# Gender Pay Gap Action Plan

## **Analytical Annex**

This annex provides an analysis of the Gender Pay Gap Action Plan. After an overview of the gender pay gap, the annex presents a logic model which sets out the main causes of the gender pay gap. It then uses this model to examine how the policy commitments in the Action Plan can be expected to impact the gender pay gap and gender equality more broadly. Throughout, the report also considers the ways in which gender intersects with other characteristics such as ethnicity and disability.

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### 1 EXECUTIVE SUMMARY

This annex considers three main factors which determine how much people earn: the type of jobs that people do (job selection), how much those jobs pay (job valuation), and whether people move into higher-paid jobs (job progression). Within each of these factors, women face barriers which lead them to be paid less than men on average. Certain women experience additional barriers — particularly women of some ethnicities and religions, disabled women, lesbian, bisexual and transsexual women, women who are pregnant or care for children, and older women.

In terms of **job selection**, men and women tend to take different jobs. For example, jobs in science and technology are mainly done by men, while jobs in cleaning, catering, care, and retail are mainly done by women. Women also tend to work at lower levels of an organisation and most part-time workers are women. The reasons for this include:

- Education. At school, college, and university, boys/men and girls/women are often
  expected to be good at different subjects. For example, science and maths are often
  seen as 'male' subjects. These expectations lead girls and women to study different
  subject to boys and men, which then leads them to work in different jobs. Girls and
  women also experience bullying, harassment, and other hostile behaviours which
  negatively affect their careers.
- Ability to take jobs. Women often have to limit their career options because they traditionally spend more time than men taking care of children and other family members. For example, they may have to work part-time or close to home or take time out of paid work. While childcare services can give mothers more time to take on paid work, they are not always affordable and do not always meet children's or parents' needs. Money and other resources may also be divided unequally within the household, which often means that women do not have the means to search or train for better jobs.
- Availability of suitable jobs. Part-time and flexible work are only available in certain
  occupations or sectors. In some workplaces, women may experience, or expect to
  experience, hostile behaviours such a bullying and harassment which lead them to
  choose different jobs. Some employers may also discriminate against women when
  they apply for a job.

In terms of **job valuation**, many of the jobs which women tend to do are low-paid – for example, jobs in cleaning, catering, care, and retail. On the other hand, many of the jobs which men tend to do are higher paid – for example, jobs in science and technology or finance. The reasons for this include:

- Market failures. Some jobs may be paid less than they should because of problems
  with the labour market. For example, some jobs like care provide benefits across the
  economy which may not be reflected in the market. Employers may also be able to
  pay less if workers cannot easily switch to another job, which is often the case for
  women.
- Working patterns. Part-time workers, who are mainly women, tend to earn less per hour than full-time workers and also get less opportunities for training or promotion.
   Flexible work, too, is sometimes paid less than standard working hours.
- *Job comparisons*. Many of the jobs which women tend to do are considered low-skill, which causes them to be low-paid. Within an organisation, the jobs done mainly by women may be unfairly considered less valuable than the jobs done by men.

In terms of **job progression**, women tend to reach senior positions less than men. The reasons for this include:

- Opportunities to progress. Many of the jobs done by women have less opportunities
  to progress than the jobs done by men. Also, grading systems and appraisals can be
  biased against women. Women may also be at a disadvantage when negotiating
  their pay because they are not expected to ask for as much pay as men. Other kinds
  of discrimination and hostility in the workplace can also prevent women from
  progressing. For example, some employers may choose not to promote women if
  they are pregnant or have children.
- Ability to progress. Childcare and the division of resources and work in the home
  affect both job progression and job selection. For example, if a woman can only work
  part-time because she is responsible for taking care of children, she may not be able
  to take on a senior job with greater responsibility or longer working hours.

The annex applies this analysis to the Action Plan across each of its themes: Leadership and Economic Development, Early Learning and Childcare, School and Post-School, Employability and Employment, and Social Security. It finds that the Action Plan will address all of the main reasons for the gender pay gap in some way. However, the full impacts are impossible to predict, because they depend on how the actions are carried out – including by the Scottish Government's partners, private businesses, and in some cases by the UK Government. The annex also recognises that gender equality requires changes in society as a whole, not only in government policy.

The gender pay gap is the difference in average hourly earnings between men and women, expressed as a percentage of men's average hourly earnings. The gender pay gap is much broader than equal pay for equal work, since it compares all earners, including those doing different kinds of work.

There are multiple ways to measure the gender pay gap:

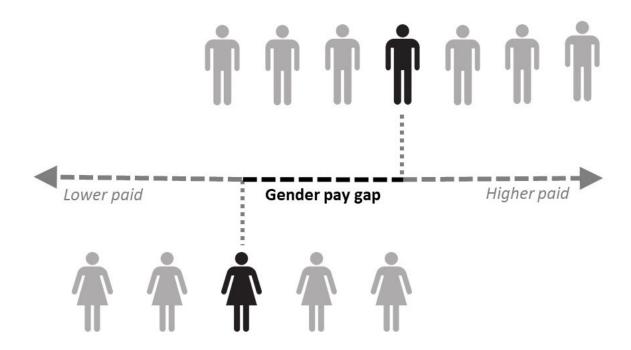
- We can compare full-time workers, part-time workers, or all workers. The gender pay gap for all workers is higher than the gender pay gap for full-time workers because a higher proportion of female workers are part-time workers, who tend to earn less per hour than full-time workers. Amongst part-time workers, the pay gap is actually negative meaning that male part-time workers earn less than female part-time workers on average yet over three-quarters of part-time workers are women.
- We can use either the median (i.e. the hourly earnings of the 'middle' worker) or the mean (i.e. the sum of hourly earnings divided by the number of workers). Among full-time workers, the mean pay gap is higher than the median because it is more sensitive to the earnings of a small number of very-high earners, who are predominantly men.

In 2018, the **median full-time** gender pay gap was 5.7%.<sup>3</sup> This means that if the male and female populations of full-time workers were each lined up in order of their hourly pay, the man in the middle of the male population would be earning 5.7% more per hour than the woman in the middle of the female population. Meanwhile, the **median overall** gender pay gap was 15.0% and the **median part-time** pay gap was -7.8%.

<sup>&</sup>lt;sup>1</sup> In 2018, 44% (534,000) of female workers were part-time workers, compared to 15% (163,000) of male workers. Annual Survey of Hours and Earnings, extracted from nomisweb.co.uk.

<sup>&</sup>lt;sup>2</sup> In 2018, 77% (534,000) of part-time workers were women. Annual Survey of Hours and Earnings, extracted from nomisweb.co.uk.

<sup>&</sup>lt;sup>3</sup> Scottish Government (2018) *ASHE 2018 Scotland Tables*, available at <a href="https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017">https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017</a>. The Annual Survey of Hours and Earnings (ASHE) is based on a 1% sample of HMRC PAYE records. It does not include self-employed workers or those affected by career absences. Official gender pay gap statistics also exclude overtime payments.



Since 2003, the gender pay gap in Scotland has been lower than in the UK, but progress on reducing it has been slow and intermittent. The full-time and overall pay gaps have respectively decreased by 0.8 and 1.6 percentage points since 2011, with several year-on-year increases. Progress has also been uneven. For example, full-time pay gaps of over 30% remain in some sectors and over 20% in some occupations.<sup>4</sup>

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<sup>&</sup>lt;sup>4</sup> Scottish Government (2018) *ASHE 2018 Scotland Tables*, Tables 2.2, 2.3, 2.7, and 2.8, available at https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017.

## 3 Intersectionality and the Gender Pay Gap

Throughout this report, it is important to bear in mind that women and men are not homogeneous groups. Rather, experiences of work are shaped by a range of characteristics in addition to gender. In particular, women who are disabled, from an ethnic minority group, older, LBT (lesbian, bisexual, or transgender), religious, and pregnant or caring face multiple barriers in the labour market and in society more generally. This coexistence of disadvantages is known as 'intersectionality'. 6

Participation in the labour market provides a clear example of intersectionality. In the UK, a lower proportion of disabled people are employed than non-disabled people (51% versus 81%), at least partly due to discrimination; and among disabled people, women experience a lower employment rate than men (51% versus 52%). Ethnic minority groups feature similar patterns, with a lower overall employment gap (67% employment rate for ethnic minorities versus 77% for White people) but a higher gender employment gap (59% employment rate for ethnic minority women versus 76% for ethnic minority men). Again, evidence indicates that discrimination and other barriers relating to both gender and ethnicity are contributing factors. Differences in labour market participation are not captured in the gender pay gap, which only includes people in employment, but for that very reason are important to keep in mind.

It is also important to note that, in general, intersectionality helps explain the gender pay gap only if the barriers experienced by women with other protected characteristics are *multiplicative* rather than solely *additive* – that is, if the total disadvantage experienced by an individual is greater than the sum of the disadvantages attributable to each of her characteristics. For example, a disabled woman would have to experience disadvantages for being disabled, for being a woman, *and for being a disabled woman* – that is, she would have to experience disadvantages for being a disabled women that are not experienced by

<sup>&</sup>lt;sup>5</sup> Equality and Human Rights Commission (2017) *Tackling Gender, Disability and Ethnicity Pay Gaps: A progress review,* available at <a href="https://www.equalityhumanrights.com/sites/default/files/research-report-110-tackling-gender-disability-ethnicity-pay-gaps.pdf">https://www.equalityhumanrights.com/sites/default/files/research-report-110-tackling-gender-disability-ethnicity-pay-gaps.pdf</a>.

<sup>&</sup>lt;sup>6</sup> Any characteristic can be broken down into more detailed categories. For example, outcomes vary not just by whether somebody is disabled or minority ethnic, but also by their specific disability or ethnicity.

<sup>&</sup>lt;sup>7</sup> Jones, M. K., Latreille, P., and Sloane, P. (2007) 'Disability and work: A review of the British evidence', *Estudios de Economia Aplicada* 25 (2), 473-498, pp. 486-488.

<sup>&</sup>lt;sup>8</sup> Q3 2018. Government Statistical Service harmonised standard definition of disability. Office for National Statistics (2018) *UK Labour Market: December 2018,* Table A08, available at <a href="https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusofdisabledpeoplea08">https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusofdisabledpeoplea08</a>.

<sup>&</sup>lt;sup>9</sup> In Q3 2018. Office for National Statistics (2018) *UK Labour Market: December 2018*, Table A09, available at <a href="https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusbyethnicgroupa09">https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusbyethnicgroupa09</a>.

<sup>&</sup>lt;sup>10</sup> Close the Gap (forthcoming) BME Women's Experiences of Employment in Scotland.

either disabled men or non-disabled women. Otherwise, non-gender barriers – in this case relating to disability – would be equally faced by men and would therefore tend to cancel out when it comes to measuring the gender pay gap. <sup>11</sup> Of course, additive disadvantages are still important from the perspective of equality more broadly. <sup>12</sup> In the example above, a disabled woman still would experience the disadvantages associated with both gender and disability – and would therefore be more disadvantaged than a disabled man or a non-disabled woman – even if those disadvantages were only additive.

These complexities become apparent when we examine the gender pay gap statistics. <sup>13</sup> While an overall gender pay gap exists in the UK among disabled people, it is lower than the overall gender pay gap among non-disabled people (12% compared to 18% in Q4 2017). This implies that, while disabled women still earn less on average than any of the four groups in the disability/gender matrix, disability affects men's pay proportionately more than it does women's pay in the aggregate, at least among those who are employed. Furthermore, the gender pay gap varies not only by whether somebody is disabled or not, but also by the specific types of disability that they experience. <sup>14</sup> A similar picture emerges in the case of ethnicity: although all ethnic groups in Great Britain featured overall gender pay gaps between 2010 and 2015, White British people featured the largest gender pay gap of any ethnic group – this was 19.1%, with gender pay gaps among ethnic minorities ranging from 0% for Black Caribbean people to 18.9% for Indian people. In fact – and in contrast to the case of disability – women from most ethnic minorities earned more than White British women on average, <sup>15</sup> although ethnic minority women who have recently immigrated to Britain often receive lower pay. <sup>16</sup>

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<sup>&</sup>lt;sup>11</sup> The exception would be if a higher proportion of female earners than male earners possess a certain characteristic (or vice versa). This caveat applies to some extent in the case of disability. In the UK, there are more female disabled earners than male disabled earners (2.2 million versus 1.7 million in Q3 2018). In the case of ethnicity, however, ethnic minorities constitute a larger proportion of male earners than female earners (13% versus 12% in Q3 2018) – although this in itself likely reflects the barriers to employment that ethnic minority women face. Office for National Statistics (2018) *UK Labour Market: December 2018*, Tables A08 and A09, available at

 $<sup>\</sup>frac{https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets}{labourmarketstatusofdisabledpeoplea08} \ and \\$ 

 $<sup>\</sup>frac{https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusbyethnicgroupa09.$ 

<sup>&</sup>lt;sup>12</sup> Kantola, J. (2009) 'Institutionalising intersectionality in Europe: Introducing the theme', *International Feminist Journal of Politics* 11 (4), 459-477.

<sup>&</sup>lt;sup>13</sup> These statistics do not take into account differences in characteristics such as education which would be expected to influence pay.

<sup>&</sup>lt;sup>14</sup> Office for National Statistics (2018) Average Hourly Pay by Sex and Disability Status: UK, April 2013 to December 2017, available at

https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/adhocs/008588averagehourlypaybysexanddisabilitystatusukapril2013todecember2017 (Labour Force Survey; author's own calculations).

<sup>&</sup>lt;sup>15</sup> Fawcett Society (2017) *Gender Pay Gap by Ethnicity in Britain*, available at <a href="https://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=f31d6adc-9e0e-4bfe-a3df-3e85605ee4a9">https://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=f31d6adc-9e0e-4bfe-a3df-3e85605ee4a9</a> (Labour Force Survey).

This is not to say that multiplicative disadvantages do not exist, only that they are not always evident in aggregate figures.<sup>17</sup> Indeed, a range of evidence indicates that such disadvantages are pervasive, meaning that they do contribute to the gender pay gap.<sup>18</sup> Unfortunately, however, gaps in the evidence base prevent us from incorporating intersectionality into our analysis in a comprehensive fashion. While qualitative studies can be useful for identifying the types of barriers faced by women with different characteristics, they do not always establish whether those barriers are additive or multiplicative, nor how pervasive they are across the population. Meanwhile, quantitative data on intersectionality is limited, not least due to small sample sizes<sup>19</sup>. These shortcomings lend support to the commitment in the Action Plan to improve the quality of intersectional data (see Section 3.1).

<sup>&</sup>lt;sup>16</sup> Equality and Human Rights Commission (2017) *The Ethnicity Pay Gap*, Chapter 6, available at <a href="https://www.equalityhumanrights.com/sites/default/files/research-report-108-the-ethnicity-pay-gap.pdf">https://www.equalityhumanrights.com/sites/default/files/research-report-108-the-ethnicity-pay-gap.pdf</a> (Labour Force Survey).

<sup>&</sup>lt;sup>17</sup> Joseph Rowntree Foundation (2003) *Multiple Disadvantage in Employment*, available at <a href="https://www.jrf.org.uk/report/multiple-disadvantage-employment">https://www.jrf.org.uk/report/multiple-disadvantage-employment</a>. One shortcoming of aggregate figures is that they do not take into account differences in labour-market characteristics which would be expected to influence pay, such as education. Accordingly, they do not reveal whether men and women of different groups are being proportionately rewarded for these characteristics.

<sup>&</sup>lt;sup>18</sup> Woodhams, C., Lupton, B., and Cowling, M. (2013) 'The snowballing penalty effect: Multiple disadvantage and pay', *British Journal of Management* 26 (1), 63-77.

<sup>&</sup>lt;sup>19</sup> Fawcett Society (2018) *Invisible Women: APPG on Sex Equality*, pp. 7-8, available at <a href="https://www.youngwomenstrust.org/assets/0000/9206/Invisible Women final report.pdf">https://www.youngwomenstrust.org/assets/0000/9206/Invisible Women final report.pdf</a>. This problem is particularly severe for sexual orientation and gender reassignment, but affects many of the protected characteristics.

## 4 A LOGIC MODEL OF THE GENDER PAY GAP

This section presents a logic model which breaks down the main causes of the gender pay gap. The model sets out how gender relates to three interrelated determinants of pay: which jobs people do (**job selection**), how those jobs are valued (**job valuation**), and to what extent people progress in their jobs (**job progression**).

The model is intended to provide a high-level overview rather than an exhaustive explanation, meaning that complex social dynamics are inevitably simplified. For example, some issues not modelled as separate factors because they affect (and are affected by) many different parts of the model – this is the case for violence against women, labour-market precarity, and fiscal austerity, for instance. Social norms, in particular, impact the gender pay gap through a wide range of channels – including education, the division of household labour, and conduct at work – and thus form the background of the model.

There is also a significant degree of overlap and interdependence between variables. For instance, a person's choice of jobs (job selection) is influenced by what those jobs pay (job valuation), which, in the long run, depends on opportunities for promotion (job progression). Furthermore, the causes of the gender pay gap may be affected by the pay gap itself. For example, reducing the gender pay gap could broaden women's career choices by giving them more influence over household decisions, although the mechanisms are complicated and empirical findings are mixed.<sup>22</sup> There is also evidence that reductions in the gender pay gap lead to reductions in domestic violence, which is not only desirable in itself but may also engender a virtuous circle with labour-market outcomes.<sup>23</sup>

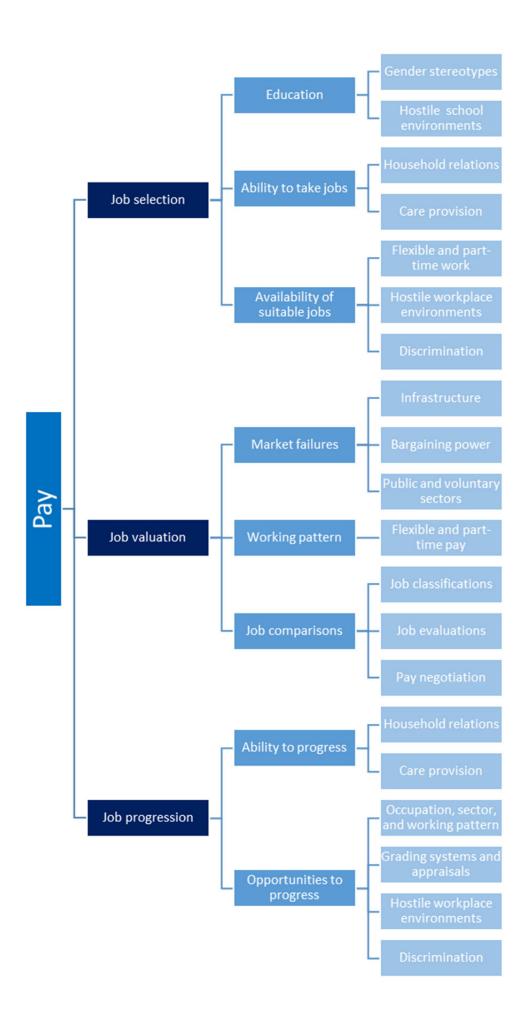
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<sup>&</sup>lt;sup>20</sup> Self-employment is another factor which is not explicitly included. Not only are self-employed workers excluded from the official measure of the gender pay gap, but the relationship between self-employment and gender equality is not straightforward. While there are significant barriers to female entrepreneurship, women are often driven into low-paid or insecure self-employment as a result of barriers to standard employment.

Fortin, N. M. (2005) 'Gender role attitudes and the labour-market outcomes of women across OECD countries', *Oxford Review of Economic Policy* 21 (3), 416-438. While social attitudes on gender issues in the UK have become markedly more progressive in recent decades, there are still notable differences by gender, as well as by age, education, and income, with women generally expressing more progressive attitudes than men. National Centre for Social Research (2018) *British Social Attitudes: The 35<sup>th</sup> report: Gender*, available at <a href="http://bsa.natcen.ac.uk/latest-report/british-social-attitudes-35/gender.aspx">http://bsa.natcen.ac.uk/latest-report/british-social-attitudes-35/gender.aspx</a>.

<sup>&</sup>lt;sup>22</sup> Bittman, M. et al. (2003) 'When does gender trump money? Bargaining and time in household work', *American Journal of Sociology* 109 (1), 186-214.

<sup>&</sup>lt;sup>23</sup> Aizer, A. (2010) 'The gender wage gap and domestic violence', *American Economic Review* 100 (4), 1847-1859.



#### 4.1 JOB SELECTION

A large portion of the gender pay gap is attributable to the fact that men and women tend to do different jobs. A key concept in this regard is **occupational segregation**, which describes the concentration of men and women in different occupations; the concept can also be extended to sectors or industries. Statistical studies consistently find occupational segregation to be one of the largest components of the gender pay gap, if not the largest. For example, one study found that it accounted for 22% of the Scottish pay gap in 2013/14, representing the largest driver among the variables included in the model.<sup>24</sup>

Occupational segregation interacts with problems of job valuation and job progression. Many of the occupations and sectors in which women are concentrated are lower-paid with limited scope for progression, including the so-called '5 Cs' of cleaning, catering, cashiering (retail), clerical work, and caring. As an example, 64% of employees in the female-dominated Accommodation and Food Service sector earned less than the Living Wage in 2018, compared to the Scottish average of 19%. Women are also over-represented in the public and voluntary sectors. Conversely, women are severely underrepresented in certain high-paid occupations and sectors; for example, women comprise only 23% of workers in Science, Technology, Engineering, and Mathematics (STEM).

Not only are women concentrated in certain sectors and industries ('horizontal' segregation), they also tend to occupy different positions in organisational hierarchies ('vertical segregation'), which contributes to the existence of gender pay gaps within

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<sup>&</sup>lt;sup>24</sup> Close the Gap (2018) *The Gender Penalty: Exploring the causes and solutions to Scotland's gender pay gap*, available at <a href="https://www.closethegap.org.uk/content/resources/The-Gender-Penalty-Feb-2018.pdf">https://www.closethegap.org.uk/content/resources/The-Gender-Penalty-Feb-2018.pdf</a>. See also Government Equalities Office (2018) *The Gender Pay Gap in the UK*, available at <a href="https://assats.publishing.con/resources/publ

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/706030/Gender\_pay\_gap\_in\_the\_UK\_evidence\_from\_the\_UKHLS.pdf; Office for National Statistics (2018) *Understanding the Gender Pay Gap in the UK*, available at

 $<sup>\</sup>frac{https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/understandingthegenderpaygapintheuk/2018-01-17?platform=hootsuite.$ 

<sup>&</sup>lt;sup>25</sup> Institute for Employment Studies (2009) 'Women and gender equity in employment: Patterns, progress, and challenges', IES Working Paper 23, available at <a href="https://www.employment-studies.co.uk/system/files/resources/files/wp23.pdf">https://www.employment-studies.co.uk/system/files/resources/files/wp23.pdf</a>.

<sup>&</sup>lt;sup>26</sup> Scottish Government (2018) *ASHE 2018 Scotland Tables*, Table 5.4, available at <a href="https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017">https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017</a>.

<sup>&</sup>lt;sup>27</sup> Carers UK and Employers for Carers (2012) *Sandwich Caring: Combining childcare with caring for older or disabled relatives*, available at <a href="https://www.carersuk.org/for-professionals/policy/policy-library?task=download&file=policy\_file&id=210">https://www.carersuk.org/for-professionals/policy/policy-library?task=download&file=policy\_file&id=210</a>.

<sup>&</sup>lt;sup>28</sup> Royal Society of Edinburgh (2018) *Tapping All Our Talents Review 2018: Women in STEM*, p. 66, available at https://www.rse.org.uk/inquiries/womeninstem-2018/.

occupations and sectors. In 2018, the highest pay gaps were observed in skilled trades occupations (27%) and in professional, scientific, and technical activities (30%).<sup>29</sup>

Ethnic minorities are likewise concentrated in low-paid jobs, both vertically and horizontally, although gender disparities vary by ethnicity (and also by immigration history). Women in rural areas are also prone to low pay and insecure work, with skills mismatches and seasonal demand acting as contributing factors. In terms of disability, disabled women are more likely than non-disabled women to work in low-paid occupations such as Elementary and Sales occupations, although this varies depending on the particular disability. 32

Broadly speaking, job selection is determined by three factors: education and qualifications; the ability take jobs; and opportunities to take jobs.

#### 4.1.1 Education

In recent years, female educational attainment has surpassed male attainment on a number of measures. In 2018, 13,000 Advanced Higher subject entries in Scotland were from women, 84% of which achieved a grade of A-C; this compares to 11,000 entries from men, 77% of which achieved an A-C grade. Sixty-seven percent of girls leave school with at least one qualification at SCQF level 6 or better, compared to 56% of boys, and similar percentages go on to higher or further education. In terms of higher education, 58% of entries into Scottish higher education institutions and colleges were women in 2016/17. Reflecting this situation, education has gone from being a driver of the gender pay gap to

<sup>&</sup>lt;sup>29</sup> Scottish Government (2018) *ASHE 2018 Scotland Tables*, Table 2.8, available at https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017.

<sup>&</sup>lt;sup>30</sup> Equality and Human Rights Commission (2017) *The Ethnicity Pay Gap*, p. 41, available at <a href="https://www.equalityhumanrights.com/sites/default/files/research-report-108-the-ethnicity-pay-gap.pdf">https://www.equalityhumanrights.com/sites/default/files/research-report-108-the-ethnicity-pay-gap.pdf</a> (Labour Force Survey).

<sup>&</sup>lt;sup>31</sup> Fawcett Society (2018) *Invisible Women: APPG on Sex Equality*, p. 6, available at https://www.youngwomenstrust.org/assets/0000/9206/Invisible Women final report.pdf.

<sup>&</sup>lt;sup>32</sup> Equality and Human Rights Commission (2017) *The Disability Pay Gap*, p. 33-37, available at <a href="https://www.equalityhumanrights.com/sites/default/files/research-report-107-the-disability-pay-gap.pdf">https://www.equalityhumanrights.com/sites/default/files/research-report-107-the-disability-pay-gap.pdf</a>.

<sup>&</sup>lt;sup>33</sup> Scottish Qualifications Authority (2018) *Attainment Statistics (August) 2018*, available at <a href="https://www.sqa.org.uk/sqa/63001.8312.html">https://www.sqa.org.uk/sqa/63001.8312.html</a>.

<sup>&</sup>lt;sup>34</sup> Scottish Government (2018) *Attainment and Leavers Destination Data 2016/17*, Tables 6 and L1.2, available at <a href="https://www2.gov.scot/Topics/Statistics/Browse/School-Education/leavedestla/follleavedestat/AttainmentLeavers1617">https://www2.gov.scot/Topics/Statistics/Browse/School-Education/leavedestla/follleavedestat/AttainmentLeavers1617</a>.

<sup>&</sup>lt;sup>35</sup> Higher Education Statistics Agency (2018) *Higher Education Students Statistics, UK, 2016/17 - Student numbers and characteristics,* Figure 4, available at <a href="https://www.hesa.ac.uk/news/11-01-2018/sfr247-higher-education-student-statistics/numbers">https://www.hesa.ac.uk/news/11-01-2018/sfr247-higher-education-student-statistics/numbers</a>.

being an offsetting factor, playing a significant role in recent reductions in the gender pay gap.<sup>36</sup> Attainment also tends to be higher among ethnic minorities.<sup>37</sup>

Attainment is not the whole story, however. Gender differences remain in subject choices, which affect the pay gap by contributing to occupational (and sectoral) segregation. In particular, women are underrepresented in certain subject areas with high earning potential, most notably in STEM fields (see Section 3.3). Differences in subject choice are in turn influenced by **gender stereotypes**, which are acquired at a young age, reinforced over time, and perpetuated by the segregation they create.<sup>38</sup> Whereas boys may be deterred by the lower pay or status offered by some 'feminine' subject choices, girls may come to believe that they are not capable of succeeding in 'masculine' subject areas.<sup>39</sup> This appears to be particularly true for science subjects.<sup>40</sup> Girls and women with other protected characteristics, particularly disabilities and minority ethnicities, are subject to additional stereotyping regarding their preferences and abilities.<sup>41</sup>

Such inequalities are also fostered by **hostile school environments**, with offensive behaviours ranging from misogynistic ostracism and gender-role policing to bullying and

<sup>&</sup>lt;sup>36</sup> Government Equalities Office (2018) *The Gender Pay Gap in the UK*, available at <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment</a> data/file/706030/G ender pay gap in the UK evidence from the UKHLS.pdf.

<sup>&</sup>lt;sup>37</sup> In 2016/17, a lower proportion of white school leavers in Scotland achieved 1 or more qualification at SCQF Level 4, at Level 5, and at Level 6 than other ethnicity. We are unable to examine the intersectionality of gender and ethnicity because these statistics are not cross-tabulated. Scottish Government (2018) *Attainment, leaver destinations and healthy living: summary statistics*, Table 6, available at <a href="https://www.gov.scot/publications/summary-statistics-attainment-leaver-destinations-healthy-living-8-2018-edition/pages/4/">https://www.gov.scot/publications/summary-statistics-attainment-leaver-destinations-healthy-living-8-2018-edition/pages/4/</a>.

<sup>&</sup>lt;sup>38</sup> Roger, A. and Duffield, J. (2010) 'Factors underlying persistent gendered option choices in school science and technology in Scotland' *Gender and Education* 12 (3), 367-383. An indication of these stereotypes is provided by the latest British Social Attitudes Survey, in which less than half of respondents (47%) agreed that men and women were equally suited to "all" or "almost all" jobs, with more people believing that boys are naturally better at computing (12%) than that girls (3%) or neither (73%) are naturally better. This imbalance was not observed for maths, however: an equal proportion (8%) thought that girls were naturally better at maths than that boys were naturally better. National Centre for Social Research (2018) *British Social Attitudes: The 35<sup>th</sup> report: Gender*, pp. 14-18, available at <a href="http://bsa.natcen.ac.uk/latest-report/british-social-attitudes-35/gender.aspx">http://bsa.natcen.ac.uk/latest-report/british-social-attitudes-35/gender.aspx</a>.

<sup>&</sup>lt;sup>39</sup> Van der Vlueten, M. et al. (2016) 'Boys' and girls' educational choices in secondary education: The role of gender ideology', *Educational Studies* 42 (2), 181-200.

<sup>&</sup>lt;sup>40</sup> Sikora, J. and Pokropek, A. (2012) 'Gender segregation of adolescent science career plans in 50 countries', *Science Education* 96 (2), 234-264.

<sup>&</sup>lt;sup>41</sup> Scope (2014) *Current Attitudes towards Disabled People*, available at <a href="http://www.scope.org.uk/Scope/media/Images/Publication%20Directory/Current-attitudes-towards-disabled-people.pdf">http://www.scope.org.uk/Scope/media/Images/Publication%20Directory/Current-attitudes-towards-disabled-people.pdf</a>. Equal Opportunities Commission (2007) *The Presence, Performance and Subsequent Work/Career Path of Visible Ethnic Minority Women in Higher and/or Further Education*, available at <a href="https://webarchive.nationalarchives.gov.uk/20071206162936/http://83.137.212.42/sitearchive/eoc/PDF/Graduates-Research.pdf?page=20320">https://webarchive.nationalarchives.gov.uk/20071206162936/http://s3.137.212.42/sitearchive/eoc/PDF/Graduates-Research.pdf?page=20320</a>.

harassment.<sup>42</sup> Girls are more likely to experience discrimination in this manner, as are ethnic minority, disabled, and LGBTQ pupils.<sup>43</sup>

## 4.1.2 Ability to take jobs

Women shoulder the bulk of unpaid caring responsibilities, including childcare as well as care for the elderly. <sup>44</sup> This is especially true in some ethnic minority groups, such as Bangladeshi and Pakistani families, which also tend to be larger and to have children when the mother is younger. <sup>45</sup> Minority ethnic families also tend to make less use of formal childcare, as do families with a disabled child or a child with special educational needs. <sup>46</sup> Besides preventing women from entering the labour market altogether, which is not reflected in the pay gap, these responsibilities act as a significant constraint on women's choice of jobs. <sup>47</sup> For example, informal carers may be compelled to seek part-time or flexible work. As discussed below, both of these options are only available in certain occupations and often incur penalties in terms of pay and progression – limitations which may in turn deter men from assuming a greater share of caring responsibilities (see Section 2.2.2). <sup>48</sup> They may also be unable to commute across longer distances, preventing them from selecting higher-paid jobs. <sup>49</sup> The conflict between care and employment stems in part from a lack of affordable, flexible, quality formal care provision, but also from the household relations which determine the division of informal caring responsibilities (see Section 3.2).

Household relations also determine the distribution of resources within the household. For example, women may lack access to financial resources if household income is controlled by

<sup>&</sup>lt;sup>42</sup> Institute of Fiscal Studies (2018) *How Can We Increase Girls' Uptake of Maths and Physics A-Level?*, available at <a href="https://www.ifs.org.uk/publications/13277">https://www.ifs.org.uk/publications/13277</a>.

<sup>&</sup>lt;sup>43</sup> Education Policy Institute (2018) *Bullying: A review of the evidence*, available at <a href="https://epi.org.uk/publications-and-research/bullying-a-review-of-the-evidence/">https://epi.org.uk/publications-and-research/bullying-a-review-of-the-evidence/</a>.

<sup>&</sup>lt;sup>44</sup> Office for National Statistics (2011) *Census 2011*, available at <a href="https://www.ons.gov.uk/census/2011census">https://www.ons.gov.uk/census/2011census</a>.

<sup>&</sup>lt;sup>45</sup> Joseph Rowntree Foundation (2011) *Poverty, Ethnicity and Caring*, available at <a href="https://www.jrf.org.uk/report/poverty-ethnicity-and-caring">https://www.jrf.org.uk/report/poverty-ethnicity-and-caring</a>.

<sup>&</sup>lt;sup>46</sup> In 2017, an estimated 58% of White British parents in England made use of formal childcare. Other than mixed ethnicity parents, parents of other ethnicities all reported lower levels of use, with Bangladeshi parents at the bottom extreme (26%). Meanwhile 49% of parents of children with special educational needs and 50% of parents of children with a health problem or disability reported using formal childcare, compared to 56% of parents of children without these characteristics. Department for Education (2017) *Childcare and early years survey of parents: 2017*, Table 1.6, available at <a href="https://www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2017">https://www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2017</a>.

<sup>&</sup>lt;sup>47</sup> OECD Development Centre (2014) *Unpaid Care Work: The missing link in the analysis of gender gaps in labour outcomes*, available at <a href="http://www.oecd.org/dev/development-gender/Unpaid">http://www.oecd.org/dev/development-gender/Unpaid</a> care work.pdf.

<sup>&</sup>lt;sup>48</sup> Equal Opportunities Commission (2005) *Britain's Hidden Brain Drain: The EOC's investigation into flexible and part-time working*, available at <a href="https://terryngeorge.files.wordpress.com/2010/11/eo-brain-drain-flexible-working.pdf">https://terryngeorge.files.wordpress.com/2010/11/eo-brain-drain-flexible-working.pdf</a>.

<sup>&</sup>lt;sup>49</sup> Institute for Fiscal Studies (2018) *The 'Gender Commuting Gap' Widens Considerably in the First Decade After Childbirth*, available at <a href="https://www.ifs.org.uk/publications/13673">https://www.ifs.org.uk/publications/13673</a>.

their husband.<sup>50</sup> This inequality, which is often exploited in cases of domestic abuse,<sup>51</sup> may deprive women of the resources needed to seek higher-quality employment, undertake training, pay for childcare, or start a business. For example, women are less likely than men to have access to a car, making them more reliant on public transport and raising issues of accessibility and personal safety.<sup>52</sup> Women's resources may be further diminished as they are usually responsible for purchasing children's items and tend to sacrifice their own consumption in order to meet their children's needs.<sup>53</sup> Even when they could potentially improve their labour-market position, women may be discouraged from taking jobs which are higher-paid than their husbands'.<sup>54</sup> There is some evidence to suggest that women in certain religious and ethnic groups experience particularly severe intra-household inequalities.<sup>55</sup> Disabled women are especially prone to domestic abuse, particularly when they are dependent on a partner for care.<sup>56</sup>

#### 4.1.3 Availability of suitable jobs

Even when women are potentially able and willing to work in a certain occupation or sector, a number of factors constrain their job selection. For example, a relatively low proportion of female graduates in STEM subjects go on to work in the STEM sector. Those that do, moreover, experience a high attrition rate at each stage of progression – a phenomenon known as the 'leaky pipeline'. Job selection and job progression are therefore closely related in this respect.

As mentioned above, **flexible and part-time work** are not universally available. For example, according to one estimate, only 11% of jobs paying £20,000 or more (FTE) are advertised as

<sup>&</sup>lt;sup>50</sup> Cantillon, S., Maitre, B., and Watson, D. (2016) 'Family financial management and individual deprivation', *Journal of Family and Economic Issues* 37 (3), 461-473.

<sup>&</sup>lt;sup>51</sup> Women's Aid (2015) *Unequal, Trapped, and Controlled: Women's experiences of financial abuse and the potential implications for Universal Credit,* available at <a href="https://www.womensaid.org.uk/financial-abuse-report">https://www.womensaid.org.uk/financial-abuse-report</a>.

<sup>&</sup>lt;sup>52</sup> Women's Budget Group (2018) *Public Transport and Gender*, available at <a href="https://wbg.org.uk/wpcontent/uploads/2018/10/Transport-October-2018-w-cover.pdf">https://wbg.org.uk/wpcontent/uploads/2018/10/Transport-October-2018-w-cover.pdf</a>.

<sup>&</sup>lt;sup>53</sup> Women's Budget Group (2005) *Women's and Children's Poverty: Making the links*, available at <a href="https://wbg.org.uk/analysis/womens-and-childrens-poverty-making-the-links/">https://wbg.org.uk/analysis/womens-and-childrens-poverty-making-the-links/</a>.

<sup>&</sup>lt;sup>54</sup> Bertrand, M., Pan, J., and Kamenica, E. (2015) 'Gender identity and relative income within households', *Quarterly Journal of Economics* 130 (2), 571-614.

<sup>&</sup>lt;sup>55</sup> Oxfam (2011) Exploring BME Maternal Poverty: The financial lives of ethnic minority mothers in Tyne and Wear, available at <a href="https://policy-practice.oxfam.org.uk/publications/exploring-bme-maternal-poverty-the-financial-lives-of-ethnic-minority-mothers-i-120665">https://policy-practice.oxfam.org.uk/publications/exploring-bme-maternal-poverty-the-financial-lives-of-ethnic-minority-mothers-i-120665</a>.

<sup>&</sup>lt;sup>56</sup> SafeLives (2017) *Disabled Survivors Too: Disabled people and domestic abuse,* available at <a href="http://safelives.org.uk/sites/default/files/resources/Disabled%20Survivors%20Too%20CORRECTED.pdf">http://safelives.org.uk/sites/default/files/resources/Disabled%20Survivors%20Too%20CORRECTED.pdf</a>.

<sup>&</sup>lt;sup>57</sup> Royal Society of Edinburgh (2018) *Tapping All Our Talents Review 2018: Women in STEM*, p. 16, available at <a href="https://www.rse.org.uk/inquiries/womeninstem-2018/">https://www.rse.org.uk/inquiries/womeninstem-2018/</a>.

<sup>&</sup>lt;sup>58</sup> Equate Scotland (2016) *Rising to the Challenge: How Scotland can recruit, retain, and support women in STEM,* available at <a href="https://www.researchonline.org.uk/sds/search/go.do?action=document&ref=B46603">https://www.researchonline.org.uk/sds/search/go.do?action=document&ref=B46603</a>.

available on a flexible basis.<sup>59</sup> Even when flexible working arrangements are offered, they are often not targeted to parents' needs; this is true for both men and women, which is significant if the division of domestic labour is to be rebalanced.<sup>60</sup> Part-time work, meanwhile, is most common in low-paid, female-dominated occupations, such as sales, secretarial work, and social care.<sup>61</sup> In 2018, over three quarters of the nearly 700,000 part-time workers in Scotland were women.<sup>62</sup> These imbalances are reflected in the fact that the overall pay gap (15.0%) is nearly three times higher than the full-time pay gap (5.7%).<sup>63</sup> Disabled women, particularly those with work-limiting impairments, are more likely than non-disabled women to work part-time.<sup>64</sup> On the whole, ethnic minority women are less likely to work part-time than White British women, with the opposite pattern for men, although this is likely related to lower maternal employment rates among ethnic minorities.<sup>65</sup>

Women may also be deterred from working in male-dominated sectors if they experience **hostility in the workplace**, which ranges from belittlement to bullying to sexual harassment. Such behaviour is notoriously persistent even when it is reported, which, along with fear of negative repercussions, discourages women from reporting it. Disabled women are subject to additional forms of hostility, <sup>66</sup> as are LBT women – particularly when they are also minority ethnic. <sup>67</sup> Similarly, minority ethnic women are subject to racism as well as sexism, <sup>68</sup>

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<sup>&</sup>lt;sup>59</sup> Family Friendly Working Scotland (2018) *The Timewise Flexible Jobs Index Scotland*, available at https://timewise.co.uk/article/flexible-jobs-index-2018-its-time-to-tackle-the-how/.

<sup>&</sup>lt;sup>60</sup> Working Families (2018) *Modern Families Index 2018*, available at <a href="https://www.workingfamilies.org.uk/wp-content/uploads/2018/01/UK MFI 2018 Long Report A4 UK.pdf">https://www.workingfamilies.org.uk/wp-content/uploads/2018/01/UK MFI 2018 Long Report A4 UK.pdf</a>.

<sup>&</sup>lt;sup>61</sup> Close the Gap (forthcoming 2018) Flexible Working for All? The impact of the right to request regulations on women in Scotland.

<sup>&</sup>lt;sup>62</sup> Annual Survey of Hours and Earnings, extracted from nomisweb.co.uk. Of the 697,000 part-time workers in Scotland, 534,000 (77%) were women, compared to 163,000 (23%) who were men. Excludes overtime, self-employed workers, and those affected by career absences.

<sup>&</sup>lt;sup>63</sup> Scottish Government (2018) *ASHE 2018 Scotland Tables*, Tables 2.1 and 3.1, available at <a href="https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017">https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017</a>.

<sup>&</sup>lt;sup>64</sup> Equality and Human Rights Commission (2017) *The Disability Pay Gap*, p. 33-37, available at <a href="https://www.equalityhumanrights.com/sites/default/files/research-report-107-the-disability-pay-gap.pdf">https://www.equalityhumanrights.com/sites/default/files/research-report-107-the-disability-pay-gap.pdf</a>.

<sup>&</sup>lt;sup>65</sup> Equality and Human Rights Commission (2017) *The Ethnicity Pay Gap*, p. 41, available at <a href="https://www.equalityhumanrights.com/sites/default/files/research-report-108-the-ethnicity-pay-gap.pdf">https://www.equalityhumanrights.com/sites/default/files/research-report-108-the-ethnicity-pay-gap.pdf</a> (Labour Force Survey).

<sup>&</sup>lt;sup>66</sup> Equality and Human Rights Commission (2012) *Opening Up Work: The views of disabled people and people with long-term health conditions*, available at

https://www.equalityhumanrights.com/sites/default/files/research report 77 opening up work.pdf.

<sup>&</sup>lt;sup>67</sup> Stonewall (2018) *LGBT in Britain: Work Report*, available at <a href="https://www.stonewall.org.uk/lgbt-britain-work-report">https://www.stonewall.org.uk/lgbt-britain-work-report</a>.

<sup>&</sup>lt;sup>68</sup> Trade Union Congress (2017) *Is Racism Real? A report about the experiences of Black and Minority Ethnic workers*, available at https://www.tuc.org.uk/sites/default/files/ls%20Racism%20Real.pdf.

often overlapping with hostility to religion as in the case of Islamophobia.<sup>69</sup> Even when women remain in hostile workplaces, they are likely to be less confident and productive, and therefore less likely to gain promotion.<sup>70</sup> Conversely, men may be deterred from working in female-dominated occupations due to social stigma and perceived challenges to their masculinity.<sup>71</sup>

Women are also subject to **discrimination** at the recruitment stage. The extent of sex discrimination in the labour market is difficult to estimate, but empirical and experimental evidence suggests that it represents a significant cause of the gender pay gap. <sup>72</sup> In particular, discrimination appears to ingrain occupational segregation by especially affecting women who apply to male-dominated jobs, and also men who apply to female-dominated jobs. <sup>73</sup> Disabled women experience compounded forms of discrimination, stemming in part from a reluctance by employers to make reasonable adjustments. <sup>74</sup> Similarly, Muslim and minority ethnic women experience additional discrimination, often based solely on applicants' names. <sup>75</sup> LBT women, particularly when they are minority ethnic, report high levels of discrimination, often leading to them to conceal their sexual orientation or gender identity. <sup>76</sup> There is also evidence that some companies avoid hiring (or promoting) women who are either pregnant or deemed likely to become pregnant while denying opportunities to returning mothers. <sup>77</sup> Other forms of discrimination may be less direct; for example, non-

<sup>&</sup>lt;sup>69</sup> Women and Equalities Committee (2016) *Employment Opportunities for Muslims in the UK: Second report of session 2016-17*, Chapter 5, available at

https://publications.parliament.uk/pa/cm201617/cmselect/cmwomeq/89/89.pdf.

<sup>&</sup>lt;sup>70</sup> Trade Unions Congress (2016) *Still Just a Bit of Banter? Sexual harassment in the workplace*, available at https://www.tuc.org.uk/sites/default/files/SexualHarassmentreport2016.pdf.

<sup>&</sup>lt;sup>71</sup> Cross, S. and Bagilhole, B. (2002) 'Girls' jobs for the boys? Men, masculinity, and non-traditional occupations', *Gender, Work and Organization* 9 (2), 204-226.

<sup>&</sup>lt;sup>72</sup> Blau, F. D. and Kahn, L. M. (2017) 'The gender wage gap: Extent, trends, and explanations', *Journal of Economic Literature* 55 (3), 789-865. In statistical regressions, the prevalence of discrimination is often estimated by the size of the 'residual', i.e. the proportion of the pay gap which cannot be explained by observable factors. However, the residual is an imperfect indicator of discrimination, both because it the residual includes variables which have not been included (such as work history) and because discrimination may affect the variables which have been included (such as occupation). Experimental evidence is therefore likely to be more reliable.

<sup>&</sup>lt;sup>73</sup> Azmat, G. and Petrongolo, B. (2014) 'Gender and the labor market: What have we learned from field and lab experiments?' *Labour Economics* 30, 32-40.

<sup>&</sup>lt;sup>74</sup> Parker, G. et al. (2007) 'Double discrimination? Gender and disability in access the labour market', University of York, Social Policy Research Institute Working Paper 2237, available at <a href="https://www.york.ac.uk/inst/spru/pubs/pdf/double.pdf">https://www.york.ac.uk/inst/spru/pubs/pdf/double.pdf</a>.

<sup>&</sup>lt;sup>75</sup> Social Mobility Commission (2017) *The Social Mobility Challenges Faced by Young Muslims*, Chapter 6, available at

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/642220/Young\_Muslims\_SMC.pdf.

<sup>&</sup>lt;sup>76</sup> Stonewall (2018) *LGBT in Britain: Work Report*, available at <a href="https://www.stonewall.org.uk/lgbt-britain-work-report">https://www.stonewall.org.uk/lgbt-britain-work-report</a>.

<sup>&</sup>lt;sup>77</sup> Equality and Human Rights Commission (2018) *Pregnancy and Maternity-Related Discrimination and Disadvantage*, available at https://www.equalityhumanrights.com/en/managing-pregnancy-and-maternity-

transparent recruitment practices may conceal unconscious bias and prevent women from pursuing non-traditional job choices.

#### 4.2 JOB VALUATION

Job selection contributes to the gender pay gap largely through its interaction with job valuation – that is, how jobs are valued. In particular, the jobs which women tend to do – be it in terms of occupation, sector, or working pattern – tend to be low paid. Arguably, these jobs are often **undervalued**, meaning they are not adequately remunerated for their contribution to society.<sup>78</sup>

Three factors can be identified which determine job valuation: market failures; working pattern; and job comparisons.

#### 4.2.1 Market failures

In theory, the value which society receives from a good or service (in this case work) should be reflected in its market price (in this case wages). In practice, however, there are a number of reasons why the labour market may undervalue certain forms of work.<sup>79</sup>

For example, care services, which predominantly employ women, represent a form of **infrastructure:** by allowing parents to enter the labour market and nurturing future generations of workers, they play a crucial role in supporting other economic activities. However, because these benefits are dispersed throughout the economy and do not fully manifest until children grow up, markets may not take them into account. Similar arguments apply to education and health. Furthermore, because personal services are based on human interaction, they may not be able to increase their productivity as quickly as activities which can be automated. As a consequence, pay in these sectors may lag even if

workplace/pregnancy-and-maternity-discrimination-research-findings. See also Correll, S. J., Benard, S., & Paik, I. (2007) 'Getting a job: Is there a motherhood penalty?', *American Journal of Sociology* 112 (5), 1297-1338.

<sup>&</sup>lt;sup>78</sup> Equal Opportunities Commission (2007) 'Undervaluing women's work', EOC Working Paper 53, available at <a href="https://www.researchgate.net/profile/Jill Rubery/publication/267854289">https://www.researchgate.net/profile/Jill Rubery/publication/267854289</a> Undervaluing Women's Work/links/55277d360cf2520617a71230.pdf.

<sup>&</sup>lt;sup>79</sup> Issues of job selection and job progression can also be considered forms of market failure insofar as they impede the market from functioning properly. However, this section concerns problems with the market itself, rather than factors which constrain people's participation in the market.

Wise Research Centre (2013) 'The economic case for investing in high-quality childcare and early years education', *Wise Briefing Sheet*, Glasgow Caledonian University, available at <a href="https://www.gcu.ac.uk/media/gcalwebv2/theuniversity/centresprojects/wise/04">https://www.gcu.ac.uk/media/gcalwebv2/theuniversity/centresprojects/wise/04</a> Wisebriefingpaper Nov13.pdf

<sup>&</sup>lt;sup>81</sup> Froud, J. et al. (2018) *The Foundational Economy: The infrastructure of everyday life* (Manchester: Manchester University Press).

their value to society increases – or, if their pay does rise apace, employers may respond by cutting hours or non-wage costs like training.<sup>82</sup>

Labour markets may also undervalue jobs when employers possess undue **bargaining power** over workers. For example, wages may be suppressed if a few large employers dominate the market, particularly if international competition or trade unions are weak or absent. Furthermore, due to the constraints of job selection discussed in the previous section, women may be less able to take alternative work, undermining their ability to demand higher wages. <sup>83</sup> Disabled women may be particularly prone to this effect if it is more difficult for them to change jobs. <sup>84</sup> In this respect, moreover, undervaluation is closely related to occupational segregation: if women compete for a given number of jobs rather than moving into occupations and sectors with shortages of labour, the occupations and sectors dominated by women will tend to be lower paid.

To resolve the failures of the labour market, the **public and voluntary sectors** may undertake an activity rather than leaving it to the private sector. Indeed, women are overrepresented in these sectors, <sup>85</sup> particularly ethnic minority women. <sup>86</sup> However, voluntary-sector wages tend to be lower than in the private sector; and, although the public sector tends to pay women more than the private sector, female wage growth in the public sector has lagged in recent years. <sup>87</sup>

#### 4.2.2 Working patterns

Part-time employees in Scotland are paid one-third less than full-time employees per hour, earning £9.67 per hour versus £14.31. 88 Combined with the fact that over three-quarters of part-time employees are women, which is attributable to the problems of job selection

<sup>&</sup>lt;sup>82</sup> Baumol, W. J. and Bowen, W. G. (1966) *Performing Arts, the Economic Dilemma: A study of problems common to theatre, opera, music, and dance* (Cambridge: MIT Press). Baumol and Bowen were primarily concerned with the effects of wage increases in sectors that had not experienced proportionate increases in productivity. They did not consider their work in relation to the gender pay gap.

<sup>&</sup>lt;sup>83</sup> Hirsch, B. (2010) *Monopsonistic Labour Markets and the Gender Pay Gap* (Berlin: Springer).

<sup>&</sup>lt;sup>84</sup> Saloniki, E. C. (2015) 'A monopsonistic approach to disability discrimination and non-discrimination', *Economics Bulletin* 35 (4), 2064-2073.

<sup>&</sup>lt;sup>85</sup> Carers UK and Employers for Carers (2012) *Sandwich Caring: Combining childcare with caring for older or disabled relatives*, available at <a href="https://www.carersuk.org/for-professionals/policy/policy-library?task=download&file=policy">https://www.carersuk.org/for-professionals/policy/policy-library?task=download&file=policy</a> file&id=210.

<sup>&</sup>lt;sup>86</sup> Equality and Human Rights Commission (2017) *The Ethnicity Pay Gap*, p. 41, available at <a href="https://www.equalityhumanrights.com/sites/default/files/research-report-108-the-ethnicity-pay-gap.pdf">https://www.equalityhumanrights.com/sites/default/files/research-report-108-the-ethnicity-pay-gap.pdf</a>.

<sup>&</sup>lt;sup>87</sup> Scottish Government (2018) *ASHE 2018 Scotland Tables*, Table 2.4, available at <a href="https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017">https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017</a>.

<sup>&</sup>lt;sup>88</sup> Annual Survey of Hours and Earnings, extracted from nomisweb.co.uk. Excludes overtime, self-employed workers, and those affected by career absences.

discussed above, this 'part-time penalty' acts to increase the gender pay gap. <sup>89</sup> Most of the part-time penalty is attributable to the fact that part-time work is concentrated in lower-paid occupations. <sup>90</sup> Because they work fewer hours, part-time workers also accumulate less labour-market experience, causing their pay to increasingly fall behind that of full-time workers over time – particularly as they enjoy fewer opportunities for job progression. <sup>91</sup> There can also be a penalty for **flexible work**, depending on the sector. <sup>92</sup>

Among part-time workers, the gender pay gap is actually negative, meaning that male part-time workers earn less than their female counterparts on average. Far from representing an anomaly, this may interact with job selection to reflect and reinforce the status quo, whereby women are expected to bear childcare responsibilities while men are not. Men seem to be penalised more heavily than women for working part-time, In part, it would seem, because experiencing a conflict between work and family commitments is viewed by employers more negatively for men than for women. These biases may discourage men from assuming a larger share of care responsibilities, thus reinforcing the issues of job selection, progression, and valuation which contribute to the gender pay gap. Indeed, whereas the most common reason that women work part-time rather than full-time is to undertake housework or care responsibilities, the most common reason for men is to undertake education or training — which is plausibly associated with less time spent in part-time work and improved employment outcomes in the long run.

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<sup>&</sup>lt;sup>89</sup> Department for Education and Employment (2001) *The Gender Pay Gap*, available at http://www.niesr.ac.uk/sites/default/files/publications/the%20gender%20pay%20gap.pdf.

<sup>&</sup>lt;sup>90</sup> Manning, A. and Petrongolo, B. (2008) 'The part-time pay penalty for women in Britain', *Economic Journal* 118 (526), 28-51.

<sup>&</sup>lt;sup>91</sup> Institute for Fiscal Studies (2018) *Wage Progression and the Gender Wage Gap: The causal impact of hours of work*, available at <a href="https://www.ifs.org.uk/publications/10358">https://www.ifs.org.uk/publications/10358</a>.

<sup>&</sup>lt;sup>92</sup> Goldin, C. (2014) 'A grand gender convergence: Its last chapter', *American Economic Review* 104 (4), 1091-1119.

<sup>&</sup>lt;sup>93</sup> Scottish Government (2018) *ASHE 2018 Scotland Tables*, Tables 2.4, available at <a href="https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017">https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017</a>.

<sup>&</sup>lt;sup>94</sup> Pedulla, D. S. (2016) 'Penalized or protected? Gender and the consequences of nonstandard and mismatched employment histories', *American Sociological Review* 81 (2), 262-289.

<sup>&</sup>lt;sup>95</sup> Butler, A. B. and Skattebo, A. (2010) 'What is acceptable for women may not be for men: The effect of family conflicts with work on job-performance ratings', *Journal of Occupational and Organizational Psychology* 77 (4), 553-564.

<sup>&</sup>lt;sup>96</sup> In the 2016/17 Family Resources Survey, the most common reason that women in Scotland gave for working part-time rather than full-time was that they had housework and care responsibilities (36%, compared to 9% of male part-time workers), whereas the most common reason for male part-time workers was that they were undergoing education or training (24%, compared to 10% of female part-time workers). Department for Work and Pensions, *Family Resources Survey 2016/17*, Scottish Government analysis.

#### 4.2.3 Job comparisons

Job valuation is determined in part by comparisons between jobs, i.e. the status of a job relative to other jobs. **Job classifications**, for example, group different jobs according to the types and levels of skills which they require. The ONS's Standard Occupational Classification (SOC) system contains four skill levels, which are based on "the length of time deemed necessary for a person to become fully competent in the performance of the tasks associated with a job", including through education, training, and experience. A number of jobs in which women are concentrated, such as administrative, care, and sales work are classified in the bottom two levels, meaning they require either "a general education" or a "good general education...[with] a longer period of work-related training or work experience". <sup>97</sup> Job classifications are to some extent subjective, and therefore reflect social perceptions of what constitutes 'skill'. The classification of some female-dominated occupations as 'low skilled work', particularly those associated with domestic labour, may therefore be influenced by the historically inferior status of women in society. <sup>98</sup>

Women may also lose out from comparisons between jobs within organisations. **Job evaluations**, which attempt to determine the relative value of different jobs, are a crucial step in determining whether women are receiving equal pay for equal work. However, job evaluations can themselves be subject to gender bias, for example if they neglect the emotional or physical demands of jobs performed mainly by women. <sup>99</sup> Since the Equality Act (2010), employers must ensure that their job evaluations are unbiased or else risk legal challenge. Nevertheless, evidence suggests that employers often neglect to undertake equal pay reviews in the belief that they already provide equal pay. <sup>100</sup>

#### 4.3 JOB PROGRESSION

Job progression is the final determinant of pay, overlapping with job selection and job valuation to generate the gender pay gap. If women do not progress in or between jobs as far or as quickly as men, or if their pay does not increase as much when they do progress, then the gender pay gap will widen. <sup>101</sup> Indeed, the barriers which women face tend to become increasingly pronounced at each stage of progression, leading to an

<sup>&</sup>lt;sup>97</sup> ONS (2018) 'SOC2010 volume 1: structure and descriptions of unit groups', https://www.ons.gov.uk/methodology/classificationsandstandards/standardoccupationalclassificationsoc/soc20 10/soc2010volume1structureanddescriptionsofunitgroups, Table 1.

<sup>&</sup>lt;sup>98</sup> Crompton, R. and Sanderson, K. (1990) *Gendered Jobs and Social Change* (London: Unwin).

<sup>&</sup>lt;sup>99</sup> Burton, C. (2006) 'Job evaluation and gender bias', *Journal of Tertiary Education Administration* 13 (1), 73-81.

Government Equalities Office (2014) *Company Reporting: Gender Pay Data,* available at <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment</a> data/file/445458/Co mpany Reporting GPG research.pdf.

<sup>&</sup>lt;sup>101</sup> Booth, A. L., Francesconi, M., and Frank, J. (1999) 'Glass ceilings or sticky floors?' Institute for Labour Research Discussion Paper.

underrepresentation of women and a higher gender pay gap in more senior roles. This phenomenon, known as the 'glass ceiling', disproportionately affects minority ethnic women, particularly migrants, while disabled people also face unique barriers to progression. 103

Two components of job selection can be identified: opportunities to progress and ability to progress.

#### 4.3.1 Opportunities to progress

Job progression is directly related to job selection insofar as progression opportunities vary by **occupation**, **sector**, **and working pattern**. The occupations and sectors traditionally dominated by women – including the '5 Cs' of cleaning, catering, cashiering (retail), clerical work, and caring – tend to offer less scope for progression than male-dominated jobs in, for example, finance or STEM. Meanwhile, part-time workers experience substantially fewer opportunities for progression than full-time workers, which is a primary reason for the differential in pay between the two working patterns and thus a significant cause of the overall gender pay gap. Inequalities in training provision between part- and full-time workers is likely a major factor in this regard.

Related to issues of job valuation, **grading systems and appraisals** can work against women in a number of ways. For example, grading systems which are subject to managerial discretion, such as informal systems and systems with progression within bands, are liable to conscious or unconscious gender bias, which conceivably interacts with bias towards other protected characteristics. <sup>107</sup> In some companies, separate promotional hierarchies may exist for different types of jobs, which can exacerbate the gender pay gap if those jobs are gendered while also solidifying intersectional disadvantages. <sup>108</sup> Performance appraisals

<sup>&</sup>lt;sup>102</sup> Netto, G. et al. (2015) 'Migration, ethnicity and progression from low-paid work: Implication for skills policy', *Social Policy and Society* 14 (4), 509-522.

<sup>&</sup>lt;sup>103</sup> Equality and Human Rights Commission (2012) *Opening Up Work: The views of disabled people and people with long-term health conditions*, available at

https://www.equalityhumanrights.com/sites/default/files/research report 77 opening up work.pdf.

<sup>&</sup>lt;sup>104</sup> Institute for Public Policy Research (2015) *Employee Progression in European Labour Markets*, available at <a href="https://www.ippr.org/files/publications/pdf/employee-progression-EU-labour-markets">https://www.ippr.org/files/publications/pdf/employee-progression-EU-labour-markets</a> Feb2015.pdf.

<sup>&</sup>lt;sup>105</sup> Institute for Fiscal Studies (2018) *Wage Progression and the Gender Wage Gap: The causal impact of hours of work*, available at <a href="https://www.ifs.org.uk/publications/10358">https://www.ifs.org.uk/publications/10358</a>.

<sup>&</sup>lt;sup>106</sup> Institute for Fiscal Studies (2018) 'The gender pay gap in the UK: Children and experience in work', Working Paper 18/02, available at <a href="https://www.ifs.org.uk/publications/10356">https://www.ifs.org.uk/publications/10356</a>.

<sup>&</sup>lt;sup>107</sup> Equal Opportunities Commission (2007) 'Undervaluing women's work', EOC Working Paper 53, available at <a href="https://www.researchgate.net/profile/Jill Rubery/publication/267854289">https://www.researchgate.net/profile/Jill Rubery/publication/267854289</a> Undervaluing Women's Work/links/55277d360cf2520617a71230.pdf.

<sup>&</sup>lt;sup>108</sup> Bevan, S. and Thompson, M. (1992) *Merit Pay, Performance Appraisal and Attitudes to Women's Work*, IMS Report 234 (Brighton: Institute of Manpower Studies).

and performance-related pay can also undermine women's progression, for example in situations where male-associated competencies are given greater weight or because women are less inclined to exaggerate their achievements. These problems can be exacerbated by a lack of pay transparency or a culture of secrecy. These problems can be exacerbated by a lack of pay transparency or a culture of secrecy.

Women may also be disadvantaged when it comes to **pay negotiation**. In the first place, there may be more scope for negotiation in male-dominated occupations where jobs are less standardised or workers possess more bargaining power (see Section 2.2.1). Women also tend to negotiate less assertively than men, not least because defying gender stereotypes in this way can provoke a backlash, with negative consequences for women's pay. <sup>111</sup> Furthermore, a workers' previous salary often serves as a starting point for negotiations, which will tend to reinforce gender inequalities. <sup>112</sup>

**Hostile workplaces** may also inhibit women from progressing, for example if higher, more male-dominated levels in an organisation are more tolerant of sexist behaviour. More overt forms of **discrimination** may also prevent women from not only taking jobs (see Section 2.1.3) but also progressing in their jobs. In this regard, the intersectional dimensions of job selection outlined in Section 2.1.3 are also relevant to job progression. For example, companies may avoid promoting pregnant women or mothers for fear that their childcare responsibilities will impinge on their work. Disabled people may be viewed as incapable of handling senior roles, while a lack of role models and cultural sensitivity within an organisation, along with a lack of language skills, can pose specific barriers for minority ethnic women.

<sup>&</sup>lt;sup>109</sup> Rees, B. and Garnsey, E. (2003) 'Analysing competence: gender and identity at work', *Gender, Work and Organization* 10 (5), 551-578.

<sup>&</sup>lt;sup>110</sup> Institute for Public Policy Research (2018) *The Fair Pay Report: How pay transparency can help tackle inequalities*, available at https://www.ippr.org/files/2018-11/1542206529 the-fair-pay-report.pdf.

<sup>&</sup>lt;sup>111</sup> Kulik, C. T. and Olekalns, M. (2012) 'Negotiating the gender divide: Lessons from the negotiation and organizational behavior literatures', *Journal of Management* 38 (4), 1387-1415.

<sup>&</sup>lt;sup>112</sup> Bevan, S. and Thompson, M. (1992) 'Merit pay, performance appraisal and attitudes to women's work', Institute of Manpower Studies, Report 234.

<sup>&</sup>lt;sup>113</sup> Bell, M. P., Mclaughlin, M. E., and Sequeira, J. M. (2002) 'Discrimination, harassment, and the glass ceiling: Women executives as change agents', *Journal of Business Ethics* 37 (1), 65-76.

<sup>&</sup>lt;sup>114</sup> Equality and Human Rights Commission (2018) *Pregnancy and Maternity-Related Discrimination and Disadvantage*, available at <a href="https://www.equalityhumanrights.com/en/managing-pregnancy-and-maternity-workplace/pregnancy-and-maternity-discrimination-research-findings">https://www.equalityhumanrights.com/en/managing-pregnancy-and-maternity-workplace/pregnancy-and-maternity-discrimination-research-findings</a>.

<sup>&</sup>lt;sup>115</sup> Scope (2014) *Current Attitudes towards Disabled People*, available at <a href="http://www.scope.org.uk/Scope/media/Images/Publication%20Directory/Current-attitudes-towards-disabled-people.pdf">http://www.scope.org.uk/Scope/media/Images/Publication%20Directory/Current-attitudes-towards-disabled-people.pdf</a>.

<sup>&</sup>lt;sup>116</sup> Joseph Rowntree Foundation (2013) *In-Work Poverty, Ethnicity and Workplace Cultures*, available at <a href="https://www.jrf.org.uk/report/work-poverty-ethnicity-and-workplace-cultures">https://www.jrf.org.uk/report/work-poverty-ethnicity-and-workplace-cultures</a>.

#### 4.3.2 Ability to progress

The factors which affect women's and men's ability to take jobs – namely **household relations** and **care provision** – are also likely to affect their ability to progress in those jobs. For example, mothers who take career breaks to care for children not only forego time at work which could have contributed to progression, but when they return to work they often move into lower-skilled or lower-paid jobs with limited scope for progression, often on a part-time basis. This contributes to a pay gap between working mothers and other working women, as well as the pay gap between men and women. Indeed, a recent statistical study found the most significant explanation of the gender pay gap to be that women had spent less years in full-time work than men on average. In this respect, the intersectional dimensions of care provision and household relations are relevant to job progression as well as job selection (see Section 2.1.2).

It is clear, moreover, that there is a significant degree of overlap between ability to progress, on the one hand, and opportunities to progress, on the other. For example, working hours have proliferated in recent years, spilling over into time spent at home. <sup>121</sup> In many cases, workers on part-time contracts are effectively working full time, <sup>122</sup> while senior staff are expected to be permanently on-call. <sup>123</sup> Meanwhile, precarious forms of work have multiplied, disproportionately affecting women. These roles not only offer limited opportunities to progress but also, given the lack of job stability, limited incentives to do so. <sup>124</sup> Minority ethnic women are especially likely to be in temporary and insecure work, such as working on a seasonal basis or through an employment agency. <sup>125</sup>

<sup>&</sup>lt;sup>117</sup> PwC (2016) *The £1 Billion Career Break Penalty for Professional Women,* available at https://www.pwc.co.uk/services/economics-policy/insights/women-returners.html.

<sup>&</sup>lt;sup>118</sup> Trade Unions Congress (2016) *The Motherhood Pay Penalty*, available at <a href="https://www.tuc.org.uk/sites/default/files/MotherhoodPayPenalty.pdf">https://www.tuc.org.uk/sites/default/files/MotherhoodPayPenalty.pdf</a>.

<sup>&</sup>lt;sup>119</sup> Scottish Government (2017) *The Gender Pay Gap in Scotland: Update and analysis of time series data*, p. 5, available at https://www.gov.scot/publications/gender-pay-gap-scotland-update-analysis-time-series-data/.

<sup>&</sup>lt;sup>120</sup> Government Equalities Office (2018) *The Gender Pay Gap in the UK*, available at <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment</a> data/file/706030/G ender pay gap in the UK evidence from the UKHLS.pdf.

<sup>&</sup>lt;sup>121</sup> Institute for Employment Studies (2003) *Working Long Hours: A review of the evidence*, available at <a href="https://www.employment-studies.co.uk/system/files/resources/files/errs16">https://www.employment-studies.co.uk/system/files/resources/files/errs16</a> main.pdf.

Working Families (2018) *Modern Families Index 2018*, available at <a href="https://www.workingfamilies.org.uk/wp-content/uploads/2018/01/UK MFI 2018 Long Report A4 UK.pdf">https://www.workingfamilies.org.uk/wp-content/uploads/2018/01/UK MFI 2018 Long Report A4 UK.pdf</a>.

<sup>&</sup>lt;sup>123</sup> Goldin, C. (2014) 'A grand gender convergence: Its last chapter', *American Economic Review* 104 (4), 1091-1119.

<sup>&</sup>lt;sup>124</sup> Trade Unions Congress (2014) *Women and Casualisation: Women's experiences of job insecurity*, available at <a href="https://www.tuc.org.uk/sites/default/files/Women">https://www.tuc.org.uk/sites/default/files/Women</a> and casualisation.pdf.

<sup>&</sup>lt;sup>125</sup> Resolution Foundation (2018) *Opportunities Knocked? Exploring pay penalties among the UK's ethnic minorities*, pp. 33-34, available at <a href="https://www.resolutionfoundation.org/app/uploads/2018/07/Opportunities-Knocked.pdf">https://www.resolutionfoundation.org/app/uploads/2018/07/Opportunities-Knocked.pdf</a>.

## 5 AN ANALYSIS OF THE GENDER PAY GAP ACTION PLAN

The Action Plan is divided into a number of themes, which were developed through a series of stakeholder workshops. This section applies the logic model outlined above to each of the themes, considering their potential impacts on the gender pay gap and gender equality more broadly. Where evidence is available, the analysis takes an intersectional perspective, acknowledging that women are not a homogeneous group but rather experience distinct and compounded inequalities depending on disability, ethnicity, sexual orientation, religion, age, and pregnancy and maternity, among other characteristics. To facilitate the analysis, themes which have particularly significant overlaps have been combined.

#### 5.1 LEADERSHIP AND ECONOMIC DEVELOPMENT

The actions relating to leadership are:

- Start the process of work to ensure that our own policymakers, analysts and delivery bodies are sufficiently competent in their understanding of intersectional gender issues to design policy and services that advance women's equality, particularly in relation to the labour market and economy. This will include our current contract with WiSE Research Centre for Economic Justice to carry out a project on improving the gender competence of analysts and policy-makers, being run initially on a pilot basis in the Finance, Economy and Fair Work portfolio.
- Support the Fair Work Convention's role in supporting equality of opportunity and outcomes in the labour market and work with the Convention to promote understanding and application of the Fair Work Framework in workplaces across the country.
- Work with our Non Departmental Public Bodies and Agencies through our Sponsorship teams to reduce their own gender pay gaps and to tackle the gender pay gap, including specific issues faced by women who have other protected characteristics, such as disabled women within Scotland's labour market through their service delivery.
- Undertake further analysis on the impact of the budget on gender, including further consideration of distributional analysis and the intra-household distribution of resources.
- Improve the intersectional data available for all policy officers across national and local government to help with the development of future policies.

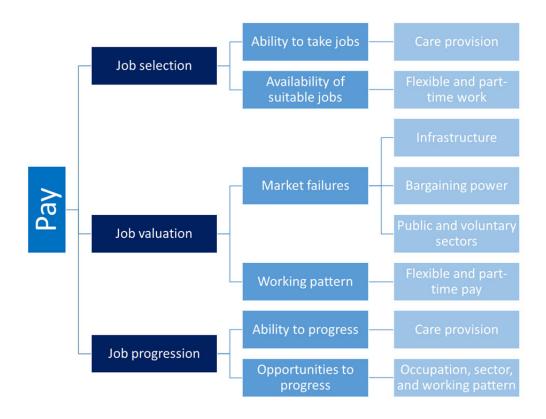
- Develop our <u>sustainable procurement tools</u> and <u>guidance</u> to help buyers across the
  public sector in Scotland identify and pursue equality outcomes in relevant
  procurements, and identify a suitable public contract requirement from which we
  can develop an exemplary case study of how public sector equality duties can be met
  with respect to gender and procurement.
- Undertake a review of the specific duties underpinning the public sector equality duty. That review will take into account stakeholders' views and a range of evidence, such as the *Is Scotland Fairer?* report published by the Equality and Human Rights Commission. The aim will be to move from a culture of compliance to one that supports progress in delivering equality and a fairer Scotland.
- Undertake an Equal Pay Audit to help us to understand the causes of the Scottish Government's own gender pay gap.

The actions relating to economic development are:

- Develop an approach to treat investment in childcare and social care as economic infrastructure.
- Ask the Enterprise & Skills Strategic Board and the boards of the enterprise and skills agencies to make gender and the gender pay gap a central mainstream part of their work.
- Undertake research into how transport infrastructure investment impacts on the gender pay gap in transport appraisal; this will then be incorporated into Scottish Transport Appraisal Guidance (STAG).
- Ensure that the gender pay gap is included in work on the new Scottish National Investment Bank's Equality Impact Assessment. This will take full account of research, learning and engagement with WiSE Centre for Economic Justice and other relevant stakeholders. This will ensure the Bank's intended leadership role with regards to diversity and inclusiveness in its governance, operational arrangements and its Investment Strategy is fully embedded.
- As outlined in the Fair Work Action Plan work with the Convention to help embed fair work practices in the health and social care sector. This will be informed by the Fair Work Convention's Social Care Inquiry Report..

• Given the importance of automation and artificial intelligence to the economy and labour market going forward, we will ensure that closing the gender pay gap and its causes are central to all relevant policy analysis in this area.

The commitments set out in these two sections of the Action Plan are mainly of a strategic, high-level nature. Accordingly, their impacts on the gender pay gap are potentially wideranging, but also, by the same token, difficult to predict. Broadly speaking, we would expect the commitments to affect the pay gap by addressing issues of job selection (ability to take jobs, availability of suitable jobs), job progression (ability to progress, opportunities to progress), and job valuation (market failures, working pattern).



It is now widely recognised that gender equality, including in the labour market, would deliver significant benefits to the economy. Since women comprise over half of the potential workforce, consumer base, and supply of skills, they represent an underutilised resource insofar as their contribution to the formal economy is constrained. Conversely, however, economic growth does not necessarily enhance gender equality. Gender is therefore a vital component of Inclusive Growth, which purports to create opportunities for all sections of society to participate in both the process and the proceeds of economic growth. A

https://www.idrc.ca/sites/default/files/sp/Documents%20EN/NK-WEE-Concept-Paper.pdf.

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<sup>&</sup>lt;sup>126</sup> Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality,* available at <a href="https://www.closethegap.org.uk/content/resources/Gender-Equality-Pays.pdf">https://www.closethegap.org.uk/content/resources/Gender-Equality-Pays.pdf</a>.

<sup>&</sup>lt;sup>127</sup> Kabeer, N. (2012) 'Women's economic empowerment and inclusive growth: labour markets and enterprise development', SIG Working Paper 2012/1, available at

gendered approach to Inclusive Growth could underline the importance of, for example, improving the quality of jobs for women currently employed in low-paid occupations and sectors; expanding the provision of flexible working and childcare to facilitate the employment of mothers; and tackling the specific barriers to work encountered by ethnic minority ethnic, disabled, and LBT women.

From the perspective of economic development, gender inequality is particularly relevant in a context of widespread skill shortages, especially in gender-segregated sectors. For example, women comprise 85% of the social-care workforce, in which shortages are widely predicted as the population ages and Brexit reduces migration. Meanwhile, only 18% of workers in the digital economy are women. As recognised in the Action Plan, moreover, technological change has the potential to exacerbate gender inequalities. For example, according to the World Economic Forum, declines in employment are likely both in female-dominated sectors such as sales and administration and in male-dominated sectors such as construction and extraction, but any offsetting expansion in STEM will predominantly benefit men due to their preponderance in the sector. There are also strong intersectionalities with ethnicity given that some ethnic groups are more likely to work in low-skill occupations susceptible to automation. Since it will take an explicitly mission-based approach to allocating capital, with a longer time horizon than most commercial banks, the Scottish National Investment Bank has the potential to play a strategic role in addressing the economic challenges of the future, including their equality dimensions.

The Scottish Government and its agencies, as well as large public sector bodies such as the National Health Service, are themselves pivotal agents in the economy in terms of their roles as policy-makers, employers, and buyers of goods and services. Several of the commitments in the Action Plan, such as those related to gender competence, gender budgeting, and infrastructure investment, place gender at the fore of policy-making; others, such as those relating to the Scottish Government's procurement activities and its own gender pay gap, aim to ensure that the organisation itself makes a positive contribution to gender equality. Both categories have extensive but indeterminate potential to influence the gender pay gap. As an example, gender budgeting can improve the gender impacts of

digital age, available at https://www.ippr.org/files/2018-01/cej-managing-automation-december2017.pdf.

Trade and Industry Committee (2005) Jobs for the Girls: The effect of occupational segregation on the gender pay gap, available at <a href="https://publications.parliament.uk/pa/cm200405/cmselect/cmtrdind/300/300.pdf">https://publications.parliament.uk/pa/cm200405/cmselect/cmtrdind/300/300.pdf</a>.

<sup>&</sup>lt;sup>129</sup> Scottish Social Services Council (2017) *Workforce Skills Report 2016-17*, p. 24, available at <a href="http://www.sssc.uk.com/about-the-sssc/multimedia-library/publications?task=document.viewdoc&id=4743">http://www.sssc.uk.com/about-the-sssc/multimedia-library/publications?task=document.viewdoc&id=4743</a>.

<sup>&</sup>lt;sup>130</sup> Digital Scotland (2017) *Tackling the Technology Gender Gap Together*, available at <a href="https://www.skillsdevelopmentscotland.co.uk/media/42478/tackling-the-technology-gender-gap-together-2.pdf">https://www.skillsdevelopmentscotland.co.uk/media/42478/tackling-the-technology-gender-gap-together-2.pdf</a>.

<sup>&</sup>lt;sup>131</sup> World Economic Forum (2016) *The Industry Gender Gap: Women and Work in the Fourth Industrial Revolution*, available at <a href="http://www3.weforum.org/docs/WEF">http://www3.weforum.org/docs/WEF</a> FOJ Executive Summary GenderGap.pdf.

<sup>132</sup> Institute for Public Policy Research (2017) *Managing Automation: Employment, inequality and ethics in the* 

tax and spending by incorporating gender analysis into the budget process. <sup>133</sup> In Iceland, for instance, the ability of higher-income partners (who tend to be men) to benefit from the unused tax credits of their lower-income partners (who tend to be women) was abolished as it was found to exacerbate gender inequalities. <sup>134</sup> Overall, however, the results of gender budgeting efforts have so far been modest, not least owing to limitations in the underlying data and competing demands on public funds. <sup>135</sup>

#### 5.2 Early Learning and Childcare

The actions relating to early learning and childcare are:

- Ask Education Scotland and Care Inspectorate to take account of gender equality through their scrutiny activities.
- Continue to work in partnership with education and training providers and the third sector to test new ways to encourage men into the early learning and childcare sector, supporting our efforts to diversify the workforce.
- Ensure successful implementation of the 'real' Living Wage commitment for funded provider settings from 2020 that forms part of the new Funding Follows the Child approach, and build on this with a more ambitious target around pay to be set thereafter.
- In the next review of the national occupational standards and resulting qualifications
  for the early learning and childcare and out of school care sector, we will consider
  how to build addressing gender stereotyping and occupational segregation into
  training.
- Over the course of this Parliament we will develop and consult on a plan for afterschool and holiday childcare, setting out the steps we will take in the next Parliament to further improve and expand early learning and childcare.
- Undertake by 2024 an evaluation to determine the impact the significant investment to increase the number of funded hours to 1,140 per year has had on improving the

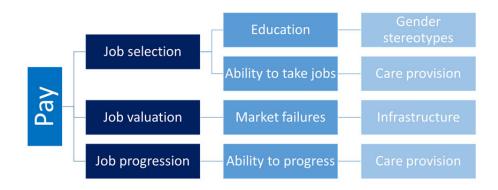
<sup>&</sup>lt;sup>133</sup> O'Hagan, A. and Klatzer, E. (eds.) (2018) *Gender Budgeting in Europe: Developments and challenges* (Basingstoke: Palgrave Macmillan)

<sup>&</sup>lt;sup>134</sup> OECD (2018) 'Gender budgeting in OECD countries', *OECD Journal on Budgeting 2016/3*, p. 21, available at <a href="http://www.oecd.org/gender/Gender-Budgeting-in-OECD-countries.pdf">http://www.oecd.org/gender/Gender-Budgeting-in-OECD-countries.pdf</a>.

<sup>&</sup>lt;sup>135</sup> International Monetary Fund (2016) 'Gender budgeting: Fiscal context and current outcomes', IMF Working Paper 16/149, available at <a href="https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Gender-Budgeting-Fiscal-Context-and-Current-Outcomes-44132">https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Gender-Budgeting-Fiscal-Context-and-Current-Outcomes-44132</a>.

outcomes for children; on labour market outcomes for parents, particularly for women; and consider what further action may be required to further strengthen women's equal access to the labour market.

We expect the commitments in the Action Plan relating to early learning and childcare (ELC) to affect the pay gap by addressing issues of job selection (education, ability to take jobs), job progression (ability to progress), and job valuation (market failures).



These effects are distributed across three groups of potential beneficiaries: parents, children, and ELC workers. For parents, inadequate childcare provision can contribute to the gender pay gap by constraining the job selection and progression of women with informal caring responsibilities (see Sections 2.1.2 and 2.3.2). Improving childcare provision, including after-school-hours and holiday-related care, could therefore allow women to enter higher-paid jobs and to take greater advantage of progression opportunities, for example by entering roles with less scope for flexible working or by adopting a full-time working pattern. <sup>136</sup>

These effects may be particularly significant for mothers returning to work after pregnancy, when the gender pay gap begins to widen (see Section 2.3.2). Looking at this group in more detail, mothers in the longitudinal *Growing Up in Scotland* who had not returned to work when their child was 5 – but were looking for work – tended to be younger, with lower educational qualifications and lower household income, compared with mothers who were working or not looking for work. This research also indicates that mothers were less likely to return to work if they were single, had larger families, or had a child with a long-term health condition.<sup>137</sup> The effects of improved childcare on mothers will therefore be interconnected with their age, socio-economic status, and ethnicity (given that minority ethnic families tend

<sup>&</sup>lt;sup>136</sup> Department for Work and Pensions (2013) 'A survey of childcare and work decisions among families with children', Working Paper 114, available at:

https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/221221/WP114.pdf.

<sup>&</sup>lt;sup>137</sup> Scottish Government (2017) *Growing Up in Scotland: patterns of maternal employment and barriers to paid work,* available at <a href="https://www.gov.scot/publications/growing-up-scotland-patterns-maternal-employment-barriers-paid-work/">https://www.gov.scot/publications/growing-up-scotland-patterns-maternal-employment-barriers-paid-work/</a>.

to be larger), as well as any disability or health condition of their child. Indeed, childcare for disabled children can be substantially more expensive than conventional childcare. <sup>138</sup> By the same token, childcare needs to be tailored to the specific needs of these groups. For example, in community consultation research undertaken in Scotland, single Chinese women expressed that childcare provision was not always sensitive to their culture <sup>139</sup>. Minority ethnic families may also tend to have more traditional attitudes which favour informal care, underlining the importance of household dynamics in addition to public provision (see Section 2.1.2). <sup>140</sup>

Improving childcare provision could also allow (and incentivise) more women to enter or reenter the labour market in the first place. Indeed, there is a strong correlation between the availability of affordable childcare and female labour-force participation, both over time and across countries, <sup>141</sup> although the relationship is not absolute. <sup>142</sup> However, while an increase in maternal employment may be positive for gender equality, any effects on the gender pay gap would depend on the pay levels of those entering the labour market. All of the determinants of pay outlined in Section 2 are thus relevant – as are the other policy areas covered in Section 3, given that the effects of childcare on parents' employment outcomes are mediated by the wider policy context, including employability services and social security <sup>143</sup>.

The increase in free childcare provision in Scotland from 600 to 1,140 hours per year for 3-5 year-olds and disadvantaged two-year-olds will amount to an increase from 12.5 to 23.75 hours per week over 48 weeks. Beyond this entitlement, however, the costs of childcare could still be burdensome for some parents. In 2018, the average cost of childcare in Scotland was £5.30 per hour for 3-5 year-olds and £4.01 per hour for two-year-olds, 144 respectively representing 37% and 28% of the median hourly pay of a full-time worker

<sup>&</sup>lt;sup>138</sup> Contact a Family (2014) *Childcare Affordability Trap*, available at https://contact.org.uk/media/773401/childcare affordability trap research june 2014.pdf.

<sup>&</sup>lt;sup>139</sup> Joseph Rowntree Foundation (2011) *Ethnicity and Poverty in Scotland: Community consultation in Fife and Highland*, available at

https://www.research.ed.ac.uk/portal/files/13411254/Community Consultation in Fife and Highland.pdf.

<sup>&</sup>lt;sup>140</sup> Joseph Rowntree Foundation (2014) *Poverty and Ethnicity: Balancing caring and earning for British Caribbean, Pakistani and Somali people*, available at <a href="https://www.jrf.org.uk/report/caring-and-earning-among-low-income-caribbean-pakistani-and-somali-people">https://www.jrf.org.uk/report/caring-and-earning-among-low-income-caribbean-pakistani-and-somali-people</a>.

<sup>&</sup>lt;sup>141</sup> International Monetary Fund (2016) 'Individual choice or policies? Drivers of female employment in Europe', IMF Working Paper 16/49. Akgunduz, Y. and Plantenga, J. (2011) 'Child care prices and female labour force participation: A meta-analysis', Utrecht School of Economics Working Paper 11-08.

<sup>&</sup>lt;sup>142</sup> Scottish Parliament Information Centre (2014) 'Early learning and childcare', SPICe Briefing 14/26, available at <a href="https://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB">https://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB</a> 14-26.pdf.

<sup>&</sup>lt;sup>143</sup> NHS Health Scotland (2017) *Provision of early learning and childcare and parents' outcomes: An evidence brief*, available at <a href="http://www.healthscotland.scot/media/1786/provision-of-early-learning-and-childcare-and-parents-outcomes-an-evidence-brief.pdf">http://www.healthscotland.scot/media/1786/provision-of-early-learning-and-childcare-and-parents-outcomes-an-evidence-brief.pdf</a>.

<sup>&</sup>lt;sup>144</sup> Family and Childcare Trust (2018) *Childcare Survey 2018*, available at https://www.familyandchildcaretrust.org/childcare-survey-2018.

(£14.31) and over half of the Living Wage. 145 Furthermore, even if childcare is affordable, it may not be available or accessible: a report on the gender pay gap in rural Scotland found that childcare provision is lower in remote areas, with large parts of the country lacking any provision at all<sup>146</sup>. As the Action Plan acknowledges, issues of quality and flexibility are likewise important components of the infrastructure of care. Although an evaluation of the initial expansion in 2014 from 475 to 600 entitled hours found that a large majority of parents were satisfied with the quality of provision, <sup>147</sup> Audit Scotland found that a lack of flexibility had combined with the limited number of hours available to constrain the impact on parents' ability to work. 148

ELC provision represents an opportunity to reduce the gender pay gap not only for mothers, but also, when they reach working age, for the children who receive care. The evidence on As discussed in Sections 2.1.1 and 2.3.1, gender stereotypes contribute to occupational segregation by influencing subject choices while also putting women at a disadvantage when it comes to promotion. ELC, moreover, may be one of the first environments outside the home where children are exposed to gender perceptions. Indeed, research suggests that the way gender is presented in educational settings can influence interaction between 3-5 year-olds of opposite sexes, <sup>149</sup> and experimental methods of early-years education show promise in avoiding gender stereotypes. 150 Parents appear to agree that boys and girls should not be treated differently – although they also tend to believe that natural differences are at play, which demonstrates that the ability of ELC to challenge gender stereotypes may depend on parental influences. 151 Evidence also suggests that early education can improve academic, behavioural, and health-related outcomes for children, particularly from lower-income families, although this would not necessarily impact the gender gap if it affects boys and girls equally. 152

<sup>&</sup>lt;sup>145</sup> Annual Survey of Hours and Earnings, extracted from nomisweb.co.uk. Excludes overtime.

<sup>&</sup>lt;sup>146</sup> Rural Policy Centre (forthcoming) *Exploring the Gender Pay Gap in Rural Scotland*.

<sup>&</sup>lt;sup>147</sup> Care Inspectorate (2016) Scotland's Early Learning and Childcare – An initial overview of the expansion of provision during 2014/15, available at

http://www.careinspectorate.com/images/documents/3049/Scotlands early learning and childcare an initial overview of the expansion of provision 1.pdf.

<sup>&</sup>lt;sup>148</sup> Audit Scotland (2018) Early Learning and Childcare, available at http://auditscotland.gov.uk/uploads/docs/report/2018/nr 180215 early learning.pdf.

<sup>&</sup>lt;sup>149</sup> Hilliard, L. J., & Liben, L. S. (2010). Differing levels of gender salience in preschool classrooms: Effects on children's gender attitudes and intergroup bias. Child development, 81(6), 1787-1798.

<sup>&</sup>lt;sup>150</sup> Laevers, F., & Verboven, L. (2000). Gender related role patterns in preschool settings. Can 'experiential education' make a difference?. European Early Childhood Education Research Journal, 8(1), 25-42.

<sup>&</sup>lt;sup>151</sup> Zero Tolerance (2016) The Default Setting: What parents say about gender stereotyping in their children's early years, available at https://www.zerotolerance.org.uk/resources/The-default-setting.pdf. Over 90% of parents surveyed agreed with the statement that 'it is important to treat boys and girls the same in early childhood'. However, the research was based on a convenience sample and cannot be taken as nationally representative.

<sup>&</sup>lt;sup>152</sup> Education Endowment Foundation (2018) *Early Years Toolkit: Early starting age,* available at https://educationendowmentfoundation.org.uk/pdf/generate/?u=https://educationendowmentfoundation.org. uk/pdf/toolkit/?id=296&t=Teaching and Learning Toolkit&e=296&s=.

Finally, ELC is relevant to the gender pay gap because women comprise the majority of its workforce – 97% in 2016.<sup>153</sup> As a sector, moreover, ELC is particularly susceptible to the problems of undervaluation discussed in Section 2.2.1, including the failure of the market to adequately value the infrastructural qualities of care. Labour-market analysis has found that the median pay for childcare workers is substantially lower than for those with similar qualifications working elsewhere, and lower than for those working in tertiary education. Turnover rates, meanwhile, are relatively high, with those entering the field less qualified than those planning to leave it.<sup>154</sup> In the long term, treating childcare (and social care) as economic infrastructure could help reduce the pay gap by improving outcomes for the ELC workforce, depending on the policies pursued. The impacts for ELC workers and ELC consumers overlap in this regard, since more men (and more people from ethnic minorities) will need to be attracted to the sector if the commitment to expand childcare is to be achieved.<sup>155</sup>

## 5.3 Schools, Post-School, and Skills Training

The actions relating to schools are:

- In line with SFC and SDS, Education Scotland, in consultation with relevant stakeholders, unions and the workforce, develop and publish in 2020 an equality action plan with issues of gender segregation in education to the fore.
- Develop professional learning approaches in collaboration with practitioners in early learning and childcare and in schools with a specific focus on challenging gender stereotyping and addressing unconscious bias.
- Ask the General Teaching Council to update, as appropriate, the GTC Standard to add a greater emphasis on gender stereotyping and occupational segregation.
- Work with the Scottish Council of Deans of Education to consider how gender and other equality issues can be made more prominent in Initial Teacher Education .

<sup>&</sup>lt;sup>153</sup> Skills Development Scotland (2017) *Skills Investment Plan for Scotland's Early Learning and Childcare Sector*, available at <a href="https://www.skillsdevelopmentscotland.co.uk/media/44206/early-learning-and-children-sip-digital.pdf">https://www.skillsdevelopmentscotland.co.uk/media/44206/early-learning-and-children-sip-digital.pdf</a>.

<sup>&</sup>lt;sup>154</sup> Education Policy Institute (2018) *The Early Years Workforce: A fragmented picture*, available at <a href="https://epi.org.uk/wp-content/uploads/2018/03/EPI">https://epi.org.uk/wp-content/uploads/2018/03/EPI</a> -Early-Years-Workforce.pdf.

<sup>&</sup>lt;sup>155</sup> Skills Development Scotland (2018) *Skills Investment Plan: Prospectus for Scotland's early learning and childcare sector*, p. 13, available at <a href="https://www.skillsdevelopmentscotland.co.uk/media/43127/early-learning-and-childcare-sip-digital.pdf">https://www.skillsdevelopmentscotland.co.uk/media/43127/early-learning-and-childcare-sip-digital.pdf</a>.

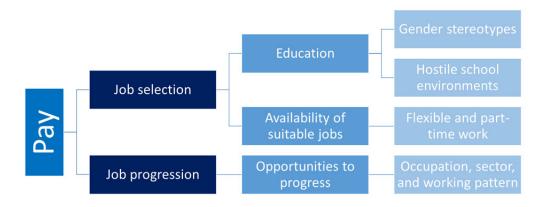
- Build on the work SDS is taking forward with parents on Apprenticeships, by asking them to expand this work to wider gender stereotyping which impacts on subject choices.
- Convene a Personal and Social Education (PSE) Lead Officers network, consisting of all local authority officers and key third sector partners such as Rape Crisis Scotland, Zero Tolerance, Scottish Youth Parliament and Children's Parliament. The network will develop support for schools to tackle sexual harassment, including resources for teachers. The network will also develop supporting resources for pupils.
- In addition to taking forward the *Equally Safe* actions relating to schools, collaborate with COSLA and the teaching unions to develop mechanisms to collect and report on sexual harassment and violence against girls in schools.
- Accelerate progress on the Developing Young Workforce (DYW): Scotland's Youth Employment Strategy interventions, to reduce gender imbalance and undertake a practice and improvement evaluation of the equality outcomes in Developing Young Workforce. This will involve the development of an evidence base of existing practice, the identification of good practice and the sharing of this across schools, colleges and the DYW Regional Groups.
- Work with employers to conduct a review to identify the extent to which industry led DYW regional groups and other school/ industry partnerships are delivering actions that will address gender stereotyping and occupational segregation.
- Deliver a new careers strategy by autumn 2019 to set the vision for high quality career information, advice and guidance services accessible to all, and which reflects the importance of challenging occupational segregation.

The actions relating to post-school and skills training are:

- Publish a Future Skills Action Plan (FSAP) which will set out our strategic response and approach to ensuring Scotland has a skilled and productive workforce, both now and in the future. In implementing the plan, we will address gender specific issues in the labour market, to ensure that the specific inequalities and barriers women face are addressed in the future.
- Ask the SFC to work with the colleges, universities and relevant trade unions to address both horizontal and vertical occupational segregation in their workforce, in line with their Public Sector Duties, with the aim of supporting women, including those with other protected characteristics, to progress into more senior roles.

- Work with the College Development Network, to identify opportunities to increase gender equality, including intersectionality, awareness in the training programme they run for board and staff members.
- Work with the SFC to learn from the development and publication of institutional Gender Action Plans and identify good practice and areas for improvement to inform the next phase of work to address gender inequality, particularly that faced by women with other protected characteristics.
- Work with institutions, SFC and research funders to promote flexible working as standard practice (including working with UK counterparts and bodies, where required, to influence practice in the UK HE sector), ensuring that flexibility is consistently available and widely promoted to all staff, including those in research positions.
- Work with SDS and the Scottish Apprenticeship Advisory Board to realise the outcomes of the forthcoming Commission into occupational segregation by gender within Apprenticeships.
- Build on and improve the range of gender-disaggregated data used to develop skills
  planning policy, and ensure that the new skills planning and provision model
  addresses occupational segregation, and the under-utilisation of women's skills as a
  central aim.
- Ensure closing the gender pay gap is prominent in the development of a Performance Framework for the Enterprise & Skills Strategic Board.
- Explore the opportunity to access intersectional gender-disaggregated data on employee beneficiaries of the Flexible Workforce Development Fund, including sectoral information and the type of training accessed. This will inform future policy development with the aim of addressing occupational segregation in future rounds.

We expect the commitments in the Action Plan which relate to schools, post-school, and skills training to impact the gender pay gap by addressing issues of job selection (education, availability of suitable jobs) and job progression (opportunities to progress).



As explained in Section 2.1.1, gender disparities in subject choice, perpetuated by gender stereotypes and hostile environments, contribute directly to occupational segregation. These effects take root at an early stage. For example, girls as young as 6 have been found to believe that women are less likely than men to be "really, really smart" and begin avoiding activities associated with this characteristic. By the same token, it is clear that secondary, further, and higher education all have a role to play, as do training and development programmes, since it is at these levels where disparities in subject choice emerge, grow, and translate into labour-market outcomes. Cohort analysis in a German context, for example, found that subject choice was the most significant factor in determining the gender pay gap among new graduates, with the under-representation of women in STEM fields playing an important role. 157

In Scotland, the first opportunity to make subject choices is at National 4, typically when students are 14. In 2018, girls comprised 95% of National 4 entries in Fashion and Textile Technology and 89% in Care. At National 5, these proportions increased to 98% and 92% respectively, with girls also comprising 97% of entries in Dance. By contrast, girls comprised 4% of Level 4 entries in Practical Electronics, 5% in Practical Metalworking, and 7% in Engineering Science, as well as 16% in Computing Science and 17% in Physics, although most of these imbalances improved slightly at National 5. <sup>158</sup> Similar patterns were observed in Highers, which students typically take when they are 16. <sup>159</sup> In 2018, women comprised 97% of Higher entries in Childcare and Development, 97% in Fashion and Textile Technology, 96% in Dance, and 91% in Care. None of these subjects are offered in Advanced Highers, in which female entries especially preponderated in Health and Food Technology (95%), Art and Design (e.g. 84% for Expressive Art and Design), Religious Studies (75%), and Languages

<sup>&</sup>lt;sup>156</sup> Bian, L., Leslie, S. J., & Cimpian, A. (2017). Gender stereotypes about intellectual ability emerge early and influence children's interests. *Science*, *355*(6323), 389-391.

<sup>&</sup>lt;sup>157</sup> Francesconi, M., & Parey, M. (2018) 'Early gender gaps among university graduates', *European Economic Review* 109, 63-82.

<sup>&</sup>lt;sup>158</sup> At National 5, the girls comprised the following proportions of subject entries: Practical Electronics – 3%, Practical Metalworking – 8%, Engineering Science – 9%, Engineering Science – 20%, Physics – 28%.

<sup>&</sup>lt;sup>159</sup> Students can also choose to leave school at this stage.

(e.g. 76% for French) in 2018. By contrast, women comprised only 10% of Higher entries in Engineering Science, 16% in Computing Science, and 28% in Physics. In Advanced Highers, these proportions dropped to 2%, 14%, and 20% respectively. 160

Similarly, at Scottish higher education institutions, women comprised only 19% of qualifiers in Engineering and Technology in 2016-17, along with 20% in Computer Science and 44% in Physical Science, despite comprising 58% of qualifiers overall. Conversely, women comprised 78% of qualifiers in Education, 72% in Languages, and 66% in Creative Arts and Design. Women also preponderated in some subjects with higher earning potential, such as Medicine and Dentistry (59%) and Law (62%), but these figures mask patterns of vertical segregation. For example, women were most heavily overrepresented in Subjects Allied to Medicine (81%), which includes nursing – a female-dominated profession which is lower-paid than the average for health professionals. Similar but less pronounced inequalities were observed in the further education sector, with notable intersectionalities. For example, the highest rates of successful completion were among non-disabled men, whereas the lowest rates were among disabled women.

As recognised in the Developing the Young Workforce and the Modern Apprenticeship Equalities Action Plan, Modern Apprenticeships (MAs) are also heavily gender segregated. In 2017/18, women comprised only 1.4% of those starting an MA in Construction and Related, 5% of those starting in Engineering and Energy, and 9% of those starting in Transport and Logistics (9%). Conversely, women comprised 89% of those starting in Personal Services, 85% of those starting in Sport, Health, and Social Care, and 75% of those starting in Administration & Related. Furthermore, disabled people and ethnic minorities are also underrepresented in MA starts. <sup>164</sup> Foundation Apprenticeships feature similar patterns:

<sup>&</sup>lt;sup>160</sup> Scottish Qualifications Authority (2018) *Attainment Statistics (August) 2018*, available at https://www.sqa.org.uk/sqa/63001.8312.html (authors' own calculations).

<sup>&</sup>lt;sup>161</sup> Higher Education Statistics Agency (2018) *Higher Education Students Statistics, UK, 2016/17 – Qualifications achieved,* Figure 18, available at <a href="https://www.hesa.ac.uk/news/11-01-2018/sfr247-higher-education-student-statistics/qualifications#">https://www.hesa.ac.uk/news/11-01-2018/sfr247-higher-education-student-statistics/qualifications#</a> (authors' own calculations). These figures are accentuated by the fact that there are more women than men studying in higher education.

<sup>&</sup>lt;sup>162</sup> ONS (2018) Earnings and Hours Worked, Region by Occupation by Four-Digit SOC: ASHE Table 15, Table 15.6a, available at

https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbyoccupation4digitsoc2010ashetable15. In 2018, of the 130,000 nurses in Scotland, 115,000 were women. The median hourly pay (excluding overtime) of nurses in Scotland was £16.07, compared to £17.72 for all health professionals.

Advance HE (2018) *Colleges in Scotland Statistical Report 2018*, Tables 4.3, 4.4, 5.10, pp. 110, 111, 142, available at <a href="https://www.ecu.ac.uk/wp-content/uploads/2018/09/FE-Stats-Report-2018-2.pdf">https://www.ecu.ac.uk/wp-content/uploads/2018/09/FE-Stats-Report-2018-2.pdf</a>. It should be noted, however, that female attainment is superior in higher education (see Section 2.1.1).

<sup>&</sup>lt;sup>164</sup> Skills Development Scotland (2018) *Modern Apprenticeship Statistics: Full year report 2017/18*, Appendix E, Table E.2, p. 54, available at <a href="https://www.skillsdevelopmentscotland.co.uk/media/44711/modern-apprenticeship-statistics-quarter-4-2017-18.pdf">https://www.skillsdevelopmentscotland.co.uk/media/44711/modern-apprenticeship-statistics-quarter-4-2017-18.pdf</a>.

between 2016 and 2018, approximately 90% of Engineering placements were male while approximately 90% of Social Services placements were female. 165

The Improving Gender Balance (IGB) Project exhibited notable success in raising awareness of gender stereotypes among both students and teachers in early learning through to upper secondary school. However, as reflected in the Gender Pay Gap Action Plan, such initiatives need to be accompanied by policies which address the range of inequalities outwith the sphere of education. This is clearly demonstrated by experimental statistics which track the earnings of graduates: among workers were awarded their first degree in Scotland in 2009/10 as UK-domiciled students, men were earning more than women on average in 19 out of 23 subject areas 5 years after graduating. Among Medicine and Dentistry graduates, for example, the median female salary was £46,900, compared to the median male salary of £49,800. Similarly, female graduates in Engineering and Technology earned £32,300 on average compared to £35,200 for their male counterparts.

In large part, these discrepancies are likely attributable to problems of job selection. For example, only 30% of female STEM graduates in the UK go on to work in STEM industries, compared to 57% for men. Heaky pipeline' (see Section 2.1.3). On the whole, STEM appears to be severely afflicted by many of the issues outlined in Section 2, including not only gender stereotypes in education but also "fast-paced change and few quality part-time positions; pervasive implicit and sometimes explicit bias; and the impact of family responsibilities and career breaks that fall disproportionately on women". Here are, moreover, significant intersectionalities at play. For example, the 2016 Athena Survey of Science, Engineering and Technology (ASSET), which investigated the working lives of nearly 5,000 academics in STEMM (STEM plus Medicine), found that disabled and minority ethnic women experienced compounded disadvantages, while advantages for men were confined to heterosexuals and concentrated among those over 30. 170

<sup>&</sup>lt;sup>165</sup> Skills Development Scotland (2018) *Foundation Apprenticeships: Early progress and learning insights*, p. 11, available at <a href="https://www.skillsdevelopmentscotland.co.uk/media/44472/foundation-apprenticeships-progress-report.pdf">https://www.skillsdevelopmentscotland.co.uk/media/44472/foundation-apprenticeships-progress-report.pdf</a>.

<sup>&</sup>lt;sup>166</sup> Skills Development Scotland (2018) *Review of Improving Gender Balance Scotland. Skills Development Scotland*, available at <a href="https://www.skillsdevelopmentscotland.co.uk/media/44705/review-of-improving-gender-balance-2018.pdf">https://www.skillsdevelopmentscotland.co.uk/media/44705/review-of-improving-gender-balance-2018.pdf</a>.

<sup>&</sup>lt;sup>167</sup> Scottish Government (2018) *Graduate Outcomes by University and Subject (LEO Data) 2015/16 – Scotland, Table 1, p. 7,* available at <a href="https://www.gov.scot/publications/graduate-outcomes-university-subject-leo-data-2015-16-scotland/">https://www.gov.scot/publications/graduate-outcomes-university-subject-leo-data-2015-16-scotland/</a>.

<sup>&</sup>lt;sup>168</sup> Royal Society of Edinburgh (2018) *Tapping All Our Talents Review 2018: Women in STEM*, p. 16, available at <a href="https://www.rse.org.uk/inquiries/womeninstem-2018/">https://www.rse.org.uk/inquiries/womeninstem-2018/</a>.

<sup>&</sup>lt;sup>169</sup> Ibid., p. 78.

<sup>&</sup>lt;sup>170</sup> Equality Challenge Unit (2017) ASSET 2016: experiences of gender equality in STEMM academia and their intersections with ethnicity, sexual orientation, disability and age, available at <a href="http://www.ecu.ac.uk/wp-content/uploads/2017/10/ECUs-ASSET-report-November-2017.pdf">http://www.ecu.ac.uk/wp-content/uploads/2017/10/ECUs-ASSET-report-November-2017.pdf</a>.

Furthermore, as outlined in Section 2.1.1, the career prospects of girls and women are also damaged by hostile school environments. For example, the BBC found that there 5,500 reports of sex crimes in UK schools between 2012 and 2015, while an inquiry by the Women and Equalities Committee in 2014 found that 59% of girls and young women aged 13-21 faced some form of sexual harassment at school or college in the past year. As noted by the Committee, these figures are likely underestimated due to a reluctance reporting incidents and a lack of centralised monitoring. A lack of data also makes it difficult to evaluate the impacts of such behaviours on subject choice and other determinants of the gender pay gap. The policy commitment to develop collection and reporting mechanisms on sexual harassment and violence against girls in schools is therefore an important complement to those actions aimed at tackling gender stereotypes.

Finally, as with ELC, the workforce of the education sector is also relevant to the gender pay gap. In 2018, women comprised 64% of secondary school teachers and 90% of primary school teachers in Scotland, <sup>173</sup> while in 2016/17, women comprised 46% of the higher-education workforce in the UK. <sup>174</sup> Although the gender pay in education is negative, and although the sector has one of the lowest proportions of employees earning less than the Living Wage, <sup>175</sup> gender imbalances in education are still an area of concern. For example, despite constituting a majority of the workforce, women comprised only 25% of professors in the UK in 2016/17 and 43% of secondary-school head teachers in Scotland in 2018. <sup>176</sup> Actions relating to flexibility and progression in the educational workforce would therefore be expected to help reduce the gender pay gap, albeit to a limited extent.

## 5.4 EMPLOYABILITY AND EMPLOYMENT

The actions relating to employability are:

<sup>171... (2015) 6 (4)</sup> 

<sup>171</sup> Women and Equalities Committee (2016) Sexual Harassment and Sexual Violence in Schools, available at <a href="https://www.parliament.uk/business/committees/committees-a-z/commons-select/women-and-equalities-committee/news-parliament-2015/sexual-harassment-and-violence-in-schools-report-published-16-17/">https://www.parliament.uk/business/committees/committees-a-z/commons-select/women-and-equalities-committee/news-parliament-2015/sexual-harassment-and-violence-in-schools-report-published-16-17/</a>.

<sup>&</sup>lt;sup>172</sup> Engender (2016) Submission to the Equalities and Human Rights Committee for Scoping Session on Bullying and Harassment of Children and Young People in Schools, pp. 3-5, available at <a href="https://www.engender.org.uk/content/publications/Engender-submission-on-bullying-and-harassment-in-schools.pdf">https://www.engender.org.uk/content/publications/Engender-submission-on-bullying-and-harassment-in-schools.pdf</a>.

<sup>&</sup>lt;sup>173</sup> Scottish Government (2017) *Summary Statistics for Schools in Scotland no. 9*, Table 3.4, available at <a href="https://www.gov.scot/publications/summary-statistics-schools-scotland-9-2018/">https://www.gov.scot/publications/summary-statistics-schools-scotland-9-2018/</a>.

<sup>&</sup>lt;sup>174</sup> Higher Education Statistics Agency (2018) *Higher Education Staff Statistics: UK, 2016/17*, Figure 5, available at <a href="https://www.hesa.ac.uk/news/18-01-2018/sfr248-higher-education-staff-statistics">https://www.hesa.ac.uk/news/18-01-2018/sfr248-higher-education-staff-statistics</a>.

<sup>&</sup>lt;sup>175</sup> Scottish Government (2018) ASHE 2018 Scotland Tables, Tables 2.7 and 5.4, available at https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017.

https://www.gov.scot/publications/summary-statistics-schools-scotland-8-2017-edition/pages/4/.

- Design programmes of employment support for individuals and parents, including the range of new employment support activities announced in the Tackling Child Poverty Delivery Plan, to challenge occupational segregation and improve women's quality of employment, pay and progression.
- Ensure that the process for designing the new £12 million programme of employment support for parents and other future employability programmes is gender-sensitive, and that the new programme explicitly meets women's distinct needs. The programme will focus on the needs of the priority families identified in the Tackling Child Poverty Delivery Plan and we can expect disabled women, minority ethnic women, single parents, women living in larger families, women with young children and young mothers to benefit. The programme will also focus on women who have experienced domestic abuse.
- Ensure a gender-sensitive approach, as described above, to developing the specific
  programme of support for disabled parents, the £6 million pilot programme
  announced in A Fairer Scotland for Disabled People: Employment Action Plan. This
  will test approaches for supporting disabled parents towards and into work in areas
  with high levels of child poverty and low levels of disability employment.
- Building upon and improving the collection of data being published by Scotland's new devolved employment services, the Scottish Government will gather and publish gender-disaggregated data on wider employability delivery in Scotland, including around gendered needs of service users such as their care and childcare roles. As part of this there will be consideration given to, where possible, publishing analysis of experience of domestic abuse amongst service users.
- Require successful bidder(s) for delivery of employment support for parents and of
  future employability programmes to demonstrate their current knowledge and skills
  around intersectional gender analysis and gender sensitive service development and
  or their detailed plans for further developing that capacity.

## The actions relating to employment are:

Support women to stay in or return to work after a career break at levels
commensurate with their abilities and experience through our planned £5m three
year Women Returners Programme. This programme will have a particular focus on
supporting women with other protected characteristics, for example older women,
disabled women, minority ethnic women; and focus on sectors where women are
significantly under-represented.

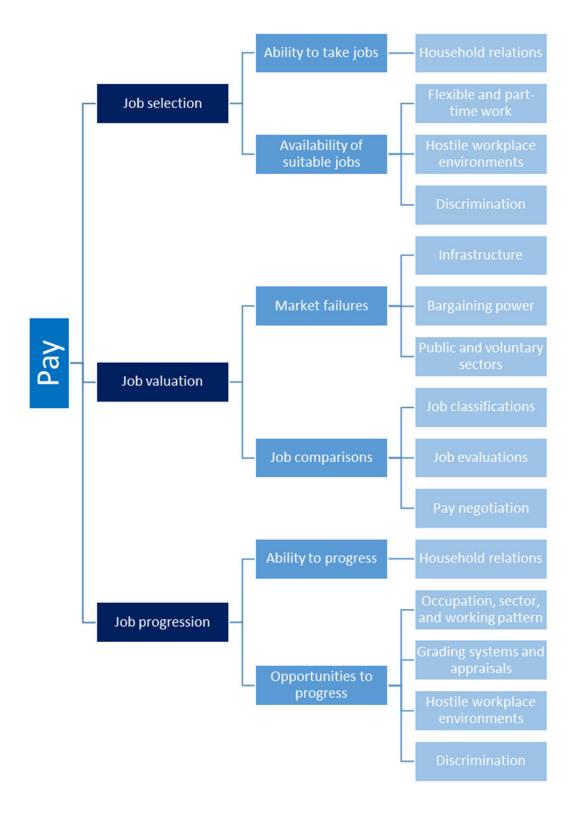
- Through an expanded Workplace Equality Fund, based on the lessons learnt from the previous Fund, work with employers and trade unions to improve workplace practices (including support during menopause and for victims of domestic abuse) for the benefit of women with particular focus on supporting women who also have other protected characteristics<sup>177</sup>
- Undertake research into international practices on using wage setting powers within the public sector to reduce the incidence of low pay among women.
- We will work with women's organisations, and trade unions to gain a clearer picture of the issues faced by women transitioning through the menopause to identify other areas where action may need to be taken.
- Continue to support the adoption of the Fair Work Framework, which aims to
  address gender inequality across all dimensions of work opportunity, security
  (including pay), fulfilment (including skills acquisition and deployment), respect and
  voice- and encourage application of the Framework through Fair Work First, our new
  approach to encouraging Fair Work practices among employers that receive Scottish
  Government funding.
- Conduct case study research into the ways that businesses can reduce their gender pay gaps, investigating the strategies they use and the barriers they face to help inform policy and guide businesses.
- Work with employers to persuade them to develop robust and meaningful gender pay gap action plans and support the FW Convention with their employer engagement plan.
- Refresh the gender and diversity element of the Scottish Business Pledge to encourage actions and measures to address all aspects of diversity and inclusion, including the gender pay gap.
- Fund research on the career trajectories of mothers returning to work based on longitudinal data from the Understanding Society survey. This research will help us understand the barriers that mothers face when returning to work.
- As part of our ongoing commitment to tackle child poverty, we will fund a feasibility study for a 'Centre for Flexible Work' for Scotland. This Centre, a UK first, would

<sup>&</sup>lt;sup>177</sup> Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation

design, test, embed and scale new approaches to increase the availability of quality, flexible work in Scotland. Its core aim would be to ensure that those who have the most to gain – low income parents – are supported to access this work and raise their living standards. Timewise will lead on the feasibility study, working with a wide range of partners in Scotland to develop plans for the Centre.

- Fund Family Friendly Working Scotland to support and promote development of flexible workplaces to employers
- Continue to press the UK Government to amend the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 to require employers to publish a gender pay gap action plan.
- Request that the UK Government reinstates section 40 paragraphs (2)-(4) of the
  Equality Act and that it be amended to remove the requirement for the employer to
  know that the employee has been subjected to two or more incidences of
  harassment before they become liable.
- Urge the UK Government to strengthen and enforce protection to women (including pregnant women) and carers against discrimination and dismissal; strengthen paternity leave rights; introduce the right for all employees to request flexible working from day one of employment; and consider the introduction of 'safe leave' based on New Zealand's "Victims Protection Bill" that requires employers to give victims of domestic violence up to 10 days leave from work, separate from annual holiday and sick leave.

We expect the commitments in the Action Plan which relate to employability and employment to impact the gender pay gap by addressing issues of job selection (ability to take jobs, availability of suitable jobs), job progression (ability to progress, opportunities to progress), and job valuation (market failures, job comparisons).



Although it lies within the remit of UK Government, strengthening paternity leave rights could result in a more equal division of parental leave between fathers and mothers. If fathers continue sharing in care responsibilities after the leave period expires, this could enhance women's ability to take jobs and to progress, for example by allowing them to work more hours or to work farther from home (see Sections 2.1.2 and 2.3.2). In Iceland, for example, the introduction of equal parental leave allowances for men and women in 2000 appears to have improved women's labour-market outcomes by promoting a more equal

division of caring responsibilities.<sup>178</sup> On the other hand, the low take-up of Shared Parental Leave in the UK since 2015 indicates that household relations and wider social norms are also critical to equalising parental leave and domestic responsibilities more broadly.<sup>179</sup> Indeed, according to the British Social Attitudes Survey, more people think that the mother should take most (but not all) of the parental leave (39%) than that the mother and father should share the leave equally (30%), with a further 15% stating that the mother should take all of the leave.<sup>180</sup>

In the Nordic countries and elsewhere, this issue is addressed by assigning non-transferable leave entitlements to each parent and by offering economic incentives for parents to share leave equally, among other policies. <sup>181</sup>

A more equal division of parental leave and caring responsibilities would also help women avoid maternal discrimination, although, as the Action Plan recognises, interventions to directly tackle discrimination are also required. If they are properly designed, such interventions may particularly benefit ethnic minority, <sup>182</sup> LBT <sup>183</sup> and disabled women, <sup>184</sup> who face intersectional forms of discrimination. For example, in a recent survey of black and minority ethnic women in Scotland, nearly three quarters of respondents indicated that they had experienced some form of racism, discrimination, racial prejudice, and/or bias in the workplace. <sup>185</sup> However, over half of respondents who had experienced such behaviour did not report it, most often because they felt that it would not make a difference or that they would not receive the support of their manager. In addition, the report notes that the extent of discrimination in the recruitment process is concealed by a widespread lack of transparency. These issues point to the centrality of workplace cultures and practices, the difficulty of enforcing the laws which already exist, and hence the need for innovative policy solutions.

<sup>&</sup>lt;sup>178</sup> Arnalds, A. A., Eydal, G. B., and Gislason, I. V. (2013) 'Equal rights to paid parental leave and caring fathers – the case of Iceland', *Icelandic Review of Politics and Administration* 9 (2), 323-344.

House of Commons Women and Equalities Committee (2016) *Gender Pay Gap: Second report of session 2015-16*, p. 45, available at <a href="https://publications.parliament.uk/pa/cm201516/cmselect/cmwomeq/584/584.pdf">https://publications.parliament.uk/pa/cm201516/cmselect/cmwomeq/584/584.pdf</a>.

National Centre for Social Research (2018) *British Social Attitudes: The 35<sup>th</sup> report: Gender*, pp. 12-13, available at <a href="http://bsa.natcen.ac.uk/latest-report/british-social-attitudes-35/gender.aspx">http://bsa.natcen.ac.uk/latest-report/british-social-attitudes-35/gender.aspx</a>.

<sup>&</sup>lt;sup>181</sup> Castro-Garcia, C. and Pazos-Moran, M. (2015) 'Parental leave policy and gender equality in Europe', *Feminist Economics* 22 (3), 51-73.

Equality and Human Rights Commission (2017) *The Ethnicity Pay Gap*, pp. 58-67, available at <a href="https://www.equalityhumanrights.com/sites/default/files/research-report-108-the-ethnicity-pay-gap.pdf">https://www.equalityhumanrights.com/sites/default/files/research-report-108-the-ethnicity-pay-gap.pdf</a>.

<sup>&</sup>lt;sup>183</sup> International Labour Organization (2015) *Discrimination at Work on the Basis of Sexual Orientation and Gender Identity: Results of the ILO's PRIDE Project*, available at

https://www.ilo.org/gender/Informationresources/Publications/WCMS 368962/lang--en/index.htm.

<sup>&</sup>lt;sup>184</sup> Equality and Human Rights Commission (2017) *Being Disabled in Britain*, pp. 132-137, available at <a href="https://www.equalityhumanrights.com/sites/default/files/being-disabled-in-britain.pdf">https://www.equalityhumanrights.com/sites/default/files/being-disabled-in-britain.pdf</a>.

<sup>185</sup> Close the Gap (forthcoming) BME Women's Experiences of Employment in Scotland.

Introducing the right for employees to request flexible working from the outset of their employment – another call on the UK Government – could help support women's job selection and progression, particularly for informal carers. According to one estimate, there are 1.9 million low-paid, over-qualified employees in the UK who could potentially secure higher-paid work if they had access to flexible working arrangements. A large majority of these are part-time workers; almost half are parents, nearly a quarter are aged 50 or older, and nearly an eighth are disabled. However, employers may be hesitant to meet requests made by new employees who have not yet demonstrated their suitability for the job, for instance by passing their probation. 188

Broadening the availability of flexible work could also encourage men to assume a larger share of caring responsibilities (see Section 2.1.3). On the other hand, international evidence suggests that women are more likely to use flexible working to balance work with domestic responsibilities, whereas men are more likely to take advantage of flexibility to advance their careers. The gender impacts of flexible working in any particular situation are mediated by a wide range of factors, including the occupational group, the type of flexible work arrangement, the division of labour within the household, the culture of the organisation, and wider gender norms. 190

Providing support for women to stay in or return to work after a career break at levels commensurate with their abilities and experience could also play a significant role in facilitating women's job selection and progression. As noted in Section 2.3.2, women who return to the labour market after an absence often find themselves in lower-skilled, lower-paid work. Gender pay gap action plans likewise have a role to play in expanding women's opportunities for work and progression, whether by providing flexible working, enabling women to enter senior roles, or creating pay transparency. In Sweden, for example, the obligation for businesses with 25 or more employees to conduct an equality action plan every three years has helped address occupational segregation. <sup>191</sup>

<sup>&</sup>lt;sup>186</sup> Currently, employees can only request flexible working after 26 weeks of employment.

<sup>&</sup>lt;sup>187</sup> Joseph Rowntree Foundation (2016) *How Flexible Hiring Could Improve Business Performance and Living Standards*, available at <a href="https://www.jrf.org.uk/report/how-flexible-hiring-could-improve-business-performance-and-living-standards">https://www.jrf.org.uk/report/how-flexible-hiring-could-improve-business-performance-and-living-standards</a>.

<sup>&</sup>lt;sup>188</sup> House of Commons Women and Equalities Committee (2016) *Gender Pay Gap: Second report of session 2015-16*, pp. 33-34, available at

https://publications.parliament.uk/pa/cm201516/cmselect/cmwomeq/584/584.pdf.

<sup>&</sup>lt;sup>189</sup> Chung, H. (forthcoming). "Women's work penalty" in the access to flexible working arrangements across Europe', *European Journal of Industrial Relations*.

<sup>&</sup>lt;sup>190</sup> Chung, H. and van der Lippe, T. (forthcoming) 'Flexible working, work-life balance, and gender equality: Introduction', *Social Indicators Research*, available at <a href="https://link.springer.com/content/pdf/10.1007%2Fs11205-018-2025-x.pdf">https://link.springer.com/content/pdf/10.1007%2Fs11205-018-2025-x.pdf</a>.

<sup>&</sup>lt;sup>191</sup> Institute for Employment Studies (2017) *Gender Pay: How do you achieve and report parity?*, p. 8, available at <a href="https://www.employment-studies.co.uk/system/files/resources/files/511.pdf">https://www.employment-studies.co.uk/system/files/resources/files/511.pdf</a>.

The commitments in the Action Plan surrounding employability services also have the potential to improve women's ability to work and progress by tailoring these services to the specific needs of women, particularly in terms of domestic abuse and caring responsibilities. Employability services which are poorly tailored are prone to reproducing patterns of gender inequality, for example by reinforcing occupational segregation or ignoring the obstacles faced by victims of domestic abuse. <sup>192</sup> By contrast, the Working for Families Fund, on which the £12m parental employment support will be based, effectively supported quality employment for lone parents, parents on low incomes, and parents with household-related barriers by combining traditional employability services such as training and advice with assistance to secure sustainable childcare solutions. <sup>193</sup>

The Fund was less successful, however, in targeting disabled people, exemplifying the need to take intersectional dimensions into account. According to Engender, "disabled women, black and minority ethnic women, lesbian and bisexual women, trans women, older women, refugee women, and young women experience different, multiple barriers to participation in the labour market, and to progression within their chosen occupation". Refugee migrant women have been especially noted for encountering difficulties accessing appropriate employability services. Fair Start Scotland, the Scottish Government's new devolved employment programme, aims to address these barriers by customising its services to the needs of its individual participants, with a focus on people whose health condition acts as a barrier to employment.

A number of the commitments in the Action Plan could also reduce the gender pay gap by combatting workplace hostility, which, as noted in Section 2.1.3 and 2.3.1, acts as significant barrier to women's job selection and progression – particularly for minority ethnic, disabled, and LBT women. <sup>196</sup> One of these commitments is to work with employers and trade unions to improve workplace practices through an expanded Workplace Equality Fund. The Fund, which opened in February 2018, supports employers to reduce workplace inequalities, discrimination, and barriers and is targeted at minority ethnic people, disabled people, and workers older than 50 as well as women. Projects supported in the first round of grants included promotion of flexible and family-friendly working arrangements, particularly in the

<sup>&</sup>lt;sup>192</sup> Engender (2016) *Unblocking the Pipeline: Gender and Employability in Scotland*, available at <a href="https://www.engender.org.uk/content/publications/Unblocking-the-Pipeline---Gender-and-Employability-in-Scotland.pdf">https://www.engender.org.uk/content/publications/Unblocking-the-Pipeline---Gender-and-Employability-in-Scotland.pdf</a>.

<sup>&</sup>lt;sup>193</sup> Scottish Government (2009) *Evaluation of the Working for Families Fund (2004-2008)*, available at https://www2.gov.scot/Resource/Doc/269769/0080320.pdf.

<sup>&</sup>lt;sup>194</sup> Engender (2016) *Unblocking the Pipeline: Gender and Employability in Scotland*, p. 7, available at <a href="https://www.engender.org.uk/content/publications/Unblocking-the-Pipeline---Gender-and-Employability-in-Scotland.pdf">https://www.engender.org.uk/content/publications/Unblocking-the-Pipeline---Gender-and-Employability-in-Scotland.pdf</a>.

Refugee Women's Strategy Group (2011) *The Struggle to Contribute*, available at <a href="http://www.scottishrefugeecouncil.org.uk/assets/0000/6534/RWSG">http://www.scottishrefugeecouncil.org.uk/assets/0000/6534/RWSG</a> The Struggle to Contribute 2011.pdf. 

196 Close the Gap (2018) *The Gender Penalty: Exploring the causes and solutions to Scotland's gender pay gap*, available at https://www.closethegap.org.uk/content/resources/The-Gender-Penalty-Feb-2018.pdf.

IT sector; reduction of barriers for women, ethnic minorities, and disabled people to work in the construction industry; training and leadership in boardroom governance for women in the technology sector; and provision of placements and coaching for women returners. The Fund could help broaden the availability of acceptable work for men and women if it were directed at improving workplace practices, although in its current form it relies on the initiative of employers to devise projects and submit applications.

Another commitment relating to workplace hostility is to request the UK Government to reinstate a modified version of Section 40 of the Equality Act (2010), which was abolished by the Coalition Government in 2013. Section 40 held employers liable for the harassment of their employees by third parties, such as customers, provided that employer was aware that the harassment had occurred at least twice before in the course of the employee's work. Reinstating Section 40 without the proviso could place the onus on employers to ensure that their staff are not vulnerable to harassment in the workplace, thus expanding women's opportunities to work and progress while also promoting gender equality in the broader sense. A possible counterargument is that employers may be more reluctant to hire women if they are considered more likely to experience harassment than men, although acting on this reluctance would constitute discrimination.

Finally, wage setting has the potential to reduce the gender pay gap by addressing problems of undervaluation, particularly those caused by market failure. An estimated 61% of those earning less than the Living Wage are women; and poverty, to which low pay is a contributing factor, is more prevalent among ethnic minorities and families with a disabled person as well as lone mothers. Historically, collective bargaining agreements tended to stifle women's labour-market participation by upholding the traditional household model, in which a man is expected to earn most of the household's income. More recently, however, unions have recognised the importance of women's employment, and union membership by women now helps to offset the pay gap. In Scandinavian countries, which have some of the lowest gender pay gaps, rates of unionisation are comparatively high, particularly among women. Collective bargaining agreements in these countries often

<sup>&</sup>lt;sup>197</sup> Voluntary Action Fund (2018) 'The Workplace Equality Fund: Funded Organisations – Round 1', available at <a href="https://www.voluntaryactionfund.org.uk/files/3615/2949/1173/WEF">https://www.voluntaryactionfund.org.uk/files/3615/2949/1173/WEF</a> Round 1 Funded Organisations.pdf.

<sup>&</sup>lt;sup>198</sup> Scottish Government (2018) *ASHE 2018 Scotland Tables*, Table 5.2, available at <a href="https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017">https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017</a>. Scottish Government (2018) *Poverty and Income Inequality in Scotland: 2014-2017*, available at <a href="https://www.gov.scot/publications/poverty-income-inequality-scotland-2014-17/">https://www.gov.scot/publications/poverty-income-inequality-scotland-2014-17/</a>.

<sup>&</sup>lt;sup>199</sup> International Labour Organisation (2016) *Closing the Gender Pay Gap: A review of the issues, policy mechanisms, and international evidence,* Chapter 3, available at <a href="https://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms">https://www.ilo.org/wcmsp5/groups/public/---dgreports/----gender/documents/publication/wcms</a> 540889.pdf.

<sup>&</sup>lt;sup>200</sup> Government Equalities Office (2018) *The Gender Pay Gap in the UK*, available at <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment</a> data/file/706030/G ender pay gap in the UK evidence from the UKHLS.pdf.

<sup>&</sup>lt;sup>201</sup> European Trade Union Institute (2014) *Nordic Labour Market Models in Open Markets*, pp. 54-55, available at https://www.etui.org/content/download/16946/133197/file/14+Nordic+model+R132+Web+version.pdf.

include measures specifically targeted as low-paid women, such as establishing pay transparency, revising job classifications, and directing funds to low-wage sectors. <sup>202</sup> In the UK, after the National Minimum Wage was introduced in 1998, the gender pay gap among the lowest paid fell from 12.9% to 5.5% in 6 years. <sup>203</sup>

The impacts of wage setting on the pay gap may be particularly significant in the public sector, which employs nearly twice as many women as men. <sup>204</sup> In recent years, moreover, wage growth has been slower in the public sector, averaging 1.7% per year since 2011 compared with 2.5% in the private sector. <sup>205</sup> The impacts of public-sector wage setting are however limited by the fact that low pay mainly affects the private sector. In 2017, 83% of workers in the UK earning less than the Living Wage were in the private sector, compared to 10% in the public sector and 7% in the third sector; this represented over a quarter of private-sector workers. <sup>206</sup> Furthermore, because women's median wages are higher in the public sector, the gender pay gap is significantly lower, lying at 14.5% for all workers (5.3% for full-time workers) in Scotland compared with 24.4% (17.2%) in the private sector. <sup>207</sup>

Nevertheless, given the multiplicity of factors involved in job valuation, raising low wages alone would not solve the problem of undervaluation. In 2014, the Fawcett Society estimated that raising the National Minimum Wage to the Living Wage would reduce the gender pay gap by less than 1% – mainly because the majority of women affected would be part-time workers whereas the majority of men would be full-time. There is also a risk that employers respond to wage floors by hiring less workers, reducing working hours, or outsourcing activities. Evidence for such effects is ambiguous, although female part-time workers may be particularly at risk. <sup>209</sup>

<sup>&</sup>lt;sup>202</sup> European Foundation for the Improvement of Living and Working Conditions (2010) *Addressing the Gender Pay Gap: Government and social partner actions*, pp. 23-25, available at <a href="https://www.eurofound.europa.eu/sites/default/files/ef\_files/docs/eiro/tn0912018s/tn0912018s.pdf">https://www.eurofound.europa.eu/sites/default/files/ef\_files/docs/eiro/tn0912018s/tn0912018s.pdf</a>.

<sup>&</sup>lt;sup>203</sup> Low Pay Commission (2015) *National Minimum Wage: Low Pay Commission Report*, available at <a href="https://www.gov.uk/government/publications/national-minimum-wage-low-pay-commission-report-2015">https://www.gov.uk/government/publications/national-minimum-wage-low-pay-commission-report-2015</a>.

<sup>&</sup>lt;sup>204</sup> Scottish Government (2018) *Regional Employment Patterns in Scotland: Statistics from the Annual Population Survey 2017*, Table 1.20, available at <a href="https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Local-Authority-Tables">https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Local-Authority-Tables</a>. In 2017, 436,000 women worked in the Scottish public sector, representing 34% of the female workforce, compared to 224,000 (16.8%) for men.

<sup>&</sup>lt;sup>205</sup> Scottish Government (2018) *ASHE 2018 Scotland Tables*, Table 1.3, available at <a href="https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017">https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017</a>.

<sup>&</sup>lt;sup>206</sup> Resolution Foundation (2018) *Low Pay Britain*, Table 8, p. 51, available at https://www.resolutionfoundation.org/app/uploads/2018/05/Low-Pay-Britain-2018.pdf.

<sup>&</sup>lt;sup>207</sup> Scottish Government (2018) *ASHE 2018 Scotland Tables*, Table 2.4, available at <a href="https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017">https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017</a>.

<sup>&</sup>lt;sup>208</sup> Fawcett Society (2014) *The Time to Act is Now: Fawcett's Gender Pay Gap Briefing*, available at <a href="https://www.edf.org.uk/fawcetts-gender-pay-gap-briefing/">https://www.edf.org.uk/fawcetts-gender-pay-gap-briefing/</a>.

<sup>&</sup>lt;sup>209</sup> Low Pay Commission (2016) *The Impact of the National Minimum Wage on Employment: A meta-analysis,* available at

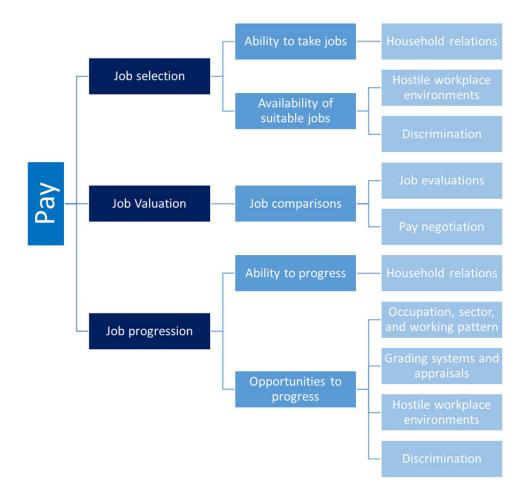
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/601139/Theimpact\_of\_the NMW\_on\_employment - a\_meta-analysis.pdf.

## 5.5 **SOCIAL SECURITY**

The actions relating to social security are:

- Incorporate women's equality into the Social Security Charter, animate the principle of equality and non-discrimination on the face of the Social Security (Scotland) Act and work with equality groups on the development of this Charter.
- Ensure that regulations for specific entitlements, including our new income supplement, are robustly gender impact assessed, and that their cumulative impact on women's equality is also impact assessed.
- Ensure that Social Security Scotland, as well as delivering the benefits service, will sign post women to advice on their maternity and workplace rights and to other relevant rights and services.
- Identify where UK Government social security reform is depleting women's capacity
  to participate in higher and further education, and in a fair and sustainable labour
  market. Longer term following this we will consider what programmes and
  interventions need to be developed, taking into account the diverse needs of all
  women, in response.

We expect the social security commitments in the Action Plan to impact the gender pay gap by addressing issues of job selection (ability to take jobs, availability of suitable jobs), job progression (ability to progress, opportunities to progress), and job valuation (job comparisons).



Women have borne the brunt of recent welfare reforms, <sup>210</sup> which have also been strongly regressive in that poor families have lost out the most. <sup>211</sup> Meanwhile, families with disabled people have been affected more than any other household type, mainly due to cuts in disability benefits. Minority ethnic people, too, have been disproportionately affected – in part due to larger family sizes, which intersects gender by penalising motherhood. <sup>212</sup> While benefits do not directly factor into the gender pay gap, which only measures income from employment, benefit policies have a significant influence job selection and progression. In particular, policies which impose work-related conditions can have the perverse effect of obliging people to accept the first job available, preventing them from finding a job commensurate with their skill level or from enhancing their skills by undertaking training –

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Women's Budget Group (2016) *The Impact on Women of the 2016 Budget: Women paying for the Chancellor's tax cuts,* available at <a href="https://wbg.org.uk/wp-content/uploads/2016/03/WBG">https://wbg.org.uk/wp-content/uploads/2016/03/WBG</a> 2016Budget FINAL Apr16.pdf.

<sup>&</sup>lt;sup>211</sup> Centre for Analysis of Social Exclusion (2015) 'The Coalition's social policy record: policy, spending, and outcomes 2010-2015', Social Policy in a Cold Climate Research Report 4, available at http://sticerd.lse.ac.uk/dps/case/spcc/RR04.pdf.

<sup>&</sup>lt;sup>212</sup> Equality and Human Rights Commission (2018) 'The impact of welfare reform and welfare-to-work programmes: an evidence review', *EHRC Research Report 111*, available at <a href="https://www.equalityhumanrights.com/sites/default/files/research-report-111-cumulative-impact-assessment-evidence-review.pdf">https://www.equalityhumanrights.com/sites/default/files/research-report-111-cumulative-impact-assessment-evidence-review.pdf</a>.

particularly in the absence of well-designed employability services (see Section 3.4).<sup>213</sup> Given that women are disproportionately dependent on social security, <sup>214</sup> this is likely to exacerbate the gender pay gap. The rise of in-work poverty among lone parents – who are predominantly women and have been especially affected by benefit cuts – provides indirect evidence of this effect.<sup>215</sup>

The commitments in the Action Plan could thus reduce the gender pay gap by allowing women to choose higher-quality, higher-paid jobs and progression opportunities, for example by providing them with the resources to search the labour market, undertake training, pay for childcare, or engage in entrepreneurship. Signposting women to their workplace rights could also help them pursue work and progression opportunities and to obtain equal pay, for example by challenging discrimination (see Sections 2.2.3 and 2.3.1). Improving gender impact assessments, moreover, would help ensure that the potential value of social security for gender outcomes is realised. Policies designed to reduce child poverty, such as the Best Start Grant and the Income Supplement, could particularly benefit from robust gender analysis due to the inextricable relationship between child poverty and gender equality. <sup>216</sup> There are, however, limitations: sample sizes for protected characteristics are often too small; some policies do not have a large enough effect to achieve statistical significance; and data on intra-household distribution is lacking.<sup>217</sup>

In themselves, moreover, the commitments will not resolve the household relations which determine this distribution, and which cause women to depend on social security in the first place (see Section 2.1.2). This issue may be particularly acute for minority ethnic women and women in some religious households, in which male breadwinners are often nominated as recipients even for child-related benefits<sup>218</sup>. On the other hand, to the extent that it helps does help women improve their position in the labour market, the social security system can help women improve their position in the household by providing them with an independent stream of income, although this is also true for any policy intervention which

Wear, available at https://policy-practice.oxfam.org.uk/publications/exploring-bme-maternal-poverty-the-

financial-lives-of-ethnic-minority-mothers-i-120665.

<sup>&</sup>lt;sup>213</sup> Institute for Fiscal Studies (2017) *How Taxes and Welfare Benefits Affect Work Incentives: A lifecycle* perspective, available at <a href="https://www.ifs.org.uk/publications/9340">https://www.ifs.org.uk/publications/9340</a>.

<sup>&</sup>lt;sup>214</sup> Fawcett Society (2006) Who Benefits? A gender analysis of the UK tax and benefits system (London: Fawcett Society).

<sup>&</sup>lt;sup>215</sup> Graham, H. and McQuaid, R. (2014) 'Exploring the effects of the UK government's welfare reforms on lone parents moving into work: Literature review', Glasgow Centre for Population Health, available at https://www.napier.ac.uk/~/media/worktribe/output-178816/exploring-the-impacts-of-the-uk-governmentswelfare-reforms-on-lone-parents-moving-into.pdf.

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<sup>&</sup>lt;sup>217</sup> Scottish Government (2018) *Distributional Analysis*, available at https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/PovertyandEquality/dist. <sup>218</sup> Oxfam (2011) Exploring BME Maternal Poverty: the financial lives of ethnic minority mothers in Tyne and

increases women's pay. $^{219}$  In any case, social security can have a particularly strong impact on the job selection and progression of lone parents, although the provision of quality childcare and training is equally important. $^{220}$ 

<sup>219</sup> Schneebaum, A. and Mader, K. (2013) 'The gendered nature of intra-household decision making in and across Europe', Vienna University of Economics and Business, Department of Economics Working Paper 157, available at <a href="http://epub.wu.ac.at/3995/1/wp157.pdf">http://epub.wu.ac.at/3995/1/wp157.pdf</a>.

<sup>&</sup>lt;sup>220</sup> Heron, E. et al. (2002) 'Moving on up? Motivations, aspirations and barriers to paid employment for lone parents', Paper to the Social Policy Association Conference, University of Teeside.

## 6 CONCLUSION

This report has set out a logic model which breaks down the main causes of the gender pay gap. Using this model, it has analysed how the commitments in the Gender Pay Gap Action Plan could affect the pay gap while also considering equality more broadly.

As summarised in the figure overleaf, we expect the commitments in the Action Plan to address all of the main causes of the gender pay gap, albeit to differing extents and with differing degrees of certainty. Taken together, the policy commitments embedded in the Action Plan therefore represent a wide-ranging, multi-pronged strategy with significant potential to reduce the gender pay gap and to promote gender equality.

Ultimately, however, the impacts of the Action Plan will depend on how its commitments are implemented. It is therefore imperative that policies are proportionately monitored and evaluated to ensure that they are achieving their aims, in particular through an intersectional lens. It is also clear that closing the gender pay gap will require proactive cooperation from a wide range of institutions in both the public and private sectors and across civil society. In the final analysis, moreover, policy interventions must be accompanied by a transformation in the norms, attitudes, and institutions which either underpin or undermine equality.

