



Close the Gap supplementary evidence for the Economy and Fair Work Committee: Reflections on Scottish Government's Retail Strategy

May 2022

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 for over 20 years to influence and enable action that will address the causes of women's labour market inequality.

1. Overview

Close the Gap welcomes the publication of the Retail Strategy and Scottish Government's emphasis on delivering fair work within the retail sector. However, *Getting the Right Change* contains a lack of specific actions designed to achieve fair work for women and insufficient focus is applied to the gendered barriers that exist to upskilling and reskilling.

The Retail Strategy links to the Scottish Government's *Gender Pay Gap Action Plan*. However, the analysis and actions contained within that Plan are not explicit within the Retail Strategy. This is concerning because, in Close the Gap's experience, where gender equality is not explicit within a strategy, it is not visible in implementation. The public sector equality duty requires gender mainstreaming approaches to be embedded in policymaking in order to give prominence to gender concerns. Gender is not mainstreamed in the Retail Strategy, and linking to *the Gender Pay Gap Action Plan* is insufficient to tackle the gendered inequalities women retail workers face. The Equality Impact Assessment for the Strategy is also very poor on gender.

The actions detailed within the Strategy are likely to improve job quality within the retail sector. The Strategy therefore has potential to bring benefits for the female-dominated retail workforce. However, the key determinant as to whether the Strategy will advance fair work for women will be the development of the interventions and accompanying action plans. As part of the inquiry into town centres and retail, we urge the Economy and Fair Work Committee to recommend that gender mainstreaming approaches are adopted in the implementation of the Strategy. This should include ensuring that the delivery agencies and implementation groups taking forward key interventions such as the Skills Audit, Skills Action Plan, Just Transition Plan and Fair Work Agreement are gender competent and engage with specific expertise on gender, work and retail.

2. Promoting fair work for women in retail

The Strategy states that ‘embedding Fair Work is an important contributor in addressing inclusion and diversity in the workplace and bolstering equalities.’ However, the current fair work policy framework and supporting employer tools do not afford sufficient attention to gender equality and are thus unlikely to enable retail employers to operationalise fair work for women. Close the Gap’s recent response to the Scottish Government’s consultation on becoming a fair work nation highlighted that fair work policy development must be better gendered if it is to create change for women in Scotland.¹ This means prioritising action on women’s low pay; gendered barriers to upskilling and reskilling support; continued insecure and precarious working practices; unequal pay; and harassment, including sexual harassment.

The actions relating to the delivery of fair work must, therefore, have a focus on gender equality within implementation. Without such a focus, efforts to embed fair work within the sector will have only a marginal impact in terms of promoting equalities. We welcome that flexible working, action on the gender pay gap and equal pay reviews are listed as considerations for the Fair Work Agreement. However, gender equality must be integrated in the Fair Work Agreement if it is to promote change for women in retail. It is important that the implementation group is gender competent and engages with expertise on gender, work and retail.

The Strategy does not engage with the issue of sexual harassment, despite a 2019 survey from USDAW finding that 70% of women working in retail had experienced sexual harassment at work.² Evidence also points to poor employment practice on sexual harassment in the sector, with two-thirds of women who had experienced sexual harassment not reporting this to their employer.³ Sexual harassment is a form of violence against women, a violation of women’s rights, and a contributing factor in the gender pay gap. Tackling sexual harassment in the retail sector should therefore be a core aspect of the Fair Work Agreement with clear actions for employers to develop and implement a robust sexual harassment policy that recognises the gendered experience of sexual harassment, and take steps to prevent sexual harassment in the workplace.

¹ Close the Gap (2022) *Response to Scottish Government consultation on becoming a fair work nation* available at <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-response-to-the-Scottish-Governments-consultation-on-Becoming-a-fair-work-nation---December-2021.pdf>

² Van-de-Peer, Hannah (2021) ‘The grim reality of sexual harassment for shop workers’, *Vice*, 1st July 2021 available at <https://www.vice.com/en/article/gj8z5v/the-grim-reality-of-sexual-harassment-for-shop-workers>

³ Ibid.

3. Unequal pay

The issue of equal pay in the retail sector is particularly pertinent to the current context, with a number of high profile equal pay challenges emerging in the retail sector as women shopfloor workers in supermarkets pursue equal pay claims comparing themselves to male warehouse staff.

Research commissioned by the Scottish Government on international mechanisms to revalue women's low-paid work recommended that, once these legal proceedings are finalised, Scottish Government should prepare to support the large supermarkets and unions in implementing job evaluation across the sector.⁴ The report recommended that this could be reflected in Scottish Government's Retail Strategy. While the need for employers to conduct equal pay reviews is mentioned in the context of the Fair Work Agreement, a wider commitment to supporting job evaluation in the sector is not visible within the strategy. This is a missed opportunity for the Scottish Government to commit to equal pay for women, and to position this within the wider ambition of fair work in the retail sector.

4. Gender-sensitive skills and training support

The Strategy outlines a number of actions relating to skills and training including a Skills Audit and Skills Action Plan. The Strategy notes that there will be a two-fold approach to upskilling and reskilling:

- upskilling those who remain in the sector to build on their existing experience and capabilities and to assist them to transition into new or different roles; and
- reskilling for those who move to work to work in different sectors as a result of declining or changing retail opportunities.

As women's employment is expected to be negatively impacted by structural changes in the sector, it is vital that gender equality considerations are mainstreamed into both of these approaches to ensure that policy and programmes meet women's needs. For example, sectoral shifts such as the rising prominence of online retail and automation are likely to create jobs in male-dominated roles such as logistics, fulfilment and technical roles associated with online sales. By contrast, women's concentration in customer-facing roles places them at greater risk of job disruption. This necessitates gender-sensitive upskilling and reskilling support.

⁴ Scottish Government (2021) *International Mechanisms to Revalue Women's Work: Research exploring and evaluating international mechanisms that aim to revalue or result in the revaluation of women's work*, available at: <https://www.gov.scot/publications/international-mechanisms-revalue-womens-work-research-exploring-evaluating-international-mechanisms-aim-revalue-result-revaluation-womens-work/>

The Retail Strategy does not acknowledge the implications of the expected structural changes on women's employment. The sections of the Plan focused on upskilling and reskilling are also not well-gendered. It is critical that the skills interventions developed as part of this Strategy take account of the well-evidenced gendered barriers to skills and training. Across the Scottish labour market, women are less likely to have access to training, particularly women working in low-paid part-time jobs⁵; 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 cost.⁶

The Strategy continues to rely on pre-existing skills interventions such as Individual Training Accounts (ITAs) and the Flexible Workforce Development Fund (FWDF). These interventions are not well-gendered and there is little evidence that they are addressing the barriers to women's progression or women's in-work poverty. They are also unlikely to enable women who currently work in customer facing roles to transition into male-dominated retail jobs that are expected to grow as a result of sectoral shifts. The interventions are also extremely unlikely to enable women to move from retail into high-growth sectors in the wider economy, including the priority green sectors identified in the Climate Emergency Skills Action Plan. As a result, continual reliance on these interventions will reinforce women's labour market inequality. Gender-blind skills initiatives entrench the occupational segregation that characterises Scotland's education and skills pipeline, funnelling women into low-paid, undervalued jobs and sectors.

Skills interventions developed as part of this Strategy need to integrate gender, and be designed to take account of, for example, women's greater propensity to have caring roles, gender stereotyping, and should challenge occupational segregation as a central aim.

5. Alignment with wider policies and strategies

The Retail Strategy is underpinned by a number of Scottish Government strategies including the National Strategy on Economic Transformation (NSET) and the Covid Recovery Strategy. The Strategy states that the retail Industry Leadership Group will 'focus on the delivery of the actions in the NSET that will directly support the retail sector'. However, Close the Gap is concerned that this will mean that any focus on gender equality will be further diluted as the NSET is not well-gendered and it is very unlikely to be transformative for women's experiences of the economy.

⁵ House of Commons Women and Equalities Committee (2016) *Inquiry into the gender pay gap*

⁶ Aldrige, 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

6. There is a clear business case for taking action on gender equality and improving job quality

The Strategy utilises work by JRF on improving productivity and wages within low-paid sectors, but then highlights that this will be challenging to implement because of the cost associated with training and the difficult operational context. Similar points around the cost of delivering fair work to employers were made within the Committee's evidence session of 27th April 2022.

Close the Gap is concerned that this represents a lack of understanding around the clear business case to advance gender equality and improve job quality in the sector. Indeed, this business case is somewhat absent from the Strategy. Employers who advance gender equality at work are able to recruit from a wider talent pool, address skills gaps, and see their businesses become more productive, more innovative, and more profitable.⁷ The Living Wage Foundation also found that organisations that pay the real Living Wage have reported improvements in staff loyalty, engagement and quality of work, reductions in staff turnover and absenteeism.⁸ It therefore makes good business sense to prioritise action that will deliver fair work and improve job quality in the sector.⁹

However, despite the clear business case to advance gender equality at work, employer complacency remains a critical challenge to addressing women's labour market equality. This is compounded by the current fair work policy framework and supporting tools which do not afford sufficient attention to women's experiences of employment and do not afford sufficient guidance for employers as to how to advance gender equality within the workplace. The lack of attention afforded to gender equality within the Retail Strategy is likely to reinforce employer complacency, and sustain the gendered barriers women retail workers face at work.

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

⁸ Living Wage Foundation *Good Jobs in Retail: A Toolkit* available at https://www.livingwage.org.uk/sites/default/files/Living%20Wage%20Foundation%20-%20Good%20Jobs%20Toolkit_1_0_1.pdf

⁹ Living Wage Foundation *Living Hours: Providing security of hours alongside a real Living Wage* available at <https://www.livingwage.org.uk/living-hours>