



Joint response to the Scottish Parliament Economy, Jobs and Fair Work Committee inquiry report into the gender pay gap

Gender equality organisations Close the Gap, Engender, Equate Scotland, Scottish Women's Aid and Zero Tolerance welcome the report of the Scottish Parliament Economy, Jobs and Fair Work Committee inquiry into the gender pay gap. The report, *No Small Change: The economic potential of closing the pay gap*¹, represents a step-change in responses to the pay gap, and reinforces the economic imperative of addressing the causes of women's labour market inequality.

The committee makes 45 recommendations, a number of which are refreshingly bold, to Scottish Government, its agencies, and employers. That the Committee undertook the inquiry is progress itself as the pay gap has historically been perceived to be the purview of equality bodies. However, the economic case for women's equality is increasingly gaining global traction. In 2016, Close the Gap published research which found that equalising men's and women's employment could be worth £17bn to Scotland's economy².

The gender pay gap is a key cause of women's economic inequality which reduces women's financial independence, and restricts their choices in employment, and in life. The link between women's economic inequality, and violence against women is explicitly acknowledged in *Equally Safe*, Scotland's violence against women strategy, and this analysis underpins the strategy's primary prevention approach.

Priorities for action

Expert women's organisations are collectively calling for action on the following recommendations as priorities.

1. Scottish Government should develop a national strategy to address the gender pay gap, including an action plan and measurable targets.
2. Scottish Government should prioritise care as a key sector, as a first step towards addressing the undervaluation of care work in Scotland.

¹ Scottish Parliament Economy, Jobs, and Fair Work Committee (2017) *No Small Change: The economic potential of closing the gender pay gap*

² Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

3. Scottish Government, in consultation with gender advisers, should redesign the gender element of the Scottish Business Pledge so that businesses are fully aware of what is required of them.
4. Enterprise agencies should require all account managed companies to have or produce gender pay gap reports and action plans.
5. Businesses that receive significant support from the enterprise agencies, such as Regional Selective Assistance grants, should be asked to have or produce gender pay gap reports and action plans for their Scottish operations.
6. Enterprise agencies should include a question on the gender pay gap to the Regional Selective Assistance application form, as is currently done for the *Invest in Youth* policy.
7. Scottish Government should clearly set out what is expected of the enterprise agencies around addressing the pay gap, and monitors their performance in this area.
8. Scottish Government should require the enterprise agencies to report on the work they are doing with account managed companies to reduce the gender pay gap, and this activity and progress should be reported through the agencies' annual reports and fed into the National Performance Framework indicator on reducing the pay gap.
9. Scottish Government should develop a suite of indicators to measure the underlying causes of the pay gap, and change the way it measures and reports on the pay gap in the National Performance Framework to take into account part-time workers, the majority of whom are women.
10. Employers should carry out an equal pay review to ensure that their pay and grading systems do not discriminate on the grounds of sex.
11. Scottish Government should consider amending procurement regulations to require bidders to calculate and submit pay gaps using the formula in the new pay gap reporting regulations.
12. Scottish Parliament Education and Skills Committee should consider occupational segregation in their future work.

Further information

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Close the Gap is a policy and advocacy organisation working in Scotland on women's labour market participation. www.closethegap.org.uk

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