

Gender Pay Gap

Coalition for Racial Equality and Rights

The Coalition for Racial Equality and Rights (CRER) is a Scottish strategic anti-racism organisation which works to eliminate racial discrimination and promote racial justice across Scotland. Our primary concern in relation to the gender pay gap is its effects on BME women and the need for an intersectional approach to the issue. As such, we are grateful for the opportunity to write to the Economy, Jobs, and Fair Work Committee to provide an overview of some key points for consideration.

Race Equality Framework for Scotland 2016-2030

During the development of the Scottish Government's Race Equality Framework for Scotland 2016-2030, CRER engaged with almost 400 members of BME communities around issues of employment, including pay gaps.

These concerns are reflected in some of the key goals of the Framework, including:

- Identify and promote practice that works in reducing employment inequalities, discrimination, and barriers for BME people, including career paths, recruitment, progression, and retention
- Ensure access to appropriate early learning and childcare for BME families
- Scotland's public sector workforce is representative of its communities

Evidence

While limited data exists which addresses the BME pay gap, very little information explores the gender pay gap for BME women in particular. This in itself is part of the problem. As such, there is a lack of strong statistical evidence, especially Scottish-specific evidence.

Analysis of the 2011 Scottish Census revealed that 4% of all managers, directors, and senior officials are from a BME background; this rises to 5% for men and falls to 3% for women.¹ Similarly, 5% of those in professional occupations have a BME background; this rises to 6% for men and falls to 4% for women.²

Further analysis demonstrates the following:³

¹ Please note, this data will likely be skewed as it will contain figures for self-employed individuals, with BME groups over-represented in self-employment.

² 2011 Scottish Census. Occupation by Ethnicity by Sex.

³ 2011 Scottish Census. Occupation by Ethnicity by Sex.

Occupation	% of Employed BME Men	% of Employed BME Women	% of Employed White Men	% of Employed White Women
Managers, directors, and senior officials	13%	7%	10%	7%
Administrative or secretarial occupations	4%	12%	5%	19%
Skilled trades occupations	14%	3%	22%	3%
Process, plant, and machine operations	5%	1%	14%	2%
Caring, leisure, and other service occupations	5%	14%	3%	17%

This data suggests, notably, greater disparity in the BME group for levels of men and women working as managers, directors, and senior officials.

Additional analysis reveals:⁴

Economic Activity	% of All BME Men	% of All BME Women	% of All White Men	% of All White Women
Economically inactive: looking after the home or family	1%	14%	1%	5%
Economically active: Employed part-time	13%	17%	6%	21%
Economically active: Employed full-time	34%	24%	46%	28%
Economically active: Self-employed	11%	5%	10%	4%

This data suggests that, in regards to economic inactivity due to looking after the home or family, there is greater disparity for BME women than for white women. Part-time employment rates are also higher for BME women than for BME men, in contrast to full-time employment rates.

A literature review of UK and British studies reveals the following:⁵

⁴ 2011 Scottish Census. Economic Activity by Ethnicity by Sex.

⁵ Please note, as this data is not specific to Scotland, there may be differences for Scottish groups.

- The Institute for Social and Economic Research found that, overall, BME graduates are substantially less likely to be employed than their white British counterparts. There are small ethnic pay gaps present six months after graduation, which, for men, disappear, and for women, reduce, after taking into account differences in resources and qualifications. However, three-and-a-half years after graduation, differences in earnings, especially for women, become larger. BME women – with the exception of Chinese and Indian graduates – earn 12-15% less than white British women. Disadvantage seems to increase over time, which may be due to less career progression, despite the study's sample consisting of the most advantaged BME individuals who have British nationality and hold a UK university degree.⁶
- The All Party Parliamentary Group on Race and Community found that the unemployment rates of Black, Pakistani, and Bangladeshi women have remained consistently higher than those of white women since the early 1980s. For these women in particular, discrimination is present at every stage of the recruitment process, particularly at application and interview stages.⁷
- The Fawcett Society reported in March 2017 that⁸:
 - Women from almost every minority ethnic group experience a pay gap with white British men. This ranges from a 19.6% gap for Black African women to a reversed gender pay gap of -5.6% for Chinese women.
 - Women of most minority ethnic groups experience a gender pay gap compared with men of the same ethnicity. Indian women experience the widest full-time gender pay gap of this type (16.1%), with a 5.5% gender pay gap between Pakistani and Bangladeshi men and women. For the Black Caribbean group, the pay gap is reversed with Black Caribbean men experiencing an 8.8% gap.
 - While Chinese women have closed their gender pay gap with white British men to -5.6%, their gender pay gap with Chinese men has widened over the past decade from 4.6% to 11.5%. Pakistani and Bangladeshi women have the largest gender pay gap of all with a 26.2% pay gap compared to white British men.
 - Black African women have seen virtually no progress since the 1990s in closing the gender pay gap with white British men, with a gap of 21.4% in the 1990s and 19.6% today.
- A 2009 report from the Equality and Human Rights Commission stated that there is significant variation in the gender pay gap by ethnic group.

⁶ University of Essex. Institute for Social and Economic Research (2016). [Labour market disadvantages of ethnic minority British graduates: university choice, parental background or neighbourhood?](#)

⁷ All Party Parliamentary Group on Race and Community (2012). [Ethnic Minority Female Unemployment: Black, Pakistani, and Bangladeshi Heritage Women.](#)

⁸ Fawcett Society (2017). [Gender Pay Gap by Ethnicity in Britain.](#)

While some ethnic groups had average hourly pay comparable to white British women, Bangladeshi women have a slightly lower than average pay, with Black African and Pakistani women suffering substantial pay gaps.⁹

- Researchers at the Centre of Dynamics of Ethnicity at Manchester University found a higher percentage of white ethnic individuals move to higher socio-economic classes than their parents in contrast to BME communities overall. BME women in particular were affected by this.¹⁰

Engagement with BME community members revealed several issues highlighted by BME women, including:

- There is insufficient data collected on BME women; without accurate data, it is difficult to address the needs of BME women in particular. Disaggregation of data is critical.
- Intersectionality should be considered in the reporting of data. It is not enough to publish information on gender and information on ethnicity separately; these must be joined up to provide a clearer picture of the situation for BME women.
- Work must be done to address horizontal and vertical workplace segregation. Women in particular face specific stereotypes and forms of discrimination in the workforce.
- Oftentimes, BME women's self-employment is driven by barriers to mainstream employment opportunities and is not economically advantageous to the individuals themselves.
- Many of the childcare options available to BME women are not currently reflective of gender or racial equality needs. Kinship care (when a child is looked after by their extended family or close friends) disproportionately affects BME women, and women care for older relatives as well as young children at higher rates than men.

Issues for Consideration

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

Regardless of which particular definition is used, it is important that the intersectional aspects of the gender pay gap are explored in definitions and discussions. Analysis – as well as data collection and publication – of pay gap information should take ethnicity into account. If we do not speak of the ways in which the gender pay gap can particularly affect BME women (and adjust our definitions accordingly), we cannot begin to address the problem and develop unique and effective solutions to change outcomes for BME women.

⁹ Equality and Human Rights Commission (2009). [Research report 14: Pay gaps across the equality strands: a review.](#)

¹⁰ The Guardian. [Ethnic minorities face barriers to social mobility and job opportunities.](#)

The Fawcett Society stresses that there is not one single figure for the gender pay gap for all BME groups – it is necessary to look at the individual characteristics of each group to better understand pay inequality.¹¹

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

There are limitations with the manner in which data is published on the gender pay gap.

The Scottish Government itself does not produce data on the gender pay gap that is disaggregated by ethnicity. Its Equality Evidence Finder publishes limited data on the BME pay gap, but this is not disaggregated by gender. The Scottish Government publication “New perspectives on the gender pay gap: trends and drivers” compares the pay gap by age group, by industry and occupation, and against UK measurements. Inclusion of analysis of the pay gap for BME women would have also been appropriate and beneficial to include.

The ONS publishes data on the gender pay gap, but this is not disaggregated by ethnicity. This is a significant shortcoming and adversely affects analysis and the development of initiatives and policies. For example, the Department of Culture, Media, and Sport utilised ONS data to analyse the gender pay gap over time; a breakdown of the gender pay gap by age, occupation, and income percentile is included, but the analysis did not consider ethnicity. As such, the issue of ethnicity was not addressed.¹²

The Fawcett Society also noted that to compile its data on the pay gap between minority ethnic women and white British men, the Labour Force Survey was used as the data was not routinely collected and published by the Office for National Statistics.¹³

If the gender pay gap and the BME pay gap are examined in separate silos, joined up working will not be achieved and policies will not benefit certain equality groups. In short, if we only consider the pay gap through a gender lens, it is likely that policies and initiatives put in place to improve this will not benefit BME women in the same way as white women.

Is the Scottish Government’s [National Performance Framework Indicator](#) based on the most appropriate measurement of gender pay?

¹¹ Fawcett Society. [Gender Pay Gap by Ethnicity in Britain](#).

¹² Department for Culture, Media, and Sport. [Secondary Analysis of the Gender Pay Gap: Changes in the gender pay gap over time](#).

¹³ Fawcett Society. [Minority ethnic women ‘left behind’ by pay gap progress](#).

We note that in the Scottish Government's analysis of the Pay Gap National Indicator, intersectional aspects are not addressed. In measuring gender pay, the Scottish Government should also consider measuring across ethnic groups. If data is not available for this analysis, procedures should be put into place to collect this data in the future to develop baselines and measure progress.

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

The reasons for the BME gender pay gap cannot be verified by data, as data collection and publication is extremely poor. However, we can presume, based on anecdotal evidence and evidence on the gender pay gap and the BME pay gap that issues include:^{14 15}

- Direct discrimination – BME women being paid less than men for doing the same job
- Jobs requiring similar skillsets and qualifications tend to be poorly paid and undervalued when they are dominated by women rather than men
- Bias in favour of men and white ethnic groups in terms of the evaluation of performance and, therefore, pay level and career progression
- Occupational segregation in the labour market and the concentration of women and BME groups in lower-valued and lower-paid occupations
- Pay discrimination and inequality in temporary, casual, or insecure work in which BME communities are often over-represented
- Under-representation in managerial and senior positions
- Effects of traditions and stereotypes on career choices
- Unequal share of care and domestic duties between men and women
- Greater prevalence of part-time work for women and BME groups

Public Sector Equality Duties

As the new Scottish Specific Public Sector Equality Duties (PSED) on Race and Disability in Equal Pay come into force for the first time in April 2017¹⁶, public bodies with 20 or more staff will be required to publish statements on equal pay as well as information on occupational segregation. While there is no specific legal requirement to publish pay gap information on race and disability at this time, we believe that organisations will find it difficult to produce a policy on equal pay without first analysing the relevant pay gaps. As such, we recommend that all public bodies publish this information and would urge public bodies to consider collecting and publishing information in

¹⁴ European Commission. [Gender Pay Gap](#).

¹⁵ University of Essex. [Understanding the ethnic pay gap in Britain](#).

¹⁶ Coalition for Racial Equality and Rights (2016). [Equal Pay Duties – Race and Disability. PSED: Get Ready for April 2017](#).

such a way that intersectional analysis is possible. More data will be necessary to determine how best to address pay gaps for minority ethnic women.

Conclusion

CRER asks the Committee to keep these issues in mind during its inquiry into the gender pay gap, as we believe an intersectional approach will be needed to fully address the issue. Racial equality must be given appropriate consideration.

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