



# Response to the Independent Review of Employment Practices in the Modern Economy

May 2017

## 1. INTRODUCTION

Close the Gap is Scotland's women and labour market expert, and has 15 years' experience of working with employers, policymakers, trade unions, employees, and sectoral bodies to encourage and enable action to close the gender pay gap.

What constitutes good or fair work has been an increasing focus of the Scottish policy landscape in recent years. Most prominently, "fair work" has been identified as a priority by Scottish Government, which has determined it to be key to achieving its policy ambitions around inclusive growth as set out in Scotland's economic strategy. The Fair Work Convention, a group of employers and trade unions convened by Scottish Government, produced its Fair Work Framework<sup>1</sup> in March 2016. Oxfam Scotland have also completed a research project aimed at establishing what low-paid workers in Scotland value as important when it comes to 'decent work'<sup>2</sup>.

In examining what 'good work' is it is essential to consider the different ways in which women and men work, and to ask who has access to 'good work'. Occupational segregation, where women and men do different types of work and different levels of work, is a cross-cutting theme of Close the Gap's work. Vertical segregation sees women over-represented in lower level roles within organisations, while horizontal segregation sees women concentrated in

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<sup>1</sup> Fair Work Convention (2016) *Fair Work Framework*  
<http://www.fairworkconvention.scot/framework/FairWorkConventionFrameworkFull.pdf> accessed May 2017

<sup>2</sup> Oxfam Scotland (2016) *Decent Work for Scotland's Low-Paid Workers: A job to be done*  
<http://policy-practice.oxfam.org.uk/publications/decent-work-for-scotlands-low-paid-workers-a-job-to-be-done-619740> accessed May 2017

occupations and sectors that are seen as “women’s work”. Occupational segregation functions as a drag on growth, both within individual organisations, and the wider economy.

Women are the majority of low paid workers, and work that is seen as “women’s work” is systematically undervalued in the labour market. Workers on zero-hours contracts (ZHCs) are more likely to be women, and working part-time. Women are more likely than men to have caring responsibilities, and therefore face the additional pressure of finding work that allows them to balance earning with caring. This sees women further concentrated into low paid and insecure work, as most part-time and flexible work is found in the lowest paid occupations and sectors.

The problems associated with temporary/agency work, bogus self-employment and ZHCs have a significant impact on women, and Close the Gap therefore welcomes the opportunity to participate in the discussion on the Review of Employment Practices in the Modern Economy. It is within this context, that we would urge that the review incorporates a gender analysis to ensure that women’s different experiences are recognised.

## **2. THEMES**

### 2.1 Security, pay and rights

The UK labour market is increasingly characterised by low pay and increased insecurity at work. The TUC estimates that one in ten workers now faces insecurity at work, either because they are in low paid self-employment, or employed on a zero hours, agency or casual contract. While women make up 47 per cent of the UK workforce, they represent the vast majority of part-time workers (73 per cent) and just under half of employed women are working part-time, 41 per cent compared to 13 per cent of men<sup>3</sup>. This has a significant impact on women’s economic equality as part-time work is overwhelmingly in low-paid, female-dominated jobs. Women represent 55 per cent of those on ZHCs<sup>4</sup>, and workers on ZHCs are more likely to work in low-

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<sup>3</sup> ONS (2017) *UK Labour Market Statistics*

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/fulltimeparttimeandtemporaryworkersseasonallyadjustedemp01sa> accessed March 2017

<sup>4</sup> ONS (2017) *Labour Force Survey: Zero Hours Contracts data tables*

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contracts-that-do-not-guarantee-a-minimum-number-of-hours/mar2017> accessed March 2017

paid, low-skilled, part-time work. Women make up 60 per cent of those earning less than the Living Wage.

The rise in women's self-employment has coincided with a rise in low-paid self-employment. Women account for just under a third of all self-employed, however they have made up just over half (53 per cent) of the increase in self-employment since 2008<sup>5</sup>. Part-time self-employment has also been growing more rapidly among women. Of the total increase in self-employment since 2008, 29 per cent has been among women working part-time, compared to 18 per cent for men<sup>6</sup>. While some self-employed women work in relatively well paid professional occupations, there is a high number in very low paying occupations, with elementary cleaning occupations the most frequent occupation for self-employed women.

The growth in casualised and precarious work poses particular problems for women, and not solely because women are more likely than men to be employed in this type of work. Women on these types of contracts lose out on maternity and parental rights and face difficulties reconciling variable hours or job insecurity with caring responsibilities.

Women still undertake the lion's share of unpaid care in the UK, and still face a number of barriers to finding flexible work that can accommodate their caring responsibilities. This includes finding work that matches their skills and expertise, and more generally, the level of skills and training they have to offer. Flexible full-time work in the 'five Cs'<sup>7</sup>, where women's employment is concentrated, is extremely uncommon. The lack of options mean that many women opt for the only part-time work that is available which is usually low-skill and low-paid. Flexible working options further diminish for more senior roles and management positions. The lack of quality part-time and flexible work also sees parents and carers, most often women, forced into agency/casual work, ZHCs or self-employment because they need flexibility and cannot find it elsewhere in the labour market. A significant proportion of the increase in women's self-employment is because they've been forced out of the labour market by inequality.

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<sup>5</sup> TUC ((2016) *Self-employment – who are the new army of workers?* <http://touchstoneblog.org.uk/2016/11/self-employment-new-army-workers/> accessed May 2017

<sup>6</sup> Ibid

<sup>7</sup> Cleaning, catering, caring, cashiering (retail) and clerical (admin).

It is also important to recognise a largely unacknowledged form of self-employment; where self-employment is used as an alternative to unemployment, to mitigate or avoid benefits sanctions, and to address financial need as a crisis response. There is evidence of work at rates of pay well below 'minimum' or 'living' wage values. The firms created under these circumstances are low value and are likely to have a net negative value in socio-economic terms, in addition to causing harm to health and wellbeing for individuals<sup>8</sup>. Women are already the 'shock-absorbers' of poverty, and as a result more vulnerable to its effects, therefore this type of self-employment is likely to exacerbate women's economic inequality.

The current rules on employment status, and definitions of employee, worker and self-employed, are particularly complex. Those who are classified as 'employees' benefit from the fullest range of rights, including family friendly entitlements and job security rights. Those who are 'workers' qualify for more limited rights, in particular protection for pay and holidays. Whilst those who are 'self-employed' enjoy the fewest protections at work, benefiting only from limited health and safety safeguards and protection from discrimination in some cases.

Employers argue that flexible contracts help workers to balance work and family life. The other part of this picture is that those on casual contracts often are not entitled to basic employment rights, including the right to return to their job after maternity, paternity or adoption leave, access to maternity/paternity pay and sick pay, and the right to request flexible working. Workers on these types of contracts find that flexibility is demanded of them by their employer, but there is no reciprocity; a lack of employment rights makes it difficult for worker to request a change in hours or working pattern, or to resist an imposed change. Workers who are unable to accept shifts because of a clash with caring responsibilities report finding that they are not offered as many, or indeed any, shifts in future<sup>9</sup>.

Agency/casual workers may be required to work a variety of different shifts at short notice, which presents a particular problem for parents and carers as childcare is not flexible enough to support irregular patterns of work, and

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<sup>8</sup> Galloway, L, Danson, M, Richards, J, Sang, K, & Stirzaker, RJ (2016). *In-work Poverty and Enterprise: Self-employment and business ownership as contexts of poverty*. Edinburgh: Heriot-Watt University. <https://pureapps2.hw.ac.uk/ws/portalfiles/portal/9934375> accessed May 2017

<sup>9</sup> Working Families (2015) *Rigid flexibility: the work of the Working Families Legal Advice Service in 2014*

alternative care is difficult to arrange. Variation in income also makes it harder to afford or retain childcare, makes it more difficult to manage household budgets for which women usually have control, and can also result in disruption to social security payments.

Women who become self-employed because they have been forced out of the labour market by inequality will find they face reduced state support for childcare. Those who are self-employed as a sole trader are not eligible for tax-free childcare voucher scheme because they are not classified as an employer. This is a massive detriment to women, who are already low earners.

The Equality and Human Rights Commission research on pregnancy discrimination and disadvantage in work<sup>10</sup> found that mothers on agency, casual or zero hours contracts were more likely than the average for all mothers at work to have negative and potentially discriminatory experiences. They were less likely than average to say their employer initiated discussions on work-related risks (46 per cent versus 62 per cent average) and were more likely to report: experiencing a risk or impact to their health or welfare; that their employer was unhappy about them taking maternity leave (22 per cent versus 8 per cent average); and that they felt less valued by their employer than they did before telling their employer they were pregnant (18 per cent versus 11 per cent average).

Analysis of calls to the Acas Helpline shows that agency and ZHC workers are often unclear about their employment status and employment rights and afraid of asserting their statutory rights due to the risk of being offered fewer hours or no further work<sup>11</sup>. Access to justice is further limited by Employment Tribunal fees. The EHRC says that since the introduction in 2013 of tribunal fees of up to £1,200, the number of sex discrimination cases has dropped by 76 per cent and pregnancy-related cases fell by 50 per cent<sup>12</sup>. Equal pay claims have also dropped by 87 per cent.<sup>13</sup>

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<sup>10</sup> Equality and Human Rights Commission (2016) *Pregnancy and Maternity Related Discrimination and Disadvantage: Summary of key findings* <https://www.equalityhumanrights.com/en/managing-pregnancy-and-maternity-workplace/pregnancy-and-maternity-discrimination-research-findings> accessed May 2017

<sup>11</sup> Acas (2015) *Three sides to every story: the impact of the Agency Worker Regulations* and Acas (2014) *Zero hours contracts: clarifying the problems and looking for solutions*. Both available at: <http://www.acas.org.uk/index.aspx?articleid=2985> accessed May 2017

<sup>12</sup> Equality and Human Rights Commission (2016) *Pregnancy and Maternity Related Discrimination and Disadvantage: Summary of key findings* <https://www.equalityhumanrights.com/en/managing->

Close the Gap is concerned these contracts are being used to erode employee rights rather than to enable workforce flexibility, and are creating an inequality of bargaining between employers and employees/workers.

## 2.2 Progression and training

Part-time, low-paid women are the group of workers least likely to be offered training and development opportunities in the workplace, but they are also the most likely to be over-qualified for their job. The Resolution Foundation found that almost half (48 per cent) of mothers on low to middle incomes take a lower-skilled part time job on their return to work after having children. Mothers in the higher earning group also could not find work which paid a salary commensurate with their skills: 42 per cent of degree holders said they had taken a less skilled job because of a need to work part time. The accessibility of training is also an issue. It is also not uncommon for employers to schedule training to take place at a time when part-time staff are not working, or for it to be held at an off-site location. This can result in training being held at times and locations that are difficult for women to attend because of their caring roles.

As training budgets reduce in the current economic climate, there has been an increase in the number of employers implementing a freeze on non-essential training. This may seem gender-neutral but it has a disproportionate impact on women who may be seeking to move into a different type of role, as they require training on skills outside of their current role to make this move.

Many employers do not have transparent practice around development and progression. It is not uncommon, particularly in the private sector, for decisions around development and progression to be based on informal networks, to which women are less likely to have access<sup>14</sup>. Women are excluded from those development opportunities that lead to progression due

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[pregnancy-and-maternity-workplace/pregnancy-and-maternity-discrimination-research-findings](#)  
accessed May 2017

<sup>13</sup> UNISON *Massive drop positive proof that tribunal fees are pricing workers out of justice*  
<https://www.unison.org.uk/news/article/2014/06/massive-drop-positive-proof-that-tribunal-fees-are-pricing-workers-out-of-justice/> accessed September 2015

<sup>14</sup> Close the Gap (2012) *Response to the Equal Opportunities Committee inquiry into Women and Work*; and Close the Gap (2015) *How women's networks and mentoring can address occupational segregation: What policymakers can learn from WiRES*  
[https://www.closesthegap.org.uk/content/resources/1480883421\\_CtG-How-womens-networks-and-mentoring-can-address-occupational-segregation.pdf](https://www.closesthegap.org.uk/content/resources/1480883421_CtG-How-womens-networks-and-mentoring-can-address-occupational-segregation.pdf) accessed May 2017

to a male-dominated workplace culture where networking takes place outwith working hours, making it impossible for people with caring responsibilities to attend, and/or in locations which are male-centred e.g. golf courses and lapdancing bars.

The business benefits of gender equality are well rehearsed. Employers who take action to address gender inequality in the workplace see increased employee morale, improved productivity, and increased innovation, alongside a reduction in costs associated with recruitment as they are able to retain skilled and experienced staff. Occupational segregation is a labour market inefficiency and a drag on growth; with so many women working below their skill level their talents and capabilities are lost to employers and to the economy. In recognising and correcting this, employers stand to gain by harnessing untapped female talent.

### 2.3 The balance of rights and responsibilities

The current rules on employment status, and definitions of employee, worker and self-employed, are particularly complex. Those who are classified as 'employees' benefit from the fullest range of rights; Those who are 'workers' qualify for more limited rights; and, those who are 'self-employed' enjoy the fewest protections at work,.

Workers on casual contracts are not entitled to basic employment rights, including the right to return to their job after maternity, paternity or adoption leave, access to maternity/paternity pay, the right to time off to attend ante-natal appointments, and the right to request flexible working. The loss of these basic rights impacts women to a far greater degree than men because they shoulder the burden of reproductive labour and unpaid care.

Those in precarious employment are more vulnerable to mistreatment and bullying at work. Individuals have reported<sup>15</sup>:

- Not being paid in full or on time.
- Not being paid the minimum wage.
- Being sent home at the start of or half way through a shift with no pay
- Losing out on holiday pay or being frightened to ask for time off for fear they will not be offered future work.

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<sup>15</sup> TUC (2014) *Decent Jobs Deficit: The Human Cost of Casualisation*  
[https://www.tuc.org.uk/sites/default/files/DecentJobsDeficitReport\\_0.pdf](https://www.tuc.org.uk/sites/default/files/DecentJobsDeficitReport_0.pdf) accessed May 2017

- Being refused work because they are pregnant or have recently returned from maternity leave<sup>16</sup>.

This indicates that many new forms of work are seeing an overall transfer of risk from employer to employee. Refusing work because a worker is pregnant or recently returned from maternity leave is discrimination. Employers face little consequences from such abuses because the balance of risk lies firmly with workers, and those workers have little recourse to justice due to the precariousness of their lives, low levels of trade union coverage in agency/temporary/zero hours work, and the prohibitive cost of taking an employment tribunal. Casualisation is increasingly found in sectors previously associated with a reasonable level of job security and pay, such as Further and Higher Education. UCU found that 46 per cent of universities and 60 per cent of colleges use ZHCs to deliver teaching, and 68 per cent of research staff in HE are on fixed term contracts.<sup>17</sup>

Failing to pay workers in full and/or on time means women with children will struggle to cover the cost of childcare, and even the basic cost of living. Women make up 60 per cent of those earning less than the Living Wage. In-work poverty is rising, alongside women's poverty and, consequently, child poverty. Women are at greater risk of poverty than are men, and more likely to suffer recurrent and longer spells in poverty<sup>18</sup>. Women are also the main managers of family poverty, acting as 'shock-absorbers' as they try to shield their children from poverty's worst effects. This renders women disproportionately impacted by the effects of poverty, both material and psychological.

Furthermore, welfare reform and the UK Government's wider austerity agenda are having a grotesquely disproportionate impact on women's access to resources, security and safety<sup>19</sup>. Over the decade of austerity, from 2010 to

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<sup>16</sup> TUC (2014) *Women and Casualisation* [https://www.tuc.org.uk/sites/default/files/Women\\_and\\_casualisation.pdf](https://www.tuc.org.uk/sites/default/files/Women_and_casualisation.pdf) accessed May 2017

<sup>17</sup> UCU (2017) *A report on UCU's campaign against casualisation* [https://www.ucu.org.uk/media/8531/UCUs-campaign-against-casualisation---annual-report-2016-17/pdf/ucu\\_anticasualisation\\_updatesummary\\_mar17.pdf](https://www.ucu.org.uk/media/8531/UCUs-campaign-against-casualisation---annual-report-2016-17/pdf/ucu_anticasualisation_updatesummary_mar17.pdf) accessed May 2017

<sup>18</sup> Oxfam (2005) *Women's and Children's Poverty: Making the links* <http://policy-practice.oxfam.org.uk/publications/womens-and-childrens-poverty-making-the-links-112550> accessed May 2017

<sup>19</sup> Engender (2016) *Securing women's futures: Using Scotland's new social security powers to close the gender equality gap* <https://www.engender.org.uk/content/publications/Securing-Womens-Futures---using-Scotlands-new-social-security-powers-to-close-the-gender-equality-gap.pdf> accessed May 2017



2020, 86% of net ‘savings’ raised through cuts to social security and tax credits will come from women’s incomes.<sup>20</sup> The explanation for this enormous imbalance lies in women’s pre-existing inequality:

- Women are twice as dependent on social security as men, with 20% of women’s income coming from the benefits and tax credit system, compared with 10% of men’s.<sup>21</sup>
- Women have fewer financial assets and less access to occupational pensions than men;
- 92 per cent of lone parents are women, and women make up 95 per cent of lone parents in receipt of Income Support;<sup>22</sup>
- Women provide around 70 per cent of unpaid care<sup>23</sup> and 74 per cent of Carer’s Allowance claimants are women.<sup>24</sup> Women are twice as likely to give up paid work in order to care.<sup>25</sup>
- The gender pay gap in the UK is 17 per cent.

Close the Gap believes that the current definitions of ‘employee’, ‘worker’ and ‘self-employed’ enable rogue employers to exploit those on casualised or temporary contracts, and that there must be a clearer distinction in employment law between those who are employed and those who are genuinely self-employed in running their own business. The definition of an employee for statutory pay purposes, which includes statutory maternity, paternity and shared parental pay as well as statutory sick pay is an ‘employed earner’. An employed earner includes all workers, agency workers and employees who are paid through PAYE and have tax and National Insurance deducted at source by their employer. An ‘employed earner’ includes all but the genuinely self-employed. Reclassifying the workforce into the employed, with all attendant employment rights, and self-employed provides a clear distinction, and could prevent the use of casualised and temporary contracts to erode employment rights.

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<sup>20</sup> Women’s Budget Group (2016) *The impact on women of the 2016 Budget: Women paying for the Chancellor’s tax cuts*

<sup>21</sup> The Fawcett Society (2006) *Who benefits? A gender analysis of the UK benefits and tax credit system*

<sup>22</sup> Engender (2012) *Multiple Jeopardy: The impacts of the UK Government’s proposed welfare reform on women in Scotland*

<sup>23</sup> Skills for Care (2012) *Carers Matters – Everybody’s business*

<sup>24</sup> Carers UK (2014) *Caring and Family Finances Inquiry*

<sup>25</sup> The National Carers Organisations (2013) *Submission to the Expert Group on Welfare*

## 2.4 Representation

The Trade Union Act will have a disproportionate impact on women in the workplace; however the government's own equality analysis of the Trade Union Bill claimed that it had no impact on equality, despite providing no evidence to support this analysis.

TUC figures show that women make up a greater proportion of trade union members (55 per cent), and an even greater proportion of members working in 'important public services' at 73 per cent. Consequently, the higher ballot threshold for 'essential services', one of the Act's most restrictive elements, will have an even greater disproportionate impact on women than the Act as a whole. Unionised workplaces are more likely to have better and more comprehensive flexible working practices, enhanced maternity pay, and support for women returning from maternity leave<sup>26</sup>. The Act therefore presents a significant barrier to women's ability to collectively bargain to protect their incomes and working conditions.

## 2.5 Opportunities for under-represented groups

Gender inequality in employment is a cradle to labour market issue that requires a strong commitment from government if it is to be successfully addressed. Women continue to have a very different experience of the labour market to men. This manifests in a range of ways including:

- Women's employment is concentrated in low-paid, undervalued jobs such as admin, retail, cleaning and care work.
- Only 37% of directors, managers and senior officials are women.<sup>27</sup>
- Three-quarters of part-time workers are women.<sup>28</sup>
- Women working part-time are paid on average 33% less than men working full-time.<sup>29</sup>

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<sup>26</sup> Department for Business, Innovation and Skills (2014) *The Fourth Work-Life Balance Employer Survey* [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/398557/bis-14-1027-fourth-work-life-balance-employer-survey-2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/398557/bis-14-1027-fourth-work-life-balance-employer-survey-2013.pdf) accessed May 2017

<sup>27</sup> ONS (2017) *UK Labour Market Statistics* <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/employmentbyoccupationemp04> accessed May 2017

<sup>28</sup> ONS (2017) *UK Labour Market Statistics* <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/fulltimeparttimeandtemporaryworkersseasonallyadjustedemp01sa> accessed May 2017

Disabled women<sup>30</sup>, black and minority ethnic (BME) women<sup>31</sup>, Muslim women<sup>32</sup>, lesbian and bisexual women<sup>33</sup>, trans women<sup>34</sup>, refugee women<sup>35</sup>, young women<sup>36</sup>, and older women<sup>37</sup> experience different, multiple barriers to participation in the labour market, and to progression within their occupation. Across the labour market, disabled women, and some groups of BME women are more likely to be under-employed in terms of skills, and experience higher pay gaps. Disabled, BME and lesbian, bisexual and trans women are more likely to report higher levels of discrimination, bullying and harassment.

The gender pay gap is the key indicator of women's persistent inequality at work, and the very different labour market experiences of men and women. The overall pay gap in the UK is 17 per cent, when comparing the average hourly pay of all men and all women, excluding overtime.<sup>38</sup> In Scotland it is 15 per cent.<sup>39</sup> The pay gap is caused by occupational segregation, where men and women do different types of work, and different levels of work; inflexible working practices which make it difficult for women with caring responsibilities to participate in the labour market, particularly at senior levels; and discrimination in pay and grading systems.

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<sup>29</sup> ONS (2017) *UK Labour Market Statistics*  
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/dataset/s/occupation2digitsocashetable2> accessed May 2017

<sup>30</sup> Leonard Cheshire Disability (2014) *Realising the rights of women and girls with disabilities*

<sup>31</sup> Scottish Parliament Equal Opportunities Committee (2016) *Removing Barriers: Race, ethnicity and employment*

<sup>32</sup> House of Commons Women and Equalities Committee (2016) *Employment Opportunities for Muslims in the UK*

<sup>33</sup> Stonewall (2014) *The Double-Glazed Glass Ceiling: Lesbians in the workplace*

<sup>34</sup> House of Commons Women and Equalities Committee (December 2015) *Transgender equality*

<sup>35</sup> Scottish Refugee Council (2014) *One Step Closer*

<sup>36</sup> YWCA Scotland (2016) *Status of Young Women in Scotland*

<sup>37</sup> Scottish Commission on Older Women (2015) *Older Women and Work: Looking to the future*

<sup>38</sup> ONS (2017) *UK Labour Market Statistics*  
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/dataset/s/occupation2digitsocashetable2> accessed May 2017

<sup>39</sup> Close the Gap (2016) *Gender pay gap statistics*  
<https://www.closesthegap.org.uk/content/resources/Briefing17.pdf> accessed May 2017

Research by Close the Gap on Scottish employer action on equal pay found that 94% of employers surveyed reported having an equal pay policy but less than one third has undertaken an equal pay review, or planning to do so in the future. Furthermore, only 3% of employers surveyed reported taking any steps to address pay gaps.<sup>40</sup> The findings identify that employers are unduly complacent about equal pay, and therefore more broadly about gender inequality in employment.

This undue complacency among employers is also evidenced in the Government Equalities Office research on reporting of gender pay gap data where the vast majority of employers surveyed had no current, past or planned future involvement in pay reviews because they considered that they already provided equal pay.<sup>41</sup> This demonstrates a lack of understanding about the causes of the gender pay gap, and specifically a lack of recognition that factors other than discrimination in pay systems contribute towards the pay gap.

This aligns with market research carried out by Close the Gap on its Think Business, Think Equality online self-assessment tool for SME employers ([www.thinkbusinessthinkequality.org.uk](http://www.thinkbusinessthinkequality.org.uk)) which found that the smaller employers surveyed were not taking any steps to advance gender equality because they perceived there were already providing equality.

The business benefits of action to tackle women's economic inequality are well rehearsed. Close the Gap research identifies clear and mounting evidence that gender equality at work is not just good for women, but is also a critical driver for improved business performance, and a worldwide catalyst for economic growth<sup>42</sup>. Crucially, closing the gender gap in employment could be worth more than £17bn to the Scottish economy. In alignment with this, the Women's Business Council UK found that equalising women's productivity and

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<sup>40</sup> Close the Gap (2013) *Missing out on the benefits?* <http://www.closesthegap.org.uk/content/resources/Missingoutonthebenefits-CTG.pdf> accessed May 2017

<sup>41</sup> Winterbotham et al (2014) *Company Reporting: gender pay gap data*, Government Equalities Office: London

<sup>42</sup> Close the Gap (2015) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

employment to the same levels as men's could add almost £600 billion to our economy.<sup>43</sup>

### 3. RECOMMENDATIONS

In examining what 'good work' is it is essential to consider the different ways in which women and men work, and to ask who has access to 'good work'. Women experience systemic inequality in the labour market for many reasons including the undervaluing of 'women's work' and part-time work, a lack of quality part-time and flexible work, their greater propensity to have caring responsibilities, and a lack of affordable, flexible and accessible childcare. All of these have relevance to this review and to the definition of 'good work'. Close the Gap therefore strongly urges that the review incorporates a gender analysis to ensure that women's different experiences of work are recognised, and an intersectional approach which recognises that not all women's experiences of work are the same.

On this basis, Close the Gap recommends that the UK Government should:

- Implement a review of the use of ZHCs, agency/temporary contracts and self-employment status by employers in order to tackle the inappropriate and exploitative use of employment status by some employers.
- Reclassify those in work as either 'employed', using the definition of an employee for statutory pay purposes as an 'employed earner', or 'self-employed'.
- Scrap prohibitive employment tribunal fees as they are a barrier to justice for women.
- Strengthen the existing regulations on flexible working by making all jobs flexible by default unless there is a strong, evidence-based case not to.
- Provide reasonable paid time off for antenatal care for all workers as a day one right.
- Extend eligibility for the tax-free childcare voucher scheme to those who are self-employed as sole traders.
- Lead on developing a national strategy to tackle the inter-related causes of the gender pay gap and women's inequality at work.

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<sup>43</sup> WBC *Maximising women's contribution to economic growth*  
<http://www.womensbusinesscouncil.co.uk/evidence-papers/> accessed May 2017