groups of women and men have an adequate standard of living, including access to housing, social protections, and health. Existing economic indicators and systems of accounting provide at best a partial, and at worse a misleading, perspective on the productivity and wellbeing of

⁶⁶ Close the Gap (2018) The Gender Penalty: Exploring the causes and solutions to Scotland's gender pay gap

⁶⁷ Close the Gap (2020) Disproportionate disruption: The impact of Covid-19 on women's labour market equality

⁶⁸ Close the Gap (2016) Gender Equality Pays: The economic case for addressing women's labour market equality in Scotland, available at: <https://www.closethegap.org.uk/content/resources/Gender-Equality-Pays.pdf>

⁶⁹ House of Commons Women and Equalities Committee (2016) Inquiry into the gender pay gap

⁷⁰ Aldridge, Fiona and Corin Egglestone, (2015) Learning, Skills and Progression at Work: Analysis from the 2015 adult participation in learning survey, UK Commission for Employment and Skills

⁷¹ Close the Gap and Engender (2020) *Gender and Economic Recovery*

Scotland's women. Women's unpaid work props up the economy, yet GDP does not measure what happens within the household.

There are increasing calls for the reorientation of the economy towards the wellbeing of citizens, focused on the equitable distribution of wealth, health and wellbeing and the protection of the planet.⁷² However, gender equality has not yet formed a central part of conceptualisations of the wellbeing economy. To date, policy responses intended to assist with such a reconfiguration towards wellbeing, such as the National Performance Framework (NPF), have not been well-gendered. The NPF contains no metric which specifically relates to gender equality.⁷³ Only two of the 81 indicators in the NPF relate specifically to women⁷⁴, and to view sex-disaggregated data about individual indicators requires a visit to the separate Equality Evidence Finder website.⁷⁵ Engender have highlighted concerns that 'it is possible, and indeed likely, that progress will be made towards NPF outcomes in a way that entrenches and deepens women's inequality'.⁷⁶ Aligning Scotland's economic recovery with the NPF alone will be insufficient to ensure the recovery furthers gender equality.

What lessons were learned from the 2008 economic downturn that could be applied now? How resilient is the labour market since 2008 downturn? What type of interventions are needed to prevent increasing unemployment rates?

The UK government's response to the 2008 recession in the form of public sector spending cuts was widely recognised as instrumental in widening inequalities not only between income groups, but also exacerbating the existing economic inequalities between women and men.⁷⁷ 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.⁷⁸ To prevent similar disproportionate impacts on women, it is essential that the Scottish Government adopt a gendered approach in its response to the Advisory Group report, including actions for recovery.

As women's labour market participation is being disproportionately impacted by COVID-19, it is particularly critical that interventions to prevent rising unemployment rates are informed by gender analysis and include targeted interventions to tackle

⁷² Wellbeing Economy Alliance (2019) *What is a wellbeing economy?*

⁷³ Long G (2019) *The SDGs and Scotland: a discussion paper and initial analysis*

⁷⁴ These are the gender pay gap and the difference between women's and men's labour market participation rates (called 'organisational gender balance').

⁷⁵ Scottish Government (2019) "Equality National Performance Framework Dashboard" available at <https://scotland.shinyapps.io/sg-equality-evidence-finder/#equality-npf-top>.

⁷⁶ Engender (2020) *Submission to the Chief Statistician on Sex/gender: Gathering and using data to advance women's equality and rights in Scotland*

⁷⁷ Women's Budget Group (2016) *A cumulative gender impact assessment of ten years of austerity policies*

⁷⁸ Close the Gap (2010) *Women in Recession: Making gender equality a priority for economic recovery*

women's labour market inequality. To prevent rising unemployment for women, the Scottish Government should:

- Integrate gender-sensitive data analysis and gender mainstreaming approaches into labour market and economic recovery policymaking, and programme and service design.
- Develop or bring in gender competence⁷⁹ to those functions responsible for labour market policymaking and economic recovery responses.
- Ensure policymaking to address COVID-19 labour market disruption addresses occupational segregation as a central aim.
- Address the undervaluation of "women's work", including in adult social care and childcare, should be core to labour market and economic recovery policymaking in response to COVID-19.

How can fair work policies be promoted and protected whilst promoting recovery to the economic crisis?

Does the crisis provide an opportunity to change relationships between employers and workers? What type of changes could be beneficial? What steps could be taken to promote these changes?

There remains a lack of clarity as to whether changes to workplace will be temporary and how the workplace will change in the longer-term. Please refer to our response in section 1 on employers being supported to implement fair work principles for more information on the gendering of fair work. In particular, changes regarding caring responsibilities and flexible working are key to supporting female employees to return to work, and to stay in employment in the aftermath of the crisis.

Support for women with caring responsibilities in returning to work

Women's disproportionate responsibility for care and other domestic labour affects their ability to enter and progress equally in the labour market. Women are four times more likely to give up employment because of multiple caring responsibilities and are more likely to be in low-paid, part-time employment.⁸⁰ There are now 1.1 million unpaid carers in Scotland, 61% of whom are women. This is an increase of 392,000 since the start of the crisis with 78% of carers having to provide more care

⁷⁹ Gender competence – refers to the skills, knowledge and analytical capability to develop policy that is well gendered; that takes account of the socially constructed difference between men's and women's lives and experiences. 'Intersectional' gender competence is that which understands that women are not a homogenous group, but the disabled and Black and minority ethnic women's experiences will be inflected by ableism and racism.

⁸⁰ Carers UK and Employers for Carers (2012) *Sandwich Caring: Combining childcare with caring for older or disabled relatives*

than they were prior to the coronavirus outbreak.⁸¹ In addition, work by Glasgow Disability Alliance, Inclusion Scotland and the ALLIANCE has found that social care packages have been reduced during the crisis, with some Health and Social Care Partnerships increasing their eligibility criteria which has made it more difficult to access care, displacing responsibility for care onto female family members.⁸²

Despite the fact many households now have both parents working from home, gendered patterns of childcare have only been exacerbated by the current crisis. During lockdown, women were spending two-thirds more time on childcare than men,⁸³ as well as spending around 10% to 30% more time than fathers home schooling their children.⁸⁴ Figures from the IFS also show that mothers are doing paid work for two hours fewer a day than fathers, and although both mothers and fathers are doing more housework than they were doing pre-Covid, mothers are still doing considerably more housework than fathers.⁸⁵ The delay in the delivery of the increased funded entitlement for childcare also raises concerns around women's employment in the longer term. With an assessment of readiness planned for December, it is expected that the new entitlement will not be in place until the 2021/22 school year. Indeed, only 8 of Scotland's 32 local authorities have committed to providing the 1140 hours by August.⁸⁶ On the reopening of schools, there is the potential for a return to blended learning approaches which are based on the misplaced assumption that women have access to flexible working opportunities in order to fulfil caring and home schooling responsibilities. Increased time spent on childcare is already causing work disruption for many working parents, with parents twice as likely to be furloughed as those without children.⁸⁷

Women have reported having to use their annual leave to fulfil caring responsibilities while schools and nurseries are closed. When this entitlement runs out, they may have their hours cut or lose their job, particularly if there is a return to blended learning approaches. There is a significant risk that the increase in caring responsibilities will force many women to leave their jobs, affecting their income and career prospects, and ultimately placing women and their children at greater risk of poverty. Evidence highlights that women with caring responsibilities in paid work

⁸¹ Engender (2020) *Gender and Unpaid Work: The Impact of COVID-19 on Women's caring roles*

⁸² Ibid.

⁸³ Women's Budget Group (2020) *ONS New data on time use and parenting in lockdown* available at <https://wbg.org.uk/wp-content/uploads/2020/07/ONS-new-data-on-time-use-and-parenting-in-lockdown.pdf>

⁸⁴ Ferguson, Donna (2020) “I feel like a 1950s housewife”: how lockdown has exposed the gender divide’ *The Guardian*, 3 May, available at <https://www.theguardian.com/world/2020/may/03/i-feel-like-a-1950s-housewife-how-lockdown-has-exposed-the-gender-divide>

⁸⁵ Engender (2020) *Gender and Unpaid Work: The Impact of COVID-19 on Women's caring roles*

⁸⁶ BBC (2020) ‘Most Scottish councils cannot commit to nursery hours target’ *BBC News Website*, 26 June 2020, available at <https://www.bbc.co.uk/news/uk-scotland-53190816>

⁸⁷ Women's Budget Group (2020) *ONS New data on time use and parenting in lockdown* available at <https://wbg.org.uk/wp-content/uploads/2020/07/ONS-new-data-on-time-use-and-parenting-in-lockdown.pdf>

have reduced their paid working hours substantially, and by more than their male counterparts.⁸⁸

Providing additional support for women with caring responsibilities in returning to work should be a key priority for the Scottish Government, local authorities and employers as the crisis is managed. Employers can provide support with childcare by providing increased flexibility at work, on either a temporary or more permanent basis. These measures should include flexible hours; flexible location of work; flexible or reduced workload allocation; and paid leave in order to care. As highlighted in the section below, employers have a key role to play in providing for flexibility in the workplace, with flexible working being key for women in managing childcare, their workload and enabling work life balance. Greater support for childcare in the workplace improves recruitment and retention and helps to build inclusive workplace cultures, which will mean lower costs, higher productivity and the ability to attract and retain expertise. Evidence from Scotland⁸⁹, and internationally⁹⁰ finds that investment in care infrastructure, including investment in high quality childcare, stimulates job creation, community regeneration, and provides increased opportunities for under-employed women.⁹¹ As a result of these economic benefits, the state gains from an increased tax base and relieved pressure on social security.

Changes to inflexible workplace cultures

Women's disproportionate responsibility for care means that the lack of quality flexible working makes it difficult for them to balance work with family life.⁹² Changes to working patterns and practice necessitated by COVID-19 have again called into question pervasive presenteeism⁹³ in many workplaces, and a cultural presumption against flexible working which create a significant barrier to women's progression and labour market equality. COVID-19 has also highlighted that many more roles are capable of being done on a flexible basis. However, it is not pre-determined that this new-found flexibility and changes to workplace cultures will be

⁸⁸ Institute for Fiscal Studies (2020) *How are Mothers and fathers balancing work and family life under lockdown?*

⁸⁹ Lapniewska, Zofia (2016) *Growth, Equality and Employment: Investing in Childcare in Scotland*, WiSE Research Centre

⁹⁰ De Henau, Jerome, Sue Himmelweit, Zofia Lapniewska and Diane Perrons (2016) *Investing the Care Economy: A gender analysis of employment stimulus in seven OECD countries*, ITUC

⁹¹ Lapniewska, Zofia (2016) *Growth, Equality and Employment: Investing in Childcare in Scotland*, WiSE Research Centre

⁹² Close the Gap (2020) *Flexible Working for All? The impact of the right to request regulations in Scotland*

⁹³ Presenteeism is the practice of being present at work outwith one's normal hours, and for more hours than is required. Cultures of presenteeism negatively impact women because of their disproportionate caring responsibilities outwith work which makes it more difficult to be at work outside their normal hours.

maintained in the aftermath of the crisis, and the Scottish Government should seek to encourage employers to introduce increased flexible working opportunities. The current crisis represents an opportunity for employers to change workplace culture, and ensure flexible working is available at all levels of the organisation. Currently, only 6% of jobs paid £20,000⁹⁴ or more are advertised as being available on a flexible basis.⁹⁵ While all employees have the right to request flexible working, research by Close the Gap has found that there is no evidence of an increase in the use of formal flexible working in Scotland since 2010.⁹⁶

Promoting the importance of flexible working at all levels of an organisation is therefore a vital aspect of promoting fair work for women. Flexible working opportunities will be vitally important in enabling women with caring responsibilities to return to work, particularly if there are any additional barriers in accessing appropriate childcare, as highlighted in the section above. Providing for flexible working also provides benefits for organisations in terms of growth and productivity. Whyman and Petrescu (2015) analysed workplace flexibility policies against the backdrop of a recession and concluded that all forms of workplace flexibility can contribute to increased business performance.⁹⁷ The benefits of flexible working are well-established, including improved staff recruitment and retention; reduced recruitment and training costs; and reduced stress and improved employee wellbeing. Increased flexible working opportunities across all levels of the labour market will also assist in closing Scotland's gender pay gap.⁹⁸

6. CONCLUSION

The socio-economic consequences of the COVID-19 health and economic crisis are likely to be long-term, with particular risks for women and women's equality. The impacts of COVID-19 have jeopardised the Scottish Government's work to realise a more equal Scotland, including work on the gender pay gap and child poverty. It is therefore essential that, moving forward, the Scottish Government maintains a strong commitment to the promotion and realisation of equalities in Scotland. This necessitates integrating women's needs into the response to the crisis and the work of economic recovery. Consequently, the idea of building back better and promoting a better recovery must mean building a labour market and economy that values and counts women's work, and recognises the complexities of their lives.

⁹⁴ £20,000 full-time equivalent or more.

⁹⁵ Family Friendly Working Scotland (2017) *The Timewise Flexible Jobs Index Scotland*

⁹⁶ Close the Gap (Forthcoming 2018) *Flexible Working for All? The impact of the right to request regulations on women in Scotland*

⁹⁷ Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

⁹⁸ Ibid.

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. It is therefore vital that the lessons of 2008 are incorporated into the responses to this economic crisis, which is expected to be deeper and more prolonged. It is essential that the Scottish Government enact a gendered response to the anticipated jobs recession, with interventions specifically designed to tackle women's labour market inequality.

We therefore urge the Committee to adopt a gendered lens when analysing evidence and making recommendations. This should include gathering and utilising gender-sensitive sex-disaggregated data around the impacts of COVID-19. Without such a gendered approach, a likely impact of the crisis will be to exacerbate women's inequality in the labour market. The report of the Advisory Group on Economic Recovery has rendered it even more important that the Committee make gender-sensitive recommendations. Without mitigation, actions for recovery based on the Advisory Group's report will worsen women's economic position. This inquiry is a key mechanism through which to encourage the Scottish Government to prioritise a gender-equal recovery, in line with the principles contained within Close the Gap and Engender's *Gender and Economic Recovery* report.⁹⁹

⁹⁹ Close the Gap and Engender (2020) *Gender and Economic Recovery*