CLOSE THE GAP
WORKING PAPER

Gender Pay Gap Statistics

March 2022

1. Key findings

Overview of the gender pay gap

- From 2020 to 2021, there has been a very slight narrowing of Scotland's gender pay gap from 10.4% to 10.1%.
- Women working full-time earn 6.6% less than their male counterparts, while part-time women earn on average 26.9% less than men working full-time. This illustrates the systemic undervaluation of 'women's work' which continues to be concentrated in low-paid, part-time jobs.
- The majority of part-time workers are women (75%) and just under half of employed women (41%) are working part-time, compared to 13% of men. In order to capture an accurate picture of women's experiences of the labour market, it is important to include part-time workers in gender pay gap data and not rely on the full-time figure alone.
- The pay gap is a worldwide phenomenon. The latest data highlights that the average gender pay gap in the European Union is 14.1% and the equivalent figure for OECD countries is 12.5%.

How has the gender pay gap changed?

- The gender pay gap has remained relatively stable over time, only narrowing by around 1 percentage point from 2015 to 2019.
- From 2020 to 2021, the overall and full-time gender pay gaps narrowed by less than 1 percentage point.
- Data from 2020 showed that the gender pay gap had declined by around 3 percentage points for both the combined and full-time measurement. As this more substantial decline is not visible within the latest data, it is likely that changes to the gender pay gap in 2020 reflected Covid-19 job disruption, rather than underlying pay trends.
- The trajectory of the part-time pay gap breaks with these trends. While the mean part-time pay gap increased by 1.3 percentage points from 2019 to 2020, there was a substantial decline of 2.8 percentage points in 2021. This is likely to reflect the increase in the National Living Wage rate and changes to working hours during the pandemic.

The gender pay gap by occupational group and sector

- Women are concentrated in sectors of the Scottish economy which are characterised by low pay. As a result, many female-dominated occupational groups have lower than average gender pay gaps, including caring, leisure and service (2.5%); sales and customer service (5.6%); and administrative and secretarial (9.4%).
- The gender pay gap for managers, directors and senior officials increased by 2.8 percentage points in 2021. This is in sharp contrast to 2020 data, whereby the gender pay gap for this group declined by 9.3 percentage points from 2019.
- The managers, directors and senior officials occupational group has a notable impact on the overall gender pay gap. The increase in the pay gap for this group is therefore likely to have contributed to the levelling-out of Scotland's gender pay gap in 2021.
- The third sector has the highest pay gap for the combined (17.7%) and full-time (17.2%) figures. The highest part-time gender pay gap is found in the private sector (32.5%).

The gender pay gap for low, medium and high earners

- Analysing pay data for different groups of earners shows that the gender pay gap increased for six of the nine earning percentiles[1] in 2021. By contrast, the pay gap decreased for all groups of earners in 2020.
- In 2020, the most notable decrease in the gender pay gap (2.5 percentage points) was among lowest earners (the 10th percentile). In 2021, the gender pay gap in the 10th percentile increased by 2 percentage points. This substantial increase points to the furlough scheme and wider Covid-19 job disruption temporarily reducing the gender pay gap for the lowest earners in 2020.
- Women continue to account for the majority of low-paid workers in Scotland. Meanwhile, the highest female earners continue to earn substantially less than their male counterparts, with a gender pay gap of 17.6% for those in the 90th percentile.

The gender pay gap by age

- After the age of 22, women's average hourly earnings are lower than their male counterparts. This means there is a gender pay gap for all age groups from age 22-29 to the over 60s group.
- The gender pay gap for those aged 40 and over is higher than the national average. This reflects the 'motherhood penalty' and the lower incidence of women moving into higher-paid managerial occupations after the age of 39.
- The latest data shows that women aged 18-21 have higher average hourly earnings than their male counterparts. While the gender pay gap for this age group has been on a downward trajectory since 2014, this is the first time a negative gender pay gap has been recorded for this group. However, men's weekly and median hourly earnings remain higher than women's in this age group.

[1] ASHE data allows for a more detailed examination of the median gender pay gap across different groups of earners. Those on the lowest wages are in the 10th percentile, whilst the highest earners are in the 90th percentile e.g. Those in the 10th percentile earn less than 10 percent of other employees.

2. Introduction

This paper provides information on how to calculate and report on the gender pay gap. It aims to explore some of the complexities around different methods of calculation and why it is important to understand what is behind the information reported in the media. It will be useful for those interested in gender-sensitive, sex-disaggregated data, and delivery agencies which support organisations and businesses to challenge gender inequality in the workplace. The paper will also be useful for businesses and organisations that are looking to generate, and report on, their pay gaps.

Covid-19 had profound implications for Scotland's labour market. As a result of women's pre-existing inequality in the labour market, women's employment has been impacted in multiple and specific ways by Covid-19 job disruption.[2] Both the combined and full-time gender pay gap figures declined by over 2.6 percentage points from 2019 to 2020 which breaks with the long-term trend of incremental reductions in the gender pay gap. However, analysis by the ONS concluded that Covid-19 did not have a notable impact on the gender pay gap in 2020. Instead, ONS determined that the reduction in the gender pay gap over 2019 to 2020 reflected underlying employment patterns. These trends included changes in the pay gap within occupational groups and an increase in women holding higher-paid managerial roles.

The sharp decline in the pay gap figure has not been replicated within the latest data, which implies that furlough and wider job disruption were likely to have had a substantial impact on last year's figures. In addition, as outlined in last year's paper[3], many of the underlying employment patterns visible in the UK-level data, such as improved gender balance in managerial roles or an increasing number of occupational groups reporting below average gender pay gaps, were not present within the Scottish-level data. This could point to Covid-19 having a more substantial impact on the gender pay gap within Scotland.

The continued uncertainty around the impact of Covid-19 on the gender pay gap consequently makes comparing 2020 and 2021 data somewhat difficult. The ONS thus recommends looking at the longer-term trend in the gender pay gap.[4] For this reason, 2018 and 2019 data has been added to some tables and figures in this paper to enable longer-term comparisons.

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[2] Close the Gap (2020) *One Year On: How Covid-19 is impacting women's employment in Scotland* available at https://www.closethegap.org.uk/content/resources/One-Year-On—How-COVID-19-is-impacting-womens-employment-in-Scotland.pdf

[3] Close the Gap (2021) *Gender pay gap statistics* available at https://www.closethegap.org.uk/content/resources/Working-Paper-22—Gender-Pay-Gap-Statistics-2021.pdf

[4] ONS (2021) *The Gender Pay Gap in the UK: 2021* available at https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2021

3. What is the gender pay gap?

The gender pay gap is the difference between women's and men's average earnings. It is the key indicator of women's labour market inequality and represents the divergent experiences women and men have not only in employment but also in education, training, care and other unpaid domestic labour. It is a persistent feature of Scotland's labour market.

The gender pay gap is an important indictor within the wider socio-economic context as it enables industries, regions and countries to benchmark their performance in challenging gender inequality. This is partly due to the fact that the gender pay gap is a global phenomenon and the causes of the pay gap are symptomatic of wider issues relating to the persistent undervaluing of women's contribution to the economy. As a result, the gender pay gap is linked to a number of legal, social and economic factors which go far beyond the single issue of equal pay for equal work.

4. Annual Survey of Hours and Earnings

The UK Office for National Statistics (ONS) produces data on the average hourly earnings of women and men in the Annual Survey of Hours and Earnings (ASHE). The provisional ASHE results are released at the end of each year and contain the revised survey results for the previous year. The revised results include corrections identified during the period of validation as well as any late returns to the survey.[5] Data on employees' earnings is drawn from payslip information and reported every year in a number of tables accessible to the public.

The ASHE tables provide information about the levels, distribution and make-up of earnings and hours paid for employees within industries, occupations and regions. It also provides data on earnings for employees by sex for full-time and part-time workers. Further breakdowns include by region, occupation, industry, region by occupation and age-groups.

The ONS notes that this year's ASHE data again comes with "more uncertainty than usual as a result of the challenges faced in collecting the data under government-imposed public health restrictions in 2020 and falling response rates since the start of the pandemic."[6] In addition to data collection issues, the ONS also conclude that "interpreting average earnings data is difficult at the moment" as a result of the impact of furlough over the period of April 2020 to April 2021. Reliability warnings thus lead ONS to urge those interpreting data to focus on long-term trends, as opposed to year-on-year changes.

[5] ONS (2017) *Annual Survey of Hours and Earnings revised results* https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults/relateddata

[6] ONS (2021) *The Gender Pay Gap in the UK: 2021* available at https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2021

5. Calculating the gender pay gap

The gender pay gap is a complex issue and there is no definitive way in which to report a single figure which fully captures those complexities.[7] There are a number of factors to consider when reporting on the pay gap and it is important to understand what the different statistics indicate.

The UK Government Equalities Office uses the median hourly earnings (excluding overtime) to report on the pay gap, whereas the Equality and Human Rights Commission uses the mean. The ONS reports ASHE with both the mean and the median measurements, but its statistical bulletin will "give prominence to the median".[8] ASHE does not include the self-employed or those earning below the 'pay as you earn' (PAYE) income tax level, but it is possible to consider additional groups of people by integrating the Labour Force Survey results.

The headline gender pay gaps reported in the media may differ according to the region, the average measurement used, and whether the headline figure combines the full-time and part-time earnings. Table 1 illustrates the different pay gap figures in Scotland for 2019, 2020 and 2021.

Table 1: Pay gap measurements: comparing mean and median in Scotland

	2019		2020		2021	
Pay gap in Scotland	Mean	Median	Mean	Median	Mean	Median
Combined figure (all women/all men)	13.3%	14.3%	10.4%	10.9%	10.1%	11.5%
Comparing women's and men's full-time hourly rates of pay (excluding overtime)	10.1%	7.1%	7.5%	3%	6.6%	3.6%
Comparing women's part-time and men's full-time hourly rates of pay (excluding overtime)	28.4%	32.3%	29.7%	24.4%	26.9%	32.4%

Source: *ONS Annual Survey of Hours and Earnings*
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsashegenderpaygaptables Accessed February 2022

[7] Hicks, S., and Thomas, J. (2009) *Presentation of the Gender Pay Gap,* ONS
[8] Ibid.

The *median average* is calculated by finding the midpoint in all employees' hourly pay and discarding the lowest and highest rates of pay or 'outliers'. Therefore, half of the employees' earnings will be above the midpoint and half will be below the midpoint. The median, from a robust statistical perspective, is a more accurate measure as it is not skewed by very low hourly pay or very high hourly pay. However, as men account for the majority of those with very high rates of pay, and women account for the majority of those with very low rates of pay, the median figure can obscure some gendered differences.

The *mean average* is calculated by adding all employees' rates of pay together and dividing by the total number of employees. The mean includes the lowest and highest rates of pay. This will include a number of low-paid employees, who are more likely to be women. International measures also use the mean when calculating the pay gap, which enables comparisons to be made with other countries, for example the global gender pay gap.

The combined figure includes full- and part-time earnings and, although not adjusted to account for individual differences in working patterns, this figure is useful to give an overall picture of gendered pay inequalities in the labour market. The European Commission uses the combined figure as it provides a fuller analysis of the economy as a whole whilst still capturing the complexities within it, and affords comparison between EU member states.[9]

More women are employed in lower-paid, part-time work, which in statistical reporting is referred to as the 'part-time effect'.[10] The full-time figure of 6.6 per cent illustrates the size of the gender pay gap when the part-time effect has been controlled for, although it is important to note that the 'part-time effect' is itself gendered. The majority of part-time workers are women (75 per cent) and just under half of employed women (41 per cent) are working part-time, compared to 13 per cent of men.[11] Men are also less likely to be in part-time positions over a long period of time.[12] Women's concentration in part-time work exacerbates women's concentration in low paid and insecure work, as most part-time work is found in the lowest-paid jobs and sectors, making it difficult for women to combine their caring responsibility with a job that is commensurate with their skill level. Part-time work is negatively correlated with progression out of low-paid work[13] and part-time jobs are more than three times as likely to pay below the Living Wage than full-time roles.[14]

Employment rates for women in Scotland increased from 68.4 per cent in 2008 to 73 per cent in September 2021.[15] However, a focus on the employment rate masks the

[9] European Commission (2014) *Gender Pay Gap in EU Countries based on SES* https://ec.europa.eu/info/sites/info/files/aid_development_cooperation_fundamental_rights/report-gender-pay-gap-eu-countries_october2018_en_0.pdf
[10] ASHE 2009 notes (as cited in Scottish Government (2010) Gender Equality Scheme Annual Report, Scottish Government, pg 82)
[11] Scottish Government (2020) *Economy and the Labour Market: Regional Employment Patterns in Scotland*
[12] Grant, L., Yeandle, S., and Buckner, L., (2005) *Working below potential: women and part-time work EOC* Working Paper Series no. 40. Manchester: Equal Opportunities Commission
[13] In-Work Progression Commission (2021) *Supporting Progression Out of Low-paid Work*
[14] Jones, Gareth (2019) 'Women benefit from living wage expansion', *Third Force News,* available at https://tfn.scot/news/women-benefit-from-living-wage-expansion

increasing precarity of women's employment. Women account for 55 per cent of workers on zero-hour contracts.[16] Ethnic minority women are over-represented in precarious work,[17] and are even more likely to be on zero-hour contracts.[18] Research by the Living Wage Foundation[19] found that more than half (52 per cent) of women in shift work are likely to receive less than a week's notice for working hours, shifts or work schedules. While equal numbers of men and women (26 per cent) reported experiencing unexpected cancellations of shifts in the past 12 months, women were more likely than men to report receiving no payment when shifts were cancelled (29 per cent compared to 20 per cent).[20] This presents particular challenges for women in planning childcare around irregular shift patterns and also gives rise to the so-called 'insecurity premium' which refers to the extra costs workers have to cover as a result of being called into work, such as last-minute childcare or transport costs. Women's concentration in low-paid and precarious work ultimately contributes to women's higher rates of in-work poverty, and women are more likely to be underemployed than men.[21] The rise in women's self-employment has also coincided with a rise in low-paid self-employment.

6. How has the pay gap changed?

The ASHE results for 2021 indicate that the gender pay gap for Scotland has remained relatively stable when comparing women's and men's combined average hourly earnings, as highlighted in Table 1 above. There has been a very slight narrowing of Scotland's gender pay gap from 10.4 per cent to 10.1 per cent. The full-time pay gap has narrowed by 0.9 percentage points, while there has been a more substantial decrease in the mean part-time pay gap of 2.8 percentage points.

Part-time work is predominantly found in the lowest-paid jobs and sectors, which means that the rates of pay are more impacted by increases in the National Living Wage rates and changes to the real Living Wage. Consequently, increasing rates of pay for the lowest-paid part-time workers, the majority of whom are women, may be a key cause in the decline of the part-time gender pay gap. Indeed, research from Living Wage Scotland found that women in part-time work stand to benefit the most from Living Wage accreditation.[22]

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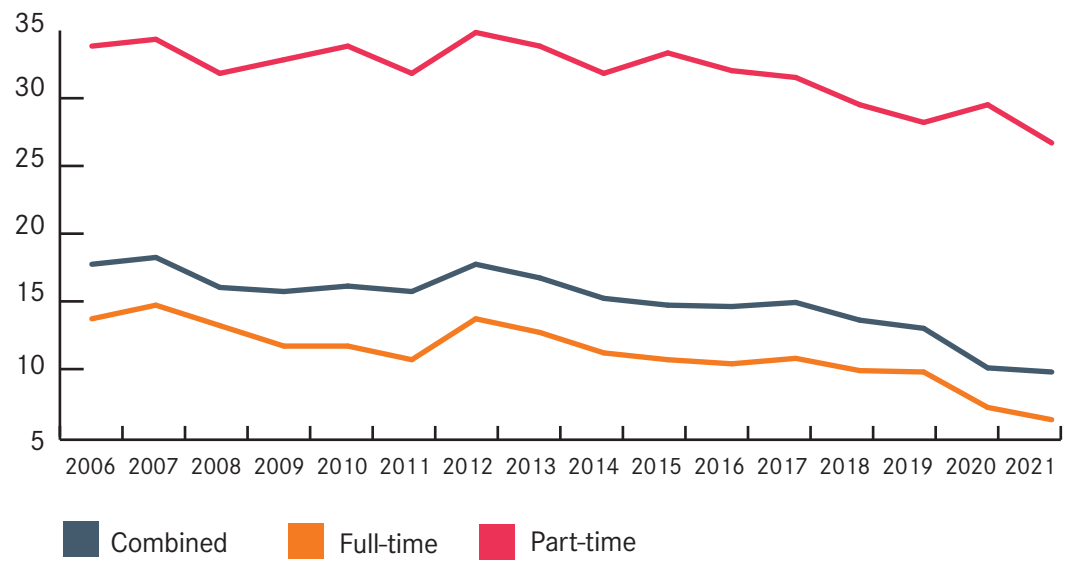
[15] Scottish Government (2020) *Scottish Labour Market monthly briefing: November 2021* available at https://www.gov.scot/publications/labour-market-monthly-briefing-november-2021/
[16] TUC (2014) *Women and Casualisation: Women's experiences of job insecurity*
[17] Longhi, S. & Platt, L. (2008) *Pay Gaps Across Equalities Areas: An Analysis of Pay Gaps and Pay Penalties by Sex, Ethnicity, Religion, Disability, Sexual Orientation and Age Using the Labour Force Survey*
[18] Trade Union Congress (2019) 'BME workers far more likely to be trapped in insecure work, TUC analysis reveals' available at https://www.tuc.org.uk/news/bme-workers-far-more-likely-be-trapped-insecure-work-tuc-analysis-reveals
[19] Living Wage Foundation (2021) *The Insecurity Complex: Low-paid workers and the growth of insecure work*
[20] *Ibid.*
21 Close the Gap (2018) *Women, Work and Poverty*
https://www.closethegap.org.uk/content/resources/1—Women-work-and-poverty-what-you-need-to-know.pdf
[22] Jones, Gareth (2019) 'Women benefit from living wage expansion', *Third Force News*, available at https://tfn.scot/news/women-benefit-from-living-wage-expansion

The latest data reinforces Close the Gap's view that the decrease in the gender pay gap that was visible in 2021 data should be treated with caution. From 2019 to 2021, Table 1 highlights that the headline gender pay gap has declined by 3.2 percentage points. This is higher than the usual decline that would be expected over a two-year period.

Figure 1 details how the pay gap has changed since 2006 and highlights how the pay gap has remained relatively stable over time. This data shows that the decline in the gender pay gap from 2019 to 2020 represents a more substantive decline than the overall trend. By contrast, the 2021 data represents a levelling out of the headline and full-time pay gaps.

Figure 1: Mean full-time, part-time and combined, gender pay gaps in Scotland, 2006-2021[23]



Source: *ONS Annual Survey of Hours and Earnings*
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsashegenderpaygaptables Accessed February 2022

This graph illustrates a fluctuation in the pay gap during 2011 and 2012 where there was a significant jump in the combined mean pay gap from 16 to 18 per cent. One explanation for this is the high number of public sector workers, the majority of whom are women, who have been affected by the public sector pay freeze, job losses and reductions in the number of posts. This highlights how economy-wide changes affect the pay gap. The pay gap figure can also be affected by the timing of pay settlements over the survey period, where pay settlements affecting men's earnings but not women's earnings are included during the survey period which could explain the differences in hourly rates of pay.

[23] In 2012 Standard Occupational Classifications 2000 (SOC 2000) was replaced by updated classifications in 2010, including a reclassification of Managers and Senior Officials. This graph is for illustrative purposes only and refers to the mean figures.

Table 2 shows the percentage change in combined hourly pay, excluding overtime, for men and women. The increase in women's hourly pay from 2020 to 2021 is greater than the increase experienced by men for the mean measurement. However, the increase in women's median hourly pay is 0.9 percentage points smaller than the subsequent increase in men's median hourly pay. Close the Gap's gender pay gap statistics paper from 2014 onwards show that the increase in women's hourly pay has been greater for both the mean and median measurements over the previous six years. This year's data thus breaks with this trend.

The more substantial increase in men's hourly median pay could partly be explained by the fact men were more likely to have been furloughed on partial pay in last year's release. The ONS notes that increases in pay were most substantial for men over the period covered by the latest data, as men's pay had been more impacted by the pandemic in 2020.[24] The more substantial increase in men's median pay could therefore be a temporary phenomenon, reflecting Covid-19 job disruption rather than underlying pay trends.

Table 2: Percentage change in pay (excluding overtime) for men and women between 2020 and 2021

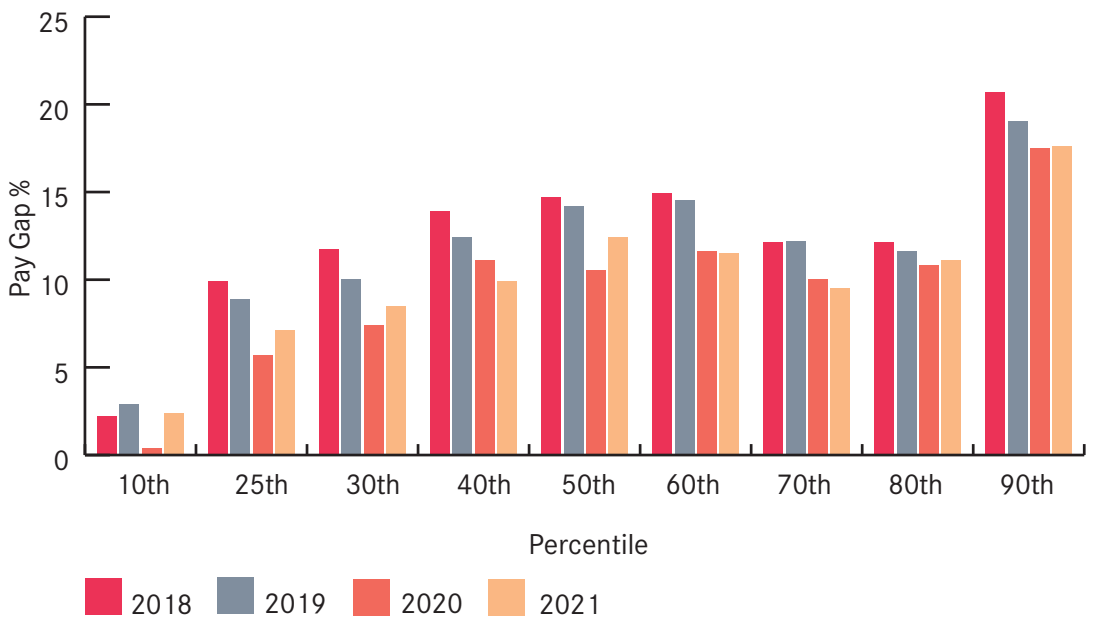
	Median pay excluding overtime			Mean pay excluding overtime		
	2020	2021	% Change	2020	2021	% Change
Men	£14.94	£15.27	+2.2	£18.17	£18.40	+1.3
Women	£13.32	£13.49	+1.3	£16.28	£16.52	+1.5

Source: *ONS Annual Survey of Hours and Earnings* Table 3.6a https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbyoccupation2digitsocashetable3 Accessed February 2022

ASHE data allows for a more detailed examination of the median gender pay gap across different groups of earners. Those on the lowest wages are in the 10th percentile whilst the highest earners are in the 90th percentile. Figure 2 highlights the change in the overall percentile pay gap from 2019 to 2021. In 2020 there was a decrease in the gender pay gap across all of the percentiles. By contrast, in 2021, the pay gap increased in six of the nine percentiles.

[24] ONS (2021) *Employee earnings in the UK: 2021*

Figure 2: Comparison of overall percentile pay gap by year



Source: *ONS Annual Survey of Hours and Earnings 2021* Table 3.6a
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbyoccupation2digitsocashetable3 Accessed February 2022

In 2020, the most notable decrease (2.5 percentage points) was among the 10th percentile (those who earn less than 10 per cent of other employees). However, in 2021, the gender pay gap in the 10th percentile has increased by 2 percentage points. This substantial increase points to the furlough scheme and wider Covid-19 job disruption artificially reducing the gender pay gap, particularly for the lowest earners. The majority of employees furloughed under the Coronavirus Job Retention Scheme were in the lowest-paying jobs. The sharp decrease in the pay gap within the 10th percentile visible in data from 2020 may therefore be explained by men in this group receiving 80 per cent of their salary through the furlough scheme, bringing men's wages temporarily in closer alignment with women.

Across the UK, the proportion of employees furloughed with reduced pay fell from 12 per cent in 2020 to 6 per cent in 2021. The increasing numbers of employees receiving 100 per cent of their salary may therefore account for the increase in the gender pay gap within percentiles where employees were more likely to have been furloughed, primarily lower-paid workers in the 10th, 25th and 30th percentiles.

Figure 2 also highlights women continue to account for the majority of low-paid workers in Scotland. This aligns with research from Living Wage Scotland which found that 60 per cent of workers earning less than the Real Living Wage are women. At the other end of the spectrum, the 90th percentile male employee (that is one who earns more than 90 per cent of other male employees) continues to earn substantially more than the equivalent female employee.

In order to demonstrate longer-term trends, rather than year-on-year comparisons, Figure 2 contains data for 2018, 2019, 2020 and 2021. This serves to demonstrate that the gender pay gap has decreased for all percentiles, barring the 10th percentile, from 2018 to 2021. However, the decrease has not been as substantial as the 2020 data would imply. Indeed, for the majority of percentiles, comparing the data from 2019 to 2021 highlights a more gradual decline in the pay gap – in line with general trends.

7. Occupational groups

Table 3 illustrates the combined, full- and part-time gender pay gaps for different occupational groups in relation to average hourly pay.

Table 3: Mean Hourly Pay (excluding overtime) (£) for male and female employees in Scotland by occupational group 2020*

Occupation	Combined men's average hourly pay	Combined women's average hourly pay	% pay gap	Full-time men's average hourly pay	Full-time women's average hourly pay	% pay gap	Part-time women's average hourly pay	% pay gap* (Comparing men's full time pay to women's part-time pay)
All Scotland	£18.40	£16.52	10.1%	£18.77	£17.55	6.6%	£13.72	26.9%
Managers, directors and senior officials	£25.68	£21.85	14.9%	£25.79	£22.06	14.5%	£19.72	23.5%
Professional occupations	£25.29	£22.00	13%	£25.39	£22.10	13%	£21.51	15.3%
Associate professional and technical	£18.84	£17.12	9.1%	£18.96	£17.58	7.3%	£14.18	25.2%
Administrative and secretarial	£14.29	£12.95	9.4%	£14.42	£13.20	8.5%	£12.35	14.4%
Skilled trades	£14.25	£10.55	26%	£14.36	£10.83	24.6%	£10.01	30.3%
Caring, leisure and other service occupations	£12.57	£12.26	2.5%	£12.68	£12.44	1.9%	£11.97	5.6%
Sales and customer services	£11.56	£10.91	5.6%	£12.17	£11.74	3.5%	£10.02	17.7%
Process, plant and machine operatives	£13.05	£10.50	19.5%	£13.17	£11.60	11.9%	£10.41	21%
Elementary occupations	£11.23	£10.36	7.7%	£11.37	£11.24	1.1%	£9.72	14.5%

Source: ONS (2021) Table 3.6A Work Regions by Occupation (2 digit SOC 2010) hourly pay (excluding overtime) https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbyoccupation2digitsocashetable3 Accessed February 2022

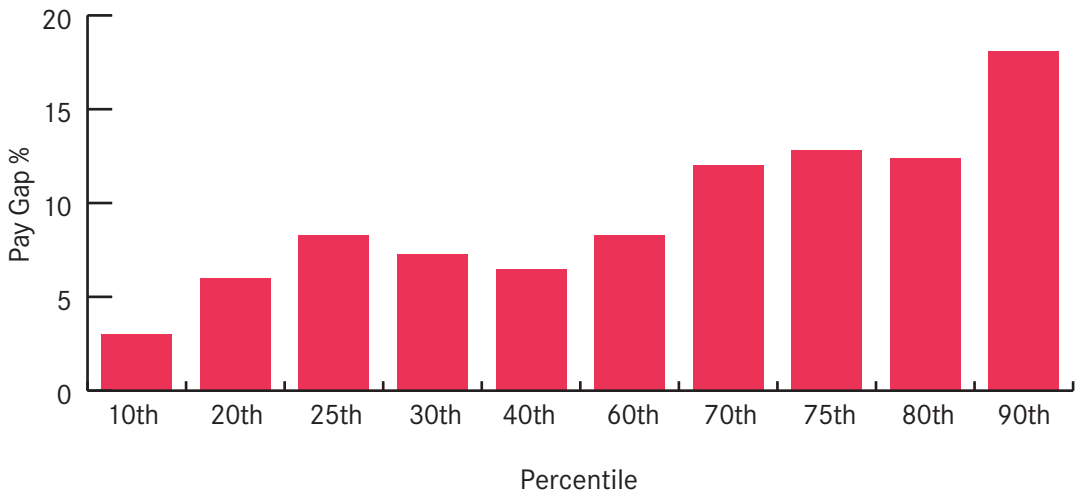
Overall, five occupational groups have a pay gap which is below the national average (10.1 per cent). This can partly be explained by the fact that four of these occupational groups (caring, leisure and service; sales and customer service; elementary occupations; and administrative and secretarial) are characterised by low pay. In 2021, the pay gap in the associate professional and technical occupational group is also below the national average. This is in contrast to the data from 2019 and 2020.

When comparing full-time hourly pay gaps, the largest gaps are in skilled trades; managers, directors and senior officials; professional occupations; and process, plant and machine operatives occupations. Similarly, the largest pay gaps when women's part-time hourly pay is compared to men's full-time hourly pay are found in skilled trades; associate, professional and technical; managers and senior officials; and process, plant and machine operatives. For these occupational groups, the part-time pay gap is higher than the combined figures. This can be partly explained by the relatively few women working part-time in those occupational groups compared to the proportion of male full-time employees. For example, the part-time pay gap in associate, professional and technical (25.2 per cent) is 17.9 percentage points higher than the full-time figure (7.3 per cent).

The combined pay gap in managers, directors and senior officials fell by 9.3 percentage points from 2019 to 2020. Again, this rapid decline broke with the general trajectory of the gender pay gap in this occupational group. As managers, directors and senior officials has the highest median pay of any occupational group, it has been identified by ONS as having a notable impact on the gender pay gap. Consequently, the decline in this occupational group is likely to have contributed to the overall large decline in the gender pay gap from 2019 to 2020. Data from 2021 shows the combined and full-time figures for managers, directors and senior officials increased by 2.8 and 3.3 percentage points respectively. The full-time figure is now 8 percentage points higher than the national average which is more aligned with the general trend for this group, implying that data for 2020 was something of an anomaly. However, the combined figure for this group remains 6.5 percentage points lower than the equivalent figure for 2019 (21.4 per cent). While the ONS note that this reflects the higher number of women entering this occupational group, labour market data for Scotland highlights that the gender breakdown of managers, directors and senior officials has remained constant at around 38 per cent. It is therefore somewhat unclear what factors account for the substantial decline in the pay gap for this group over the previous two years.

Comparing the difference between median and mean earnings can explain the distribution of earnings for women and men within an occupational group. For example, the median pay gap for professional occupations is 3.3 per cent, which is significantly lower than the mean measurement of 13 per cent. The difference between measurements suggests there are fewer women earning higher rates of pay within this group. This can be further explained by the distribution of earnings within this group, which is illustrated in Figure 3 below. The pay gap for the 10th percentile of professional occupations for women and men working full-time is 3 per cent, compared to 18.1 per cent for the 90th percentile. The 90th percentile pay gap is over five times higher (14.8 percentage points) than the median average for this occupational group.

Figure 3: Median full-time pay gap wage percentile for professional occupations in Scotland



Source: *ONS Annual Survey of Hours and Earnings 2021 provisional results*
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbyoccupation2digitsocashetable3 Accessed February 2022

8. Weekly earnings

Table 4 details the differences in weekly pay, excluding overtime, between women and men. Compared to Table 3, the combined weekly pay gap is greater than the hourly pay gap across all occupational groups for both the combined and full-time figures. Women are more likely to work fewer paid hours per week than men, due to the burden of care disproportionately falling on women, and at the same time may not be categorised as part-time workers.

Table 4: Average (mean) weekly pay-excluding overtime (£) for male and female employees in Scotland by occupational group 2021

Occupation	Combined men's average weekly pay	Combined women's average weekly pay	Difference in pay per week	% pay gap	Full-time men's average weekly pay	Full-time women's average weekly pay	% pay gap
All Scotland	£650.00	£480.60	£169.40	26.1%	£718.30	£642.70	10.5%
Managers and senior officials	£963.80	£755.90	£207.90	21.6%	£994.20	£824.30	17.1%
Professional occupations	£894.80	£694.90	£199.90	22.3%	£944.40	£798.50	19.7%
Associate professional and technical occupations	£682.20	£567.40	£114.80	16.8%	£718.10	£644.80	10.2%
Administrative and secretarial	£495.40	£376.00	£119.40	24.1%	£536.70	£480.80	10.4%
Skilled trades	£548.20	£300.20	£248.00	45.2%	£568.20	£424.80	25.2%
Caring, leisure and other service occupations	£381.40	£330.70	£50.70	13.3%	£474.10	£460.10	3%
Sales and customer services	£326.20	£254.60	£71.60	21.9%	£459.80	£431.90	6.1%
Process, plant and machine operatives	£494.00	£356.40	£137.60	27.9%	£529.00	£440.70	16.7%
Elementary occupations	£372.50	£216.40	£156.10	41.9%	£443.30	£422.40	4.7%

Source: *ONS Provisional Results Annual Survey of Hours and Earnings 2020* Table 3.2A Work Regions by Occupation (2 digit SOC 2010) weekly pay (excluding overtime)
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbyoccupation2digitsocashetable3 Accessed February 2022

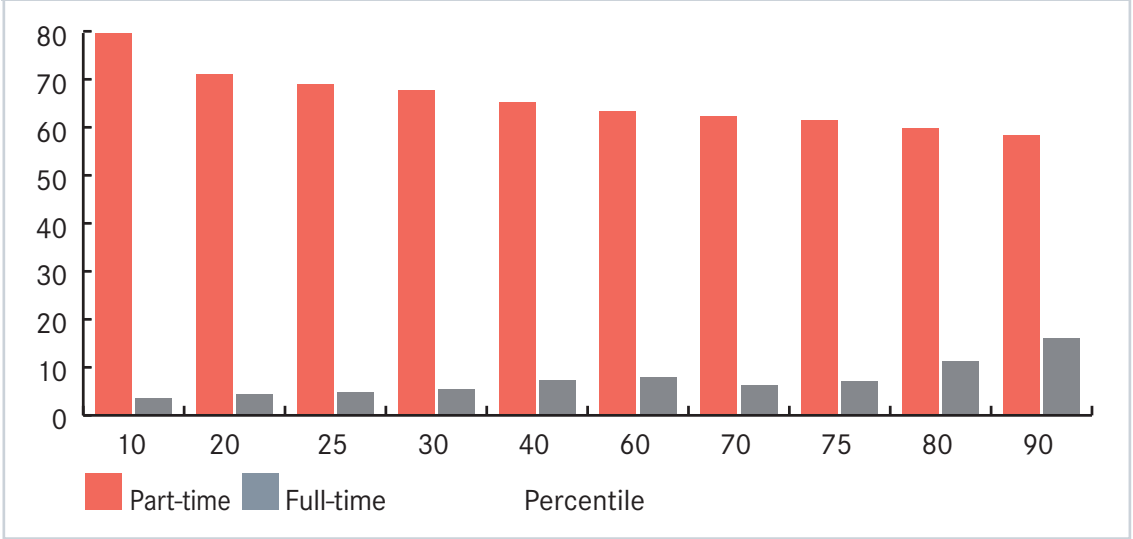
9. Pay gap by full-time and part-time work

When comparing the combined weekly pay gap with the full-time figures the limitations of excluding part-time workers are clear. The pay gaps across each of the occupational groups displayed figures significantly lower when only full-time workers were considered. Around three quarters of part-time workers are women and, in order to capture an accurate picture of the labour market, it is important to include part-time workers. The mean combined weekly pay gap (26.1 per cent) is more than double the full-time figure (10.5 per cent). Female-dominated occupations, which have high levels of part-time work, also have a narrower gap when only comparing full-time workers. The combined pay gap in sales and customer services (21.9 per cent) is over three times higher than the full-time figure (6.1 per cent).

When considering men's average full-time weekly earnings and women's average part-time weekly earnings the gaps increase significantly. For example, this varies according to occupation from weekly pay gap of 60.6 per cent for managers and senior officials to a gap of 51.8 per cent for care, leisure and other service occupations.[25]

The increase in the gender pay gap when viewing weekly earnings can also be better explained by viewing the differences in the distribution of earnings in both full- and part-time work. For example, Figure 4 shows that the full-time weekly pay gap for Scotland does have some variation across the percentiles, between 4 per cent and 16 per cent. The variance of part-time weekly pay gaps is wider, and ranges between 59 per cent for those on the highest earnings and 80 per cent for the lowest earners.

Figure 4: Weekly full-time and part-time percentile pay gaps, Scotland, 2021



Source: *ONS Provisional Results Annual Survey of Hours and Earnings 2021* Table 3.2A Regions by Occupation (2 digit SOC 2010) weekly pay (excluding overtime)
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbyoccupation2digitsocashetable3 Accessed February 2022

[25] *ONS Provisional Results Annual Survey of Hours and Earnings 2021* Table 3 Region by Occupation (2 digit SOC 2010) weekly pay (excluding overtime).
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbyoccupation2digitsocashetable3

10. Intersectionality and the pay gap

Disabled women, Black and minority ethnic (BME) women, lesbian and bisexual women, trans women, refugee women, young women and older women experience different, multiple barriers to participation in the labour market, and to progression within their occupation, which also contributes to the pay gap. 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.[26] Disabled, BME, and lesbian, bisexual and trans women are also more likely to report higher levels of discrimination, bullying and harassment.[27] For example, research by Close the Gap into the employment experiences of BME women in Scotland found that 72 per cent of survey respondents reported that they had experienced racism, discrimination, racial prejudice and/or bias in the workplace, and 42 per cent of respondents indicated that they had experienced bullying, harassment or victimisation in the workplace because they are a BME woman.[28]

BME women have also been disproportionately impacted by Covid-19 job disruption. BME women are more likely to work in a sector that has been shut down and are more likely to be in insecure work which puts them at increased risk of loss of hours and earnings. The economic and labour market impacts of Covid-19 therefore have the potential to further entrench labour market inequality for BME women who already face multiple barriers to good quality employment.[29]

There remains a lack of intersectional data pertaining to gender pay gaps to fully illustrate differences. Data relating to disability, gender and pay are only available at a UK-level. The most recent data (2020) shows that the pay gap for disabled women is nearly nine percentage points higher than the pay gap for women overall. The median pay gap for disabled women is 36 per cent when compared with non-disabled men and 13.6 per cent when compared with disabled men.[30]

There is also limited data relating to the ethnicity pay gap, which measures the difference in average hourly pay between different ethnic groups. The most recently available data is from the Labour Force Survey over the period of 2002-14. The data shows that there is a pay gap between women from all ethnic groups and white men. However, the pay landscape for women in the same period was more complex as there were clear differences in pay gaps across ethnic groups and migration status. The data therefore highlights that BME women cannot be treated as a homogenous group. British-born BME women experience pay advantages or smaller pay gaps than immigrants from the same ethnic group, except for Chinese and Indian women.

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[26] Close the Gap (2018) *The Gender Penalty: Exploring the Causes and Solutions to Scotland's Gender Pay Gap* https://www.closethegap.org.uk/content/resources/The-Gender-Penalty-Feb-2018.pdf
[27] Ibid.
[28] Close the Gap (2019) *Still Not Visible: Research on Black and minority ethnic women's experiences of employment in Scotland*
[29] Ibid.
[30] TUC (2020) *Disability Employment and Pay Gaps 2020* https://www.tuc.org.uk/sites/default/files/2020-11/Disabled%20workers%20note.pdf

The following pay gaps or pay advantages represent the difference in median wage per hour when compared to the median hourly wage of a white British woman in the UK:

- British-born Bangladeshi women experience a 0.9 per cent pay gap and this rises to 12.3 per cent for a Bangladeshi migrant woman.
- A British-born Black African has a 19.4 per cent pay advantage over a White British woman. However, no such advantage exists for Black African migrant women who experience a 6.1 per cent pay gap.
- A British-born Black Caribbean woman has a 15 per cent pay advantage while migrant women of the same ethnicity experience a 1.7 per cent pay gap.
- Both British-born and migrant Chinese women experience a pay advantage over a White British woman, at 26.5 per cent and 11 per cent respectively
- Indian women are the only other ethnic group to have a pay advantage over white women regardless of whether they are British-born (14.9 per cent) or migrant (5.4 per cent)
- Finally, the pay gap for a Pakistani woman is 5.8 per cent if they are British born and 7.9 per cent if they are a migrant.[31]

11. Pay gap by age

The published ASHE tables also allow for an analysis of pay, gender and age. At present, a regional analysis combining age, gender and pay is only publicly available at the UK level.

Table 5: Mean Hourly Pay (excluding overtime) (£) for male and female employees in the UK by age category 2021

Age category (all occupational groups)	Combined male average hourly pay	Combined female average hourly pay	% Pay Gap
All UK	£19.31	£16.43	14.9%
18- 21	£9.94	£10.13	-1.9%
22-29	£15.41	£14.13	8.3%
30-39	£19.26	£17.40	9.7%
40-49	£22.28	£18.14	18.6%
50-59	£21.03	£17.14	18.5%
60+	£18.18	£14.79	18.6%

Source: *ONS Provisional Results Annual Survey of Hours and Earnings 2021* Table 6.6a hourly pay (excluding overtime) by age
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/agegroupashetable6 Accessed February 2022

[31] EHRC Website *Ethnicity: what does the pay gap look like?*
https://www.equalityhumanrights.com/en/pay-gaps/ethnicity-what-does-pay-gap-look

Table 5 shows that there is a pay gap for all age categories, barring the 18-21 age group. The gender pay gap for the 18-21 age group has been on a downward trajectory since 2014, falling from 5.7 per cent in 2014 to 2.4 per cent in 2020. However, this is the first time the data has shown that average hourly earnings for young women aged 18-21 are higher than their male counterparts. While women aged 18-21 are paid 1.9 per cent more than their male counterparts, average hourly earnings for women aged 22-29 are 8.3 per cent lower than men in the same age group. Analysis by Scottish Government concludes that the sharp increase in the gender pay gap for those aged 22 and above is partly caused by subject choices typically made in senior phase; further and higher education; apprenticeships; and workplace practices which negatively impact women with caring responsibilities.[32]

It is also important to note that these changes are not visible within all measures of the gender pay gap. By contrast, women aged 18-21 continue to have lower weekly pay than their male counterparts with a weekly pay gap for this age group of 18.5 per cent.[33] In addition, the median pay gap for this age group is 1.7 per cent in favour of men.[34] It is unclear whether the negative mean hourly pay gap for 18-21 year olds, whereby women earn more than men, relates to a short-term labour market change or reflects an acceleration of the longer-term decline in the pay gap for this age group.

The gap is above average for those aged 40 and over. This is further illustrated in figure 5. The 'motherhood penalty'[35] contributes significantly to the increased pay gap. Women returning to the workplace after having children can find it increasingly difficult to reconcile caring responsibilities with work, and for many the only option is to find part-time work which is below their skill level. This work is usually found in female-dominated occupations, such as administration or retail, which are characterised by low pay. At the same time, there are fewer women working full-time and earning more in senior positions proportionately to

[32] Scottish Government (2021) *Young Person's Guarantee: Overview of the current evidence on the employment and education landscape for young people in Scotland* available at https://www.gov.scot/publications/young-persons-guarantee-overview-current-evidence-employment-education-landscape-young-people-scotland/documents/

[33] Source: ONS *Provisional Results Annual Survey of Hours and Earnings 2021* Table 6.2a weekly pay (excluding overtime) by age https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/agegroupashetable6

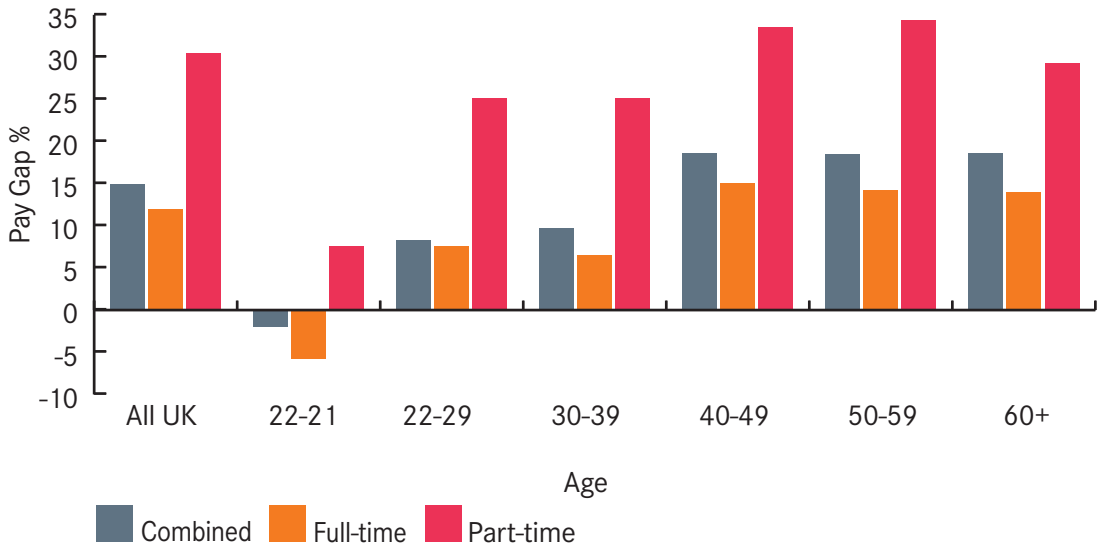
[34] ONS *Provisional Results Annual Survey of Hours and Earnings 2021* Table 6.6a hourly pay (excluding overtime) by age https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/agegroupashetable6

[35] 'Motherhood penalty' is a term used to describe the economic impact of taking time out of the labour market to look after children. For some women this results in extended periods of working part-time in often lower paid positions. The length of time which women work on a part-time basis, as well as the number of hours worked, are significant determinants of their levels of pay, their promotion prospects, and their income in retirement. At the same time, it reduces women's ability to build their human capital, and propensity to progress their careers. For example, women who have spent just one year in part-time work and then worked full-time, can still expect to earn up to 10 per cent less after 15 years than those who have worked full-time for all 15 years (Francesconi and Gosling, 2005).

the number of men earning higher rates of pay. ONS analysis has also highlighted that there is a lower incidence of women moving into higher-paid managerial occupations after the age of 39.

The 'motherhood penalty' also impacted women's experience of job disruption during the pandemic. Analysis by Close the Gap found that women's unemployment rose twice as fast as men's at the start of the first lockdown in Scotland (March to May 2020).[26] This sharp rise in women's unemployment may reflect the fact that many women had to leave work in order to care during initial school and nursery closures. The IFS also concludes that, when comparing men and women in similar roles, women in couples with children were 6 percentage points more likely than men to stop working positive hours in the Spring of 2020.[37] This again suggests that differences in the distribution of childcare responsibilities within mixed-sex couples may have affected female labour supply. This finding is consistent with wider research which consistently showed that increased childcare responsibilities during the pandemic were disproportionally borne by women in the UK.

Figure 5: Gender pay gap for mean hourly pay gap by age group



Source: ONS *Provisional Results Annual Survey of Hours and Earnings 2021* Table 6.6a hourly pay (excluding overtime) by age
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/agegroupashetable6 Accessed February 2022

[36] Close the Gap (2020) *One Year On: How Covid-19 is impacting women's employment in Scotland* available at https://www.closethegap.org.uk/content/resources/One-Year-On—How-COVID-19-is-impacting-womens-employment-in-Scotland.pdf

[37] IFS (2021) *A year of COVID: the evolution of labour market and financial inequalities through the crisis* available at https://ifs.org.uk/uploads/WP202139-A-year-of-COVID-the-evolution-of-labour-market-and-financial-inequalities-through-the-crisis-3.pdf

Demographic-specific surveys can reveal differences in pay for young women and men. Research by the Higher Education Statistics Agency found that, among 2018 graduates, only 16 per cent of women with a first degree earned more than £30,000 within 15 months compared with 28 per cent of men. In addition, 6 per cent of men earned more than £39,000 a year after graduation, compared with only 3 per cent of women. Overall, male graduates were paid 10 per cent more than female graduates.[38]

Data from the UK Government Department for Education, covering the financial year 2016-2017, also found that the gender pay gap starts from graduation. The research, based upon English data, shows that one year after graduating women were earning about £1600 less than their male counterparts, meaning male earnings were 8 per cent larger than female earnings. Five years after graduation, this rises to 15 per cent and reaches 31 per cent ten years after graduation.[39]

12. Public, third and private sector

Table 6 shows the gender pay gap in the public, third and private sectors in Scotland.

Table 6: Mean hourly pay by sector in Scotland

Sector	Combined men's average hourly earnings	Combined women's average hourly earnings	% pay gap	Full-time men's average hourly earnings	Full-time women's average hourly earnings	% pay gap	Part-time women's average hourly earnings	% pay gap
All Scotland	£18.40	£16.52	10.1%	£18.77	£17.55	6.6%	£13.72	26.9%
Public sector	£21.28	£18.61	12.5%	£21.54	£19.49	9.5%	£15.67	27.3%
Private sector	£17.19	£14.46	15.9%	£17.56	£15.54	11.5%	£11.85	32.5%
Non-profit body or mutual association (Third sector)	£18.62	£15.33	17.7%	£19.19	£15.89	17.2%	£14.18	26.1%

Source: ONS Annual Survey of Hours and Earnings
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbypublicandprivatesectorashetable25 Accessed February 2022

The combined and full-time pay gaps for the public, private and third sectors are above the national average. While the third sector full-time and combined figures are also above the national average, the part-time figure is below the overall Scottish figure. By contrast, all gender pay gap figures for the private sector and public sector across the combined, part-

[38] Higher Education Statistics Agency (2020) *Higher Education Graduate Outcomes Statistics: UK, 2017/8 - Summary*
[39] Graduate outcomes (LEO): *Employment and earnings outcomes of higher education graduates by subject studied and graduate characteristics in 2016/17* available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/790223/Main_text.pdf

time and full-time figures are above the national average. The third sector has the highest pay gap across the combined and full-time figures, while the private sector has the highest part-time pay gap. The full-time figure in the third sector is 10.6 percentage points higher than the national average, and the part-time figure in the private sector is 5.6 percentage points higher than average. Pay in the private and third sectors is also lower than pay in the public sector for both women and men in part-time or full-time work.

The ONS have concluded that comparative analysis of private and public sector earnings is complex at present because of the differing impact of the pandemic. Industries which operate predominantly in the private sector, such as hospitality, retail and construction, had higher rates of furlough which may impact the overall rate of pay in the private sector. By contrast, employees in the public sector were largely ineligible for furlough which will have meant that rates of pay in the public sector remained relatively constant during the pandemic.[40]

13. Global gender pay gap

The pay gap is a worldwide phenomenon and is symptomatic of the undervaluing of women's participation in social and economic spaces of production. The International Trade Union Congress, when analysing the global gender pay gap, have reported that the average gender pay gap stands at 20 per cent.[41]

Figure 6 illustrates the OECD's estimates of the median gender pay gap of its 34 member countries. The gap ranges from 0 per cent to over 32 per cent across the different countries, and the overall gender gap in earnings is 12.5 per cent. Within the latest data Luxembourg reports a negative gender pay gap, while Costa Rica and Columbia report no gender pay gap. This is most likely a reflection of the lower-than-average female participation rate within these labour markets.[42] For example, while the number of women in Luxembourg's workforce has risen in recent years, women remain under-represented. For every 100 employed people in Luxembourg, there are only 38 women and 62 men.[43] In addition, this data is limited as it compares only full-time employees, but in some cases, countries have submitted information about all employees who work over 15 hours per week. Where countries have only submitted data relating to full-time workers, their pay gap will be artificially reduced as a result of women accounting for the majority of part-time employees.

[40] ONS (2021) *The Gender Pay Gap in the UK: 2021* available at https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2021

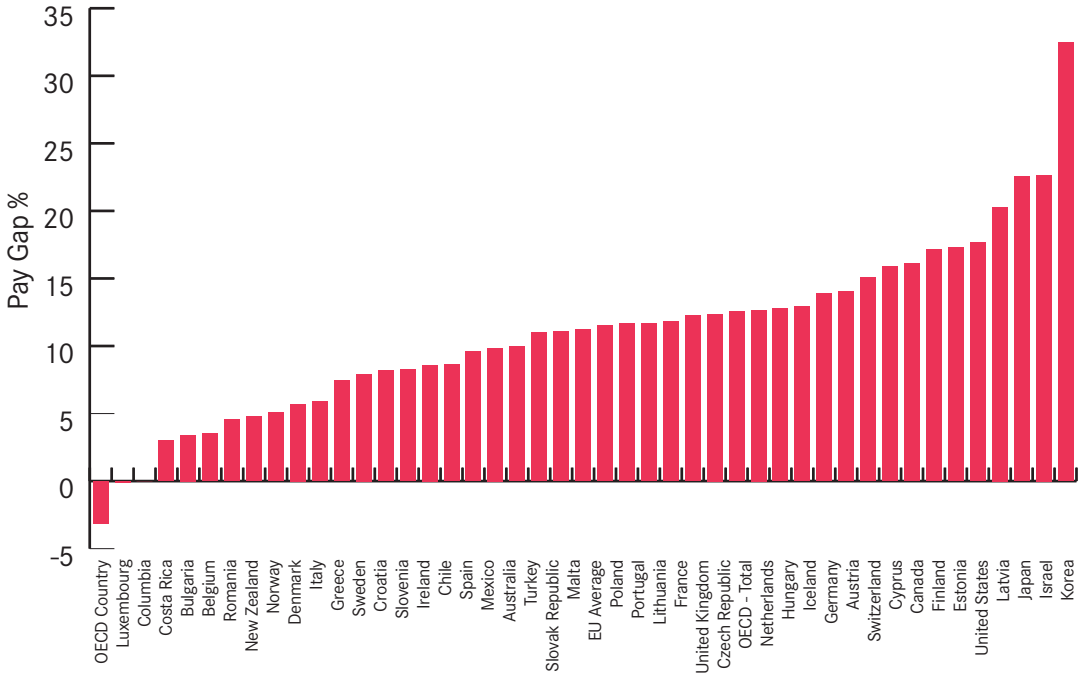
[41] ITUC (2019) *Closing the Gender Pay Gap: What role for Trade Unions?* Available at https://www.ilo.org/wcmsp5/groups/public/—ed_dialogue/—actrav/documents/publication/wcms_684189.pdf

[42] See OECD (2021) *Gender equality in Colombia* available at https://www.oecd-ilibrary.org/sites/99444453-en/index.html?itemId=/content/component/99444453-en

[43] The Borgen Project (2021) 'The gender pay gap in Luxembourg' available at https://borgenproject.org/gender-wage-gap-in-luxembourg-2/

The pay gap varies between countries, partly due to differences in data collection and analysis, and partly due to the nature of women's participation in local, formal labour markets.[44]

Figure 6: The gender pay gap in average earnings of full-time employees (median) across each of the OECD countries

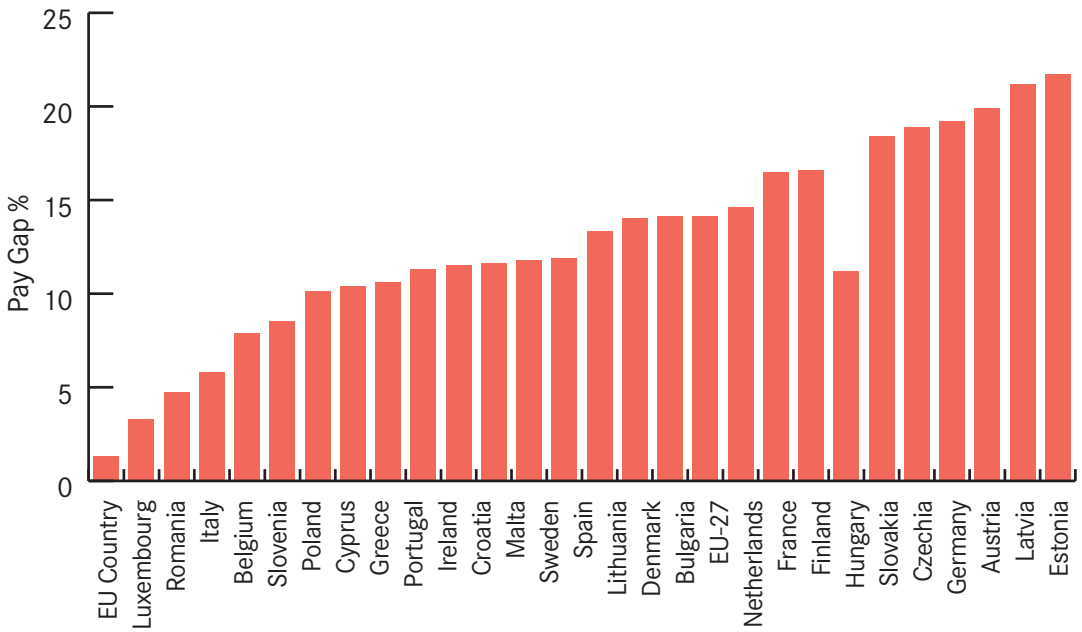


Source: OECD Employment Database 2021, https://data.oecd.org/earnwage/gender-wage-gap.htm Accessed February 2022

The European Commission publishes annual reports on the pay gaps in EU member states and uses the mean combined figure. However, these reports do not contain annual data for each member state. Similar to OECD figures, in the European Union the gap ranges vastly from as low as 1.3 per cent to over 21 per cent, with an average gap of 14.1 per cent (Figure 7). The European Commission highlights that the gap is "not an indicator of the overall inequality between women and men since it only concerns salaried people. The gender pay gap must be looked at in conjunction with other indicators linked to the labour market".[45] Countries such as Italy have a relatively low figure (4.7 per cent) however this is likely to be a reflection of the small proportion of women in its workforce.[46]

[44] OECD (2020) Employment Database available at https://data.oecd.org/earnwage/gender-wage-gap.htm
[45] European Commission (2014) *Gender Pay Gap in EU Countries based on SES (2014)* https://ec.europa.eu/info/sites/info/files/aid_development_cooperation_fundamental_rights/report-gender-pay-gap-eu-countries_october2018_en_0.pdf
[46] Ibid.

Figure 7: The mean overall gender pay gap in EU countries



Source: European Commission https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics Accessed February 2022

14. Discussion

The 2021 figures represent a very slight narrowing of Scotland's gender pay gap from 10.4 per cent to 10.1 per cent. While the full-time pay gap has also narrowed by less than 1 percentage point (0.9 per cent), the part-time pay gap has seen a more substantial decline of almost 3 percentage points. Women working full-time earn 6.6 per cent less than their male counterparts, while part-time women earn on average 26.9 per cent less than men working full-time. This illustrates the systemic undervaluation of 'women's work' which continues to be concentrated in low-paid, part-time jobs.

The gender pay gap has remained relatively stable over time. Data from 2015 to 2019 shows only a slight narrowing of the gender pay gap of around 1 percentage point. However, analysing data from 2019 to 2020 highlights that the gender pay gap has seen a more substantial decrease of over 3 percentage point for the combined and full-time figures. This is out of sync with the expected trajectory of the gender pay gap, and may highlight that changes in the gender pay gap across 2019 to 2020 reflected short-term labour market conditions rather than underlying pay trends.

Tackling the gender pay gap

The pay gap has a range of complex, inter-related causes which require a cohesive and strategic response. Although the causes of a gender pay gap, whether nationally or at sectoral or organisational levels, are context specific, there are commonalities across all

labour markets. Studies consistently identify that inflexible working practice, women's propensity to have caring roles, biased and non-transparent recruitment and progression practice, and pay discrimination contribute to women's divergent experiences of the labour market.[47]

Close the Gap welcomed the breadth of ambition set out in *A Fairer Scotland for Women*, Scotland's first gender pay gap action plan, published in 2019. We also welcomed the recent refresh of the plan's actions to ensure that action on the pay gap was reflective of the Covid context.[48] The plan commits to a range of actions, recognising that the causes of the pay gap reach far beyond the workplace, with change also necessary in early years settings, schools, colleges and universities, economic development, and procurement. Only bold action will substantively tackle the multiple causes of the pay gap and realise women's labour market equality. It is therefore critical that the ambition in the plan is realised, particularly given the possibility that the economic and labour implications of the pandemic could reverse gender equality gains.

Close the Gap's research, *The Gender Penalty*, found that occupational segregation is one of four main drivers of Scotland's gender pay gap. However, occupational segregation remains an intractable problem on which there has been very little progress. To date, efforts to reduce occupational segregation have been overwhelmingly focused on increasing the number of girls and women in STEM, with a heavy emphasis on supply-side initiatives. There has been no work to address the inherent undervaluation of women's work.[49]

Women's concentration in undervalued lower-paid jobs and sectors of the economy such as social care, administration, catering and retail remains a critical challenge. In addition, the nature of women's participation in the labour market has been characterised by the historical undervaluing of women's contribution to society and the economy. Covid-19 has further illuminated the undervaluation of women's work. Women account for 79 per cent of key workers in Scotland,[50] working in often low-paid and increasingly precarious jobs such care, childcare, nursing and retail. Indeed, research by the Women's Budget Group found that women account for 98 per cent of key workers earning "poverty wages"[51]. Although these workers are essential to a successful pandemic response, they remain undervalued, underpaid, and under-protected. In addition, despite over 50 years of the Equal Pay Act, pay and grading structures continue to reward stereotypically male roles, behaviour and characteristics.[52]

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[47] Close the Gap (2018) *The Gender Penalty: Exploring the Causes and Solutions to Scotland's Gender Pay Gap*
[48] Scottish Government (2020) *Protecting Scotland, Renewing Scotland: The Government's Programme for Scotland 2020-2021*
[49] Close the Gap (2018) *The Gender Penalty: Exploring the Causes and Solutions to Scotland's Gender Pay Gap*
[50] Close the Gap (2020) *One year on and little change: An assessment of Scottish employer gender pay gap reporting*
[51] Women's Budget Group (2020) 'It is women, especially low-paid, BAME & migrant women putting their lives on the line to deliver vital care' available at https://wbg.org.uk/blog/it-is-women-especially-low-paid-bame-migrant-women-putting-their-lives-on-the-line-to-deliver-vital-care
[52] Close the Gap (2020) '50 years on, what will it take to realise equal pay for equal work?' available at https://www.closethegap.org.uk/news/blog/50-years-on-what-will-it-take-to-realise-equal-pay-for-equal-work/

The lack of quality flexible working opportunities remains a key cause of the gender pay gap. The lack of flexibility sustains women's concentration in low-paid, low-skilled work and results in women's under-representation at management level and in senior grades. While there is a popular narrative that flexible working has become a workplace norm during the pandemic, there remain numerous barriers to flexibility. While there was an increase in access to remote working for some workers during the pandemic, data highlights that all other forms of flexible working declined during the crisis. In 2021, only 27 per cent of jobs in the Scottish labour market were advertised with flexible options.[53] It is therefore easy to overstate the impact of the pandemic in changing working practices and it cannot be presumed that employers have drastically changed their approach to flexible working. A recent TUC survey highlighted that 87 per cent of women want to work more flexibly in the future.[54] In Scotland and across the rest of the UK, we currently remain some distance from meeting that demand, necessitating both regulatory and cultural change.

The UK Government recently consulted on making flexible working the default. Close the Gap's response to this consultation recommended a number of changes to the regulatory framework including making flexible working a day one right, changes to the business reasons for declining flexible working requests and enabling employees to make unlimited requests.[55] In addition to changes to the regulatory framework, Close the Gap also highlighted the need to facilitate a wider cultural shift in the way employers think about and promote flexible working. Recent research conducted in Scotland found that 52 per cent of employers think flexible working creates more work for line managers, and 30 per cent felt that those working flexibly are less committed to their career.[56] Building a labour market that is characterised by high-quality flexible jobs is essential to realising women's labour market equality in the aftermath of the pandemic.

Gender-sensitive, sex-disaggregated data

Gender-sensitive sex-disaggregated data is data that is broken down by sex, so that it is possible to compare and contrast differences between women and men. However, it is not merely about counting women and men, but also about utilising statistics and other information that adequately reflect gendered differences and inequalities in the situation of women and men.[57]

In the context of women's employment, gender-sensitive sex-disaggregated data would not only present women's employment rate but also utilise data that reflects why women's experiences of employment are different from men's including, for example, women's

[53] Timewise (2022) *The Timewise Scottish Flexible Jobs Index 2021* available at https://timewise.co.uk/wp-content/uploads/2022/02/Timewise-Scotland-Flexible-Jobs-Index-2021.pdf
[54] TUC (2021) *The Future of Flexible Work*
[55] Close the Gap (2021) *Close the Gap response to the UK Government's consultation on making flexible working the default*
[56] Flexibility Works (2020) *Flex for Life*
[57] 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

greater responsibility for unpaid care. Gender-sensitive analysis and use of evidence must consider the gendered differences in women's and men's lives.

Gender-disaggregated data is necessary for policymakers, employers and other stakeholders to understand and challenge gender inequality.[58] The cross-cutting and complex issues relating to the nature of women's and men's access to education and training and their participation in the labour market can only be understood if the information provided is disaggregated according to gender, otherwise new and existing policies and practices will continue to perpetuate gender inequality. The publication of the Scottish Government's Gender Equality Index in December 2020 is an important starting point, and provides a centralised hub of gender-sensitive sex-disaggregated data. However, the process of developing the Gender Equality Index also highlighted many of the critical data gaps that continue to exist, including long-standing intersectional data gaps around the experiences of different groups of women. It is vital that policymakers and service designers utilise this resource and design data gathering systems that build upon this work in order to address data gaps that the Index has exposed.

Covid-19 has further illuminated the challenges in accessing good quality gender-sensitive, sex-disaggregated labour market data. Intersectional labour market data also remains almost entirely non-existent. In particular, there is no intersectional data relating to furlough, unemployment rates, or occupational segregation. The lack of data makes it extremely difficult to achieve a granular understanding of the impact of Covid-19 on different groups of women, and the effect on women's and men's labour market participation. UK Government data relating to the Job Retention Scheme contains minimal gendered data, and Scottish Government data on job disruption does not contain sufficient data on the gendered experiences of Covid-19 and work. Moreover, the analysis which accompanied these data releases was not gendered. This creates additional challenges in interpreting the data, but also serves to highlight the continued lack of gender analysis in labour market policymaking.

Gender pay gap reporting regulations

In April 2018, large private and third sector organisations were required to report their gender pay gap information for the first time. The Equality Act 2010 (*Gender Pay Gap Information) Regulations 2017* requires private and third sector employers with 250 or more employees to report a range of information including mean and median gender pay gap figures, gender gap in bonus earnings, the proportion of men and women receiving bonuses, and the proportion of men and women in each pay quartile. This pay transparency measure is a welcome start, however Close the Gap's assessment[59] of employer reporting in 2021 reveals that the pay gap remains an intractable problem, with no end in sight.

[58] Close the Gap (2021) *Response to the UK Statistics Authority Inclusive Data Consultation* available at https://www.closethegap.org.uk/content/resources/Close-the-Gap-reponse-to-the-UK-Statistics-Authority-Inclusive-Data-Consultation—March-2021.pdf

[59] Close the Gap (2022) *(forthcoming) An assessment of employer gender pay gap reporting*

Just over a third (34%) of employers published actions they will take to close the gender pay gap, the majority of which unlikely to result in positive change. There was an increase in employers publishing narratives to explain the causes of the gender pay gap, with 56% of employers publishing narratives in 2020. However, the vast majority of these narratives provided poor or inaccurate analysis. Only 13% published targets and less than one-fifth (17%) of employers published evidence of action taken since the last reporting deadline. Overall, these findings reaffirm Close the Gap's concerns about the limitations of the gender pay gap regulations. While pay transparency measures are an important first step in addressing the systemic inequality women face at work, the fundamental weakness is that employers are not required to take action that will close their pay gap. The lack of action also aligns with research published by both Close the Gap and the Government Equalities Office on employer action on gender equality which shows that employers are unlikely to voluntarily take action on the causes of the pay gap.[60]

In 2020, the UK Government suspended gender pay gap reporting in response to Covid-19. This was unnecessary, as pay gap reporting itself was unlikely to have a significant impact on large employers' ability to operate. Indeed, much of the work to report was likely to have been in progress, as evidenced by the fact over 5000 employers had reported on their gender pay gap in April 2020.[61] Moreover, in 2021, employers were given a six-month extension to report their data. These decisions represent a clear deprioritisation of women's labour market equality by the UK Government, sending a message to employers that gender equality does not matter in periods of economic crisis.

Issues remain around employer complacency and a continued lack of gender mainstreaming in labour market policymaking. The deprioritisation of equalities work by employers, public bodies, Scottish Government and UK Government during periods of economic crisis is likely to further reinforce that complacency. Without a gendered response to Covid-19 labour market disruption and economic recovery, a key impact of the crisis will be the exacerbation of women's pre-existing inequality in the labour market with medium- and long-term impacts for the gender pay gap.

[60] See Close the Gap (2013) *Missing out on the benefits and IFF Research (2015) Company Reporting: Gender pay data,* Government Equalities Office

[61] 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/