Scotland's Economic Performance

Scottish Women’s Convention

The Consultation

The Economy, Jobs and Fair Work Committee is holding an inquiry into Scotland's economic performance: trends, challenges and future developments. The inquiry will focus on the following areas: GDP growth and productivity; inequality and labour market issues and inclusive growth.

The remit for the inquiry is:
To examine Scotland's economic performance since 2007 and understand the reasons for recent trends and divergences in performance between Scotland and the UK as a whole, other regions/nations in the UK, and other countries in the EU. The inquiry will also identify challenges and opportunities facing the Scottish economy over the next ten years and understand what action is required to make Scotland's economy more inclusive, innovative and international.

The Scottish Women's Convention (SWC)

The Scottish Women's Convention (SWC) is funded to engage with women throughout Scotland in order that their views might influence public policy. The SWC uses the views of women to respond to a variety of Parliamentary, Governmental and organisational consultation papers at both a Scottish and UK level.

The Scottish Women's Convention engages with women using numerous communication channels including Roadshow events, Thematic Conferences and regional contact groups. We welcome the opportunity to respond to this inquiry into the economic performance of Scotland within the past decade including trends within the labour market that persist and affect women adversely.

Women make up 51% of the population. Every piece of legislation that goes through parliament, both reserved and devolved, has a direct impact on them in a fundamentally different way to men due to persisting gender inequality. It is essential that this is acknowledged and scrutinised.

From an economic standpoint, women face continuing inequality. It is only when this is rectified that Scotland’s economy can function as a successful formula and see increased growth and sustenance of such. Increasing female participation in the workforce is not just essential from an economic
perspective, but also strives forward in terms of equality and development for the whole of Scotland. It is crucial that any work that seeks to analyse our economy is influenced by the voices of women.

What have been the main drivers of growth in the Scottish economy since 2007?

Economic growth in Scotland cannot be looked upon in a vacuum. The issue is a pressing one for many women across the country and imposes itself on every decision they make, both for themselves and their families. A cohesive strategic framework that factors in some of the most pressing issues in Scotland all contribute to the way in which economic growth occurs within the country.

Women in the workforce contribute much to the economy. Since the economic recession, more and more women have continued to undertake employment. However, the nature of this leaves little room for scope. In terms of gender, women are heavily disadvantaged in economic terms in comparison to men due to continuing inequality that occurs all throughout their lives.

When discussing equality in economic terms, women have noted that this can often be related back to a number of root causes. This includes: lack of flexible working; inadequate return to work programmes and the absence of opportunities for older and disabled women. These should be given serious consideration when analysing economic inequality.

Problematically, much of the employment undertaken by women tends to occur in lower paid traditionally “female” industries such as cleaning and retail, contributing significantly to the gender pay gap and income inequality in general.

Additionally, limited job choices and occupational segregation mean women are continually streamed into low-paid, low-skill roles traditionally seen as “women’s work”, for example cleaning, childcare, customer services etc. Lack of access to training and development opportunities within these working environments stops progression and thereby increases the chances of slipping into poverty.

Employment has increased throughout Scotland as a whole for women, most notably within low income households. However, much of this is part time which not only reduces welfare entitlement, but can also lead to a rise in the amount of in work poverty, particularly for single mothers. Reasons for in work poverty for these women are varied but tend to include: lack of affordable childcare, the inflexibility of advertised positions and the reduction of social security due to Westminster’s on going welfare reform programme.
Where will we see future growth in our economy – exports, sectors, regions and innovations?

After consultation with a range of women throughout Scotland, the SWC has identified key areas where further analysis should be undertaken in economic terms in order to fight inequality.

Educational Attainment

Continuing commitment to not gender segregate from an early age is crucial for a progressive economy within Scotland, this ensures women have confidence in their abilities and are more likely to go into other subjects traditionally seen as male-orientated. This is a particularly pressing issue for young women in terms of the attainment gap. Not only are many girls contending with gender inequality, arguably more pervasive in lower income households, they also face less opportunities in terms of education and employment than girls from higher income households.

Paid and Unpaid Caring

Support for the SG’s commitment to paying the living wage to adult care workers has been welcomed. The employment make up within this sector is overwhelmingly female and many have spoken of feeling “devalued” and under intense pressure within this form of work. Scotland is not alone in facing an ever growing crisis of an aging population, as this continues to increase, demand for the care sector will also rise exponentially. It is vital that this sector is giving the sufficient analysis that is needed when considering the makeup of Scotland’s employment sectors.

“It stands to reason that women who feel valued and supported within the workplace will work harder, yield better results and be more committed.”

In relation to this, unpaid caring is estimated to save the Scottish economy billions every year. However, strict criteria around Carers Allowance such as restrictions on wages and hours worked in order to claim has left many women throughout the country severely restricted and struggling in terms of not only finances, but also the care that they can give to those that depend on them.

Modern Apprenticeships and STEM Uptake

The SWC welcomes the continued commitment and funding for the promotion of modern apprenticeships, including encouraging young women to enter non-traditional training.
Whilst there has been a slight increase in STEM subjects and modern apprenticeships for women, this still needs work. Continuous funding of programmes to boost take up amongst females is essential.

Maintenance of funding for organisations which are created to actively encourage the likes of gendered placements in STEM subjects and annually refreshed guidance for schools on influencing uptake of STEM subjects from a young age for girls is also crucial.

“Male” modern apprenticeships (MA’s) are beginning to be viewed more confidently, with more young women taking up the likes of joinery or plumbing. However, the old stereotypes are still there. Taking up an MA in a traditionally male dominated area, young women noted that they tended to be the only female. This can lead to singling out and can be “embarrassing and scary”.

Tackling occupational segregation and low uptake of STEM by women is of the utmost importance for Scotland’s economy. Renewed emphasis on these subjects is sorely needed in order to not only tackle both gender and economic inequality but also to increase Scotland’s wider economy as a whole by encouraging female participation. Not only are STEM subjects highly disproportionately male due to many factors including stereotyping and stigma, young women that do enter these subjects often leave due to singling out for being female.

**What is Scotland’s industrial composition and what are the barriers to diversification and growth?**

As described above, one of the main barriers that remain for many women is lack of opportunities stemming from both gender and economic inequality at interplay. The SWC commends the further take up of university courses for students from lower income backgrounds which continues to rise year on year within Scotland, however, this is still not enough.

The key issue for women working in predominantly female sectors and non-professional roles is the lack of recognition, undervaluing and underpayment of the work that they do. Women continue to undertake ‘traditionally female roles’, such as caring, customer service, administration and cleaning, which attract low wages and offer little in the way of training and development.

Gender streaming begins at a young age. This carries on within the school environment, where those who are unlikely to follow an academic path will be steered towards women’s jobs, such as childcare or hairdressing. Young men who wish to undertake training-based jobs will be given information on, for example, Modern Apprenticeships in what are traditionally seen as ‘male roles’ such as plumbing and mechanics. The wages which each of these gender stereotypical roles attract are subject to disparities.
"Why does a plumber get paid more than an early year’s worker? Being able to fix pipes is an important job but it’s nowhere near as valuable as the young women who look after our kids on a daily basis."

Young women often face double discrimination in areas such as employment due to being targeted negatively through the likes of low wage bands and, in turn, for their gender. Whilst the reasoning behind discrimination is vast, the underpinning determinant upon which this rests all stems back to fundamental inequality from an extremely young age. Increased awareness around minimum wage band discrimination for workers under the age of 25, including drives targeted at private sector employers to recognise equal pay for all ages is crucial. Annually updated and refreshed employer statistics quoting gender and age segregation in the workplace should also be considered.

Age discrepancies within waging structures have also created numerous problems for women, most notably exploitation of young women workers, particularly in certain sectors. The childcare workforce, for example, is overwhelmingly made up of women. In private nurseries in particular, young women are often only paid the minimum wage, being taken advantage of for being under 25.

Younger workers who are in training through a Modern Apprenticeship or college placement are paid even less. These workplaces are, more often than not, non-unionised. Once the young women are fully qualified, they are let go in favour of a younger, cheaper trainees. Situations whereby young women are forced to undertake more than one part time job in order to make ends meet are particularly acute for those who are under 25 years old and in receipt of the minimum wage. The difference in rates of pay dependent on age can make it extremely difficult for young women to enter into and sustain employment.

"This type of discrimination creates negative divisions within the workforce. It also means there are large numbers of qualified women in competition with each other for other jobs within the sector."

This is not an issue which is confined to the childcare sector. A lot of women are underemployed, whereby they have one or more part-time job instead of one full-time job, or they are carrying out work which they are over-qualified for. This can be for a number of reasons. The main causes of this type of work include lack of flexibility in full-time employment, part-time work not being valued, and a lack of job opportunities overall.

"There’s an assumption that young people don’t need to be paid as much, as if we don’t have the same responsibilities as the over 25’s. This is far from
true – many young women have to juggle work, education, childcare and other caring responsibilities. It’s demeaning to be paid less than someone a few years older. It feels as if we’re not as valued by society.”

It also allows for further exploitation of young workers, as many companies may be likely to employ under 25’s on temporary, zero hours contracts because they are cheaper than those who qualify for the living wage.

“All that does is create a race to the bottom. Young workers are exploited enough with the widespread use of zero hour’s contracts and blatant age discrimination with the varying minimum wage rates. Is it any wonder so many are disenfranchised?”

What role has Government support for innovation played in growing Scotland’s economy and boosting productivity? Inequality and labour market issues

Women throughout Scotland have voiced their approval of the steps that the Scottish Government (SG) has taken, especially within the past few years, to challenge inequality. It is felt that in terms of highlighting the extent of this for those with protected characteristics, the SG is leading the way within the United Kingdom.

This is most notable in terms of investment in STEM placements and incentives for employers for increased female participation, many younger women who have participated felt much more confident and determined to pursue a career within these vital industries after taking part in such schemes.

Women in Scotland are proud of being part of a country that actively encourages the take up of STEM subjects by young women both in secondary and further education. Funding for organisations which are created to actively encourage the likes of gendered placements is appreciated by women of all ages. These works make a huge contribution to ensuring under representation of women in this area are addressed.

“These services are invaluable. The likes of placements encourage participation.”

Occupational segregation, a barrier to women leaving poverty, stems in large due to gender streaming in the careers service. Many young women are frequently encouraged to undertake courses in what are considered ‘female’ roles such as hairdressing and childcare. A shift in attitude and a careers strategy that actively encourages women into ‘non-traditional’ roles such as science, engineering and technology, would help to improve their life chances and financial wellbeing.
Uptake of traditionally male subjects is one area where the SWC has consistently held talks with young women. Many have been very positive about being encouraged to study male dominated subjects. Schools and teachers are making an effort to support those who want to learn about non-traditional careers.

“You can begin to see the difference now a little bit. The classes are starting to get a bit more 50/50.”

**What are the main drivers of income and wealth inequality in Scotland?**

Youth unemployment is having a detrimental effect on local communities. There is a serious lack of employment opportunities for young women. Access to Modern Apprenticeship schemes can often be limited and heavily gender streamed, with young women taking up roles in childcare, hairdressing, beauty etc. whereas young men predominate in construction, engineering, joinery etc.

“I fear for the future of young people. Many school leavers must have no hope.”

Young women who wish to pursue non-academic careers are often discouraged through lack of opportunity and support. Occupational segregation and gender streaming need to be discouraged through education and employer stereotypes.

“More needs to be done to encourage girls into non-traditional careers.”

Returners to work projects must address lack of flexibility in work for mothers, including in the private sector. Despite having right to request, employers have many ways of getting around this. More should be done to tackle the “9 to 5” stereotype. There is also a range of issues in this area when it comes to female progression, with the gap between men and women becoming even wider as one goes further up within a particular career.

A further barrier to income and wealth inequality that continues to stagnate in terms of improvements is the multiple barriers erected for intersectional women. The irregularities in employment rates and types of employment becomes further widened when considering aspects other than gender such as race or disability. This form of structural discrimination must be tackled in terms of economic analysis in order to face the challenge of income inequality.

Lack of high quality gendered analysis of the current state of the labour market in terms of part and full time employment is also needed. Connections between the likes of high poverty - including child poverty - in working households, with the majority of part time tending to occur in what tends to be lower paid “female” sectors such as retail, is not only contributing to the extent
of the gender pay gap within society but also to poverty and income inequality. Women have spoken to the SWC that if more was done to legislate for a wage that was acceptable in terms of basic living standards and lifted them out of poverty that this would have added benefits to employers including increased motivation and productivity amongst workers. Alongside this, it could aid to lift women out of unemployment and increase the economy with more money being available by families to spend.

The lack of decent pay and conditions means there is a significant amount of in-work poverty, as well as a reliance on ‘top up’ welfare benefits, such as Housing and Council Tax Benefit and Tax Credits. Changes to the welfare system are making it increasingly difficult for women to claim and be eligible for additional income assistance.

Working hour’s thresholds for tax credit entitlement have increased. These changes are causing concern as employers may be unwilling or unable to increase working hours where necessary. Women will therefore be forced to engage in more part-time work and face additional childcare and transport costs.

The employment roles where women predominate are low skilled, part-time and, therefore, low paid jobs. Women struggle to manage their time and finances, often relying on top-up in-work benefits. The introduction of the National Living Wage has been welcomed. Women are, however, reporting on detrimental changes to contractual conditions and hours to compensate on increased pay.

The introduction of living wages at the current rate can, in fact, act as a deterrent to many women in accessing the Labour Market. The fine line between work which pays a sustainable wage and that which leads to reliance on assistance through the welfare system is very real for many women at present.

Without secure policy that enforces companies to implement living wages; flexible working and returner’s programmes, economic inequality will persist. So long as women continue to be clustered in part-time work in low-paid private sector jobs due to inadequate government pressure; women will continue to face discrimination.

“For too many women, going to work is more of a financial strain than staying away from the labour market and relying solely on social security. This is down to a combination of low pay, high rents, council tax and expensive private childcare.”

How does income and wealth inequality in Scotland compare to other
countries/regions and what are the policy responses to income and wealth inequality in Scotland and abroad?

A main feature of inequality, both in gendered and economic terms, is the restriction of women’s access to certain opportunities that could lift them out of poverty. The continuous rise in the cost of living has meant that many are struggling to make ends meet with many women reporting heavy reliance on the likes of food banks for both food and hygiene products.

“This didn’t happen ten years ago. It’s shameful that those with the power to change this do absolutely nothing.”

One of the most discussed issue in regards to wealth inequality hinges around Brexit for the vast majority of women. Whilst many have welcomed the SG’s continuing call for increased participation within the negotiation process, questions concerning Scotland’s economy are still not being answered for many women. In addition, a range of the legislative and policy decisions that offer legal protection for women and recognise that inequality still exists are implemented through the power of Europe.

Job insecurity continues to haunt women across the country due to the influxes with the UK economy. The recent fallout since Brexit last year has led to fear and uncertainty over further employment, UK funding and worker’s employment rights that stem from Europe. Women have spoken of their concerns around the future of these. Words such as “uncertainty”, “fear” and “anxiety” are commonly used. Further clarification is needed around the Brexit process, as well as specific issues about particular areas of policy and legislation.

In relation to promoting equality throughout society with regards to the economy and employment, we commend the SG for noting the effect that gendered violence in the workplace can have on women: mental, physical or sexual. The recognition that many do not report this for fear of their employment being terminated is vital to tackle Violence against Women and Girls (VAWG). However, women have expressed concern that clearer guidelines and accountability procedures are sorely needed for both the private and public sector. Holding private companies to account for implementing equality procedures illustrates that it is unacceptable to harbour violence in the workplace merely because of someone’s gender.

What have the trends in debt, wages and household income been over the past decade?

Whilst employment in Scotland has risen to almost record levels, a number of issues have also become prevalent over the past decade leading to a widening of both the economic and gender equality gap. This is determined by
a number of factors including but not limited to: the distribution of the employment market with major discrepancies between part and full time work; benefit caps and withdrawal of benefits when employment was undertaken and zero hours contracts and precarious work.

This has led to a huge exponential rise in in-work poverty, a very real issue faced by far too many women. For example, the continuing pay freezes within the public sector combined with rising living costs have had an adverse impact on women considering they make up the majority of workers. These austerity measures deny the valuable work these women do and are forcing them in ever increasing numbers towards financial hardship.

“They are wanting nurses to work much harder for less pay - on their feet all day and with little respite. It’s humiliating, degrading and dangerous!”

Within the past decade, low income households - especially families with children - are falling further behind those on middle incomes. This has a detrimental impact for the future of Scotland’s economy, meaning a widening of the education attainment gap that will see less of Scottish children going onto higher skilled jobs.

Furthermore, since implementation of the new national minimum wage, many women in current or new employment have seen their contracted hours altered in some way, more often than not for the worst. The majority of the time, the reasons employees have in doing this is purely economic, meaning they don’t have to pay key rights such as holiday or sick pay.

“In my old job, I did hours of unpaid work just to go home and look after my family. I’d field calls and emails, all because I was petrified of losing it. It’s awful but at the end of the day, you have to feed your family and a job is a job”

This is often done in a way that is seen as “restructuring” of the organisation. Many employers have put through new contracts which can oftentimes state that women must reapply for the roles they held previously. In doing so, this is more often than not a “legal loophole” way of cutting pay and hours for the employers benefit.

“Many women will take this option without a fight just to be able to earn a wage”.

Many highlighted a real problem that seems to be ongoing where people are tolerating certain jobs despite the extra demands it places. Many of the jobs have been cut from full to part time or job share whilst the responsibilities have stayed the same or actually increased in some cases. Due to a lack of
employment, many women will take this option without a fight just to be able to earn a wage.

**What are the reasons for regional differences in labour market participation?**

Whilst inequality exists throughout Scotland in both rural and urban areas, it is acutely important to understand that these issues exist for a wide range of reasons that are different depending on location. The SWC stresses the need for regional analysis when facing the challenge of eradicating both gender and income inequality.

The geographical make up of Scotland is extremely diverse. Island and highland areas often include more seasonal work than in other areas, this often leads to precarious contracts for women who undertake the majority of this. A further problem is that this seasonal work tends to be clustered within the summer months during extended holiday periods from school for children, meaning many women face significant barriers due to lack of childcare.

In some areas of the country, women are forced to undertake additional part-time jobs as a result of the current economic climate. Women are expected to live on wages that have not increased in a number of years, while the cost of living continues to rise.

Temporary, seasonal and part-time jobs are often the only work available in rural Scotland, where women are massively underemployed. As well as a lack of childcare services, public transport in these areas is “expensive and unreliable”.

> “Buses in this area are extortionate. If you’re on minimum wage then you’re working two or three hours a day just to be able to get to work.”

**How has the labour market in Scotland changed over the past decade?**

Women will be unable to participate fully in the labour market, and consequently contribute to the economy, if they continue to be pushed towards low paid, low skilled jobs. This type of employment offers little in the way of training and development, which can restrict women’s ability to progress within the workplace.

A major issue for change in a positive light is the higher priority with which flexible working is beginning to be treated. The vast majority of women require flexible hours due to a number of commitments they have and more must be done within the private sector to encourage flexible working.
Employers must build strategies that make this form of working that is open to all. There is a stereotype around flexible working that it is only be made available to working mothers the SWC has been told by a number of women. There are a vast number of reasons why women need more flexible hours and not all involve childcare. There must be a clear approach to flexible working, inclusive of all women and not just focused on one particular section.

“The number of women who have gained professional qualifications yet left their sectors of expertise is shameful. Policymakers and employers should be more focused on why this is happening.”

Low quality, low paid jobs also make it difficult for women to both access and afford childcare. Being employed on temporary or zero hours contracts, with no guarantee of hours on a week to week basis, means that securing and maintaining a place at a childcare provider is “almost impossible.” Insecure working hours also make it difficult for women to claim for assistance with childcare costs through tax credits.

“I’m seriously considering giving up work because the cost of childcare is not making it worth my while. I want to work, I want my kids to grow up in a household where their mum works, but it’s costing me as much as my rent and Council Tax combined.”

At present, women who work part-time – for whatever reason – are too often seen to not be as committed and capable as those who work full-time. As a result, they are overlooked in terms of training, development and ultimately progression. Over time, this contributes to a widening of the gender pay gap. It therefore stands to reason that women over 40, many of whom work on this basis, will face barriers to promotion. Men, on the other hand, continue to be at a higher level of employment than women, which often means they are considered to be more ‘committed’ or able to do the job. As a result, they will be the first to be considered for a promotion.

Many organisations can make women feel that they should be considering retirement, especially when they are “displaced” into another role. Adjusting to new roles and responsibilities can be challenging, and older women are often afforded little or no assistance to make this transition.

“Men of a similar age will continue to progress within a company while the women are left behind, simply because they’ve taken time out to have children. The saying women have to work twice as hard as men to be thought of as half as good is so true. Women, older women in particular, continually have to prove themselves and their commitment in order to progress in the workplace. Nobody ever asks a 55 year old man if he’s thinking of slowing
Due to the rise in State Pension Age (SPA), older women have been forced to continue on in jobs when they should have retired. Many women as they age tend to find themselves occupied in “sandwich” caring of both older relatives and young grandchildren as well as having to continue in employment. As mentioned above, the flexibility that is needed in order to be able to juggle these demands is often usually only afforded in jobs such as retail which pay only the minimum wage.

“The saying women have to work twice as hard as men to be thought of as half as good is so true. Women, older women in particular, continually have to prove themselves and their commitment in order to progress in the workplace. Nobody ever asks a 55 year old man if he’s thinking of slowing down to help take care of his grandchildren.”

What are the different models of business ownership in Scotland and what is their importance to Scotland’s economy?

Allocation of funding and further study should be focused around initiatives that encourage more women down the path of female entrepreneurship. This could include college courses on business models and strategies with flexible hours such as evening classes. Another point of enquiry for this particular option could be government funded events and mentoring strategies specifically for females, including consideration of the country’s unique resources and skills in order to encourage them to use their significant talents to go down this route.

Entrepreneurship has increased recently with more women deciding to branch out and start their own businesses. The SWC is particularly welcoming of the doubling of the funding put in place by the SG to specifically support women-led enterprise. This not only improves confidence and employment opportunities, it also provides a significant route of lowering the gender pay gap and contributing towards Scotland’s larger economy.

Conclusion

The SWC is fully supportive of any measures which seek to guide and improve the quality of Scotland’s economy for women. It is only when this appropriate action is fully taken that women throughout the country will be able to thrive equally. By taking sufficient steps to increase female participation at all economic levels, the Scottish economy could realise its full potential.