

# The Gender Pay Gap Manifesto

## Realising fair work for women in Scotland

Close the Gap's policy recommendations  
for the Scottish Parliament Election 2021





## Close the Gap's key policy calls for the 2021 Scottish Parliament elections are:

1. Ensure that the pre-existing legal obligation to do gender mainstreaming is realised within policymaking.
2. In line with the obligations placed on the Scottish National Investment Bank, public bodies should be required to produce a gender equality strategy and conduct regular equal pay reviews.
3. Deliver on the commitment to review the public sector equality duty, and ensure the outcome is an effective duty that will advance women's equality at work.
4. Develop an action plan to address the gender gaps in data used to develop and evaluate skills policy.
5. Support the employer accreditation programme Equally Safe at Work through continued funding.
6. Designate childcare a key growth sector, along with social care, to recognise care as vital infrastructure.
7. Ensure action to address the undervaluation of "women's work", including in adult social care and childcare, is core to labour market and economic recovery policymaking in response to COVID-19.
8. Deliver a further extended funded childcare entitlement equivalent to 50 hours a week to enable women to work full-time.

9. Develop a strategic mechanism for building capacity on gender stereotyping and occupational segregation in the early learning and childcare workforce.
10. Ensure the national funding model enables private and third sector early learning and childcare providers in partner settings to pay the Living Wage to all staff, with a more ambitious target around pay to be set thereafter.
11. Include addressing gender stereotyping and occupational segregation in the framework content for the graduate apprenticeship in early learning and childcare.
12. Ensure Scotland's policy responses to automation are gendered, challenging occupational segregation, and women's wider inequality at work.
13. Recognising the link between women's poverty and child poverty, prioritise substantive action to tackle women's low pay in addressing child poverty.
14. Create an occupational segregation commission to drive public bodies' action to tackle occupational segregation.



## Introduction

This manifesto sets out measures that can be taken over the next parliamentary term to address the gender pay gap in Scotland. The 2021 Scottish Parliament elections present an opportunity for political parties to show leadership on gender equality and take the bold action that is needed to realise fair work for women.

Action on women's labour market inequality has been rendered even more pivotal by the ongoing COVID-19 crisis. The social, economic and labour market impacts of COVID-19 have the potential to reverse gender equality gains and to undermine Scottish Government ambitions to advance women's equality. It is often repeated that as employment law is not devolved to Scotland, it is not possible for the Scottish Parliament to address the causes of Scotland's gender pay gap. This is untrue. Most of the causes of the gender pay gap are not unlawful, and are therefore outside of the scope of employment law. In fact, closing the gender pay gap requires action in a number of key policy areas such as education, skills, early learning and childcare (ELC), and economic development.

Close the Gap welcomed the breadth of ambition set out in A Fairer Scotland for Women<sup>1</sup>, Scotland's first gender pay gap action plan, published in 2019, which recognises that the causes of the pay gap reach far beyond the workplace. We also welcomed the recent commitment to review the plan's actions to ensure they are fit for purpose in the context of economic recovery.<sup>2</sup> A Fairer Scotland for Women is a solid starting point, but we believe that we can, and should, go even further. In contrast to the gender pay gap action plan, this manifesto focuses only on those policies over which the Scottish Parliament has power to enact change now.

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<sup>1</sup> Scottish Government (2019) *A Fairer Scotland for Women: Gender Pay Gap Action Plan*

<sup>2</sup> Scottish Government (2020) *Protecting Scotland, Renewing Scotland: The Government's Programme for Scotland 2020-2021*

Women’s labour market participation has been adversely impacted by COVID-19 job disruption. Women are more likely to work in a shutdown sector, such as hospitality and retail; women’s poverty rates, and subsequently child poverty rates, will rise as a result of low-paid women being particularly affected by job disruption; women are bearing the brunt of the increase in childcare and care for adults in the home, making it difficult to do paid work; and women are more likely to lose their jobs over the course of the recession.<sup>3</sup>

As women and men had different levels of economic wellbeing before COVID-19, that have been deepened by the crisis, the principle of equality and non-discrimination must be core to the economic recovery.<sup>4</sup> Scottish Government must not implement a recovery plan that merely facilitates a return to the status quo, cementing women’s labour market and economic inequality. Instead, Scotland’s economic recovery should focus on rebuilding and transforming the economy to realise women’s equality in the labour market, and in wider society.

COVID-19 has resulted in a rapid, and unprecedented shift in Scotland’s labour market. In this economic climate, we acknowledge the difficult context of budgetary restraints and conflicting priorities. However, it is vital that gender equality is integral to the work of economic recovery and that building back better means building a labour market and economy that works for women.<sup>5</sup> Many of the policy asks contained within this manifesto are low-cost, cost-effective interventions, enabling Scotland to move towards an economy that works for everyone and promotes the effective utilisation of women’s skills. These policies therefore have a strong return on investment.<sup>6</sup> Prioritising action on gender equality during times of economic recession makes strong economic sense. Equality is good for growth, while the converse is not necessarily true.<sup>7</sup>

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<sup>3</sup> Close the Gap (2020) *Disproportionate Disruption: The impact of COVID-19 on women’s labour market equality*

<sup>4</sup> Close the Gap and Engender (2020) *Gender and Economic Recovery*

<sup>5</sup> Ibid

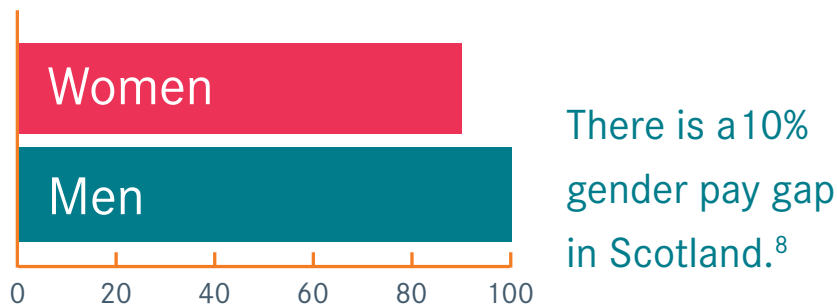
<sup>6</sup> Close the Gap (2016) *Gender Equality Pays*

<sup>7</sup> Close the Gap and Engender (2020) *Gender and Inclusive Growth: Making inclusive growth work for women in Scotland*



## What is the gender pay gap?

The gender pay gap, the key indicator of women’s labour market inequality, 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 caused by a range of factors. These include:

- occupational segregation, which is the clustering of women and men into different types of work (horizontal segregation) and different levels of work (vertical segregation, often known as “the glass ceiling”);
- a lack of quality part-time and flexible working;
- the economic undervaluation of stereotypically “female” work such as care, retail, admin and cleaning;
- women’s disproportionate responsibility for unpaid care;
- biased and untransparent recruitment, development and progression practices;
- male-oriented workplace cultures; and
- discrimination in pay and grading systems.

<sup>8</sup> Close the Gap (2021) *Working paper 22: Gender Pay Gap Statistics*

Women comprise the majority of low paid workers in Scotland and the gender pay gap is a key factor in women's higher levels of poverty. Women are more likely to be in poverty than men; are more likely to experience in-work poverty; find it harder to escape poverty and are more likely to experience persistent poverty than men. These trends have been exacerbated by the economic and labour market impacts of COVID-19.<sup>9</sup> Tackling women's inequality at work is therefore a critical aspect of tackling women's poverty, and child poverty.

70% of unpaid care in Scotland is provided by women.<sup>10</sup>

Disabled women, Black and minority ethnic (BME) women, lesbian, bisexual and trans women and refugee women experience different, multiple barriers to participation in the labour market, and to progression within their occupation, which also contributes to the pay gap. Evidence has highlighted that COVID-19 will further entrench labour market inequality for particular groups of women, with job disruption having a disproportionate impact on BME women and young

women.<sup>11</sup> This is why it is necessary to take an intersectional approach to work on the gender pay gap. For example, across the labour market, disabled women and some groups of BME women are more likely to be under-employed in terms of skills, to report higher levels of discrimination, bullying and harassment,<sup>12</sup> and experience higher pay gaps.<sup>13</sup> However, there is a lack of intersectional data pertaining to gender pay gaps to fully illustrate these differences. The calls we make in this manifesto are therefore from an intersectional perspective, which means that we recognise that women are not a homogenous group and that policymaking must ensure change for all groups of women.

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<sup>9</sup> Close the Gap (2020) 'Women, work and COVID-19: the stark implications for women's poverty' available at [https://www.closesthegap.org.uk/news/blog/women-work-and-covid-19-the-stark-implications-for-womens-poverty-/](https://www.closesthegap.org.uk/news/blog/women-work-and-covid-19-the-stark-implications-for-womens-poverty/)

<sup>10</sup> Engender (2015) *A Widening Gap: Women and Welfare Reform*

<sup>11</sup> Close the Gap (2020) *Disproportionate Disruption: The impact of COVID-19 on women's labour market equality*

<sup>12</sup> Close the Gap (2018) *The Gender Penalty: Exploring the Causes and Solutions to Scotland's Gender Pay Gap*

<sup>13</sup> Ibid





72% of Black and minority ethnic women have experienced racism, discrimination, racial prejudice and/or bias in the workplace.<sup>14</sup>

The focus on the gender pay gap has never been sharper, yet we are still very far from meaningful progress on the inter-related barriers women face in entering and progressing in employment and we have not yet realised fair work for women. Across the political parties, there was a lack of specific policies relating to the gender pay gap in the manifestos for the 2016 Scottish Parliament election, and the manifestos contained very few policy commitments on gender equality. We think it is time for cross-party support for closing the gender pay gap in Scotland.

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<sup>14</sup> Close the Gap (2019) *Still Not Visible: Research on Black and minority ethnic women's experience of employment in Scotland*



## Our calls

### 1. Ensure that the pre-existing legal obligation to do gender mainstreaming is realised within policymaking.

This overarching call relates to the process of policymaking. Gender mainstreaming is a strategy to proactively embed gender analysis in all policy and legislative development. This gives gender concerns prominence throughout policymaking and facilitates policy coherence across the work of government departments. However, this is not yet visible in the work of the Scottish Government or the Scottish Parliament, and we continue to see gender-blind policymaking that fails to take account of men's and women's differing needs and experiences.

Close the Gap is concerned about the quality of equality impact assessments (EqIAs) being developed during COVID-19, with a number of EqIAs deviating from the stated methodology and use of post-hoc EqIAs increasingly common. In addition, Scottish Government assessments of the economic and labour market impacts of the pandemic have not incorporated sufficient gender analysis, rendering women's specific experiences invisible, with intersectional gender analysis almost entirely lacking. There is a significant risk that this trajectory continues, leading to gender equality being deprioritised and considered secondary to what is perceived to be the more urgent work of business recovery and planning. Gender equality and economic recovery must be viewed as intrinsically inter-related, with gender mainstreaming approaches integrated across all policymaking in response to the crisis.<sup>15</sup>

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<sup>15</sup> Emily Thomson (2020) *Gender & Inclusive Growth: Inclusive Growth and its potential to improve gender equality*, Close the Gap and Engender

Under the public sector equality duty, public bodies are already legally obliged to mainstream equality in the delivery of their functions. This means detailing how gender equality has been made integral to their functions and day-to-day work. However, Close the Gap's analyses of compliance with duty has found that few public bodies provided practical examples of mainstreaming in action.<sup>16</sup>

Gender mainstreaming requires political will and commitment, which has so far been lacking. **We're are calling for a commitment to ensure that public bodies meet their legal obligation to mainstream gender equality in policymaking.** This includes policy development, research, advocacy, legislation, resource allocation, and the planning, implementation and monitoring of programmes and projects. A key aspect of this work should be a drive across all Government departments, delivery agencies and other public bodies to produce more robust equality impact assessments at the start of the policymaking process.

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<sup>16</sup>Close the Gap (2015) *Making Progress? An assessment of public sector employers' compliance with the public sector equality duty*

## 2. In line with the obligations placed on the Scottish National Investment Bank, public bodies should be required to produce a gender equality strategy and conduct regular equal pay reviews.

The legislation to create the Scottish National Investment Bank (SNIB) was passed in January 2020. This commits the Bank to publishing, reviewing and reporting against a gender equality strategy. The legislation also requires the Bank to carry out periodic equal pay reviews. The SNIB legislation is an example of gender competent legislation, which ensures that the institution will proactively consider gender equality in all of its operations and that gender equality will be mainstreamed in the Bank's work from the start. This has the potential to positively impact women's experiences of working within the Bank, the gender pay gap, and women's wider social and economic inequality. This sets an important precedent. The legislation should be used as a model for future legislative processes and also provides a template to drive the work of existing public bodies on gender equality. Moreover, this approach supports public bodies to meet their pre-existing legal obligations as required by the public sector equality duty.

**We are calling for a commitment to extend this model to existing public bodies, and ensure that the requirement to produce and report on a gender equality strategy features in all Bills pertaining to the establishment of new public bodies.** All existing public bodies, including the enterprise and skills agencies, should be required to publish a gender equality strategy, both for their employment and service delivery functions, and report on their progress towards delivery. Public bodies should also be required to carry out regular equal pay reviews. This could be achieved through placing such obligations into letters of guidance.

### 3. Deliver on the commitment to review the public sector equality duty, and ensure the outcome is an effective duty that will advance women's equality at work.

The public sector equality duty (PSED) places specific requirements on listed Scottish public bodies to take action to advance women's equality at work. Under PSED, listed bodies are required to mainstream equality in all of their functions; do equality impact assessment; gather, analyse and use employee data disaggregated by gender and other protected characteristics; develop equality outcomes, and report on progress to deliver these; publish their gender pay gap; and publish an equal pay statement, including occupational segregation information. PSED is an important lever to address women's inequality as both service users and employees. Women account for two-thirds of public sector workers in Scotland, and are also significantly more likely to rely on public services than men, primarily as a result of their propensity to be primary carers. However, in practice, PSED has not resulted in the transformational change that was intended.

Evidence shows that the specific duties on gender and employment are not tackling the causes of the gender pay gap, and instead the lack of targeted action by employers is entrenching women's workplace inequality in the public sector. In 2017, Close the Gap conducted our third biennial assessment of public bodies' compliance with PSED.<sup>17</sup> Over the three assessments, there has been a steady decline in performance, and an overall regression since the Gender Equality Duty, the predecessor to PSED. For example, in 2017, almost a fifth (18%) of public bodies did not publish their pay gap information and almost nine in ten (86%) of published equal pay statements were assessed as being poor quality. There is also very little evidence of public bodies mainstreaming gender in their work and our assessment points to a poor understanding of gender mainstreaming more broadly and a lack of capacity on gender equality in public bodies. Issues remain around a lack of leadership on the duty and the absence of strong accountability mechanisms reinforces

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<sup>17</sup>Close the Gap (2017) *Assessment of public sector employers' compliance with the public sector equality duty*

poor compliance. In general, there has been an increasing homogenisation of equalities work, with less gender-specific activity, and little recognition that the causes of the inequality experienced by women and other protected groups are different, as are the solutions.



87% of listed public bodies made poor or no use of gender-disaggregated employee data.<sup>18</sup>

Our concerns about the impact of the duty are echoed by other national equality organisations in Scotland.<sup>19</sup> Analysis of employer reporting under the duty by the Coalition for Racial Equality and Rights (CRER)<sup>20</sup>, and the Equality and Human Rights Commission<sup>21</sup> has concluded that there is very limited evidence of change for women and other protected groups. For example, CRER have highlighted that public bodies admit within their reported information that BME individuals are under-represented in their workforce without undertaking any action to change this.<sup>22</sup>

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<sup>18</sup> Close the Gap (2017) *Assessment of public sector employers' compliance with the public sector equality duty*

<sup>19</sup> Equality Sector (2017) *The Socio-Economic Duty: A Consultation Equality Sector Response* available at <https://www.closesthegap.org.uk/content/resources/Socioeconomic-duty-consultation-equality-sectorresponse-September-2017.pdf>

<sup>20</sup> Coalition for Race Equality and Rights (2018) *Equality and Human Rights Commission Research Report - Effectiveness of the PSED Specific Duties in Scotland*

<sup>21</sup> EHRC (2017) *Public authorities' performance in meeting the Scottish Specific Equality Duties 2017: Measuring Up?*

<sup>22</sup> CRER (2017) *Removing Barriers: Race, Ethnicity, and Employment - Scoping Exercise*

The Scottish Government's commitment, originally made in 2017, to review the specific duties is therefore vitally important in addressing a lack of prioritisation afforded to gender equality and the absence of intersectional action by listed public bodies. It is critical that the review of the duty is not further deprioritised as a result of competing pressures in the COVID-19 context. Women, BME people and disabled people have been particularly impacted by the ongoing crisis which has rendered it even more vital that public bodies prioritise equality across all of their functions in responding to the crisis. So far, there is little evidence of this happening.

**We are calling for the Scottish Government to deliver on the commitment to review the public sector equality duty, ensuring that the outcome is an effective duty that will advance women's equality at work.** The outcome of the review should address public bodies' capacity on equality and gender mainstreaming; the lack of leadership on the duty; and establish improved accountability and enforcement mechanisms. This review should be a two-stage process. Firstly, evidence should be gathered from equality organisations on the performance of PSED, with this evidence forming the basis of the public consultation on reform of the duties.

## 4. Develop an action plan to address the gender gaps in data used to develop and evaluate skills policy.

The lack of gender-sensitive sex-disaggregated data used to develop skills planning policy was highlighted in A Fairer Scotland for Women and improving the range of gender disaggregated data used in skills policy has been a long-term ask of Close the Gap. The existence of these data gaps is well-established and acknowledged, yet there has been very little meaningful action taken to address the problem. For example, Skills Development Scotland’s recently refreshed Data Matrix<sup>23</sup>, used to shape Regional Skills Assessments (RSAs), contains only one reference to gender-disaggregated data and there is no intersectional gender-disaggregated data within the matrix. This is concerning as RSAs are used to provide a “coherent evidence base to inform future investment in skills”.<sup>24</sup>

Women are more likely to lose their job in the recession, and women’s labour market participation has been disproportionately impacted by COVID-19, making gender competent upskilling, reskilling and employability initiatives particularly important. State-funded employability and skills programmes will be the main lever for supporting women to re-enter the labour market as employers are less likely prioritise training and development, particularly non-essential training, during periods of recession. The lack of gender-sensitive sex-disaggregated data used in shaping skills interventions contributes to the creation of generic programmes which replicate gendered patterns of skills acquisition and employment, ultimately entrenching occupational segregation and widening the gender pay gap.<sup>25</sup>

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<sup>23</sup> Skills Development Scotland Data Matrix available at <https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/#data-matrix>

<sup>24</sup> Skills Development Scotland website ‘Regional Skills Assessments’ available at <https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/>

<sup>25</sup> Engender (2016) *Unblocking the pipeline: Gender and employability in Scotland*



Gender-sensitive sex-disaggregated data is essential to understanding women's experiences of skills and training and is also a critical component of gender-sensitive policymaking that takes account of the needs of different groups of women. Occupational segregation is correlated with sectoral skills shortages,<sup>26</sup> and if women's skills are to be effectively utilised, skills policy must be informed by gender-sensitive sex-disaggregated data.

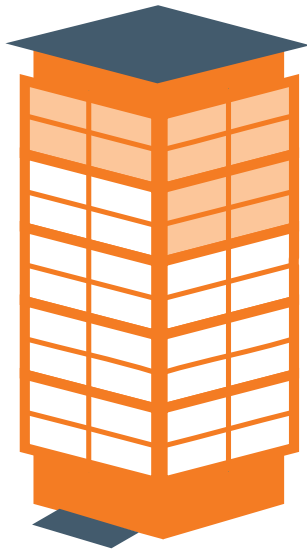
**We are calling for a commitment to develop a publicly available action plan to address these data gaps.** The plan should apply to the Scottish Government, the enterprise and skills agencies and the Strategic Board. These bodies should be required to report on progress on implementation, and the action plan should be periodically reviewed and updated.

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<sup>26</sup> Women in Scotland's Economy research centre (2013) *How Modern is the Modern Apprenticeship in Scotland?*

## 5. Support the employer accreditation programme Equally Safe at Work through continued funding.

Close the Gap has developed an innovative and world leading employer accreditation programme, Equally Safe at Work (ESAW).<sup>27</sup> The programme was piloted from January 2019 to January 2020 with seven local councils comprising the Shetland Islands, Highland, Aberdeen City, Perth and Kinross, Midlothian, North Lanarkshire and South Lanarkshire.



Over 70% of women reported having experienced or witnessed sexual harassment in the workplace in Scotland.<sup>28</sup>

The programme supports councils to improve their employment practice by addressing the barriers that women face at work, and highlights that employers have a key role to play in supporting victim-survivors and preventing violence against women (VAW). All early adopter councils have made important progress towards meeting the criteria for accreditation including developing VAW policies; gathering baseline data on staff

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<sup>27</sup> Equally Safe at Work supports implementation of Equally Safe, Scotland's strategy for eradicating violence against women and girls, which crucially recognises that addressing women's labour inequality is a necessary step towards ending violence against women and girls. For more see <https://www.equallysafeatwork.scot/>

<sup>28</sup> Zero Tolerance (2017) *Sexism is a waste....': the need to tackle violence and misogyny in Scotland's workplaces*

experiences of VAW; improving flexible working policies; introducing special leave for victim-survivors of domestic abuse; and the development of initiatives to target occupational segregation, such as improving the representation of men in childcare. ESAW has proven to be an important lever in enabling councils to take substantive action on gender equality.

**We are asking for a commitment to support Equally Safe at Work through continued funding, enabling all of Scotland's local authorities to work towards accreditation.**

This would be a step towards a longer-term aim of rolling-out the accreditation programme across the public sector in Scotland.

## 6. Designate childcare a key growth sector, along with social care, to recognise care as vital infrastructure.

Determining which economic sectors will be a focus for development, investment, and growth in Scotland has the potential to widen or narrow the gender pay gap. At present, the sectors identified as key growth sectors in Scotland's Economic Strategy are predominantly male-dominated, such as financial and business services, energy, and life sciences. This policy focus is very likely to widen the gender pay gap, as investment has not yet incorporated significant and substantive efforts to militate against occupational segregation. Ultimately, this means that men, and "men's jobs" disproportionately benefit from Scottish Government-driven investment and development.

The ongoing COVID-19 crisis has highlighted the importance of childcare and social care infrastructure to women's ability to sustain employment, and to the wider economy. The closure of schools and nurseries exacerbated pre-existing gendered patterns of caring responsibilities. In addition, the reduction of social care packages during the crisis has made it more difficult to access care, displacing responsibility for care onto female family members.<sup>29</sup>



70% of unpaid carers are taking on more care as a result of the COVID-19 crisis.<sup>30</sup>

As highlighted in *Gender and Economic Recovery*, jointly published by Close the Gap and Engender, childcare and social care is critical infrastructure which enables women's labour market participation, and is a necessary step in realising women's wider economic equality.<sup>31</sup> However, mainstream economics frames spending on caring professions as

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<sup>29</sup> Engender (2020) *Gender and Unpaid Work: The Impact of COVID-19 on Women's caring roles*

<sup>30</sup> Carers UK (2020) *Carers Week 2020 Research Report*

<sup>31</sup> Close the Gap and Engender (2020) *Gender and Economic Recovery*

current consumption, as opposed to capital investment, while unpaid care is not included at all.<sup>32</sup> Evidence from Scotland,<sup>33</sup> and internationally<sup>34</sup> finds that investment in care infrastructure, including investment in high quality childcare and social care, stimulates job creation, community regeneration, and increased opportunities for under-employed women.<sup>35</sup> The state benefits from investment in childcare through an increased tax base and relieved pressure on social security. Childcare can also play an important role in local economic regeneration strategies in terms of dealing with area-based poverty through offering employment, providing opportunities for mothers to access the wider labour market, and improving the quality of provision for children in areas of deprivation.<sup>36</sup> Ultimately, investment in the childcare sector has a positive impact in the medium term on almost all of the high level targets in Scotland’s National Performance Framework.<sup>37</sup>

Designating childcare and care as a key growth sector would enable a move towards focusing on the provision of childcare and social care as infrastructure. Good quality, accessible childcare and social care enable women to participate in the labour market, undertake training and education, and participate in public life and in their communities. Recognising childcare and social care as infrastructure is critical to realising gender equality, not only for those accessing services but also for the predominantly female workforces. Designating childcare and social care key sectors would drive the policy focus and allocation of resources necessary to grow these sectors, and address the systemic undervaluation of “women’s work” by reorientating strategic focus to women’s position in the economy, as workers and as carers.

Access to high quality childcare and care is paramount to realising a sustainable wellbeing economy and a good society. **We are calling for a commitment to designate childcare, along with social care, a key growth sector in future economic strategies.**

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<sup>32</sup> Marilyn Waring (1988) *If Women Counted: A New Feminist Economics*

<sup>33</sup> Lapniewska, Zofia (2016) *Growth, Equality and Employment: Investing in Childcare in Scotland*, WiSE Research Centre

<sup>34</sup> De Henau, Jerome, Sue Himmelweit, Zofia Lapniewska and Diane Perrons (2016) *Investing the Care Economy: A gender analysis of employment stimulus in seven OECD countries*, ITUC Research Centre

<sup>35</sup> Lapniewska, Zofia (2016) *Growth, Equality and Employment: Investing in Childcare in Scotland*, WiSE Research Centre

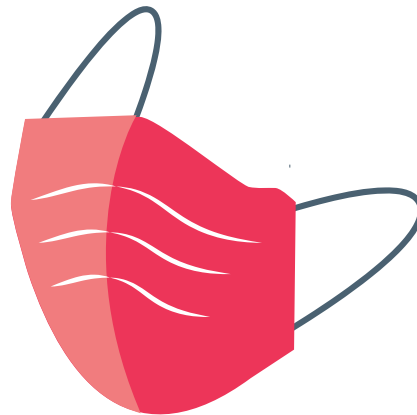
<sup>36</sup> WiSE Research Centre (2013) *The Economic Case for Investing in High-Quality Childcare and Early Years Education*

<sup>37</sup> Ibid

## 7. Ensure action to address the undervaluation of “women’s work”, including in adult social care and childcare, is core to labour market and economic recovery policymaking in response to COVID-19.

COVID-19 has illuminated the critical role “women’s work” plays in Scotland’s economy. The majority of key workers with highest exposure to the virus are women, working in often low-paid and increasingly precarious jobs such as care, childcare, nursing and retail. Although these workers are essential to a successful pandemic response, they are undervalued, underpaid, and under-protected.<sup>38</sup>

Women are 98% of  
workers in high  
exposure jobs earning  
“poverty wages”.<sup>39</sup>



The concept of undervaluation underpins gendered experiences of low pay, occupational segregation and the gender pay gap.<sup>40</sup> In economics, the undervaluation of “women’s work” means there is evidence of lower returns to women’s productive characteristics.<sup>41</sup> Practically, this means that women will receive lower pay from investing in education or from their own work experience. The undervaluing of “women’s work” has lifelong impacts for women such as having less access to resources and assets, including occupational pensions, and a higher risk of in-work poverty.

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<sup>38</sup> Close the Gap and Engender (2020) *Gender and Economic Recovery*

<sup>39</sup> Women’s Budget Group (2020) ‘It is women, especially low-paid, BAME & migrant women putting their lives on the line to deliver vital care’

<sup>40</sup> Grimshaw, Damien and Jill Rubery (2007) *Undervaluing Women’s Work*, Equal Opportunities Commission

<sup>41</sup> Ibid

For example, the designation of care as low-skilled contributes to the economy-wide undervaluation of care work more broadly. The undervaluation of the social care workforce is sustained by stereotypes around gender roles and assumptions relating to women’s and men’s capabilities and interests. There is widespread assumption that caring and other unpaid work done in the home is better suited to women because historically it has been their role. This drives the undervaluation of this labour when it is done in the labour market, with jobs such as cleaning, catering, childcare and social care paid at, or close to, the minimum wage as a result. The idea that women are intrinsically more caring is used to justify the low pay attached to care work in the labour market, with perceived job satisfaction a substitute for fair pay.

The extension of Living Wage coverage in undervalued female-dominated jobs and sectors is an important starting point. However, the Living Wage is not a panacea for undervaluation as it does not address the crux of the low pay problem, which is that this work is undervalued because it is mostly women who do the work. Increasing the wages associated with these roles alone will be insufficient to better recognise the status and skills of the workforce.

While undervaluation of women’s work in Scotland is recognised in *A Fairer Scotland for Women*,<sup>42</sup> the Plan contains no actions to address it. Scottish Government has committed to undertake research around international practice on using public sector wage setting powers to reduce the incidence of low pay among women, but this does not explicitly acknowledge that undervaluation is a gendered phenomenon that requires a gender-sensitive response.

Many of the policy asks in this manifesto, including asks relating to the Living Wage in ELC and designating childcare a key growth sector, are key contributory actions that can be taken to tackle undervaluation. **As a necessary component of gendered labour market and economic recovery policymaking, we are calling for a commitment to address the undervaluation of “women’s work”, including in adult social care and childcare.**

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<sup>42</sup> Scottish Government (2020) *A Fairer Scotland for Women*

## 8. Deliver a further extended funded childcare entitlement equivalent to 50 hours a week to enable women to work full-time.

Childcare is the most immediate barrier to women being able to work, study and train. The provision of quality, flexible childcare is inconsistent in Scotland and the prohibitively high cost means that many women leave their job to do part-time or full-time childcare. Maternal employment in the UK continues to lag significantly behind the best performers in the OECD.<sup>43</sup> The need to balance earning with caring means women are more likely to work part-time. This sees women further concentrated into 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 childcare with a job that is commensurate with their skill level.

Research consistently finds that years spent working part-time or taking time out of the labour market to care for family negatively impacts women's pay, progression opportunities and pension. The gender differences in work histories is therefore a major contributing factor to the gender pay gap.<sup>44</sup>



<sup>43</sup> Campbell, Jim, Prof Diane Elson and Prof Ailsa McKay (2013) *The Economic Case for Investing in High Quality Childcare and Early Years Education*, Women in Scotland's Economy Research Centre

<sup>44</sup> Olsen, Prof Wendy, Dr Vanessa Gash, Sook Kim, Dr Min Zhang (2018) *The gender pay gap in the UK: Evidence from the UKHLS*, Government Equalities Office

<sup>45</sup> Family and Childcare Trust (2017) *Childcare Survey 2017*



Close the Gap welcomed the increase in the number of free hours of ELC to 1140 hours as a positive development in the provision of affordable, flexible childcare. The delay in the delivery of this increased entitlement of childcare, in response to the pandemic, raises significant concerns around the impact of this on women's employment and poverty in the longer term.

School and nursery closures and increased caring responsibilities in the home drastically affected women's ability to do paid work. Existing gendered patterns of care are being replicated, and in many cases magnified during the COVID-19 crisis. During lockdown, women were spending two-thirds more time on childcare than men,<sup>46</sup> as well as spending around 10% to 30% more time than fathers home schooling their children.<sup>47</sup> There is a significant risk that an increase in caring responsibilities and difficulties in

accessing paid-for childcare will force many women to leave their jobs or reduce their working hours. Indeed, evidence highlights that women with caring responsibilities in paid work have reduced their paid working hours substantially, and by more than their male counterparts.<sup>49</sup>

The 1140 hours must be implemented at the earliest opportunity, with this entitlement viewed as the starting point, rather than the end point, of reform. In addition, the delivery of the funded entitlement at the local level is very often insufficiently flexible to meet the needs of women and their families.<sup>50</sup> The 1140 entitlement also does not deliver sufficient funded hours to enable women to work full-time.

Women are  
twice as likely  
to give up paid  
work in order to  
care.<sup>48</sup>

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<sup>46</sup> Women's Budget Group (2020) *ONS New data on time use and parenting in lockdown*

<sup>47</sup> Ferguson, Donna (2020) "I feel like a 1950s housewife": how lockdown has exposed the gender divide' *The Guardian*, 3 May, available at <https://www.theguardian.com/world/2020/may/03/i-feel-like-a-1950s-housewife-how-lockdown-has-exposed-the-gender-divide>

<sup>48</sup> Engender (2015) *A Widening Gap: Women and Welfare Reform*

<sup>49</sup> Institute for Fiscal Studies (2020) *How are Mothers and fathers balancing work and family life under lockdown?*

<sup>50</sup> Audit Scotland (2018) *Early Learning and Childcare*

Women need wraparound childcare to allow them to participate in the labour market, and in education and training, on an equal basis with men. In turn, higher female labour market participation contributes to increased economic growth and reduced rates of poverty, including child poverty.<sup>51</sup> **We are calling for a commitment to further increase the funded childcare entitlement to the equivalent of 50 hours a week.**

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<sup>51</sup> Olsen, Prof Wendy, Dr Vanessa Gash, Sook Kim, Dr Min Zhang (2018) *The gender pay gap in the UK: Evidence from the UKHLS*, Government Equalities Office

## 9. Develop a strategic mechanism for building capacity on gender stereotyping and occupational segregation in the early learning and childcare workforce.

Evidence shows that gender stereotyping from a very early age has an impact on the decisions that girls and boys, and young women and men, make about subject and career choice.<sup>52</sup> In early years settings, children are already thinking about the jobs that they will do when they are grown-up, and evidence shows that they tend to rule out jobs that are not traditionally associated with their gender.<sup>53</sup> Gender-blind learning and education settings that do not challenge gender norms and stereotypes in work and society reinforce the notion that girls and boys, and men and women, have inherently different abilities and aspirations. Existing policy design and delivery of ELC therefore contributes to and entrenches gender stereotyping and segregation.



Women comprise  
97% of the ELC  
workforce.<sup>54</sup>

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<sup>52</sup> Levy, G. D., Sadovsky, A. L., & Troseth, G. L. (2000) 'Aspects of young children's perceptions of gender-typed occupations' *Sex Roles*, 42(11-12), 993-1006

<sup>53</sup> Sikora, Joanna and Pokropek, Artur (2012) 'Gender segregation of adolescent science career plans in 50 countries', *Science Education*, Volume 96, Issue 2, 234-264

<sup>54</sup> Skills Development Scotland (2018) *Skills investment plan for Scotland's early learning and childcare sector*

While there have been small pockets of activity aiming to address gender stereotyping in ELC settings, there is little evidence of a strategic response at the national or local authority level. There is also no evidence of education authorities using the public sector equality duty to develop specific equality outcomes on gender stereotyping<sup>55</sup>, and the fragmented delivery landscape makes it difficult to implement workforce-wide continued professional learning. Education Scotland's resources on gender stereotyping also rely on self-selection by practitioners and teachers.

**We are calling for a strategic approach to building gender competence in the ELC workforce.** Addressing gender stereotyping and occupational segregation should be built into mandatory training as part of the national occupational standards and qualifications for ELC.

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<sup>55</sup> Close the Gap (2015) *Making Progress? An assessment of public bodies' compliance with the public sector equality duty*

## 10. Ensure the national funding model enables private and third sector early learning and childcare providers in partner settings to pay the Living Wage to all staff, with a more ambitious target around pay to be set thereafter.

While the increase in the funded entitlement has been accompanied with plans to fund providers to pay workers the Living Wage who are delivering the funded hours, this still means that many practitioners are paid less than the Living Wage. It is estimated that around 80% of ELC practitioners and 50% of supervisors in private and third sector partner settings are paid below the Living Wage.<sup>56</sup> If more men are to work in the ELC sector, which is a necessary prerequisite to meeting staffing requirements, reducing occupational segregation and closing the gender pay gap, there needs to be an economic imperative to do so. This requires appropriately remunerated jobs with clear progression pathways as evidence that it is a good career choice.



Women account for two-thirds of employees earning less than the living wage in Scotland.<sup>57</sup>

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<sup>56</sup> Skills Development Scotland (2018) *Skills investment plan for Scotland's early learning and childcare sector*

<sup>57</sup> Close the Gap (2018) *Women, work and poverty: What you need to know*

Plans to pay the Living Wage to workers delivering the funded entitlement are positive and represent an important starting point in tackling the undervaluation of the ELC workforce. However, payment of the Living Wage alone is inadequate to address the sector-wide economic undervaluation. In addition, as the implementation of the national standards are aligned with the delivery of the 1140 hours, there is currently no requirement to pay the Living Wage to those delivering the funded entitlement. There will be no such requirement until the 1140 hours becomes a statutory obligation, with this delay reinforcing the norm of low pay in the sector.

**We are calling for a commitment to ensure the national funding model enables private and third sector ELC providers in partner settings to pay the Living Wage to all ELC staff, not just those delivering the funded entitlement, with a more ambitious target around pay to set thereafter.**

## 11. Include addressing gender stereotyping and occupational segregation in the framework content for the graduate apprenticeship in early learning and childcare.

The upskilling of the ELC workforce over recent years, including the establishment of the BA in Childhood Practice, has not resulted in the uplift in pay across the sector as was intended. The low pay and poor working conditions found in the sector were a key theme identified in the independent review of the Scottish ELC workforce and out of school care workforce, with more than three-quarters of practitioner and stakeholder organisation responses highlighting tackling the low rate of pay as being important for raising the status of the workforce.<sup>58</sup> The undervaluation of work done by women, such as in ELC, is a key strand linking together the causes of the gender pay gap, occupational segregation, women's unequal share in caring, and pay discrimination.

The ELC graduate apprenticeship, launched in September 2019, is designed to widen access to ELC careers at degree level and may assist with redressing the undervaluation of care work. At present, however, from the publicly available information it is unclear whether gender equality has been prioritised within the framework of the graduate apprenticeship. **We are asking for a commitment to embed learning on challenging gender stereotypes and occupational segregation into the framework content, ensuring that graduate apprentices entering the workforce are gender competent.** This high-level qualification, accompanied by the ask on improving pay for the ELC workforce detailed above, will help to move toward parity of esteem with other sectors.

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<sup>58</sup> Siraj, Prof Iram and Denise Kingston (2015) *An independent review of the Scottish early learning and childcare workforce and out of school care workforce*

## 12. Ensure Scotland's policy responses to automation are gendered, challenging occupational segregation, and women's wider inequality at work.

Automation undoubtedly creates opportunities for the Scottish labour market and society. However, it also presents a number of key challenges around women's labour market inequality, built-in discrimination and bias, and future skills challenges. The way in which the Scottish Government responds to these opportunities and challenges will be the determinant as to whether automation will sustain or challenge women's inequality. Automation may accelerate digital disruption in the jobs market and pre-existing research and analysis has shown that this disruption is expected to have a gendered impact.<sup>59</sup> Women workers are concentrated at the extreme ends of the automation spectrum, with women over-represented in jobs that are at the highest risk of automation, such as retail or secretarial roles, and under-represented in the sectors where job growth is likely as a result of automation, such as STEM. Occupations most at risk of automation for men have the lowest earnings, whereas there is considerable risk to women's jobs in better paid occupations, which has the potential to reverse gender equality gains.

Evidence from 2008 found that routine jobs that could easily be automated disappeared with the financial crisis, and did not return during the recovery phase, contributing to a "jobless recovery".<sup>60</sup> Automation also tends to happen in bursts, often concentrated in the wake of economic shocks when labour becomes relatively more expensive as firms' revenues rapidly decline.<sup>61</sup> Moreover, COVID-19 may change consumer behaviour, leading to consumers preferring automated services to face-to-face interactions in sectors such as hospitality and retail for the foreseeable future, adding further incentives to businesses to automate their services.<sup>62</sup> The current crisis may therefore prove to be a catalyst for automation, placing women in highly-automatable jobs at even greater risk of redundancy.

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<sup>59</sup> World Economic Forum (2018) *The Global Gender Gap Report 2018*

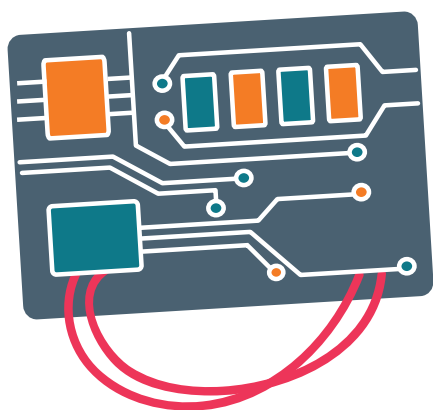
<sup>60</sup> Jaimovich, Nir and Siu, Henry (2012) *Job Polarisation and Jobless Recoveries*

<sup>61</sup> Muro, Mark (2020) 'Will the covid-19 pandemic accelerate automation?', *The Economist*, April 22 2020, available at <https://eiperspectives.economist.com/technology-innovation/will-covid-19-pandemic-accelerate-automation>

<sup>62</sup> RSA (2020) *Who is at risk? Work and automation in the time of COVID-19*



This means that policymaking on upskilling, reskilling and lifelong learning must integrate existing evidence around the specific barriers women experience in accessing training and development opportunities. There are also important roles for Government around regulation of AI development, access to data and regulating an increasingly precarious labour market. The under-representation of women among those working in AI, and the use of biased training data on which AI decision-making is based means that algorithms routinely exhibit bias and discrimination against women, particularly BME women. For example, Amazon abandoned an AI recruiting tool, developed in Edinburgh, when it was revealed to discriminate against women.<sup>63</sup>



Only 16.9% of IT and telecommunications professionals in Scotland are women.<sup>64</sup>

To date, strategies, proposals and policy recommendations around automation have ignored gender equality. If this trajectory continues, automation and data-driven technologies are likely to reinforce women's labour market and economic inequality. It is vitally important that Scotland's response to automation is gendered in order to ensure these new technologies tackle pre-existing and emerging inequalities.

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<sup>63</sup> Business Insider *Amazon built an AI tool to hire people but had to shut it down because it was discriminating against women* available at <https://www.businessinsider.com/amazon-built-ai-to-hire-people-discriminated-against-women-2018-10?r=US&IR=T>

<sup>64</sup> Annual Population Survey, Regional Employment by Occupation, June 2018 – June 2019

We are calling for a commitment to ensure that tackling occupational segregation, addressing the gender pay gap and promoting women's wider economic equality is at the centre of Scotland's policy responses to automation and AI. This should involve mainstreaming gender equality in the policy development process and gathering intersectional gender-sensitive sex-disaggregated data on the changing labour market. Additionally, targeted skills programmes should be developed to support groups of women most at risk of automation and to tackle occupational segregation in the tech sector.

### 13. Recognising the link between women’s poverty and child poverty, prioritise substantive action to tackle women’s low pay in addressing child poverty.

Women’s experiences of poverty are inherently linked to their experiences of the labour market and the gender pay gap is a key factor in women’s higher levels of poverty. Undervaluation reinforces women’s in-work poverty, as work that is seen as “women’s work”, such as cleaning, care and retail, is systematically undervalued in the labour market because this work is done by women. This results in the low pay associated with those jobs and sectors. Women comprise the majority of low paid workers and account for two-thirds of employees earning less than the Living Wage in Scotland. Tackling women’s low pay and addressing child poverty should therefore be viewed as intertwined ambitions.

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 work is found in the lowest paid jobs and sectors, often leading to women working below their skill level. Research from Living Wage Scotland found that women in part-time work stand to benefit the most from Living Wage accreditation.<sup>65</sup>

The Scottish Government’s Child Poverty Delivery Plan<sup>66</sup> highlights the inextricable link between women’s poverty and child poverty, rendering action to address women’s labour market inequality integral to tackling child poverty. The Plan has a particular focus on improving pay in female-dominated sectors, including tourism and hospitality, in recognition that the payment of the Living Wage in these sectors is an important mechanism for lifting women and their children out of poverty.

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<sup>65</sup> Jones, Gareth ‘Women benefit from Living Wage expansion’, 8th March 2019, *Third Force News*, available at <https://tfn.scot/news/women-benefit-from-living-wage-expansion>

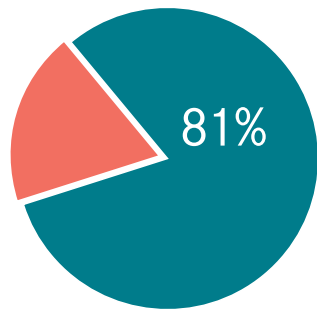
<sup>66</sup> Scottish Government (2018) *Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-2022*

Considering the economic and labour market impacts of the crisis, COVID-19 has made it even more pivotal that the Scottish Government prioritise action to tackle women's in-work poverty in efforts to deliver on child poverty targets. Women's pre-existing inequality in the labour market puts them at particular risk of unemployment and reduced working hours, with clear implications for women's earnings. COVID-19 job disruption is having a disproportionate impact on low-paid women, BME women's and young women's employment. This is particularly significant as these groups of women were already more likely to be experiencing in-work poverty prior to the crisis. COVID-19 has therefore placed these women, and their children, at even greater risk of poverty, adding to a growing child poverty crisis.

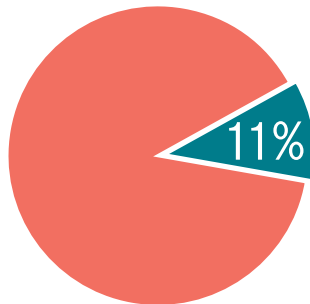
**We are calling on Scottish Government to commit to substantive action to tackle women's low pay in its approach to address child poverty.** Given the importance of addressing the undervaluation of "women's work", taking action on occupational segregation and providing affordable childcare in tackling women's poverty, many of the policy asks in this manifesto are important anti-poverty interventions that should be considered by the Scottish Government in the context of action to tackle child poverty.

## 14. Create an occupational segregation commission to drive public bodies' action to tackle occupational segregation.

Occupational segregation is one of the key causes of the gender pay gap, and it remains an entrenched problem on which there has been very little progress. In the context of COVID-19, occupational segregation has been a key contributing factor in the gendered experiences of job disruption. The economic impact of COVID-19 has varied by sector which, because of occupational segregation, means that the impact will not be equally shared by women and men. Women's over-representation in low-paid, lower-skilled service-sector roles makes them particularly susceptible to the involuntary reduction of working hours and job losses over the course of the crisis.<sup>67</sup>



Women are 81% of those employed in caring, leisure and other service occupations but only 11% of skilled trades occupations.<sup>68</sup>



<sup>67</sup> Close the Gap (2020) *Disproportionate Disruption: The impact of COVID-19 on women's labour market equality*

<sup>68</sup> NOMIS Official Labour Market Statistics, 2020, Annual Population Survey – Workplace Analysis (July 2019 – June 2020)

The bulk of current work to tackle occupational segregation comprises supply-side programmes which are heavily focused on getting more girls and women into STEM. There has been no work to address the inherent undervaluation of female-dominated work, such as care. Overall, activity has been piecemeal, and has not brought about meaningful change.

Echoing Engender's call ahead of the 2016 Election, **we are calling for a commitment to establish an occupational segregation commission which focuses on adopting a strategic approach to addressing occupational segregation across the Scottish labour market as a whole.**



## Conclusion

The transformation of Scotland's economic landscape as a result of COVID-19 will have far-reaching implications for women in the labour market. Without mitigating action, an exacerbation of pre-existing gender inequality and a rising tide of poverty for women will be key consequences of the crisis. As highlighted in *Gender and Economic Recovery*, jointly published by Close the Gap and Engender, new approaches to our economy are essential if we are to tackle women's persistent inequality in the labour market. Inclusive growth means investing in a care economy. Putting care and solidarity at the heart of our economy means we can build an economy that works for women, as well as men. Ultimately creating better jobs, better decision-making and a more adequate standard of living for us all.<sup>69</sup>



The cost of women's labour market inequality in Scotland is £17 billion a year.<sup>70</sup>

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<sup>69</sup> Close the Gap and Engender (2020) *Gender and Economic Recovery*

<sup>70</sup> Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

Fair work has been established as a key policy focus for all parties represented in the Scottish Parliament, but fair work has to mean fair work for women as well. The COVID-19 context and the impact of the crisis on women's employment has made this ambition more pivotal than ever. Transformational change is needed to close the pay gap, and it is time for meaningful, and substantive action on the causes of the gender pay gap in Scotland.

Closing the pay gap will benefit women and their families, providing equality of outcome for women and girls, and will alleviate women's poverty and children's poverty. But the gains will not only be women's. Addressing women's labour market inequality will also benefit employers, enabling them to become more productive, more innovative, and more profitable. Effective utilisation of women's skills and talents is also a catalyst for economic growth.







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

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