

## Gender Pay Gap

### Scottish Women's Budget Group

#### 1. Introduction

The Scottish Women's Budget Group (SWBG) welcomes the opportunity to respond to this inquiry on the gender pay gap. We are particularly pleased to see this inquiry being taken forward by the Economy, Jobs and Fair Work Committee as an issue pertaining to economic growth. The SWBG strongly believes that narrowing the gender wage gap would not only lead to a decrease in women's economic inequalities in Scotland, but also to a more healthy and prosperous economy overall.

It is now over 45 years since the Equal Pay Act came into force, but there is still a massive inequality between men's and women's pay in Scotland. The current estimate is that there is a 14.9% gap between men's and women's combined hourly rates, and a 32.2% gap when you compare women's part time hourly rate to men's full time hourly rate. Women are more likely to be working for lower rates of pay, and on a part-time basis, than men, and more likely to be underemployed relative to their skill and qualification level. As a result of their underemployment, women are twice as likely to be in receipt of social security payments, more likely to consume public services, more likely to live with poverty.

The pay gap is one indicator of the hugely complex problem of women's economic inequality, and it is an integral feature of a social and economic system that ultimately values the work of men more than women. The issue directly touches on numerous policy and delivery areas, including: childcare, skills, long-term care, early years education, employability, economic development, primary and secondary education, employment practice, anti-discrimination law, social security, access to justice, public sector equality duty, and transport. According to the World Economic Forum, no country in the world has fully closed the gender pay gap: according to their Global Gender Gap Index, there are only five countries that have closed 80% of the gap or more<sup>1</sup>. However, the SWBG believes that despite this complexity, more can be done to address the gap in Scotland.

The Scottish Women's Budget Group is an independent campaigning and research group committed to the promotion and implementation of gender analysis in government budget processes. Gender budget analysis is an approach that systematically takes account of how public spending decisions can impact on women and men differently and identifies the bias within resource allocation processes that are assumed to be gender neutral. Where and how governments choose to invest has a huge impact on the gender pay

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<sup>1</sup> World Economic Forum (2016) *Global Gender Gap Index* <http://reports.weforum.org/global-gender-gap-report-2016/rankings/>

gap and other underlying drivers such as occupational segregation and the care industry.

## **2. What is the pay gap and how should it be measured?**

The gender pay gap is the difference in women's and men's average hourly pay, usually expressed as a percentage. Although the pay gap is expressed as a single indicator, it in fact represents a number of interrelated areas in which women's and girls' experience of education, training, employment, domestic labour, and care are different from boys' and men's.

### ***2.1 What are the strengths and limitations of the different definitions of the gender pay gap?***

The Scottish Women's Budget Group concurs with Close the Gap in our preference for using the mean average, which better captures the gendered aspects of wages. The mean average is also the international standard, enabling comparisons globally. By definition, the median does not capture the extremes: however, extremes in pay are of integral importance to an analysis of the gender gap as it is almost exclusively men who have the exceptionally high earnings, while those on very low earnings are predominantly female.<sup>2</sup>

### ***2.2 Are current Scottish Government and Office for National Statistics (ONS) statistics adequate for policy making and scrutiny in this area?***

The current data available through the Scottish Government and the Office for National Statistics are not adequate for properly analysing the pay gap in Scotland, and particularly lacks intersectional data (data disaggregated by the different protected characteristics). Some data, such as employment by age group and the gender breakdown of care workers, is only available at UK-level. There is no data at either Scotland or UK level on the pay gaps experienced by black and minority ethnic women, disabled women, and lesbian, bisexual and trans women.

Underemployment is a critical issue for women's labour market participation<sup>3</sup> but data on hours-related underemployment is irregularly reported, and the Labour Force Survey does not gather data on skills-related underemployment. Data on sectoral employment and wages is also of very poor quality<sup>4</sup> which creates challenges in analysing sectoral pay gaps.

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<sup>2</sup> Close the Gap (2016) *Gender pay gap statistics*  
<https://www.closesthegap.org.uk/content/resources/CtG-Working-Paper-16-Statistics.pdf>

<sup>3</sup> Thomson et al (2014) *Underemployment in Scotland: A gender analysis*, Women in Scotland's Economy research centre, Glasgow Caledonian University  
<http://www.gcu.ac.uk/wise/media/gcalwebv2/theuniversity/centresprojects/wise/WiSE%20Briefing%20Sheet%20June%2014.pdf> last accessed 24 February 2017

<sup>4</sup> STUC (2015) Submission to the Economy, Energy and Tourism Committee inquiry into work, wages and wellbeing.  
[http://www.parliament.scot/S4\\_EconomyEnergyandTourismCommittee/Inquiries/STUC.pdf](http://www.parliament.scot/S4_EconomyEnergyandTourismCommittee/Inquiries/STUC.pdf) last accessed 23/2/17

It is worth noting that while official figures on the gender pay gap do not currently include the self-employed, if they did, the UK gender pay gap position for the self-employed is likely to be shown to be worsening.

Reports suggest that the self-employed earnings gap may be as high as 40% in the UK.<sup>5</sup>

For women, self-employment is often a route into low pay. OECD analysis shows a gender pay gap for the self-employed of 41%. In 2014, self-employed men earned £17,000 on average, while average earnings for self-employed women stood at £9,800<sup>6</sup>.

The period 2005 to 2015 witnessed a rise in the level of self-employment among both men and women. However, the fastest increase has been amongst women who experienced a 57.6% rise in the numbers self-employed over the period compared to an increase in men's self-employment of 11.8%. As a result, there has been a decline in the self-employment gender gap as women's share of the total self-employed rose from 27.2% in 2004/05 to 34.4% in 2014/15<sup>7</sup>.

Further, disaggregated statistics on government spending rarely appear as a matter of routine in government accounts. Routine availability in general of gender-specific data sets and statistics would greatly facilitate the evidential basis for the identification of gender equality gaps, design of policy interventions, and the evaluation of impacts.<sup>8</sup>

### ***2.3 Is the Scottish Government's National Performance Framework indicator based on the most appropriate measurement of gender pay?***

The Scottish Women's Budget Group wishes to highlight a significant flaw in the current indicator, as it excludes part-time workers. As noted in more detail below, the majority of part-time workers are women, and just under half of employed women are working part-time, 42 per cent compared to 13 per cent of men.<sup>9</sup>

The lack of quality part-time work is a major cause of the gender pay gap. By ignoring the experiences of a large section of the female workforce in

<sup>5</sup> Fisher, L. (2014) 'Many 'self-employed' women get by on less than £10,000 a year', Guardian, 8 March 2014. <http://www.theguardian.com/society/2014/mar/08/women-self-employed-gender-pay-gap-jobs>.

<sup>6</sup> ONS Labour Market Statistics, (September 2014).

<sup>7</sup> Gendered Labour Market Trends: Evidence for Scotland WiSE Working Paper. Series No.3 March 2016. Dr Jim Campbell and Emily Thomson

<sup>8</sup> OECD (2016) *Gender budgeting in OECD countries*

<sup>9</sup> ONS *Regional Labour Market Statistics* <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-391492> Accessed December 2015

Note: The split between full-time and part-time is based on self-classification and excludes temporary workers.

Scotland and the (predominantly female) part-time workforce, the Scottish Government indicator is therefore an inaccurate measure of the pay gap.

The single largest increase in the UK self-employed was the number of women working part-time, which increased by 290,000 from 480,000 to 770,000. Self-employment overall has become more female and more part-time.

It is also worth noting that modelling even population-level gender pay gaps is expensive and difficult. The national pay gap can vary from year to year and the factors involved do not remain fixed but are reshaped in line with changing economic and political forces, as well as changes over the life cycle.<sup>10</sup> Recently, for example, we've seen the pay gap in Scotland narrow because men's work has become lower-paid and more precarious.

### 3. Causes and consequences of the pay gap

#### 3.1 What reasons are there for the existence of the gender pay gap?

SWBG has consistently highlighted the interplay between the multiple, overlapping factors that cause the gender pay gap and that vary from context to context in scope and intensity, but usually reflects a combination of discrimination, underemployment and unpaid work experienced by women. Taking into account that it is exceptionally difficult to disentangle and map how different factors impact the pay gap in any given context, some of the key drivers behind the pay gap in Scotland that should be examined include<sup>11</sup>:

- **Employment practices:** women lose out in the workplace through biased and non-transparent recruitment and promotion practices; discrimination embedded in the design of pay and grading systems; corporate cultures that privilege and value stereotypically male interest and behaviours and explicitly fail to value family life; and diminishing access to training, development and skills acquisition opportunities. Research by Close the Gap into employer action on equal pay found that while 94% of those employers surveyed had an equal pay policy in place, less than a third had undertaken an equal pay review, and only 3% had taken any action to address pay gaps<sup>12</sup>.
- **Occupational segregation:** Gender norms and stereotypes based on assumptions about women's and men's capabilities, skills and interests results in patterns of occupational segregation where women are concentrated in female-dominated, low-paid, undervalued jobs (the "5 Cs": cleaning, catering, cashiering (retail), clerical work, and caring)

<sup>10</sup> Joan Eveline and Patricia Todd (2009) *Gender mainstreaming: The answer to the gender pay gap?*

<sup>11</sup> Close the Gap (2013) *Submission the Equal Opportunities Committee inquiry into women and work* <https://www.closesthegap.org.uk/content/resources/Women-and-work-consultation-February-2013.pdf>

<sup>12</sup> Close the Gap (2013) *Missing Out on the Benefits: Summary of research on the reporting of the gender pay gap in Scotland* <http://www.closesthegap.org.uk/content/resources/Missingoutonthebenefits-CTG.pdf>

while men are more likely to work in higher paid, technical roles. The jobs that are most likely to be done by women are also those that are associated with limited possibilities for progression. In Scotland, occupational segregation is mirrored – and therefore compounded and exacerbated by – the government’s training and employability programmes, which further push women into low paid professions.<sup>13</sup>

- **Women’s roles as carers:** Women remain disproportionately responsible for care for children, sick people, older people and disabled people, and a lack quality part-time and other types of flexible working to enable them to balance work with family life means that many women are working below their skill level. Care is often considered to be a barrier to employment, rather than an essential and valued contribution to society and the economy – despite the fact that unpaid carers, around 60% of whom are women, save Scotland an estimated £10.3bn per year<sup>14</sup>.
- **Inflexible and insecure work:** The vast majority of part-time workers are women (76 per cent) and just under half of employed women are working part-time, 42 per cent compared to 13 per cent of men.<sup>15</sup> Part-time working is widely used across Scotland as a way in which women can balance work and family life, and particularly their disproportionate share of care.<sup>16</sup> However, part-time work is concentrated in low-paid, undervalued jobs such as cleaning, admin, retail and care and many women are working below their skill level in the only part-time jobs which are available. Part-time jobs are three times more likely to pay below the Living Wage than full-time roles.<sup>17</sup>

The growing use of zero hours contracts across various sectors, particularly in the five ‘C’s, has a further impact on women’s earning potential and opportunities for stable employment. According to ONS

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<sup>13</sup> Engender (2016) *Unblocking the Pipeline: Gender and Employability in Scotland* <https://www.engender.org.uk/content/publications/Unblocking-the-Pipeline---Gender-and-Employability-in-Scotland.pdf>

<sup>14</sup> Engender (2016) *Gender Matters Manifesto* <https://www.engender.org.uk/files/Engenders-Gender-Matters-Manifesto---Twenty-by-2016.pdf>

<sup>15</sup> ONS *Regional Labour Market Statistics* <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-391492> Accessed December 2015

Note: The split between full-time and part-time is based on self-classification and excludes temporary workers.

<sup>16</sup> Close the Gap (2013) *Submission the Equal Opportunities Committee inquiry into women and work* <https://www.closesthegap.org.uk/content/resources/Women-and-work-consultation-February-2013.pdf>

<sup>17</sup> KPMG (2016) *Living Wage Research: Structural Analysis of Hourly Wages and Current Trends in Household Finances* <https://assets.kpmg.com/content/dam/kpmg/uk/pdf/2016/11/living-wage-research-for-kpmg-october-2016.pdf> last accessed 22 February 2017

figures for the whole of the UK, 55% of people on a zero-hours contract were women in April-June 2016.<sup>18</sup>

Many people enter self-employment not by choice but often by necessity, with different levels of male and female self-employment are largely attributable to gendered divisions within the labour market. For example, many women move into self-employment to escape issues of discrimination in the wider labour market such as the gender pay gap, unequal employment opportunities and work-life balance issues. The UK women's budget group report<sup>19</sup> that there are indications that for many women self-employment is increasingly a necessity, with the uprating of the women's state pension age, public sector job losses, and caring responsibilities likely to be key drivers of increasing levels of female enterprise.

The experiences of women in the labour market are not uniform, and disabled women<sup>20</sup>, black and minority ethnic women<sup>21</sup>, Muslim women<sup>22</sup>, lesbian and bisexual women<sup>23</sup>, trans women<sup>24</sup>, refugee women<sup>25</sup>, young women<sup>26</sup>, and older women<sup>27</sup> experience different, multiple barriers to participation in the labour market, and to progression within their occupation. Disabled women, and some groups of black and minority ethnic (BME) women are more likely to be under-employed in terms of skills, and experience higher pay gaps.

As SWBG has emphasised over the years, where and how governments choose to invest can also have a huge impact on the gender pay gap, and can exacerbate underlying drivers such as occupational segregation, undervaluation of the care industry and insecure, inflexible working (more on this in the next section). SWBG has consistently argued for a broader categorisation of government investment, beyond capital investment where short-run construction projects tend to benefit men, to include social infrastructure and the importance of care provision as central to economic growth as well as individual economic and social wellbeing.

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<sup>18</sup> ONS, Contracts that do not guarantee a minimum number of hours: September 2016, 8 September 2016

<sup>19</sup> 'Here to Stay: Women's self-employment in a (post) austerity era'. A report by the UK Women's Budget Group. E. Watson and R. Pearson (2016)

<sup>20</sup> Leonard Cheshire Disability (2014) *Realising the rights of women and girls with disabilities*

<sup>21</sup> Scottish Parliament Equal Opportunities Committee (2016) *Removing Barriers: Race, ethnicity and employment*

<sup>22</sup> House of Commons Women and Equalities Committee (2016) *Employment Opportunities for Muslims in the UK*

<sup>23</sup> Stonewall (2014) *The Double-Glazed Glass Ceiling: Lesbians in the workplace*

<sup>24</sup> House of Commons Women and Equalities Committee (December 2015) *Transgender equality*

<sup>25</sup> Scottish Refugee Council (2014) *One Step Closer*

<sup>26</sup> YWCA Scotland (2016) *Status of Young Women in Scotland*

<sup>27</sup> Scottish Commission on Older Women (2015) *Older Women and Work: Looking to the future*

### **3.2 Spending choices and specific issues within the public sector**

The work of the Scottish Women's Budget Group, as well as the UK's Women's Budget Group, shows that where governments choose to invest, particularly during economic downturns, can have a huge impact both directly on the gender pay gap and key drivers such as occupational segregation and care.

For example, in their analysis of the 2016 UK budget, the Women's Budget Group noted that due to the patterns of occupational segregation, the current position of women in the labour market means that they are unlikely to benefit in terms of employment from government investment in physical infrastructure. Investment in social infrastructure, however, have the possibility of reducing both the gender employment gap and the gender pay gap - whereas current trends towards cutting funding to social infrastructure hightens the problem. The Women's Budget Group estimated that if the UK government invested 2% of GDP in the caring sector, this could create up to 1.5 million jobs, while the same investment in construction would deliver 750,000 jobs<sup>28</sup>.

Another example of government spending choices that can affect the gender pay gap includes spending on employability. As part of Scotland's ambitions to have a skilled and world-leading workforce, the Scottish Government spends a great deal of public money on training programmes. Engender's report 'Unblocking the pipeline: Gender and Employability in Scotland' demonstrates how employability programmes are unintentionally widening the gender pay gap and sustaining gendered occupational segregation. The report points in particular to the acute and chronic gendered segregation in Scotland's Modern Apprenticeship programme, where more money is also spent on male apprenticeships.<sup>29 30</sup>

Since women are over-represented among public sector employees in Scotland<sup>31</sup> they are the main losers from any cuts in jobs or pay. Downward pressure on wages and caps in rises for public sector workers risks widening the gender pay gap, particularly in health and education sectors and local authorities, where female workers are heavily concentrated. Moreover, the funding cuts to the public sector and reduced provision for care services means these employees and employers are under intense pressure. Women

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<sup>28</sup> Women's Budget Group (2016) *The impact on women of the 2016 Budget*

<sup>29</sup> Engender (2016) *Unblocking the Pipeline: Gender and Employability in Scotland*  
<https://www.engender.org.uk/content/publications/Unblocking-the-Pipeline---Gender-and-Employability-in-Scotland.pdf>

<sup>30</sup> The WiSE Research Centre at Glasgow Caledonian University has a long-standing focus on Modern Apprenticeships, childcare investment as a strategy for growth, and the implications of these issues for advancing gender equality through effective analysis and allocation of public spending. See [www.gu.ac.uk/wise](http://www.gu.ac.uk/wise) for a series of research findings.

<sup>31</sup> <http://www.gov.scot/Topics/People/Equality/Equalities/DataGrid/Gender/GenLab>



are also more likely use public services and so are doubly-disadvantaged by any squeeze on department budgets.<sup>32</sup>

In terms of employment practice within the public sector, Close the Gap notes anecdotal evidence that flexible working arrangements, including part-time work, are less likely to be agreed as a result of labour shedding across the public and private sectors.

Under the public sector equality duty, listed public authorities are required to report on their gender pay gap and activity to mainstreaming gender equality; publish an equal pay statement including occupational segregation information; publish and report progress on equality outcomes; and publish gender-disaggregated employee data. Research by Close the Gap has shown that the performance of public sector employers has been poor, with two-thirds of employers assessed as having a lower overall score in 2015 than in 2013<sup>33</sup>. This represents a significant backwards step from performance under the predecessor Gender Equality Duty. While the research did identify elements of positive practice across Scotland's public sector, this was not reflective of overall organisational performance. Where good practice was identified at the organisational level, it was also accompanied by elements of poor practice.

### **3.3 What are the wider economic and social benefits of closing the gender pay gap?**

Close the Gap's report 'Gender Equality Pays: the economic case for addressing women's labour market inequality'<sup>34</sup> identifies clear and mounting evidence that gender equality at work is a critical driver for improved business performance, and a worldwide catalyst for economic growth. If individual businesses take action to facilitate the expansion of women's engagement in the labour market it will stimulate macro-economy to generate growth and replenish labour supply in an increasingly ageing economy. Evidence shows that while currently only 21 per cent of SME business is led by women, but of those women who do own their business 82% want to grow their business<sup>35</sup>. Women-led businesses contribute more than £5 billion towards the Scottish economy, and if rates of women-led businesses equalled that of men, the

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<sup>32</sup> Women's Budget Group (2016) *The impact on women of the 2016 Budget*

<sup>33</sup> See Close the Gap (2015) *Making Progress? An assessment of employer compliance with the public sector equality duty* <https://www.closesthegap.org.uk/content/resources/Making-Progress---An-assessment-of-employers-compliance-with-PSED-November-2015.pdf> and Close the Gap (2014) *Monitoring public bodies' compliance with the public sector equality duty* [https://www.closesthegap.org.uk/content/resources/1450180414\\_CTG-Working-Paper-12---Monitoring-Scottish-public-bodies-compliance-with-the-public-sector-equality-duty.pdf](https://www.closesthegap.org.uk/content/resources/1450180414_CTG-Working-Paper-12---Monitoring-Scottish-public-bodies-compliance-with-the-public-sector-equality-duty.pdf)

<sup>34</sup> Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality* <https://www.closesthegap.org.uk/content/resources/Gender-Equality-Pays.pdf>

<sup>35</sup> Women's Enterprise Scotland <https://www.wescotland.co.uk/research>



contribution to Scotland's GVA would increase to £13 billion.<sup>36</sup> There would also be an additional 100,000 businesses operating in Scotland.

Removing the barriers to women working in occupations traditionally done by men and increasing women's labour market participation, could be worth more than £17bn, according to figures produced for Close the Gap<sup>37</sup>. Increases in women's earnings have the potential to bring in not only increased revenue from tax and national insurance, but also reduce the amount paid out in benefits and tax credits.<sup>38</sup> The new powers and responsibilities in taxation and revenue raising now devolved to the Scottish Parliament raise important issues round the gender pay gap. That considerably fewer women than men pay tax in Scotland reveals women's lower earnings and the significance of this for revenue generation in Scotland. Addressing the gender pay gap has always been a moral duty, but increasingly it is an economic imperative, directly related to boosting Scotland's economic performance and expanding the tax base, generating essential revenue for Scotland.

The gender pay gap contributes to women's higher levels of poverty; 27 per cent of women earn below the Living Wage compared with 17 per cent of men<sup>39</sup>. Women's poverty is intrinsically linked to children's poverty; evidence shows that main carers within households, who often have less access to resources and are predominantly women, spend more on children. Women are more likely to manage household budgets, and as such act as managers of family poverty.<sup>40</sup> Reducing the pay gap will therefore reduce women's poverty and also child poverty.

Businesses can also directly benefit from addressing gender inequalities, particularly by increasing workforce diversity and adopting flexible or 'agile' working<sup>41</sup>. Furthermore, individual companies that fail to engage with gender inequality and discrimination are less productive, less innovative, risk reputational and financial costs of discrimination, and have lower morale.

#### 4. Scottish responses to the pay gap

Across the UK, the pay gap has been the subject of a number of inquiries, summits, commissions, and investigations in the last twenty years. Although these have undoubtedly enhanced and refined the evidence-base for action, they have resulted in only timid and partial steps towards substantive action.

<sup>36</sup> Women's Enterprise Scotland <https://www.wescotland.co.uk/research>

<sup>37</sup> Close the Gap (April 2016) *Gender equality pays: The economic case for addressing women's labour market inequality*

<sup>38</sup> Fawcett society

<sup>39</sup> KPMG (2016) *Living Wage Research: Structural Analysis of Hourly Wages and Current Trends in Household Finances* <https://assets.kpmg.com/content/dam/kpmg/uk/pdf/2016/11/living-wage-research-for-kpmg-october-2016.pdf> last accessed 22 February 2017

<sup>40</sup> Women's Budget Group (2005) *Women's and children's poverty: Making the links*

<sup>41</sup> Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality* <https://www.closethegap.org.uk/content/resources/Gender-Equality-Pays.pdf>

Close the Gap has been funded for the past fifteen years as a partnership between Scottish Government, enterprise and skills agencies, trade union bodies, and the Equality and Human Rights Commission and has produced Scotland-specific information and evidence-based resources and tools for public and private sector employers and policymakers. However, despite the work of Close the Gap and the sustained pressure of a wide range of gender advocates, including the Scottish Women's Budget Group, Equate Scotland, and Engender, we have seen only minimal incorporation of an understanding of the gender pay gap into policymaking across other relevant domains.

Over the period of funding for Close the Gap, we have also seen an erosion of women's access to justice through the introduction of punitive and prohibitive fees for lodging a complaint with the Employment Tribunal and the hollowing out of the Equality and Human Rights Commission. While these are decisions of the UK government, the Scottish Government has opportunity and levers to maximise intervention and direction to employers in Scotland, particularly in the public sector, to be more proactive in tackling the gender pay gap.

#### **4.1 Fair Work Convention**

The Scottish Women's Budget Group would wish to see a stronger analysis and central commitment to women's inequality within the Fair Work Framework's treatment of women's labour market inequality and references with pay gap,. The framework fails to engage with key strategic issues like the undervaluation of work, specific concerns such as discrimination and workplace sexual harassment, or the differentiated experiences of disabled, BME or LGBTI women and people. As a result, the small number of recommendations for action on equality are generic and vague, and not easily translated into action by employers.

#### **4.2 Scottish Business Pledge**

The Scottish Women's Budget Group has repeatedly called for greater prominence of equal pay and gender equality actions within the current Scottish Business Pledge. Progress on companies pledging to take action on gender quality has been very poor, with only 35 per cent of companies currently signed up this element<sup>42</sup>, the lowest take-up of all the Pledge components. Furthermore, progress has slowed since the first set of figures were published and 37 per cent companies had signed up to this element<sup>43</sup>.

The gender equality component of the pledge requires business to 'make progress on a balanced workforce', which as an indicator is essentially meaningless – it does not recognise occupational segregation, and does not

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<sup>42</sup> Scottish Business Pledge statistical overview November 2016  
<https://scottishbusinesspledge.scot/information/scottish-business-pledge-statistical-overview-november-2016/> last accessed 24 February 2017

<sup>43</sup> Scottish Business Pledge statistical overview November 2016  
<https://scottishbusinesspledge.scot/information/scottish-business-pledge-statistical-overview/> last accessed 24 February 2017

encourage employers to identify where and why there are pay gaps in their organisations. We would not recommend the use of ‘balanced workforce’ as an indicator, and are not aware of it being used similarly in any other comparable context.

Overall, there is no indication that an employer’s commitment to make progress on gender equality is being tracked or monitored.

## 5. Recommendations

The Scottish Government has opportunity and levers to maximise intervention and direction to employers in Scotland, particularly in the public sector, to be more proactive in tackling the gender pay gap.

In particular the SWBG recommendations include

- greater integration of gender analysis across departments and policy areas (“gender mainstreaming”), especially in budgeting and economic growth analysis and areas of policy that may not appear on the surface to be gendered; a more strategic and joined-up approach to tackling the multiple causes of the pay gap; more top-level commitments to addressing women’s economic inequality; and routine and robust gathering of gender-disaggregated data across all areas of governance and the economy.

- We welcome the fact that inclusive growth is a central tenet to the Government’s Economic strategy, and that the strategy explicitly links women’s economic participation, inequality and economic productivity. However, we are concerned that the Scottish Government focus on Inclusive Growth is itself not to be mainstreamed in the development and execution of its own Economic Strategy. The low level of gender competency across government departments, including the lack of internal capacity building around gender within the government and agencies, as well as the rather ad hoc and low level initiatives and commitments when it comes to implementation suggest that further investment in building capacity within the Scottish Government is essential. Gender remains at best a marginal consideration, which does not appear yet to be driving policymaking, programme design and delivery, or spending priorities in Scotland.

- more effective use of the unique powers of the Scottish Government under the ministerial duties of the Public Sector Equality Duty that could be used for more direct action by public authorities on equal pay

## Scottish Women’s Budget Group