



Economy, Jobs and Fair Work Committee Comataidh Eaconomaidh Dreuchdan is Obair Chothromach

No Small Change: The Economic Potential of Closing the Gender Pay Gap



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Economy, Jobs and Fair Work Committee

Remit: To consider and report on matters falling within the responsibility of the Cabinet Secretary for Economy, Jobs and Fair Work.



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No Small Change: The Economic Potential of Closing the Gender Pay Gap

Foreword

The gender pay gap is not unique to Scotland, and doesn't look like it's closing soon. Estimates globally suggest that at the present rate it will take another 140 years for the gap to close in all countries across the world. Despite the progress over the past generation of women in education and in the workplace, the pay gap in Scotland remains. Because of this, our economy is not achieving its full potential.

The Economy, Jobs and Fair Work Committee has shown leadership in undertaking this inquiry, to recognise the value of women to the Scottish economy and to understand the challenges that women working across the public and private sector still face. Evidence has been received from experts in industry, charities, trade unions, trade organisations, the enterprise agencies, and the public sector, as well as welcoming contributions from individuals who told us why closing the gender pay gap matters to them.

From this evidence and through statements from witnesses, the Committee is clear that there is a gender based problem within Scotland's workforce. Women across our economy continue to be concentrated in low-paid industries and in part-time work. The pay gap impacts women at all stages of their working lives and is not solely a result of women choosing to start a family or to take time out of their careers.

This inquiry is a starting point to understanding the reasons for the gender pay gap and to recognise the role of the Scottish Government in ultimately closing the gap. Supporting women at all levels and in all our sectors to achieve their potential will benefit Scotland's economy. To do so will involve no small change, but the economic impact could be great.

Jane Gotts
Adviser

Executive Summary

- The Committee notes that the Scottish Government calculates the gender pay gap in Scotland to be 6%, but we are not persuaded that this accurately and conclusively represents the pay gap. The Committee has heard from a range of witnesses that more than one measure is needed to give an accurate reflection of the gender pay gap, and the Committee agrees with this. It has also heard that excluding part-time workers from the calculation discounts 40% of female workers¹. The Committee has chosen for the purpose of this report to use the overall hourly pay gap (16%) as a more representative picture of the gender pay gap in Scotland.
- The Committee recommends that the Scottish Government develop a suite of indicators to measure the underlying causes of the gender pay gap, using a comprehensive data set.
- The Committee recommends that the Scottish Government changes the way it measures and reports the gender pay gap in its National Performance Framework (NPF), to take into account part-time workers in Scotland.
- The Committee also asks the Scottish Government to explore the feasibility of comparing Scotland's pay gap performance with other European countries and reporting progress through the NPF.
- The Committee recognises the evidence from McKinsey, CBI Scotland, EY and others on the economic benefits of reducing the gender pay gap. However, the Committee feels that more analysis of the economic benefits of reducing the gender pay gap is needed. The Committee feels that overall not enough has been carried out to demonstrate the “bottom line” improvements as a result of addressing the issue.
- The Committee has heard anecdotal evidence of benefits to business, and appreciates the work of the Fair Work Convention on the links between employee satisfaction and increased productivity. The Committee is also of the view that increasing women's earnings would lead to increased economic stimulus through increased spending. The Committee considers, though, that rather than relying on an extrapolation of the UK figure presented in the McKinsey report², Scotland-specific analysis should be produced.
- The Committee feels that a persuasive argument to encourage businesses to take action on their gender pay gap is to clearly demonstrate the wider economic benefits and impact on their bottom lines. The Committee

¹ Annual Population Survey, 2017

² [The Power of Parity: Advancing Women's Equality in the United Kingdom](#)

recommends that further research on the business case for reducing the gender pay gap be undertaken in partnership with Close the Gap.³

- **The Committee notes that equal pay claims still exist in Scotland, despite unequal pay on the basis of gender being illegal in the UK for over 40 years and is disappointed that there are still live claims. The Committee recognises that this is a contributing factor to the gender pay gap, and calls on all employers to ensure, by carrying out equal pay audits, that their pay systems do not discriminate on grounds of gender.**
- **The Committee notes that the issues with STEM⁴ subjects and the law are part of a wider and recognised issue in Scottish training and education.**
- **A gendered analysis of education is key to tackling the gender pay gap. The Committee feels that changes are needed in the education system, and intends to write to the Education and Skills Committee with findings in this report, to ask them to consider the issue further in their future work. In doing so, the Committee will draw its attention to the FDM model of attracting women who do not hold a STEM degree into STEM-related work.⁵**
- **The Committee is considering further work on the issue of automation, and will look at gender issues related to automation further as part of that work.**
- **The Committee has heard evidence of the business benefits of offering agile and flexible working, and notes that good practice of companies can impact on maternity return rates. The Committee asks the Scottish Government, its agencies, and the Scottish Parliament to ensure that all roles are advertised as flexible, agile or part-time, unless there is a business reason not to do so.**
- **The Committee asks the Scottish Government, its agencies, and the Scottish Parliament to share with the Committee their current practices on advertising flexible, agile, and part-time jobs, to ensure that they are following best practice principles.**
- **The Committee recommends that the Scottish Government collect data on the number of flexible working requests made in Scotland, and which were successful, in both the public and private sector, to gain a fuller picture of the situation.**
- **The Committee recommends that the Scottish Government, its agencies, and the Scottish Parliament ensure their job application forms contain a section allowing applicants to set out if they want to work flexibly and if so, in what way. The Committee encourages other businesses and organisations to do the same.**

³ Scotland's main research organisation looking at women's participation in the labour market³

⁴ Science, Technology, Engineering and Math

⁵ see paragraph 73

- The Committee notes the impact that simple changes to language and imagery can have, both on broadening the appeal of certain roles, and on expanding the reach of business support services. The Committee notes that changes to language and imagery can be quickly, simply, and affordably made, and challenge perceptions.
- The Committee notes the successes of the modern apprenticeship model in providing opportunities for young people and employers alike, but considers that despite significant effort, little progress has been made in addressing occupational segregation within the modern apprenticeships system. The Committee understands that the Delivering the Young Workforce target to “reduce to 60 per cent the percentage of Modern Apprenticeship frameworks where the gender balance is 75:25 or worse by 2021” moved in the *wrong* direction between 2014/15 and 2015/16. The Committee asks the Scottish Government to inform the Committee how many letters of guidance to SDS have requested action in this area over the years and what outcomes have been achieved as a result.
- The Committee will consider as part of its future work programme a further session with SDS to receive an update on work to date and progress on addressing occupational segregation in apprenticeships.
- The Committee has heard evidence, from FDM in particular, about the benefits of retraining older workers and the enhanced rates of retention in the STEM sector on doing so. Given this, and the Scottish Government’s commitment to programmes for women returners, the Committee recommends that the Scottish Government consider the successes learned from the modern apprenticeship programme and apply them to create a new programme for returners, with appropriate resources.
- The Committee recognises that different solutions are needed for different sectors, and that approaches to returners’ programmes should be tailored accordingly, drawing on best practice examples wherever available.
- The Scottish Government has stated that in September 2017 it will publish a new learning and development pathway for childcare workers. The Committee recommends that the forthcoming expansion of childcare learning and development pathway specifically address measures on gender.
- It is the Committee’s view that the care sector – including child care and adult/elderly care - is an undervalued but growing and central part of Scotland’s economy. The Committee recognises the impact that improving pay in child, adult and elderly care would have not only on reducing the gender pay gap but also on recruiting a more balanced workforce.
- The Committee welcomes the statement by the Minister for Employability and Training that the childcare workforce needs to be “fairly remunerated.” The Committee is of the view that to have a transformational effect on reducing the gender pay gap, serious consideration should be given to increasing wages in care beyond the living wage to more accurately reflect the value of the work undertaken.

- It is vital that we raise the status of care in Scotland. As a first step in recognising its importance, the Committee recommends that care becomes a Scottish Government priority sector with a monetary value put on the sector.
- The Committee is concerned that the 250 employee threshold for gender pay gap reporting does not capture Scotland's SME economy. However, given that this reporting requirement is new, the Committee recommends that the Scottish Government monitor and review the number of businesses and employees captured by the reporting.
- The Committee is of the view that reporting a pay gap in itself may not lead to change. The Committee notes that at present, employers have the option to provide a narrative around their gender pay gap report, but this is not required, nor is an action plan to reduce the pay gap. The Committee encourages all businesses to create an action plan, and recommends that the Scottish Government put in place guidance to support employers in creating such a plan.
- The Committee welcomes the Scottish Government's 50:50 by 2020 public bodies target but agrees that this is not an end in itself.
- The Committee has heard that organic change is required to embed progress. However, the Committee recognises the role that targets have to play in making progress on the gender pay gap issue, and supports their use to produce change.
- Given what it has heard on the value of targets in achieving change, the Committee believes that a SMART target in the National Performance Framework on the gender pay gap – specifying what should be achieved and by when – would help focus efforts in this area and recommends the Scottish Government set one.
- The Committee notes the potential opportunities around procurement presented not only by the upcoming shift in legislation from the European Union but also in the Scottish Government's own sustainable procurement duty, as set out in the Procurement Reform (Scotland) Act 2014. The Committee urges the Scottish Government to consider with a view to amending the current procurement regulations to include a question for bidders on their gender pay gap. Bidders could be asked to calculate and submit their gender pay gap, using the formula stipulated in the 2017 Gender Pay Gap Reporting Duty.
- The Committee asks the Scottish Government to take advantage of the opportunities presented by the shift in procurement legislation as a result of leaving the European Union, to consider any new legislation in light of the gender pay gap.
- The Committee recommends that the gender element of the Scottish Business Pledge is redesigned so that businesses are fully aware of what is required of them. The Committee recommends that this work be undertaken by the Scottish Government in consultation with gender advisers and that the Scottish Government provide guidance to support businesses in reducing the gender pay gap.

- The Committee highlights the difference between “actual” living wage employers, who ensure all those working for the business are paid the living wage, and “conceptual” living wage employers, who support the concept of the living wage but do not actually implement it. The Committee encourages all businesses to enter into the letter and not merely the spirit of being a living wage employer. The Committee believes that all businesses should not only strive to be living wage employers themselves but should also encourage those in the supply chain to pay the living wage.⁶
- The Committee is not persuaded that the enterprise agencies are as fully committed to promoting the Scottish Business Pledge as they might be. The Committee expects to see the inclusion of ambitious Scottish Business Pledge targets and gender pay measures within future business plans.
- The Committee recommends that the enterprise agencies require all account managed businesses to have or produce gender pay gap reports and action plans. The Committee also recommends that those who receive significant support, such as Regional Selective Assistance grants, should also be asked to have or produce gender pay gap reports and action plans for their Scottish operations.
- The Committee expresses disappointment in the lack of information given in evidence by Scottish Enterprise on the number of account managed companies run by women, and on the potential economic benefit to Scotland of greater levels of female employment and female entrepreneurship.
- The Committee believes that all account managed companies and recipients of Regional Selective Assistance grants should be Business Pledge signatories.
- From the evidence we received, the Committee is disappointed in the apparent lack of consideration or commitment from the enterprise agencies to addressing the gender pay gap through its work with businesses. The Committee recommends that the Scottish Government clearly sets out what is expected of the enterprise agencies in relation to addressing the gender pay gap and that it monitors their performance in this area.
- The Committee notes that the [gender pay indicator page](#) on Scotland Performs does not include the enterprise agencies as “partners” in helping the Government address the pay gap. The Committee asks the Government to explain and address this exclusion.
- The Committee recommends that the Scottish Government require the enterprise agencies to report on the work they are doing with their account managed companies to reduce the gender pay gap. This activity and progress should be reported through the agencies’ annual reports and fed

⁶ There was a division on the content of this paragraph. See Annexe A, Minute of the Meeting of 20 June 2017 for details.

into the National Performance Framework's (NPF) "Reduce the pay gap" national indicator.

- The Committee recommends that a question on the gender pay gap be added to the RSA application form, as is currently done for the "Invest in Youth" policy.
- The Committee asks the Scottish Government and its agencies to review the funding streams available to new and existing female entrepreneurs. Of particular concern to the Committee is the suggestion that male entrepreneurs are more successful in accessing capital than females. The Committee would be interested to hear if this has been the experience of female-owned account managed companies and Business Gateway clients, and recommends the Scottish Government and its agencies undertake research in this area.
- The Committee heard evidence about the importance of mentoring to new and existing female business owners, and recommends that the Scottish Government reviews existing opportunities available to female entrepreneurs across the whole of Scotland with a view to enhancing support wherever possible.
- The Committee recognises that the reasons for the gender pay gap are deep-seated and wide-ranging and need to be tackled in a number of policy areas, including education, skills, childcare, procurement, business support, and the work of the enterprise agencies. Therefore, the Committee recommends that the Scottish Government produce an overarching strategy to address the gender pay gap, including an action plan and measurable targets.
- The Committee acknowledges the willingness of the Scottish Government to address the issue, and feels there is an opportunity here for Scotland to become a world leader in reducing the gender pay gap. This report and the Committee's recommendations are intended to set the groundwork for this.

Background

1. From March to May 2017, the Economy, Jobs and Fair Work Committee carried out an inquiry into the gender pay gap in Scotland. The remit of the inquiry was:

To explore the effect of the gender pay gap on the Scottish economy, with a particular focus on business performance, the Scottish public sector and Scottish Government action required to address the issue.

2. The inquiry focused on the following areas:

- how we define and measure the gender pay gap
- the gender pay gap in the sectors of Scotland's economy
- Scottish Government action that is being taken, and can be taken, to reduce the gender pay gap

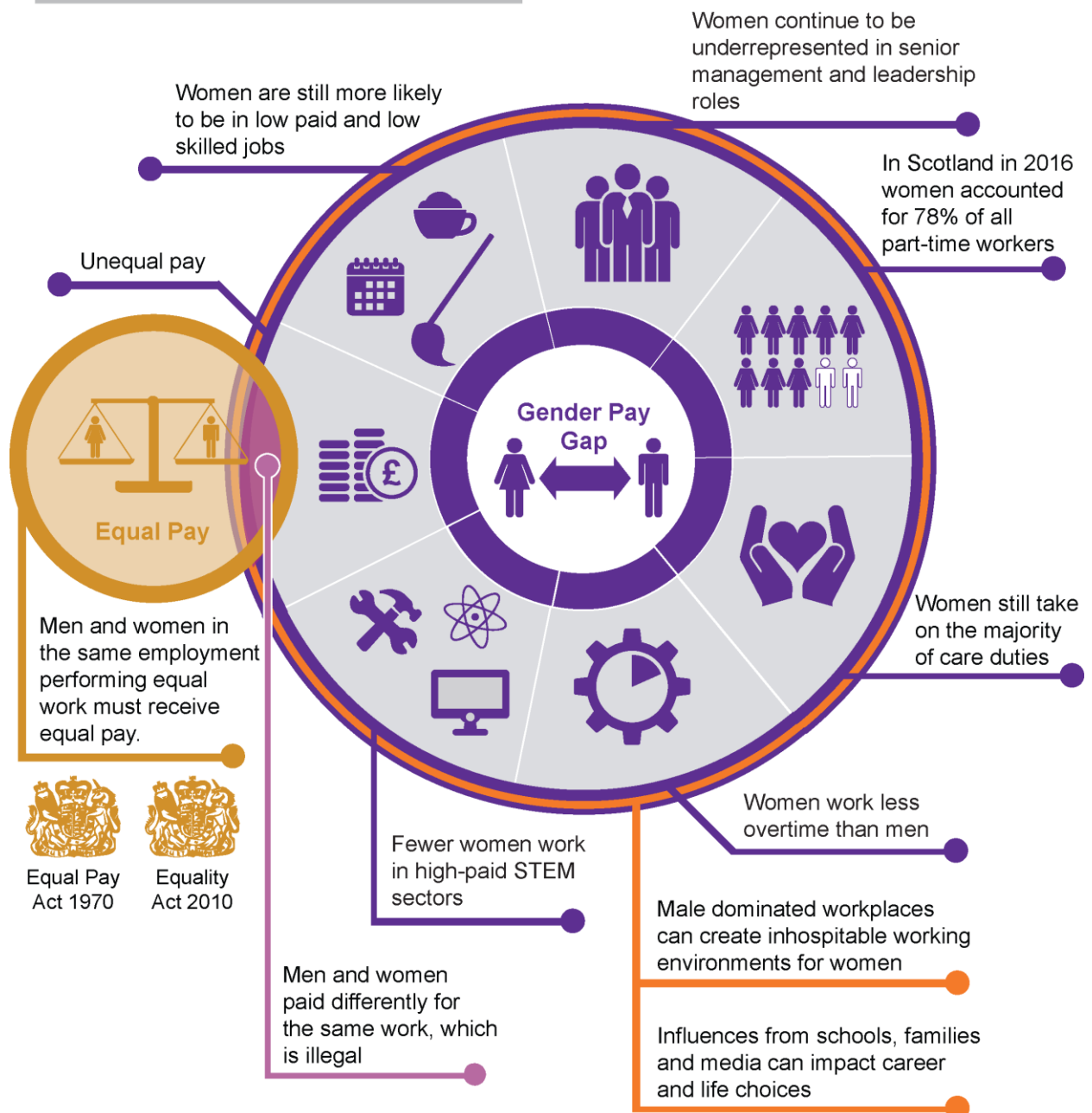
3. The Committee has taken oral evidence, gathered written evidence and visited five businesses and organisations. In addition, an engagement programme was undertaken on Twitter which resulted in 88 “selfie” submissions. Links to evidence are set out in annexe A. The notes of visits undertaken by members are attached at annexe B. The selfies are available at <https://storify.com/scotparl/genderpaygap> and the full text of responses at annexe C. The Committee would like to thank all those who gave evidence and assisted its consideration.

4. In this report, the Committee has included several examples of “best practice” in encouraging greater female participation from organisations throughout Scotland. These have been developed from evidence heard in Committee, Committee visits, and further details provided to the Clerks to the Committee from those profiled.

Definitions and Statistics

5. The gender pay gap is described as the difference in pay between men and women. It is worked out by calculating the difference between men's and women's earnings and presenting this as a percentage of men's earnings. It can be based on a number of different measurements. For example, the pay gap could be based on hourly, weekly or annual pay. The most commonly used measurement is hourly pay excluding overtime as men are more likely to work overtime.
6. The image below reflects the main causes behind the gender pay gap, as identified by the Committee, and shows where it overlaps with equal pay.

What's the difference between **Equal Pay** and the **Gender Pay Gap**?



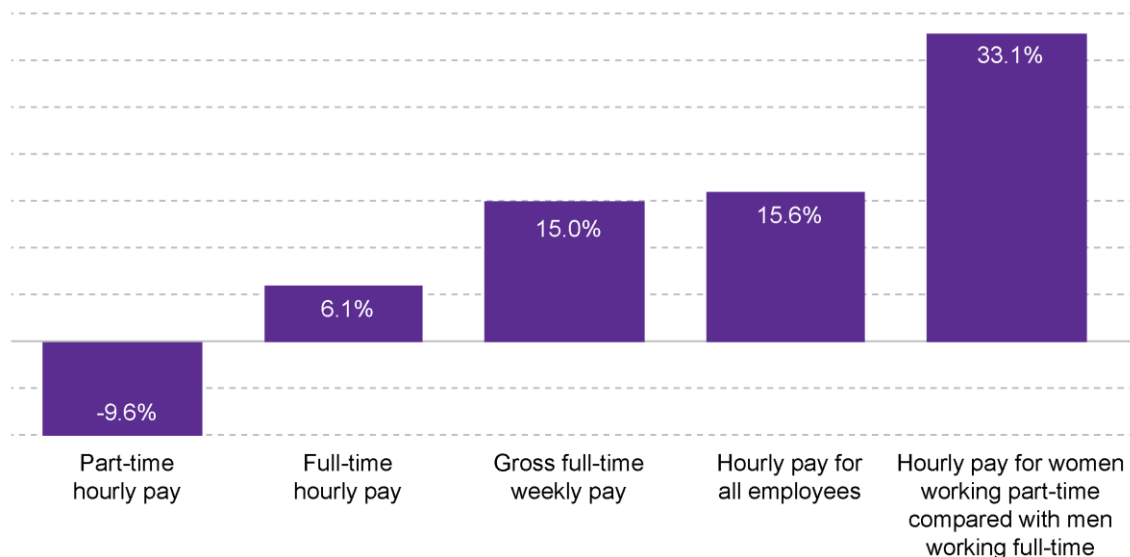
7. Unlike other labour market indicators, such as unemployment, there is no internationally recognised definition of the pay gap that allows for easy comparison between countries. In evidence to the Committee, the Minister for Employability and Training said that:

“ We have clearly set out the measure that we utilise for the national performance framework. I am not aware of there being some form of internationally agreed standard; I think that different jurisdictions use different measurements. In the national performance framework, we use the median measure, which is drawn from the Office for National Statistics and is used elsewhere in the United Kingdom. In that sense, therefore, it offers comparability. The Organisation for Economic Co-operation and

Development also uses a median measure, albeit that it is slightly different from the one that we utilise in the national performance framework and the one that is used by the ONS.⁷

8. Two of the terms most often used in measuring the pay gap are “mean” and “median.” “Mean” is the average of all earnings, while “median” looks at all earnings and establishes a mid-point in the range (“the median”).
9. The pay gap is usually calculated using median hourly income, as the median is considered more representative of “typical” pay. Because of the way the “mean” (or average) is calculated, it is affected (or raised) by the greater number of men on the highest income. Those who advocate the use of the median feel that the very high earners are the exception to the norm, but can disproportionately skew the pay gap figure.
10. However the mean may also be interesting for this very reason. Close the Gap - Scotland’s main research organisation looking at women’s participation in the labour market⁸ - argues that the mean captures “the difference in men’s and women’s pay caused by the exceptionally high earnings of a small number of (almost exclusively) male workers, and low earnings of (predominantly female) workers”⁹.
11. Depending on how the gender pay gap is measured it can vary in Scotland from 6% up to 33%. The graph below sets out some of the measures that are used in Scotland and internationally. The measures in the graph below come from the Annual Survey for Hours and Earnings (ASHE) from the Office for National Statistics (ONS) and do not include income for the self-employed.

Comparisons of different measures of the gender pay gap – 2016



Source: Annual Survey of Hours and Earnings: 2016 provisional results.¹⁰

⁷ Official Report, 2 May, col.30

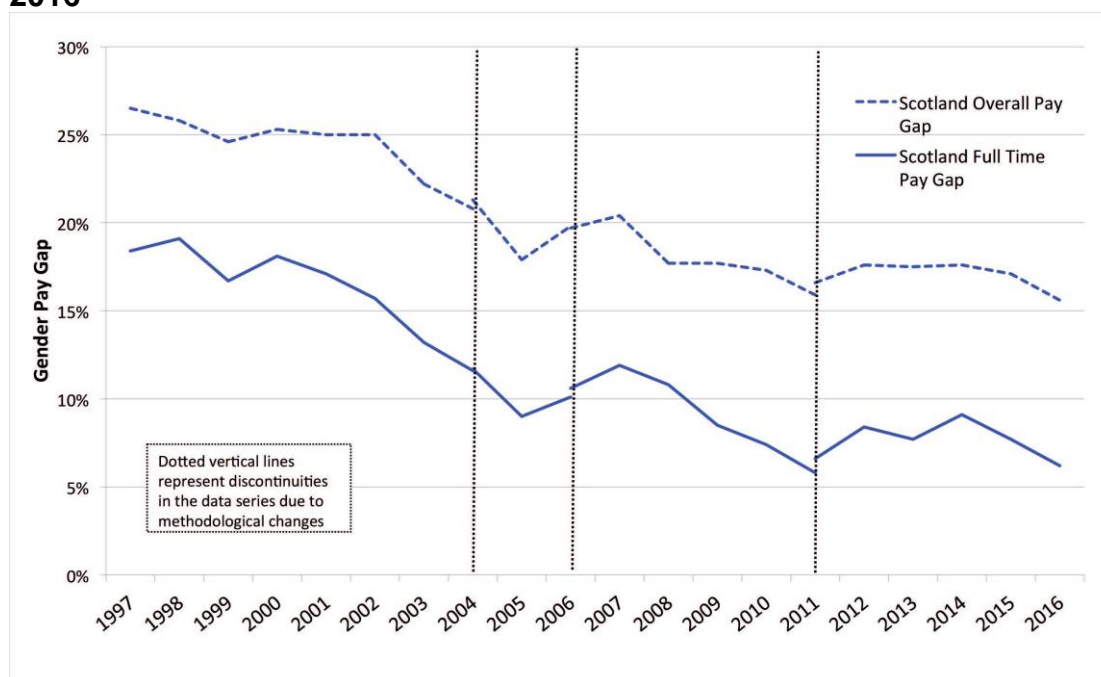
⁸ [Close the Gap website](#)

⁹ Close the Gap, written submission

¹⁰ The difference between average full-time and part-time hourly pay is 39%.

12. To be consistent with the UK Office for National Statistics (ONS), the Scottish Government uses the full-time median pay gap which compares median hourly earnings of full-time male and full-time female workers. This is used, for example, in the Scottish Government's National Performance "Reduce the pay gap"¹¹ indicator which was updated with 2016 data in November 2016. As illustrated in the following graph, the gender pay gap in Scotland, using median full-time hourly earnings, is currently 6.2%.

Change in median hourly pay (excluding overtime) in Scotland between 1997 and 2016



Source: Scottish Government, 2016¹²

13. Close the Gap confirms that "the gender pay gap is a complex issue and there is no definitive way in which to report a single figure which fully captures those complexities"¹³. In addition to some of the other indicators mentioned above, Close the Gap compares women's part-time pay with men's full-time pay. This is to account for the fact that the majority of part-time workers are women (75 per cent), with 42% of women working part-time compared to only 13% of men. There is also a difference between male full-time and male part-time pay, as set out in the table. On the whole, the difference between hourly pay for all workers working part-time compared with all workers working full-time is 32.6% per cent.¹⁴

Men's part-time pay compared to men's full-time pay in Scotland, 2016

	Full-time (£)	Part-time (£)	Difference (£)	Difference (%)
Men	13.85	8.45	5.40	39%

¹¹ [Scotland Performs National Indicator: Pay Gap](#)

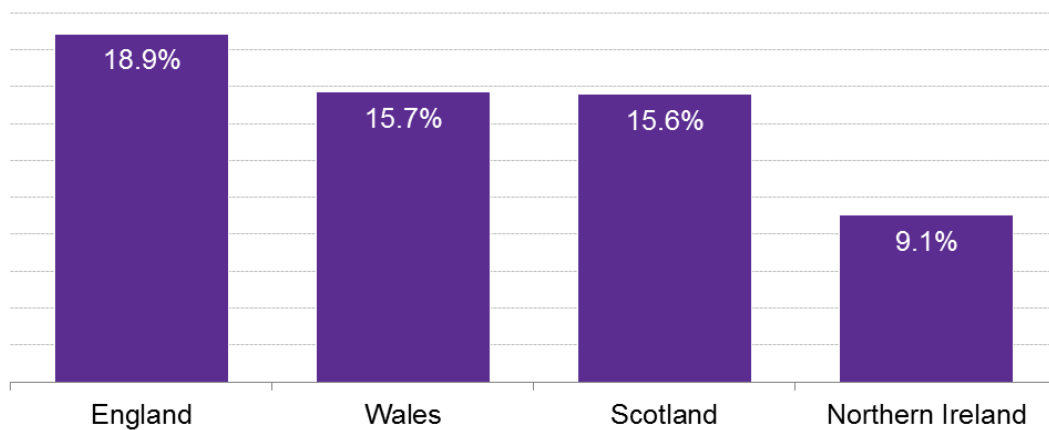
¹² Scottish Government, [The Gender Pay Gap in Scotland: Update and Analysis of Time-Series Data](#)

¹³ Close the Gap, [Gender Pay Gap statistics](#)

¹⁴ ASHE

14. Using the median full-time hourly earnings measurement, the gender pay gap has narrowed in recent years, from 18% in 1997 to 6% in 2016.¹⁵ However, some witnesses have suggested that this is due to a reduction in men's wages rather than an improvement in women's. Engender (Scotland's feminist membership organisation¹⁶) told the Committee that "the recent narrowing can be more fairly attributed to men's precarious, low-paid and underemployed work than to other underlying effects with regard to women's labour market participation."¹⁷
15. David Bell, Professor of Economics and Dr. Tanya Wilson of the University of Stirling, also commented that, "Male employment conditions were more adversely affected than those of females at the beginning of the financial crisis in 2008. This may explain the fall in the pay gap in 2009 and 2010."¹⁸

Gender pay gap for all employees for the countries of the UK 2016 (Hourly pay excluding overtime and bonuses)



Source: Annual Survey of Hours and Earnings: 2016 provisional results.

16. However, a number of witnesses, including the Scottish Government, highlighted the limitations of this measurement. The Minister for Employability and Training accepted it does not include part-time workers and "a disproportionately large number of women are in part-time employment."¹⁹ The Scottish Women's Budget Group wrote that they wished to "highlight a significant flaw in the current indicator, as it excludes part-time workers", the majority of which are women.²⁰
17. A Government evidence paper²¹ from March 2017 uses both full-time hourly earnings and "overall pay gap" data, which includes full-time and part-time pay (also included in the above graph). This measurement shows a pay gap of 15.6%, considerably wider than the full-time pay gap. This is because part-time workers are

¹⁵ Scottish Government, [Scotland Performs: National Indicator Pay Gap](#)

¹⁶ <https://www.engender.org.uk/>

¹⁷ Official Report, 7 March, col. 8

¹⁸ University of Stirling Management School, written submission

¹⁹ Official Report, 2 May, col. 30

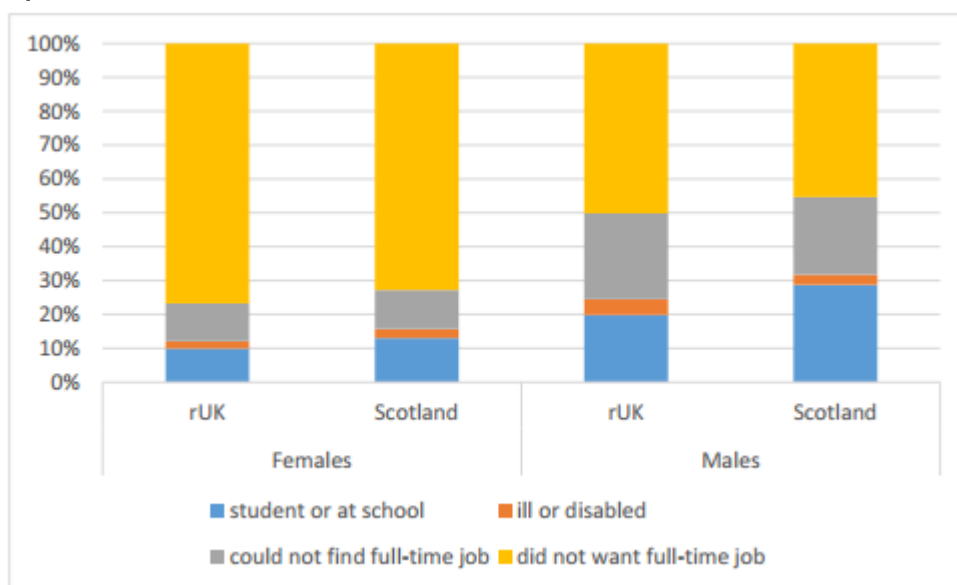
²⁰ Scottish Women's Budget Group, written submission

²¹ Scottish Government, [The Gender Pay Gap in Scotland: Update and Analysis of Time-Series Data](#)

paid less per-hour on average than full-time workers, and a higher proportion of women work part-time.

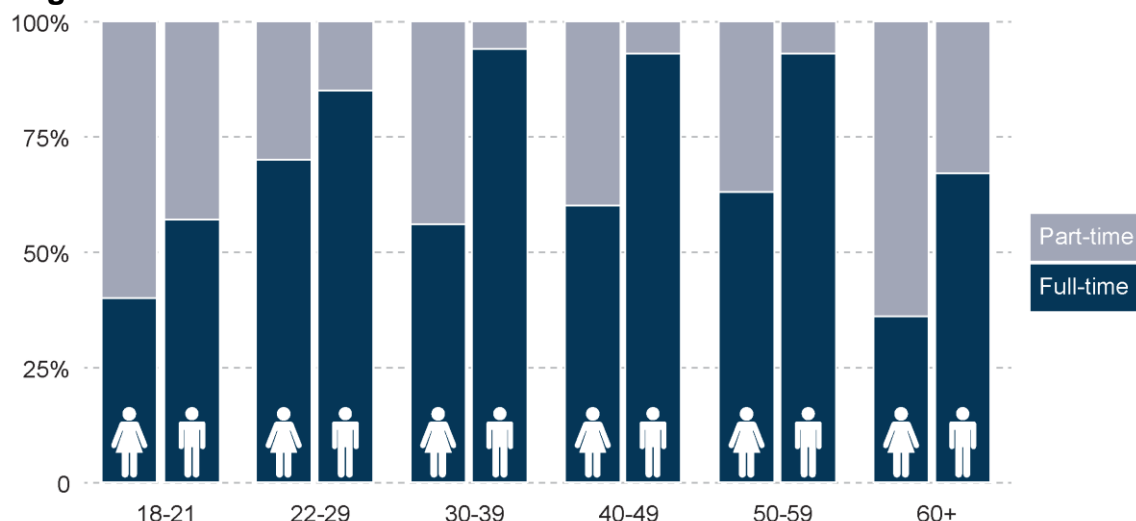
18. When looking at the range of measures that can be used, one of the surprising figures is the negative pay gap in favour of women when looking at part-time work. On average, women who work part-time earn more per hour than men who work part-time. However, there are only 140,000 males working part-time in Scotland compared to 488,000 women. The following chart submitted by the University of Stirling Management School shows the reasons for men and women working part-time in Scotland and the rest of the UK:

Reasons for Working Part-Time by Gender in Scotland and the Rest of the UK (rUK) 2015



19. Data from the Annual Population Survey for 2016 shows that 96% of part-time jobs in the health professions and 78% of part-time jobs in teaching and education are held by women. The chart below shows that at all age groups women are more likely to work part-time.

Proportion of people in full-time and part-time employment by gender and age in Scotland 2015



20. Professor Bell told the Committee:

” A typical pattern is absence from the labour market for a couple of years and then a part-time return to work. One of the bits of evidence on that is that part-time females get paid more than part-time males. That is partly because part-time females are better qualified. The question is whether the decision to take part-time work is voluntary or is forced on women by circumstances such as the absence of affordable childcare. That seems to us to be a critical nexus for that decision.²²

21. Professor Bell noted that the Organisation for Economic Co-operation and Development (OECD) uses full-time *weekly* pay,²³ and Scotland data for this measurement is also available, which would allow for comparison between Scotland and other countries. This measurement also excludes part-time workers.

22. Close the Gap argue that because women are more likely to work part-time and make up the majority of people in part-time employment, it is useful to compare women’s part-time earnings to men’s full-time earnings. The pay gap for women working part-time and men who work full-time on this basis is 33.1% for hourly pay excluding overtime and bonuses.

23. Witnesses have told the Committee that using a range of measures can be useful to convey a fuller picture. Professor Patricia Findlay, Member and Academic Adviser to the Fair Work Convention, told the Committee that “there is no best measurement. There is a set of measurements that are helpful in different circumstances, depending on what one wants to uncover.”²⁴ Witnesses raised questions of intersectionality of data, and the need to consider issues like age, race and disability in conjunction with the existing pay gap data.²⁵

²² Official Report, 25 April, col. 6

²³ Official Report, 25 April, col. 9

²⁴ Official Report, 7 March, col. 22

²⁵ Anna Ritchie Allan, Official Report, 7 March, col. 19; Talat Yaqoob, Official Report, 14 March, col. 3-4

24. Other witnesses have suggested that benefits like flexible working carry the equivalent of 5% of a salary²⁶, and that to get a full picture of the gender situation in the workplace, other employee benefits could be considered rather than a straight reliance on salary. PCS said that work linking the eradication of the gender pay gap and benefits to attendance, recruitment and retention:

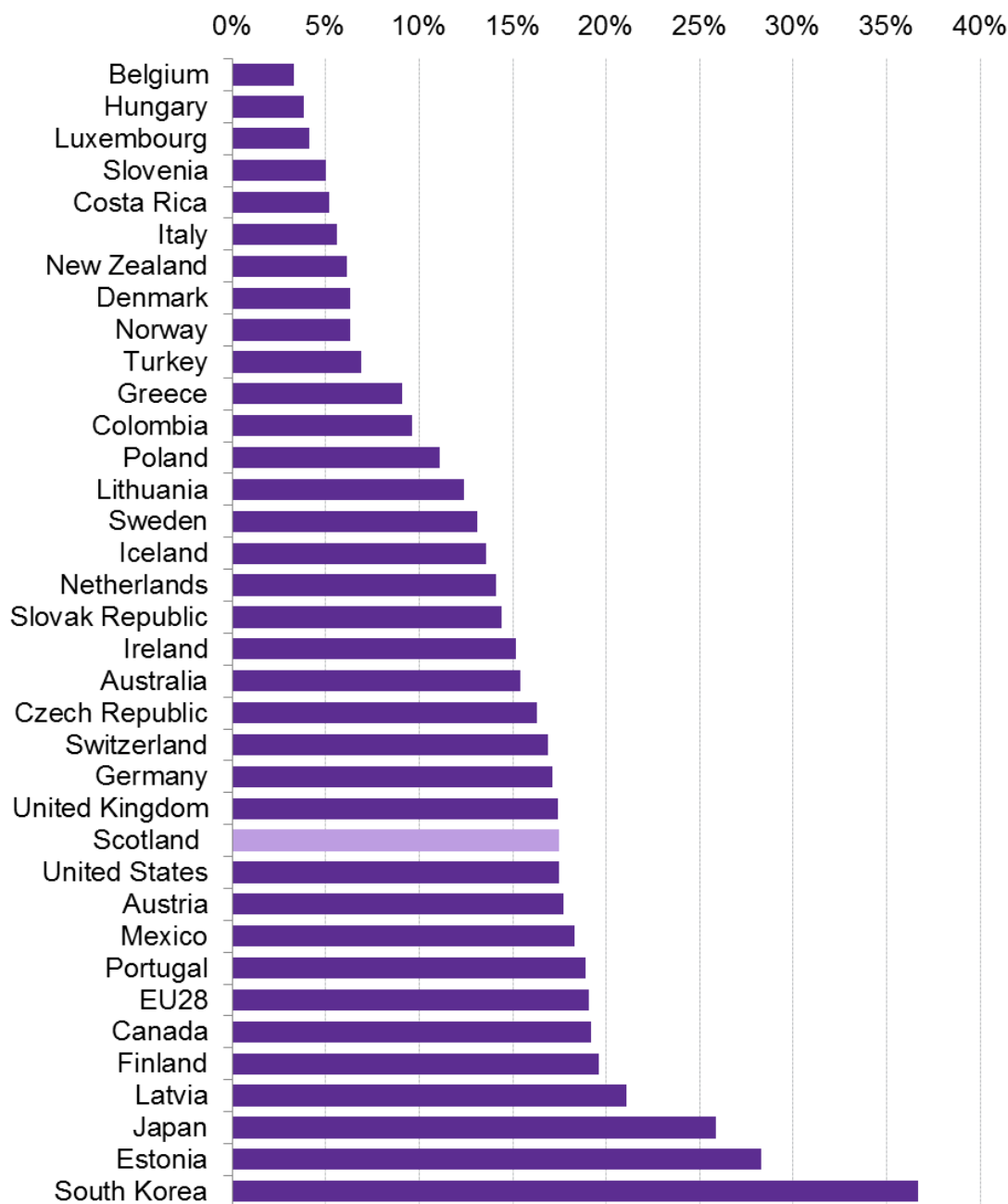
” ...is a piece of work that does not exist and it clearly should be done...It has to start with the conducting of full equal pay reviews. It cannot just look at headline gender pay gap issues; it needs to look at allowances that are paid, working patterns, and people’s access to training and promotion.²⁷

25. The Organisation for Economic Co-operation and Development (OECD) provide a comparison of the pay gap at an international level. They produce this comparison using gross full-time weekly pay. Looking at this indicator shows Scotland’s pay gap to be 17.5% in 2014 which is slightly below the EU28 average.

²⁶ Shirley Campbell, Official Report, 28 March, col. 4

²⁷ Official Report, 18 April, col. 19-20

International comparison of the Gender pay gap including Scotland using gross weekly full-time pay -2014.



Source: Annual Survey of Hours and Earnings: 2016 provisional results and [OECD](#) (Figure for Sweden for 2013)

26. The Committee notes that the Scottish Government uses the 6% figure but is not persuaded that this accurately and conclusively represents the gender pay gap in Scotland. The Committee has heard from a range of witnesses that more than one measure is needed to give an accurate reflection of the gender pay gap, and the Committee agrees with this. It has also heard that excluding part-time workers from the calculation discounts 40% of female workers²⁸. The Committee has chosen for the purpose of this report to use the overall hourly pay gap (16%) as a more representative picture of the gender pay gap in Scotland.
27. The Committee recommends that the Scottish Government develop a suite of indicators to measure the underlying causes of the gender pay gap, using a comprehensive data set.
28. The Committee recommends that the Scottish Government changes the way it measures and reports the gender pay gap in its National Performance Framework (NPF), to take into account part-time workers in Scotland.
29. The Committee also asks the Scottish Government to explore the feasibility of comparing Scotland's pay gap performance with other European countries and reporting progress through the NPF.

The Economic Benefits of Closing the Gender Pay Gap

30. Tanya Castell of Changing the Chemistry told the Committee that, "a lot of the people to whom I speak about the benefits of diversity still think that it is just about being fair, and do not necessarily appreciate its economic benefits or the fact that diverse teams perform better"²⁹. She added:

” There is clear evidence that diverse teams perform better and that having different perspectives makes them more creative and innovative...The research shows that there is a high correlation between better performance and having more diverse teams at the top, although we cannot prove a direct connection. A lot of research has been done by McKinsey and Company and Credit Suisse that shows that a company improves its profitability if it has more diverse management teams and boards.

” The research is relatively compelling, but we cannot say that it is absolutely the case, because there are two elements. First, there is a diverse board but, secondly...it is the culture of the organisation that enables it to have a diverse board...Yes, a company with a diverse board performs better, but

²⁸ Annual Population Survey, 2017

²⁹ Official Report, 14 March, col. 12-13

that could be because the culture of the organisation is different, which leads to a better quality of organisation and a better output.³⁰

31. Engender also gave an example of the importance of diversity:

- ” Apple produced the HealthKit, which was an all-encompassing health check that looked after every part of a person’s health and body. However, an all-male team produced it and they forgot menstruation and reproductive checks. They forgot that those existed, even though the app was intended to check a person’s whole health. Such instances are about reputation as well, and that did a lot of reputational damage.³¹



³⁰ Official Report, 14 March, col. 25

³¹ Official Report, 14 March, col. 26

32. The inquiry's remit focused on the business benefits of reducing the gender pay gap. Close the Gap cite a £17.2 billion figure as the return to the Scottish economy were barriers to women's participation removed. The Committee also heard much about the figure from the 2016 McKinsey report, *The Power of Parity*, that narrowing the gap could add £150 billion to the UK economy³². Others mentioned reports by Deloitte³³ and PwC³⁴ which suggested similar gains.

33. The Committee has heard evidence from a range of witnesses on the economic benefits that could be brought into the Scottish economy by increasing women's participation. Emily Thomson, Research Associate with Women in Scotland's Economy Research Centre, Glasgow Caledonian University told the Committee:

” The business case has two dimensions. There are the macroeconomic arguments that have been mentioned, and organisations such as the International Monetary Fund and the World Economic Forum are publishing lots of statistics and analysis that indicate that, if we could close the gender gaps, we could increase GDP and make the most of our economy.

” For individual companies, quite a lot of academic evidence suggests that cost minimisation would result from eliminating discrimination; for example, it would protect against litigation in the workplace, which is costly. There is also the idea of companies making the best possible use of the talent that is available to them. Looking at vertical segregation and, in particular, the underrepresentation of women on company boards, there is quite robust evidence that correlates the presence of women, or the gender balance in the boardroom, with economic benefits according to performance measures such as return to equity and return to sales...there are also benefits around building better teams and making better decisions, as well as around representing marketplaces and proximity to markets, because women are able to market more effectively to female consumers...

” We used to have the approach that women choose to be overrepresented in low-paid work, because they expect lower returns on their human capital investment. We know now that they do not get the returns on their human capital that they might deserve, and it is about the workplace.³⁵

34. The Fair Work Convention has done work on the benefits of fair work to productivity levels: “We have seen and heard evidence that fair work can deliver clear benefits for individuals alongside higher productivity, performance and innovation for employers.”³⁶ The Scottish Women's Budget Group wrote that:

” Addressing the gender pay gap has always been a moral duty, but increasingly it is an economic imperative, directly related to boosting

³² Official Report, 7 March, col. 25

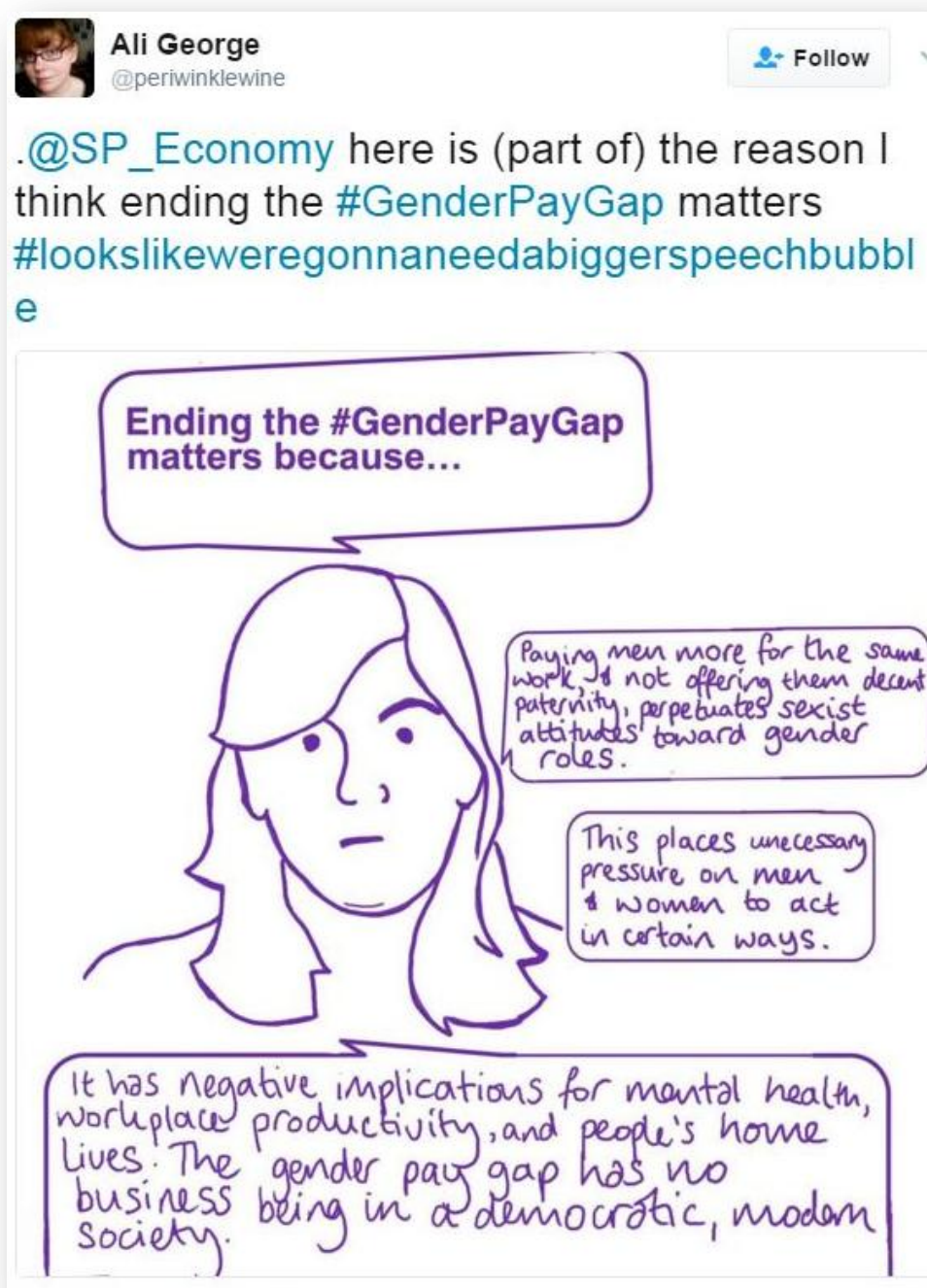
³³ Official Report, 7 March, col. 25

³⁴ Professor Schuller, written submission

³⁵ Official Report, 7 March, col.25-26

³⁶ [Fair Work Framework 2016 Summary](#)

Scotland's economic performance and expanding the tax base, generating essential revenue for Scotland.³⁷



35. Professor Tom Schuller, author of *The Paula Principle*, wrote to the Committee that:

” Huge figures are bandied about in relation to the economic cost of the failure to make full use of women’s competences. McKinsey’s \$12 trillion estimate is well known. Such calculations depend greatly on the

³⁷ Scottish Women’s Budget Group, written submission

assumptions made, but there can be little doubt that for Scotland the economic benefits of closing the pay and career gaps run into tens or even hundreds of millions; the social benefits are on a similar scale.³⁸

36. Professor Schuller also cited information from the PwC *Women Returners* report that “Three in five professional women (or around 249,000) returning to the workforce are likely to move into lower-skilled or lower-paid roles, experiencing an immediate earnings reduction of up to a third.”³⁹ He added:

” I want to stress that the issue of underutilisation of competences is not only about professionals, but apply at all organisational levels. Many women working at lower levels are nevertheless serious about their work and keen to progress. They tend to be overlooked in the focus on the glass ceiling.⁴⁰

The McKinsey Report

37. McKinsey & Co. gave evidence to the Committee focusing on the economic potential of women achieving equity in the workforce. Their report *The Power of Parity: advancing women’s equality in the United Kingdom*, considered female participation in the workplace, hours worked, sectors that women worked in, and existing ONS data to derive three scenarios for female equality by 2025:
- Business as usual (allowing parity to continue at its current rate of progress)
 - Full parity scenario
 - Best in UK scenario if every UK region (of which Scotland was included) could match the pace of the fastest growing region in the UK
38. The best in UK scenario, identified by McKinsey is based on the increase in productivity and skills level of women in the workplace. This is linked to filling skills gaps in certain industries. The findings projected 840,000 additional – not replacement - jobs to the economy.
39. McKinsey’s model estimates the potential economic impact of closing the gender gap in the UK labour market. It does this by making projections in three areas: female participation rates, the number of hours worked by women and the sectors women work in.
40. By assuming every region in the UK can improve in these areas at the same rate at which the best performing region has improved over the past 10 years, McKinsey’s “best-in-UK” scenario calculates a potential benefit of an additional £150bn to UK GDP by 2025. This is linked to women filling skills gaps in certain industries, including high productivity sectors such as engineering.
41. The McKinsey report assumes that men’s participation in the economy would not reduce as a result of increased female participation.

³⁸ Professor Schuller, written submission

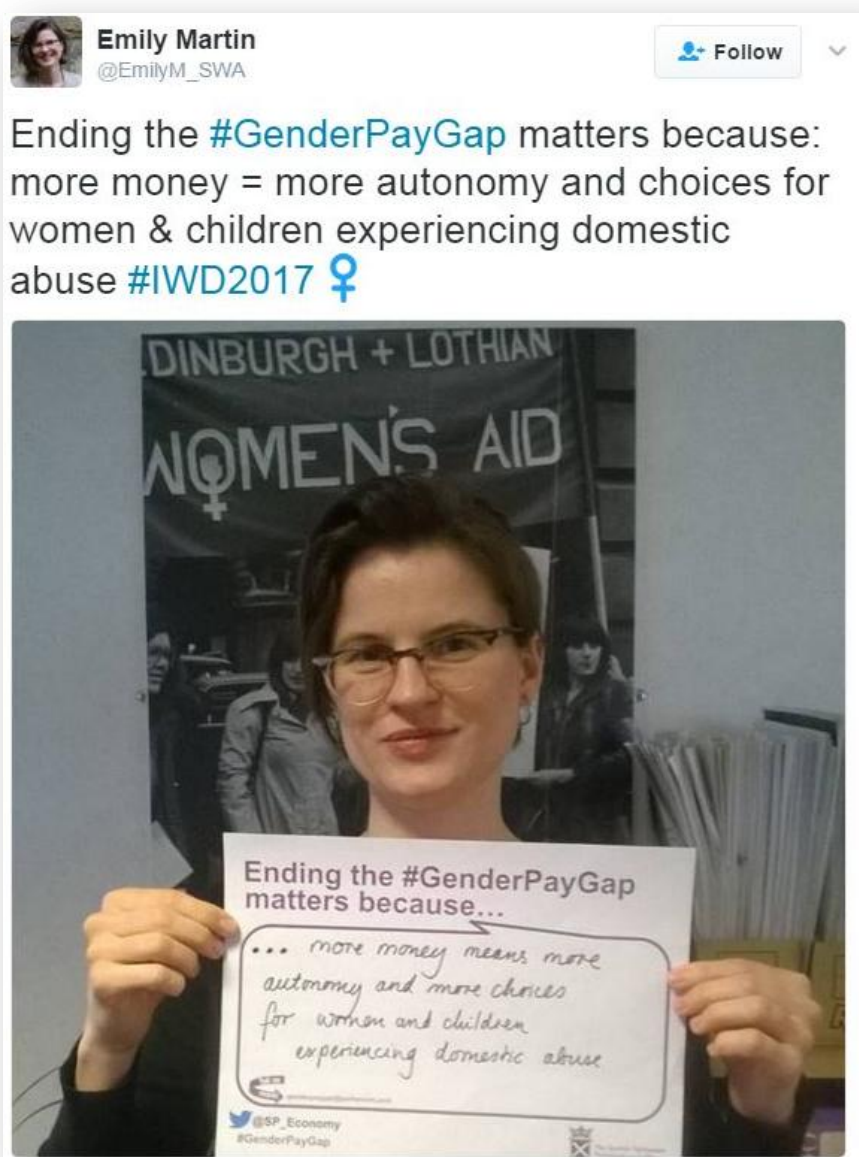
³⁹ Professor Schuller, written submission

⁴⁰ Professor Schuller, written submission

42. The model did not look at the demand side of the economy. According to McKinsey's Emma Gibbs:

” We considered what would happen if more workers could be put into the economy—assuming that the economy could absorb those workers and grow as a result. We think that that was a relatively safe assumption, because the UK has a number of skills shortages, many of which are in sectors in which women are underrepresented.⁴¹

43. As well as informing some of the evidence received during our inquiry, the McKinsey research has been used by the UK Government on a number of occasions. Their economic arguments for ending the gender pay gap rely heavily on that report, as did much of the evidence heard by this Committee.



⁴¹ Official report, 25 April, col. 3

44. The Committee has also heard evidence on the social benefits of closing the gender pay gap. Evidence from our Twitter engagement activity said it was the “right thing to do”, and we were “underutilising the skills of half of Scotland’s workforce.” Others said that it would create “a more equal and cohesive society.” Some made the link between gender inequality and child poverty, while another tweet said “women’s economic inequality creates a conducive context for violence against women.”⁴²

45. CBI Scotland wrote to the Committee that:

” Alongside the societal benefits of a more gender balanced working environment, closing the gender pay gap increases the competitiveness of individual companies and the profitability of the economy as a whole. Business recognises these economic benefits by seeing the benefits of a more gender diverse workforce in their own organisations. Greater gender diversity is associated with better collective decision making, a more engaged workforce and higher levels of productivity. Indeed, research shows that businesses in the top quartile for levels of gender diversity are 15% more likely to outperform their rivals.⁴³

46. EY’s submission to the Committee set out some of the economic benefits they have evidenced. These include “a positive correlation between GDP per capita and gender equality”, increased productivity with greater equality, and “better share price and financial performance” from boards with higher female representation.⁴⁴

47. The Committee recognises the evidence from McKinsey, CBI Scotland, EY and others on the economic benefits of reducing the gender pay gap. However, the Committee feels that more analysis of the economic benefits of reducing the gender pay gap is needed. The Committee feels that overall not enough has been carried out to demonstrate the “bottom line” improvements as a result of addressing the issue.

48. The Committee has heard anecdotal evidence of benefits to business, and appreciates the work of the Fair Work Convention on the links between employee satisfaction and increased productivity. The Committee is also of the view that increasing women’s earnings would lead to increased economic stimulus through increased spending. The Committee considers, though, that rather than relying on an extrapolation of the UK figure presented in the McKinsey report, Scotland-specific analysis should be produced.

⁴² Twitter engagement activity, full text at Annexe C

⁴³ CBI Scotland, written submission

⁴⁴ EY, written submission

49. The Committee feels that a persuasive argument to encourage businesses to take action on their gender pay gap is to clearly demonstrate the wider economic benefits and impact on their bottom lines. The Committee recommends that further research on the business case for reducing the gender pay gap be undertaken in partnership with Close the Gap.

The Gender Pay Gap is not the same as Equal Pay

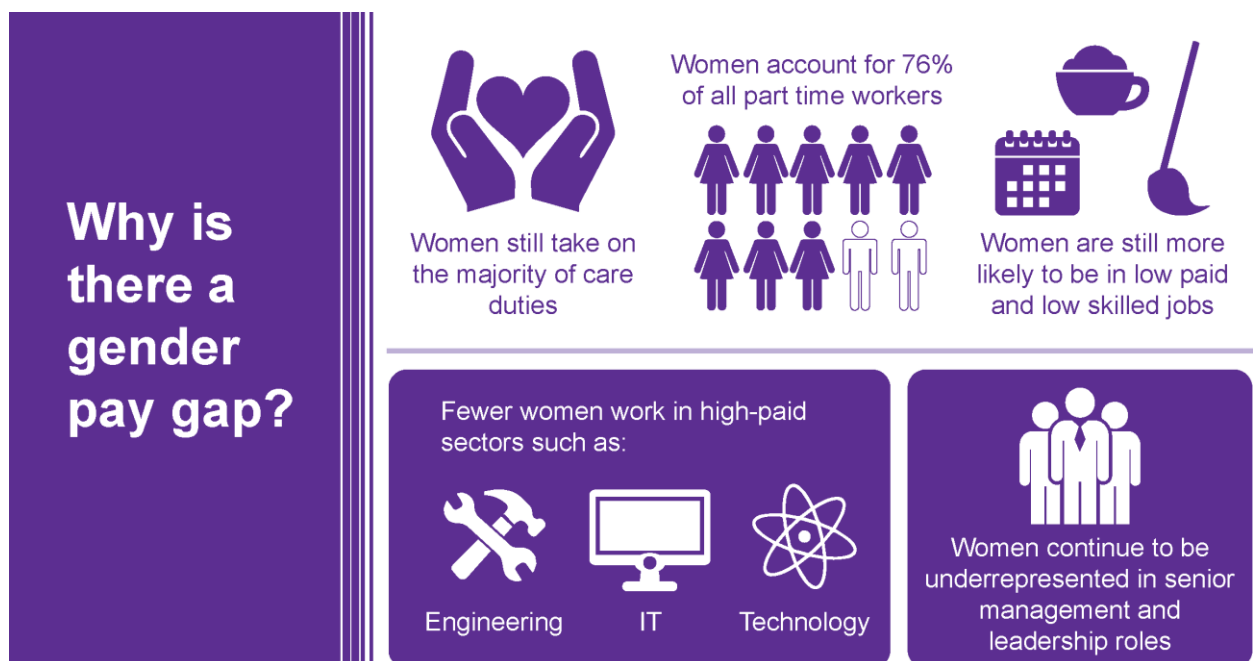


50. At the Committee's first session on 7 March, Close the Gap outlined the reasons behind the gender pay gap:

” There is a common misconception that the gender pay gap relates only to pay discrimination. That misconception is exacerbated by stories that we see in the press about the gender pay gap. However, a number of interrelated complex factors contribute to the gender pay gap. We know that occupational segregation is a cradle for the labour market problem, and that gender norms and stereotyping about girls' and boys' interests and capabilities result in their eventually studying different subjects at school, in further and higher education and in modern apprenticeships. That becomes more and more entrenched until they reach the labour market, where we see women concentrated in low-paid, undervalued jobs and in sectors

including care, administration, retail and cleaning, with men being far more likely to be in more technical positions and at senior management level.

- ” In addition, women still have a disproportionate burden of care for children and for older, sick and disabled people. Because there is a lack of flexible working overall, women find it difficult to balance work and family life, so many women have to take part-time jobs. However, the part-time jobs that tend to be available are in the low-paid, undervalued sectors, so the impact of working part-time on a woman’s longer-term career is a longterm scarring of their pay, promotion prospects and—ultimately—pension contributions.
- ” The pay discrimination element of the gender pay gap is often not deliberate but is based on the design of pay and grading systems and the way that they consider the different jobs that men and women do and the different skills that they have to do those jobs. That often results in women being paid less for equal work.⁴⁵



51. The University of Stirling Management School wrote that:

- ” Pay differences between groups of workers arise for many reasons. Individuals vary in their level of skill and in the experience that they bring to the workplace: they face different incentives to work for pay as an alternative to spending their time on other activities, such as looking after children and caring. These incentives may influence decisions to stay in

⁴⁵ Official Report, 7 March, col.5-6

education, invest in skills and to accumulate labour market experience.
These actions are themselves conditioned by cultural and societal norms.⁴⁶

52. Key to understanding the gender pay gap is to understand the difference between equal pay and the gender pay gap. Equal pay refers to paying men and women differently for doing the same (or comparable) work. The Equal Pay Act 1970 gave women the right for the first time to equal pay with men.



⁴⁶ Stirling Management School, written submission.

53. The law was amended in 1983 to introduce the concept of “equal pay for work of equal value.”⁴⁷ This allowed a woman to compare her terms of employment to any man (or vice versa), as long as he worked for the same employer. Employers would then be required to consider whether they did work of equal value, usually measured by a job evaluation. But this principle was only secured in UK law in 1988 following the House of Lords victory for shipyard cook Julie Hayward.⁴⁸
54. The Equalities Act of 2010 consolidated the law in this area. Nonetheless, there are still live equal pay cases affecting workers in Scotland in both the private and public sector.
55. Witnesses reported that the gender pay gap and equal pay are often confused and conflated. Sodexo noted that:
- ” as more and more companies begin to publish their gender pay gap information, [the media] will become more critical in ensuring that the general public have a reasonable understanding of the differences between equal pay and the gender pay gap.”⁴⁹
56. This confusion was also evident in the Committee’s own Twitter engagement activity. For a week in March 2017, the Committee asked on Twitter for responses to the question “Ending the gender pay gap matters because....” The full text of these answers is available at Annexe C, and the images can be viewed at <https://storify.com/scotparl/genderpaygap>. A large number of responses received by the Committee related to equal pay.
57. Equal pay can be a factor in the gender pay gap. As highlighted above, the gender pay gap is calculated by looking at the average of women’s earnings compared to the average of men’s. Therefore, if in cases where women and men are performing the same role but women are paid less, this will be reflected in the overall gender pay gap.

58. The Committee notes that equal pay claims still exist in Scotland, despite unequal pay on the basis of gender being illegal in the UK for over 40 years, and is disappointed that there are still live claims. The Committee recognises that this is a contributing factor to the gender pay gap, and calls on all employers to ensure, by carrying out equal pay audits, that their pay systems do not discriminate on grounds of gender.

⁴⁷ Equal Pay (Amendment) Regulations 1983, brought into force 1 January 1984

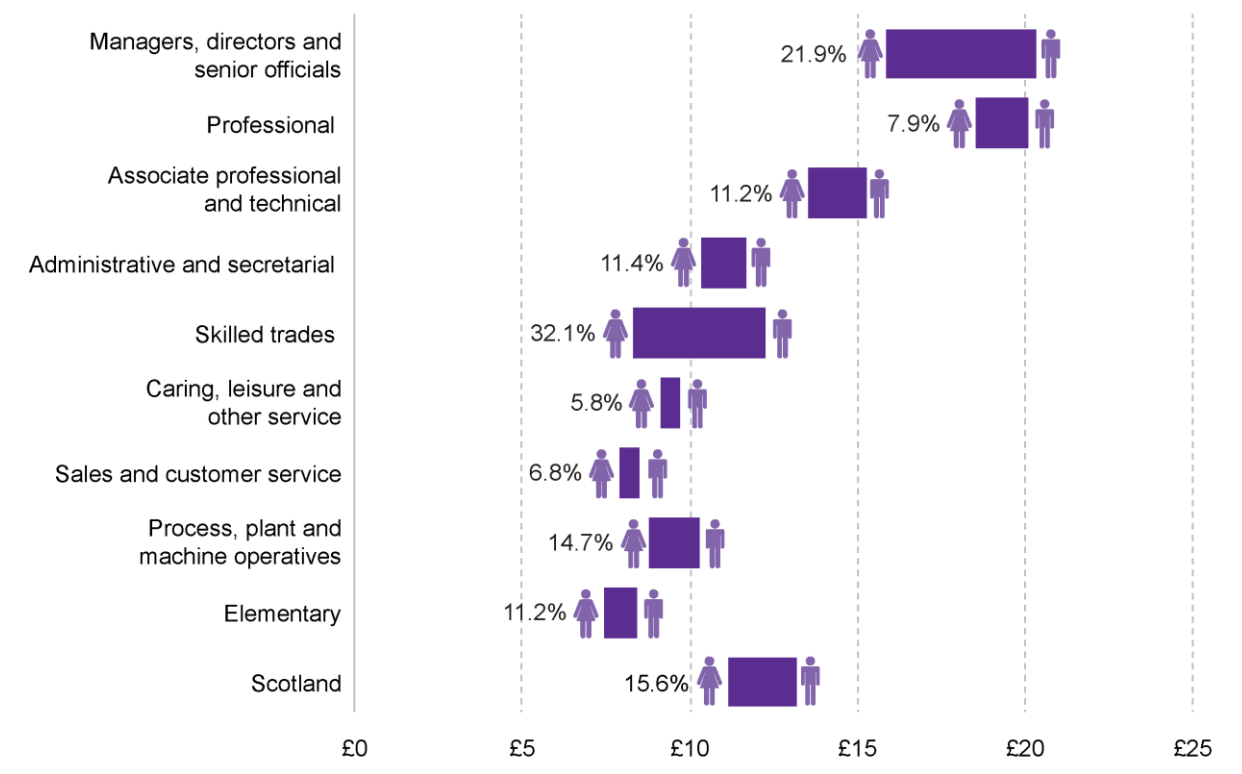
⁴⁸ [Cooking up a Storm \(Video\)](#)

⁴⁹ Official Report, 28 March, col. 27

Occupational Segregation

59. “Occupational segregation” was first used almost 90 years ago to describe rural and urban segregation in work.⁵⁰ The term was not in frequent use until the 1960s when it was largely used in the context of race, and then from the 1970s to refer to gender. The term is used to mean that certain jobs, or sectors, are traditionally done by certain genders and therefore have a high single-gender proportion. Women have historically clustered in sectors that are traditionally low paid - the “five Cs” (cleaning, caring, catering, clerical, cashiering) – and this pattern continues. The graph below shows the concentrations of women in Scotland’s sectors.

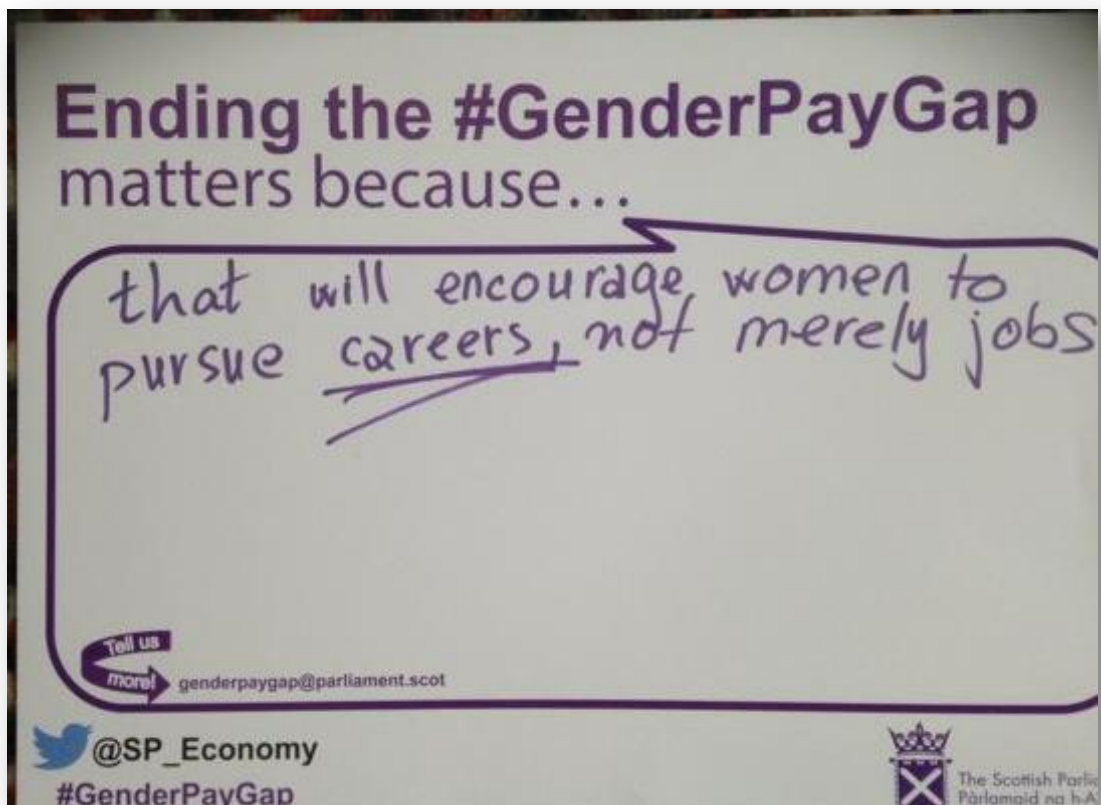
Gender pay gap for all employees by occupation in Scotland 2016 (Hourly pay excluding overtime)



60. It is clear that occupational segregation is a key factor in causing the existence of the gender pay gap. Aberdeenshire Council wrote to the Committee that “The main issue causing the gender pay gap will be due to male-oriented and female-oriented jobs.”⁵¹

⁵⁰ The earliest reference found by staff at the National Library of Scotland is in an article titled “Requisites to Rural Social Organization” by Walter A. Terpenning published in the American Journal of Sociology, Vol. 33, No. 5 (Mar., 1928), pp. 737-753.

⁵¹ Aberdeenshire Council, written submission



61. The Committee has heard extensive evidence that key to tackling occupational segregation is encouraging more young women to enter higher-earning fields. However, even in higher paid sectors where women are working in near equal numbers to men, the pay gap persists. For example, in the finance sector, women hold 50% of the positions but are still concentrated in lower paying positions.⁵² The Equality and Human Rights Commission (EHRC) told the Committee that work they undertook in the financial sector showed:

” Women were being channelled into what were perceived as lower-risk areas of activity, such as insurance, and men were in the boiler-house end of the organisation and were attracting higher bonuses as a result of the value that was attached to that type of work.⁵³

62. The legal profession in Scotland has seen a dramatic change in gender balance over a short period of time, with 52% of solicitors now female. However, this has not resolved the significant pay gap within the sector. The Law Society wrote to the Committee that “male solicitors on average earned more than female solicitors. Women featured more prevalently in the £15k to £45k brackets whilst men were more prevalent in the £65k to £150k brackets.”⁵⁴ A Law Society survey carried out on

⁵² [SPICe Briefing](#), pp. 14-15

⁵³ Official Report, 7 March, col. 3

⁵⁴ Law Society of Scotland, written submission

a voluntary basis exists at all levels post-qualification and ranges from 2% to 38%. Those figures do not take into account the wages of paralegals.⁵⁵

63. This also shows that what may be called a “traditional” profession for either men or women at any given time may not remain so. 65% of newly admitted solicitors are female, as are 70% of current law students.⁵⁶ Val Dougan, of the Law Society’s Equality and Diversity Committee referred to this as the “increasing feminisation of the legal sector” and stated that the issue of actively encouraging men into the profession was something the Law Society will potentially have to consider.⁵⁷

64. Rob Marrs, Head of Education at the Law Society of Scotland wrote that:

” The sheer dominance of females at the junior end of the profession is astonishing. Women outnumber men two to one on the LLB, diploma, and traineeship and have done for over two decades. Women have outnumbered men at point of admission for over 20 years in a row.⁵⁸

Nevertheless, he recognised “there is a difference between access to a profession and progression within it.”⁵⁹ The Law Society told the Committee that “only 28% of partners are female.”⁶⁰

65. The Law Society’s evidence explains that the pay gap arises because “we have fewer women at the top and a great deal of them at the bottom and in the mid tier.”⁶¹ The Law Society also told the Committee that 90% of registered paralegals are female, with “no reason to think” that the figures among un-registered paralegals would be different.⁶²

66. Across all sectors, the number of women in senior positions is lower than that of men.⁶³

⁵⁵ Law Society of Scotland, written submission

⁵⁶ Official Report, 18 April 2017, col.40

⁵⁷ Official Report, 18 April 2017, col.41

⁵⁸ Law Society of Scotland, written submission reference: “[Gender Equality – But What About The Men?](#)”

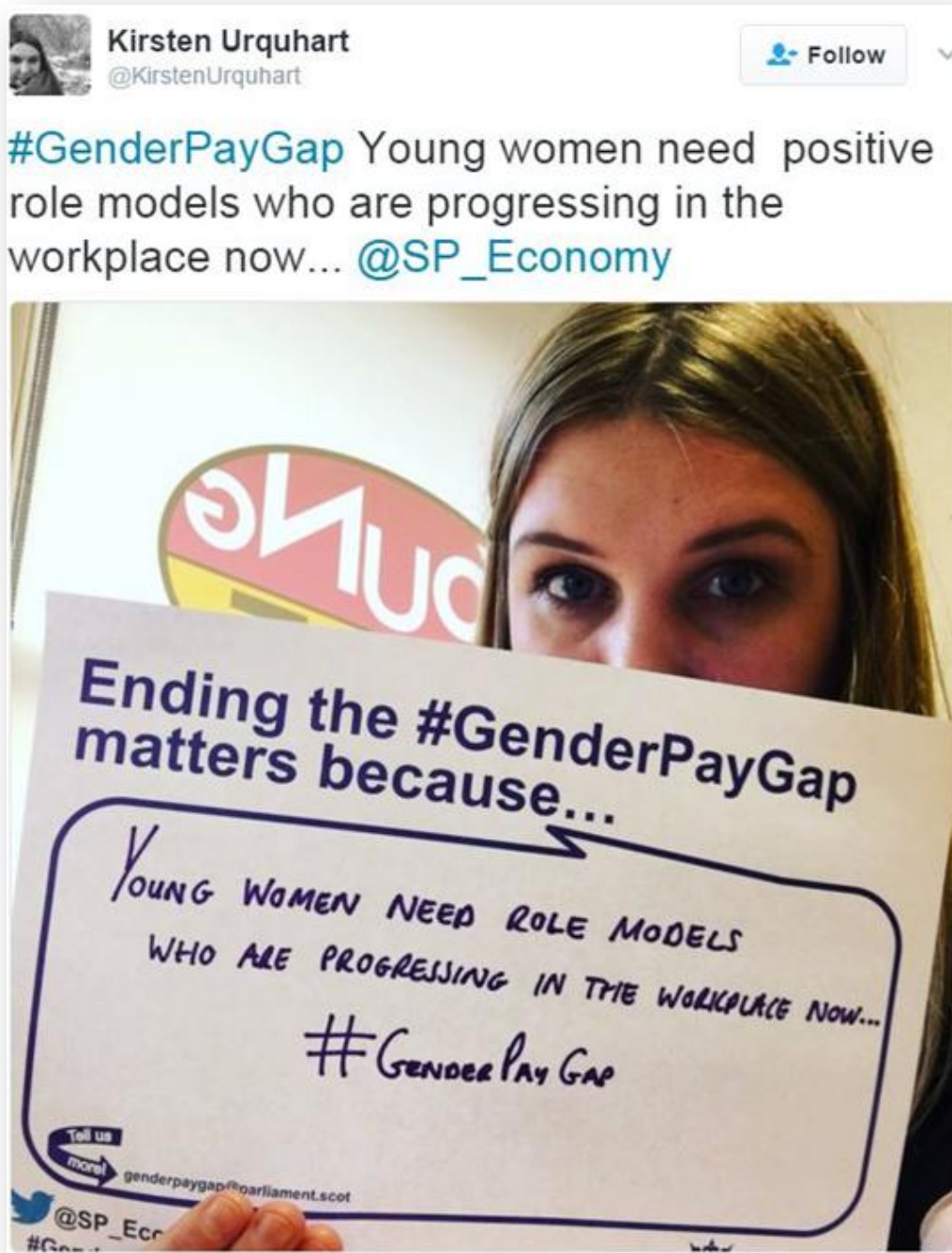
⁵⁹ Law Society of Scotland, written submission reference: “[Gender Equality – But What About The Men?](#)”

⁶⁰ Official Report, 18 April, col. 34

⁶¹ Law Society of Scotland, written submission

⁶² Law Society of Scotland, supplementary written submission

⁶³ [SPICe briefing on the gender pay gap](#), p. 13



67. Equate Scotland told the Committee:

- ” Only 18 per cent of tech jobs, 2 per cent of construction jobs and 9 per cent of engineering jobs are held by women. In addition, women tend to take up only 12 per cent of the management roles in those areas. We are looking at a double ceiling, if you like, of women not being in those professions or careers in the first place and of women in those professions not getting to the top...The Deloitte report that was released last year also indicated that the quickest way to overcome the gender pay gap is to tackle occupational

segregation in tech jobs, and that is the perspective from which Equate Scotland is coming at the problem.⁶⁴

The Importance of STEM and Education

68. Witnesses have also cited a lack of female role models in STEM (science, technology, engineering, and mathematics), saying “you can’t be what you can’t see.”⁶⁵ Other factors such as sexism, or “microaggression”⁶⁶ in the workplace have been cited; Equate Scotland mentioned “the drip, drip, drip effect of casual sexism, the impact of which is that women leave the workplace.”⁶⁷ Again, the point was made in evidence that even with an increased number of girls studying STEM at school, more needs to be done to keep these women in the workforce.

69. Close the Gap told the Committee that work needs to begin with early years and continue through school:

” Organisations that work to advance gender equality advocate gender mainstreaming, which is a requirement of the public sector equality duty. However, overall we do not see that happening at all. Every primary and secondary school and every early years provider needs to consider gender segregation, and every single policy in further and higher education can work to reduce gender segregation and therefore occupational segregation. Those things need to be considered, but we are far from that happening just now.⁶⁸

70. Engender added that Sweden:

” cracked the tough nut of boys’ achievement in education by taking a gendered approach from the early years right through the school system. It looks at questions not only of segregation, but of masculinity and good classroom conduct, literacy and a whole range of other issues that are thought to be behind boys’ relative underperformance in schools...the evidence...suggests that tackling gender issues and taking a gendered approach all the way through the educational pathway is good for boys and girls. Ultimately, some years hence, it might lead to producing young people, and then workers, who have less stereotypical assumptions about what boys and girls and men and women should be.⁶⁹

71. However, the Committee notes that Sweden still has a gender pay gap of 14% and progress on a further reduction has been slow, with many causes, like part-time working and a lack of women in senior positions, the same as in Scotland. The University of Stirling put the Swedish situation partly down to “gender-biased selection of school subjects.”⁷⁰

⁶⁴ Official Report, 14 March, col. 2-3

⁶⁵ Official Reports, 14 March, col 19; 25 April, col. 15

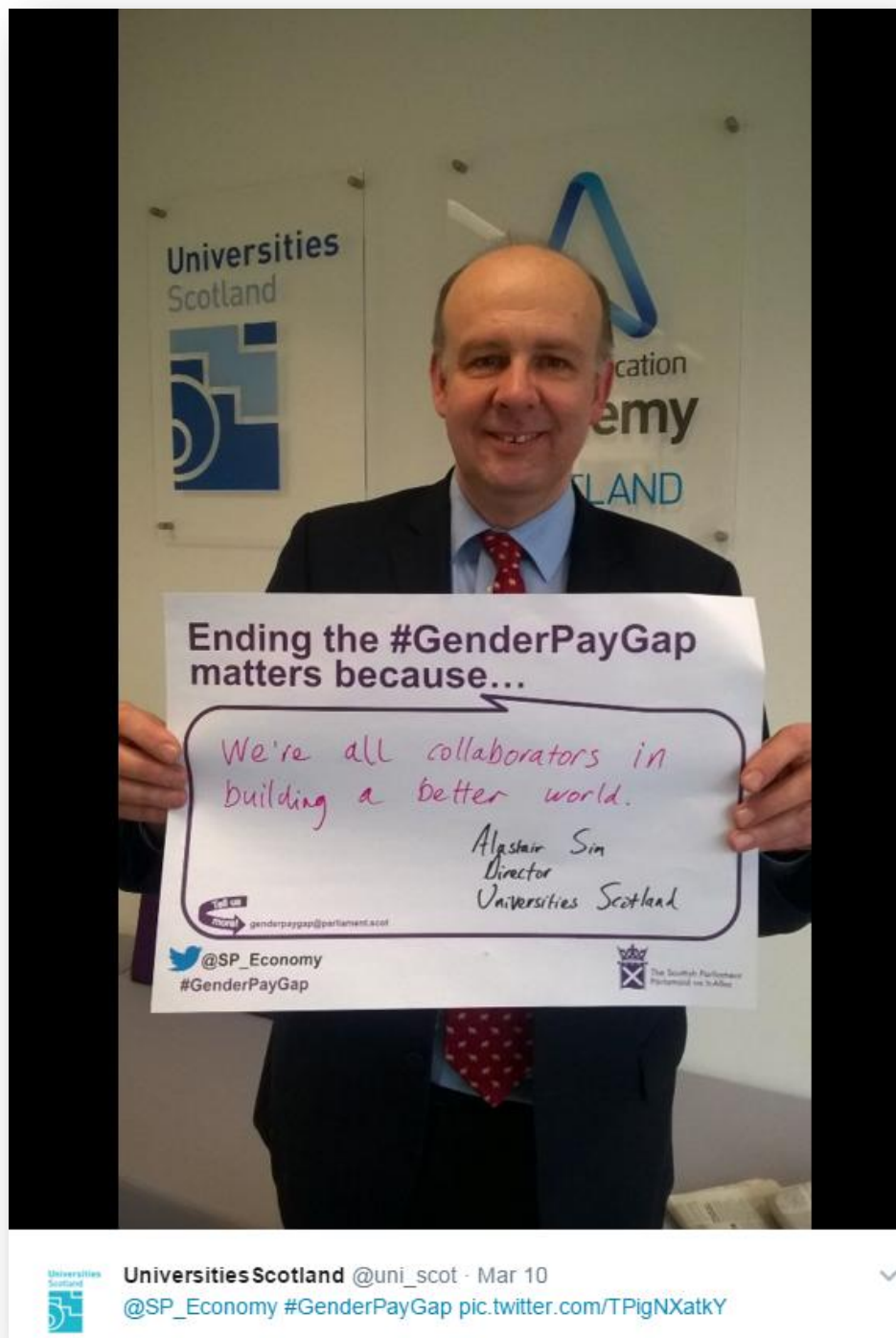
⁶⁶ Official Report, 14 March, col.29

⁶⁷ Official Report, 14 March, col. 29

⁶⁸ Official Report, 7 March col.13-14

⁶⁹ Official Report, 7 March col.16

⁷⁰ University of Stirling Management School, written submission



72. The Committee has heard evidence of a number of programmes that have been successful at encouraging young women into STEM. However, it has also heard that these projects are expensive and limited in their reach. Close the Gap said:

“ We have seen solutions in a myriad of interventions to get more girls and women into science, technology, engineering and mathematics, for example. Those interventions are, of course, laudable and they tend to be evaluated very well, but the problem is that they affect just a small number of girls and women. They are usually quite intensive and take a lot of resources, but only a smallish number of young women end up going on to

study engineering, for example. They are also very expensive, so they are difficult to scale up.⁷¹

73. Some Committee Members visited FDM Group in Glasgow as part of the inquiry, and noted that FDM is committed to attracting women into the technology sector. They feel that doing so offers a wider pool of talent for their clients, who are themselves increasingly demanding a more diverse pool of candidates.⁷²

FDM Group: STEM Degrees

FDM Group is an IT graduate employer. With 50% of its senior managers female, their own gender balance is different from the usual trend in IT. They told the Committee that they are committed to extending that balance both throughout the organisation and the tech industry by providing their clients with the digital skills they need.

They also highlighted that their different approach to attracting women starts with recruitment. Whereas IT recruiting often requires an undergraduate degree in a STEM subject, FDM will take graduates with a degree in any discipline.

Members were told that many of those in the Academy feel they've taken the wrong degrees first time around, and appreciate being able to retrain. At the same time, FDM values the skills they have gained in previous work and study. This means that their graduates have studied subjects as diverse as veterinary medicine, Japanese language, and business. By recognising this transferrable experience, a larger field is created from which to recruit. This opens the door to women who may wish to move into STEM at a later point in their lives.

74. The Committee heard of the importance of early years, primary and high school in tackling the gender pay gap. Witnesses have spoken at length about the influence of nursery, schools, parents and teachers on career choices and gender stereotyping.
75. The Committee has heard that careers services can be out-dated, with little knowledge of new opportunities available.⁷³ The Scottish Chambers of Commerce said:
- ” The IT industry is one that moves very quickly. Among parents—and even among career advisers and teachers in schools—there is not good awareness of what careers in that industry might look like, so that is an issue as well.⁷⁴

76. Talat Yaqoob of Equate Scotland said:

” Although there have been improvements in careers advice over the years, I do not think that it is where we would want it to be. We hear a lot of anecdotal evidence on the careers advice that students were given in their first year of university. We hear of students being asked, “Are you sure that

⁷¹ Official Report, 7 March, col. 13

⁷² FDM visit note

⁷³ Official Report, 25 April, col. 34

⁷⁴ Official Report, 25 April, col. 34

engineering is what you want to pursue? It'll be really difficult if you're one of only two girls in the room.”⁷⁵

77. Both the Scottish Government and the Scottish Funding Council (SFC) recognise that gender imbalances exist in subjects and sectors throughout training and education. The SFC states that overall gender balance of Scottish domiciled undergraduate entrants is a female (57.7%) to male (42.3%) imbalance⁷⁶. In its Gender Action Plan, it sets out an ambition that by 2030 the proportion of male students studying at undergraduate level at university will be at least 47.5% (reducing the gap to less than 5%) and that within subjects and courses, no college or university will have more than 75% of one gender.⁷⁷

Automation

78. The Committee has heard limited evidence on the possible impact of automation on the gender pay gap. Unison told the Committee, “When we consider the occupations that are likely to be affected by automation and the rise of the robot, such as admin, clerical processing and food manufacture, we find a large concentration of women.”⁷⁸ Close the Gap commented that “women will be disproportionately affected by automation.”⁷⁹

79. The Committee notes that the issues with STEM subjects and the law are part of a wider and recognised issue in Scottish training and education.

80. A gendered analysis of education is key to tackling the gender pay gap. The Committee feels that changes are needed in the education system, and intends to write to the Education and Skills Committee with findings in this report, to ask them to consider the issue further in their future work. In doing so, the Committee will draw its attention to the FDM model of attracting women who do not hold a STEM degree into STEM-related work.

81. The Committee is considering further work on the issue of automation, and will look at gender issues related to automation further as part of that work.

The “Leaky Pipeline”

82. The Committee has heard evidence about the “leaky pipeline” of women in work, particularly in STEM. Engender told the Committee that:

” In a lot of sciences, there is something that is called the leaky pipeline. Girls are achieving at school and university...However, girls who are in non-traditional areas—the hard sciences...tend to detach at each stage in larger numbers than their male colleagues. When it comes to further

⁷⁵ Official Report, 14 March, col.17-18

⁷⁶ [Gender Action Plan: Technical Report](#) (12 August 2016) SFC; Official Report, 14 March 2017, col.7

⁷⁷ [SFC Gender Action Plan](#)

⁷⁸ Official Report, 18 April, col. 23

⁷⁹ Close the Gap, written submission

degrees, PhDs and then postdoctoral research, they disappear, and they are very few and far between in professorial and commercial science roles.

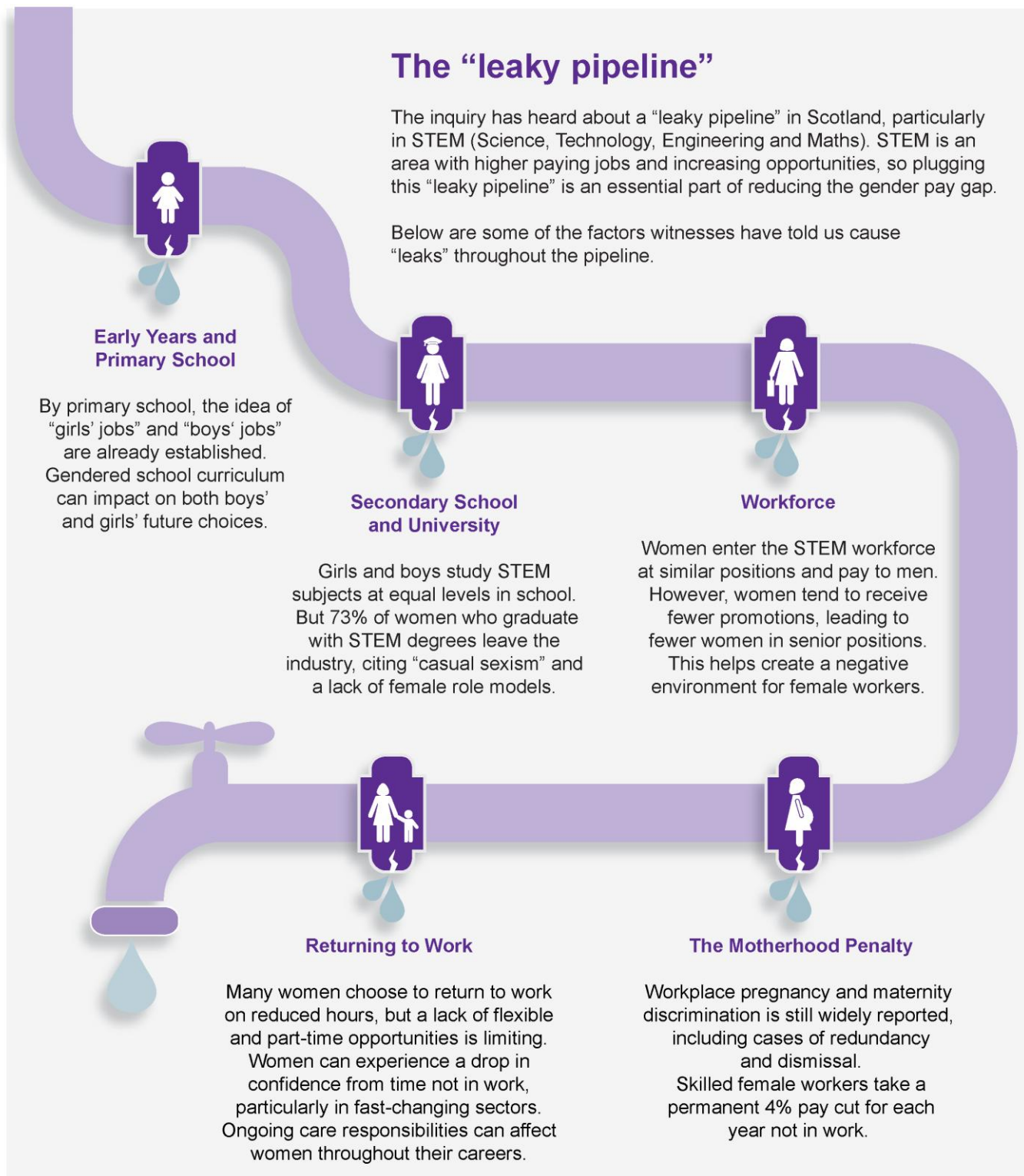
” There are libraries full of information about why that happens. The academic environment can be quite challenging for women when it comes to combining that with having children...The assessment of a woman’s research output and the whole approach to research do not sit well with maternity leave. Women’s research contributions are often not counted. We have a system in which somebody has to be identified as the principal investigator in large pieces of research, but that role is often not given to women because, for some research council-funded work, the principal investigator cannot be changed and the risk of women having children is regarded as being too high.

” There is a wide range of other factors, such as inhospitable working environments, but all the systemic and cultural factors combine to make science not the welcoming place for women that it should be. That is a problem for all of us because...diversity of thinking around the table leads to diversity of ideas, products, services and innovation. I wonder what scientific discoveries Scotland has foregone because we have not yet got a grip of the gender issue.⁸⁰

83. The following infographic shows the causes of the leaky pipeline, with particular reference to STEM, as described to the Committee.⁸¹ The Committee recognises that the leaky pipeline exists in all sectors. An infographic showing how the Scottish Government could address the leaky pipeline can be found at the end of this report.

⁸⁰ Official Report, 7 March, col.14-15

⁸¹ A table of the sources used is available at Annexe D



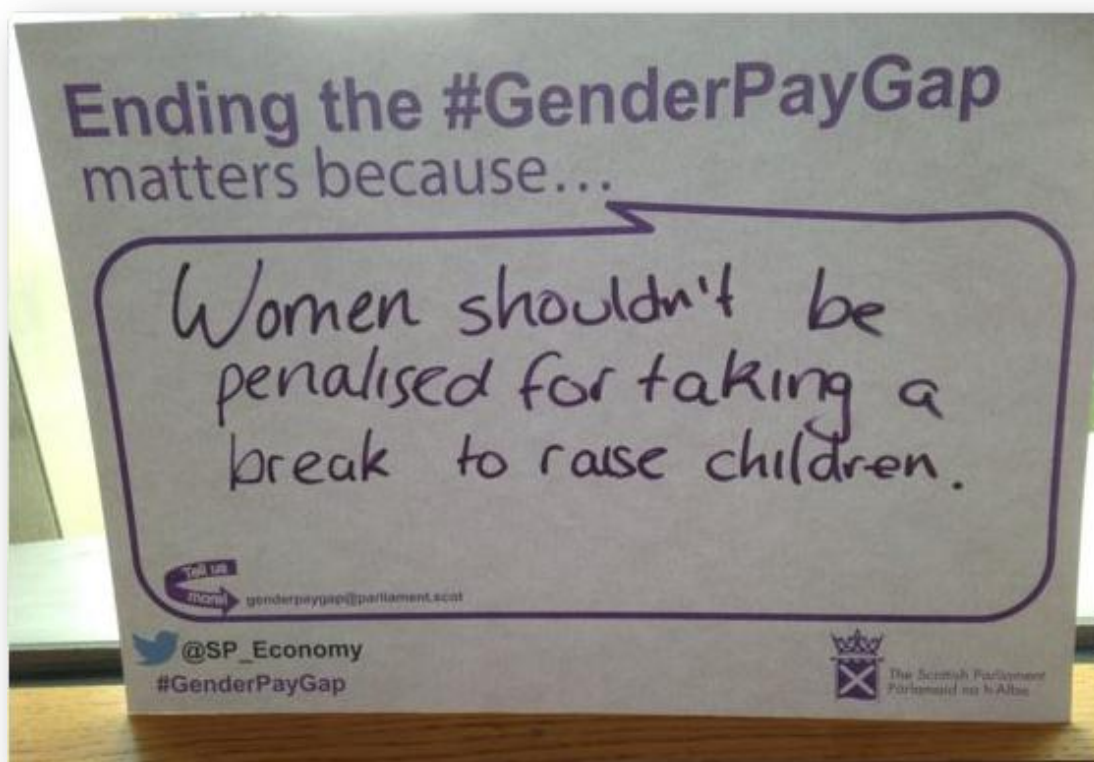
The “Motherhood Penalty”

84. The “motherhood penalty” was described by Professor Wendy Loretto, Dean of the Business School and Professor of Organisational Behaviour at the University of Edinburgh, as “the discrimination around pregnancy

and women coming back to work afterwards.”⁸² A recent TUC report stated that:

” The term “motherhood pay penalty” refers to the pay gap between working mothers and similar women without dependent children. The penalty is neither new, nor is it peculiar to the UK. It has been noted and measured before and it has been found to exist in many countries.⁸³

85. The Committee heard that, by the age of 42, mothers who are in full-time work earn 11 per cent less than women without children who work full-time.⁸⁴



86. In all fields, a key “drop out” point is considered to be around pregnancy, maternity leave, and returning to work. Discrimination in pregnancy still exists and women are made redundant while pregnant or on maternity leave. The Equality and Human Rights Commission Scotland (EHRC) told the Committee:

” Quite simply, men do not face the same economic penalty for having children that women face. There is something quite stark about that. We have been doing a lot of work on pregnancy discrimination. Our research

⁸² Official Report, 7 March, col. 28

⁸³ [The Motherhood Pay Penalty](#), Trades Union Congress, 2016.

⁸⁴ Official Report, 7 March, col. 17

from 10 years ago has been updated and demonstrates an increase in pregnancy discrimination. We believe that approximately 5,500 women a year in Scotland lose their jobs either directly because of pregnancy and maternity issues or because they feel pushed out...We are also talking about two different groups: younger women, often in unskilled or non-unionised and casual employment, who are being sacked when they say that they are pregnant; and older women in more professional positions, who are passed over for promotion or do not get training or the same sort of investment. Industry has perceptions of value, worth and commitment, but I come back to the fundamental point that men do not face the same penalty for having a family that women face.⁸⁵

87. While there are these forced departures from the workforce, many women choose to return to work after pregnancy on reduced, part-time hours. Given the lack of jobs advertised as part-time or flexible, there are fewer options available to these returners. The Committee also heard that it can be more difficult to access flexible working patterns from a position of seeking employment. There is a feeling that flexible working and changes to existing work-patterns are easier to negotiate from within an existing job than to secure at the point of recruitment. Professor Catriona Paisey, Professor of Accounting at Glasgow University and member of the ICAS Council and Ethics Board, told the Committee:

” The research shows that...if a woman takes time out for a career break to look after her children and wants to return in a part-time capacity, such jobs are simply not advertised. People often negotiate part-time work when they are with an employer...Women can often do that if they are negotiating with their current employer but, if they take time out of employment completely, they cannot find such jobs, because jobs are not advertised on that basis—it is rare to see an advert that says that the post is suitable for flexible working.⁸⁶

88. Engender told the Committee:

” Our families are essentially based on a 1.5 breadwinner model—it is usual, although not universal, that families have a male full-time worker and a female part-time worker... maternity discrimination is a big deal, but a lot of the 11 per cent that you referred to is simply a result of our not having part-time work available at the same level of skill and pay as full-time work. [Iceland, Sweden and Norway] do not have a 1.5 breadwinner model. It is vanishingly unlikely for anybody to work part-time unless they are a student or are tapering their employment in the run-up to retirement. Women who have children, like those who do not, work full time. Women with children can work full time because they have the childcare that enables them to do that, and there is a cultural presumption that childcare is as good as any

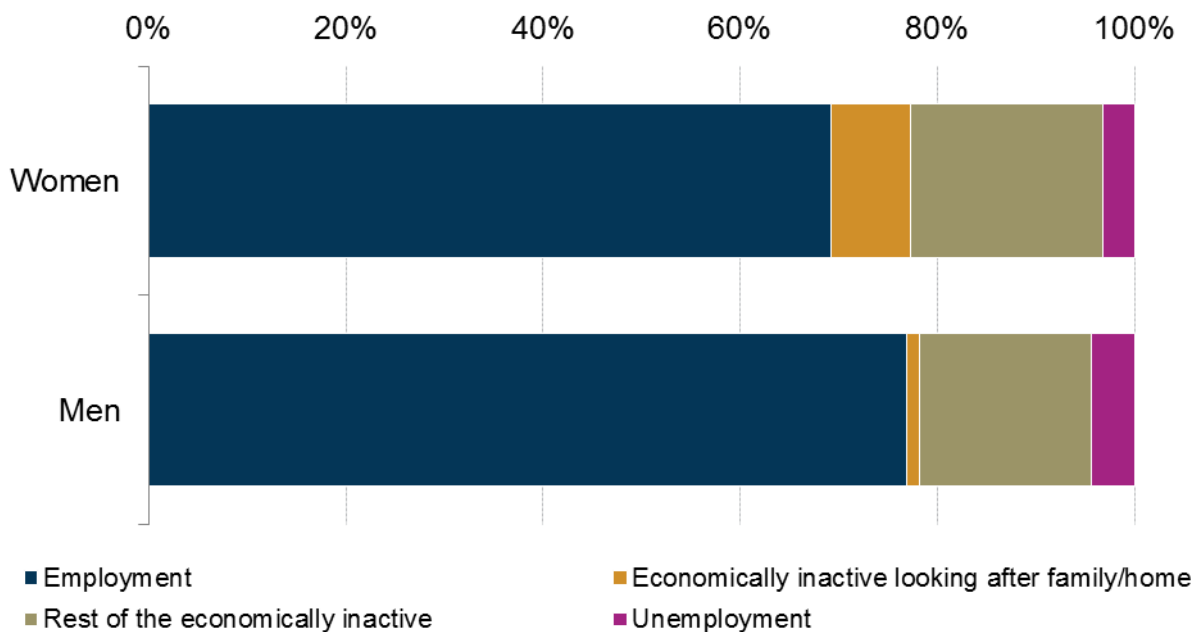
⁸⁵ Official Report, 7 March, col. 17-18

⁸⁶ Official Report, 18 April, col. 39

other form of work. They have a professionalised childcare workforce that is paid at a level appropriate to the skills, experience and knowledge of that workforce.⁸⁷

89. One of the reasons given for not looking for paid employment (economic inactivity) is "looking after the house and/or family." The ONS provides figures for reasons for economic inactivity which includes looking after the house and/or family. In Scotland in 2016, 141,000, or 8% of women aged 16-64 were economically inactive because they were looking after the house and/or family, compared with 22,000 men (1%):

Men and women in the labour market in 2016 including employment, unemployment, economically inactive and those economically inactive who are looking after family/home



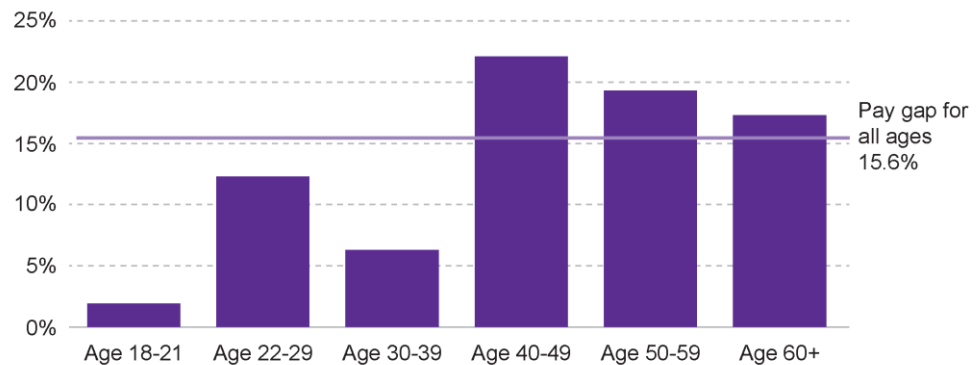
90. Family Friendly Working Scotland wrote to the Committee that the issue impacts on promotion opportunities for women as well, saying their own research showed:

“parents are willing to forgo opportunities for promotion because of the impact on childcare arrangements. This is a bigger issue for mothers than fathers: 65% of women say they would consider the childcare implications of a promotion, compared for 51% of men. There is a huge gap between the supply of flexible jobs and the demand from flexible workers which is causing women to downgrade their careers in exchange for flexibility.”⁸⁸

⁸⁷ Official Report, 7 March, col.18

⁸⁸ Family Friendly Working Scotland, written submission.

Gender Pay Gap by age for all employees hourly pay excluding overtime - 2016



91. Caring responsibilities are not limited to those taking or returning from maternity leave. Professor Loretto raised the issue of “grandparenting”, saying:

“ Looking over the life course and towards later-life working...a big area is grandparenting and the number of older men and older women who care for grandchildren in order to let their daughters—usually—enter the economy. There is an intergenerational transfer here that is pulling not only older women but some older men out of work earlier than they might otherwise have left to let predominantly their daughters—certainly younger women—work. That is quite a big effect...and it will have quite profound implications for future working among women of all ages.⁸⁹

92. The Scottish Women’s Convention also cited the need for care to be provided by “family and friends.”⁹⁰

Flexible, Agile, and Part-Time Working

93. Even employers who are actively looking to address the issue of women re-entering the workforce may struggle with the provision of part-time jobs and flexible working. The Committee heard that UK-wide, “something like 8 per cent of roles that are advertised with a salary of over £20,000 per annum offer some sort of flexible working.”⁹¹

94. While employers are obliged under the Employment Rights Act 1996 to consider flexible working requests⁹², as Clydesdale Bank told the Committee:

“ Offering flexible policies is very different from creating a culture in which people truly feel that they are supported and are able to take up those

⁸⁹ Official Report, 7 March, col. 31

⁹⁰ Scottish Women’s Convention, written submission

⁹¹ Official Report, 28 March, col. 3

⁹² [Employee Rights Act 1996, sections 80F to 80I](#)

opportunities. It is really important for large organisations not just to have the policy but to enable people to work in that environment.⁹³

95. As mentioned above, one of the businesses visited by the Committee, the FDM Group, have committed to developing women and introducing them to the STEM sector after a career break. However, while their training programme operates on condensed hours, they offer full-time employment only, although with the encouragement that flexible working be offered.
96. Witnesses were keen to point out that flexible working is often confused with part-time working. RBS said, “In considering the difference between flexible working and agile working, we must recognise that many people still think of flexible working as working part-time.”⁹⁴

Scottish Water: Agile Working

Scottish Water are publicly owned, with approximately 4,000 employees across Scotland, of which 27% are female. The organisation’s rate of women returners was 96% in 2016/17 and over half returned on full-time working hours.

The Committee heard from Scottish Water that employee engagement is taken very seriously, and the rate of women returners is attributed to a combination of family friendly policies, including enhanced maternity provision, shared parental leave and flexible working hours, along with the organisation’s commitment to agile working practices.

The Committee further heard that work is “what you do”, not “where you go” and one of the things that employees value most about working for Scottish Water is that they are trusted to work in an agile way. Every role is categorised as one of four work styles – fixed, fluid, field or free. 54% of roles allow a fluid work style which means that role holders can choose to work from different locations, including working from home when required, as long as this is agreed with their line manager. They receive appropriate agile technologies to support them to do so.

97. Some witnesses advocated that the impact of flexible working arrangements should be considered in relation to a person’s whole career. SSE told the Committee that where people work flexibly, they feel that there is little room for progression, because the roles that are advertised do not have the same flexible or agile working package. They said “The issue seems to be that people feel trapped within that pattern and the roles that they are in.”⁹⁵
98. One example of innovative practice came from Police Scotland, who told the Committee that their flexible working policy for police officers works differently:

⁹³ Official Report, 14 March, col. 37

⁹⁴ Official Report, 14 March, col. 39

⁹⁵ Official Report, 28 March col.3-4

” a police officer who wants to increase their hours after decreasing them can do so automatically. That means that there is no underutilisation of people as their kids start to go to school and all the other things that mean that people have more time available to work and want to increase their hours.⁹⁶

99. However, they added that, “We do not, however, have those provisions for [non-uniformed] police staff who want to increase their hours.”⁹⁷

100. The STUC told the Committee that:

” There has to be a different and better way of managing the whole lifetime of work, rather than focusing on the few years that are perceived as difficult when people have young children. I hope that everyone with child or caring responsibilities will find a way of looking at their work life over a whole lifetime, rather than focusing only on that one year when there is a crisis or they need to leave their work.⁹⁸

101. The Committee heard that flexible working can be important for different reasons and at different career stages. Scottish Water mentioned a partial-retirement scheme, focused largely at men nearing retirement, as:

” For many people doing that is an enormous benefit, rather than something problematic, because the transition to full retirement can be quite brutal for some people who have always worked full time. We had a lot of interest in the notion of flexible retirement, and about 60 men now work flexibly.⁹⁹

102. A potential result of the lack of flexible working opportunities is that women are underemployed and their skills underutilised, taking work in positions below their level of qualification. The Scottish Women’s Convention noted in their submission that “Many [women] are unable or unwilling to work the same hours they did before they had children, however this does not affect their ability to do their job, nor does it mean they are lazy or ‘not fully committed to the workplace.’”¹⁰⁰

103. The EHRC commented:

” If we are talking about a drag on the economy, we have underutilisation of skills. Maximisation of people’s participation in the labour market— participation at their highest possible level—will bring benefits to the economy. As much as it is about measuring the impact in pounds and pence, it is about people being able to advance and to reach their full

⁹⁶ Official Report, 28 March, col. 53

⁹⁷ Official Report, 28 March, col. 53

⁹⁸ Official Report, 18 April, col. 24

⁹⁹ Official Report, 28 March, col. 16

¹⁰⁰ Scottish Women’s Convention, written submission

potential, and about what Scotland is missing out on as a result of not being able to do or achieve that.¹⁰¹

104. The Committee has heard evidence of the business benefits of offering agile and flexible working, and notes that good practice of companies can impact on maternity return rates. The Committee asks the Scottish Government, its agencies, and the Scottish Parliament to ensure that all roles are advertised as flexible, agile or part-time, unless there is a business reason not to do so.
105. The Committee asks the Scottish Government, its agencies, and the Scottish Parliament to share with the Committee their current practices on advertising flexible, agile, and part-time jobs, to ensure that they are following best practice principles.
106. The Committee recommends that the Scottish Government collect data on the number of flexible working requests made in Scotland, and which were successful, in both the public and private sector, to gain a fuller picture of the situation.
107. The Committee recommends that the Scottish Government, its agencies, and the Scottish Parliament ensure their job application forms contain a section allowing applicants to set out if they want to work flexibly and if so, in what way. The Committee encourages other businesses and organisations to do the same.

Language and Imagery

108. The Committee has heard about the importance of language and imagery in reducing the gender pay gap, particularly around recruitment. Changes to job titles, like using “building managers” instead of housekeepers¹⁰² or software “design” instead of development¹⁰³ could increase gender diversity of applicants. Equate Scotland told the Committee that “A lot of the imagery that we see about engineering and construction shows an older white man in a hard hat, which is about 1 per cent of what engineering is actually about.”¹⁰⁴ SSE spoke of positive changes to their recruitment numbers following some “tweaks” to language and imagery.¹⁰⁵
109. Equate Scotland told the Committee that there are:



small positive action measures that can be taken around changing language...We put together a case study for the tech sector on job

¹⁰¹ Official Report, 7 March, col. 6-7

¹⁰² Official Report, 14 March, col. 11

¹⁰³ Official Report, 14 March, col. 18

¹⁰⁴ Official Report, 14 March, col. 10

¹⁰⁵ Official Report, 28 March, col. 8

descriptions. We did a search through indeed.com for the word “aggressive”, which gave me 9,500 jobs to choose from; and putting in the word “dominant” gave me just over 2,000 jobs to choose from. Having conversations with employers about how they market themselves and what language they use is fundamental to creating that change...

” At Fife College, there is a great example of how changing the titles of higher national certificate and higher national diploma courses to include words such as “creativity” and “art” has resulted in an increase in the number of young women applying. It is a question of using a phrase such as “software design” rather than “software development” in the title of technology courses. Using words that feel more approachable and that are recognised from the work that young women have done in school makes it more likely that they will apply. Job adverts work in the same way. The management at Fife College have looked at the prospectus and changed the language so that it feels more accessible and welcoming to young women.¹⁰⁶

110. Scottish Water also commented:

” A piece of interesting research shows that if when we talk about engineering roles we call them “design roles”, it makes them much more attractive to women. It starts to create a connection between art and design. Often, the language or terminology can shut off someone’s thinking about the possibility of those roles before they are even aware of what the roles are.¹⁰⁷

111. WES discussed the issues around language and business support:

” The final thing, which is a really important reason why women are not starting up businesses at the same rate as men, is use of language. We need to be a lot more careful to use gender-appropriate language. For example, much of the language that we see is about aggressive, fast and high-paced scale-up. A question such as, “Are you an ambitious entrepreneur looking for capital to grow your business rapidly?” will appeal to a certain type of female entrepreneur, and to male entrepreneurs in general. “Are you looking for patient capital to grow your business sustainably over the next five to 10 years?” will get women coming forward saying that they want to grow and build their businesses. There is a lot to be done on gender-appropriate language and support for women to start up their businesses.¹⁰⁸

¹⁰⁶ Official Report, 14 March, col. 16, col. 18

¹⁰⁷ Official Report, 28 March, col.14

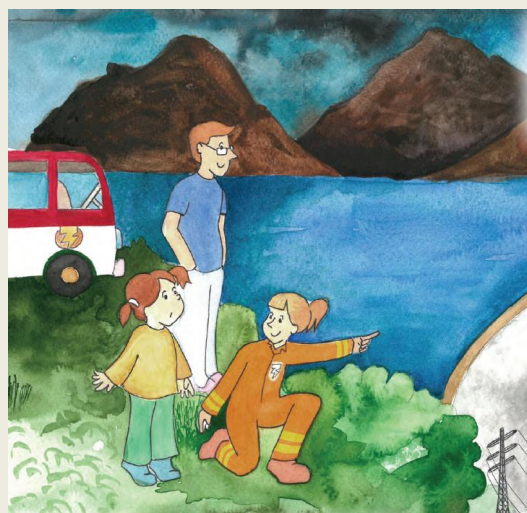
¹⁰⁸ Official Report, 2 May, col. 17

SSE: Language and Imagery

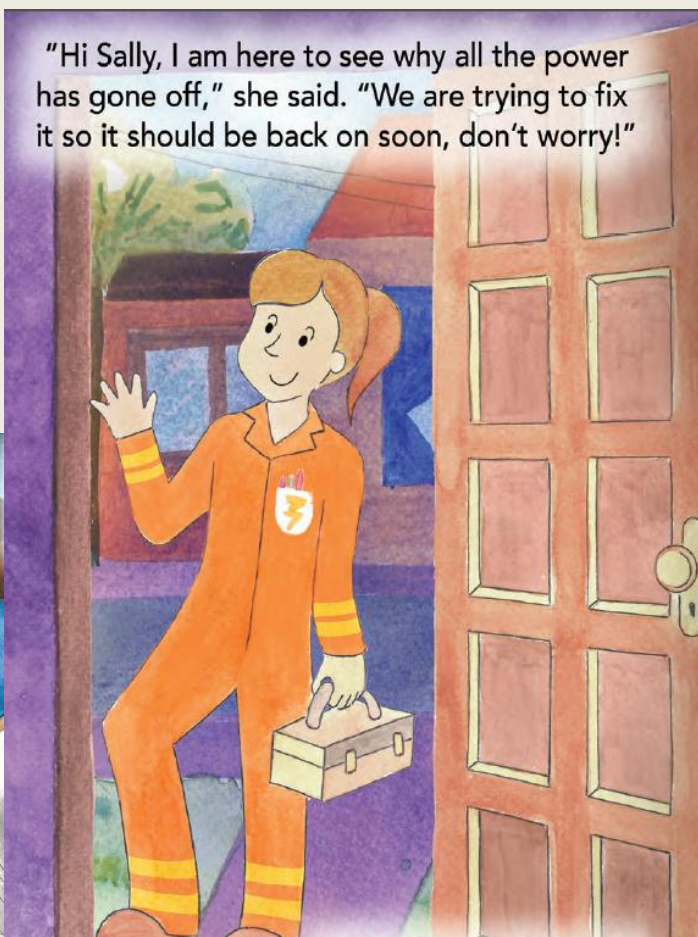
"You can't be what you can't see."

SSE told the Committee that they have made a big effort to work on the diversity of their workforce. To do so, they've looked at the language and the imagery that they use in their recruitment. Recognising the impact that this has, they made some changes which they say have been simple and inexpensive to make. And it's made a difference: their intake of females into the graduate programme went from 17% in 2015 to 40% in 2016.

They also told us that, recognising that ideas of "boy jobs" and "girl jobs" are formed early, they worked with a group of graduate engineers to create a workbook for schoolchildren up to age seven. The book features a female engineer who fixes the lights in a town that has lost power. It is brought in to schools by female engineers who speak to the children about their work, "It's one small picture, but it can give young children big ideas."



"Hi Sally, I am here to see why all the power has gone off," she said. "We are trying to fix it so it should be back on soon, don't worry!"



(Images from "Keeping the Lights On", a book in aid of Children 1st, produced by a group of graduate engineers for SSE. Illustrations by Maria Guadalupe Fernandez ©SSE 2016)

112. The Committee notes the impact that simple changes to language and imagery can have, both on broadening the appeal of certain roles, and on expanding the reach of business support services. The Committee notes that changes to language and imagery can be quickly, simply, and affordably made, and challenge perceptions.

Apprenticeships and Returnships



113. The Committee has heard much evidence on apprenticeships, which were described as “totemic.”¹⁰⁹ Skills Development Scotland (SDS) told the Committee, “Apprenticeships are jobs with training, so they reflect occupational segregation, but that does not mean that we do not do anything about it; we try to affect it.”¹¹⁰

¹⁰⁹ Official Report, 7 March, col. 14

¹¹⁰ Official Report, 14 March, col. 5

114. The information around modern apprenticeships by gender for 2015/16 is below¹¹¹:

Framework	Number of starts (2015/16)			% of total	
	Female	Male	Total starts	Female	Male
Social Services (Children and Young People)	1231	57	1288	96%	4%
Social Services (Children) technical	141	9	150	94%	6%
Hairdressing & Barbering	882	84	966	91%	9%
Social Services and Healthcare	1025	153	1178	87%	13%
Social Services Healthcare Technical	52	20	72	72%	28%
Business & Administration	1702	657	2359	72%	28%
Hospitality	1496	1153	2649	56%	44%
Retail	1139	892	2031	56%	44%
Life Sciences	17	18	35	49%	51%
Food and Drink Operations	452	645	1097	41%	59%
IT and Telecommunications	133	738	871	15%	85%
Oil and Gas Extraction	4	39	43	9%	91%
Freight Logistics	100	1356	1456	7%	93%
Engineering	66	1007	1073	6%	94%
Engineering Construction	2	36	38	5%	95%
Construction: Technical	25	546	571	4%	96%
Extractive and Mineral Processing	8	250	258	3%	97%
Automotive	31	1134	1165	3%	97%
Construction: Building	20	1460	1480	1%	99%
Construction: Technical Apprenticeship	5	375	380	1%	99%
Construction: Professional Apprenticeship	1	84	85	1%	99%
Electrical Installation	8	706	714	1%	99%
Construction: Civil Engineering	3	698	701	0%	100%
Construction (Craft Operations)	0	14	14	0%	100%
Construction: Specialist	0	195	195	0%	100%

115. Colleges Scotland agreed that the problem was not with apprenticeships themselves, but with societal attitudes:



We need to look wider than apprenticeships, colleges and universities: we have to look well before that and to consider cultural change that goes back into the early years and the family home. If we try only to shift the balance in apprenticeships, colleges and universities, we are missing a trick. Societal and cultural change has to be embedded.¹¹²

¹¹¹ [SDS Modern Apprenticeships by age and gender](#)

¹¹² Official Report, 14 March, col.7

116. The Committee heard that Scottish Water had recently profiled female apprentices for Apprenticeship Week, with good results from careful use of language and imagery. Their attention to the issue had resulted in an increase of female apprentices from 11% in 2013 to just under 20% in 2016¹¹³. Other witnesses were keen to point out examples of improvements within their sectors, with the STUC saying:

” Skills Development Scotland has done a lot of work on consciously promoting women in its advertising for modern apprenticeship schemes. People are working really hard to do some of the things that we have said would be a good idea—for example, presenting images of women in different jobs. Sometimes, however, we do not recognise that progress has been made.”¹¹⁴

117. But Emily Thomson told the Committee that, “in the 10 to 12 years that I have worked on modern apprenticeships, women’s representation in the traditional frameworks has not shifted at all.”¹¹⁵

118. The Committee raised questions around apprenticeships for older people as well as younger and were told by SDS that “about 20 per cent of the funding [for apprenticeships] is targeted to older age groups, and it is targeted to engineering and those kinds of occupations, so the same issues apply.”¹¹⁶ However, the Committee believes that women are more likely to undertake non-traditional apprenticeships, or look at retraining in a new sector, later in their lives.

119. The Committee notes the successes of the modern apprenticeship model in providing opportunities for young people and employers alike, but considers that despite significant effort, little progress has been made in addressing occupational segregation within the modern apprenticeships system. The Committee understands that the Delivering the Young Workforce target to “reduce to 60 per cent the percentage of Modern Apprenticeship frameworks where the gender balance is 75:25 or worse by 2021” moved in the *wrong* direction between 2014/15 and 2015/16. The Committee asks the Scottish Government to inform the Committee how many letters of guidance to SDS have requested action in this area over the years and what outcomes have been achieved as a result.

¹¹³ Official Report, 28 March, col. 9, 13

¹¹⁴ Official Report, 18 April, col. 10

¹¹⁵ Official Report, 7 March, col. 32

¹¹⁶ Official Report, 14 March, col. 20

120. SDS has an equalities plan for modern apprenticeships¹¹⁷ in place, with an action plan covering 2014-2020. All of the actions listed under gender are underway, with a number having now concluded. The Committee will consider as part of its future work programme a further session with SDS to receive an update on work to date and progress on addressing occupational segregation in apprenticeships.

Women Returners Programmes

FDM: Returner Programmes

FDM runs a variety of careers programmes targeting graduates and ex-Forces personnel. However, they have recently piloted several programmes for returners in various locations. The “Getting Back to Business” returner programme is open to men and women who have been out of the workforce following a career break. The first Glasgow programme is due to run from July 2017. Applicants spend up to seven weeks in the Academy. During that time, they are assessed and, in dialogue with trainers, identified for areas of development.

The programme addresses the loss of confidence that comes from being out of the workplace, with FDM saying that 100% of returners, male or female, have lost confidence. FDM told the Committee that the programme has seen “massive loyalty” from those who complete it. However, they call on other companies to recognise the potential in candidates who have taken a career break, with many culling CVs that have a period of two years or more out of work.

121. The Committee has heard that one of the key points at which women “drop out” of the workforce is after a career break, often to care for children. Aberdeenshire Council told the Committee that “more would need to be done to encourage mothers to return to work.”¹¹⁸ Scottish Water spoke of their 96% return to work rate after maternity leave¹¹⁹, while the FDM Group is in the process of launching a returners programme in Glasgow (open to men and women after a period out of the workforce).¹²⁰ The Institute of Civil Engineers stated in their evidence that Carillion had increased the number of women returning from maternity leave from 76% to 96%.¹²¹ It is evident that some work is being done in this area through individual business’s initiatives.

122. It is also evident that different interventions are required for different sectors, and the Committee has heard of some of the innovative work being undertaken by different businesses and organisations to address these issues for their workforce.

¹¹⁷ [SDS Equalities Action Plan for Modern Apprenticeships in Scotland](#)

¹¹⁸ Aberdeenshire Council, written submission

¹¹⁹ Official Report, 28 March, col. 15

¹²⁰ FDM visit note

¹²¹ Official Report, 18 April, col. 39

Encouraging flexible working for men,¹²² long-term development programmes for women with managed moves into new business areas,¹²³ and mentoring strategies¹²⁴ are just some of the successful innovations the Committee has heard from employers.

123. The UK Government announced a £5 million fund to support women and men across the UK returning to work in the Spring Budget 2017.¹²⁵

124. The Scottish Government has identified returners' programmes as important in enabling women to participate in work¹²⁶, and has supported it with a financial commitment of £250,000.¹²⁷

125. CMS Cameron McKenna LLP pointed out:

“ People make decisions and have an element of choice. We should make sure that people have options and can make the right choices for them. Inevitably, for some people that choice will be to take a step back or to take time out, which is why returnships to bring people back in are so important.¹²⁸

126. EY agreed, saying:

“ Working below skills level is an issue for women when they want to return to the workplace—and the older a woman gets, the harder that is. We all know friends who trained in a career but who, when children came along, said that they could not do it any more because it all felt too hard. The reconnect programme [for women re-entering the workforce after a career break of between two and 10 years]... is designed for that issue; it is early days, but it has gone well. It specifically says that it is okay to take a different path.¹²⁹

127. The Committee has heard evidence, from FDM in particular, about the benefits of retraining older workers and the enhanced rates of retention in the sector on doing so. Given this, and the Scottish Government's commitment to programmes for women returners, the Committee recommends that the Scottish Government consider the successes learned from the modern apprenticeship programme and apply them to create a new programme for returners, with appropriate resources.

¹²² Nicky Page (Police Scotland), Official Report, 28 March, col. 36

¹²³ Shirley Campbell (Scottish Water), Official Report, 28 March, col.21-22

¹²⁴ Professor Paisey (ICAS), Official Report, 18 April, col. 38

¹²⁵ [UK Government Spring Budget 2017 news release](#)

¹²⁶ [Scottish Government news release, October 2016](#)

¹²⁷ [Employability in Scotland: Women returners](#)

¹²⁸ Official Report, 14 March, col. 43

¹²⁹ Official Report, 14 March, col. 44

128. The Committee recognises that different solutions are needed for different sectors, and that approaches to returners' programmes should be tailored accordingly, drawing on best practice examples wherever available.

Childcare and Social Care

129. Childcare is a two-pronged issue. It is clear from evidence to the Committee that without affordable childcare, many parents and carers cannot enter the workforce, or can only do so to a limited degree. As the majority of childcare remains with women, this impacts their participation in the labour market.

130. EY told the Committee:

” Childcare is fundamental. However...you cannot make somebody's decision for them. What is right for one family unit, no matter its shape—we all know that there will not just be traditional family units—will not be right for another...What is really important is what is available for people from a variety of backgrounds and income levels at different stages of their career. That is still a big challenge. When you work in an industry and you have your first child, for a start you look at how much it will cost—my goodness! There is an awful lot more that we could do from a policy and economic point of view to make it financially attractive to go back to work. I know a lot of women who have looked at the numbers and said, “You know what? Why would I bother?” We need to break that culture and we need to attract people back into work. I believe that in Scotland we are probably quite far behind some other European countries in that respect.¹³⁰

131. However, childcare as a sector is also representative of many of the issues behind the gender pay gap. The sector is dominated by women, and is traditionally low-paid.

132. The Scottish Government has indicated that it plans to expand the provision of free early learning and childcare with an aimed increase from 600 hours to 1,140 hours per annum (or almost full-time) by 2020,¹³¹ and with it the workforce. In a statement to Parliament, the Minister for Childcare and Early Years said that:

” in September 2017 we will publish a new learning and development pathway to encourage more people to choose to become childminders...The expansion will see an opportunity for the workforce to grow substantially...We need to demonstrate how much we value this work, by offering fulfilling career opportunities, entrance pathways and progression routes at all levels, from apprentices through to centre heads, and by ensuring that the workforce is fairly remunerated. That will be a key focus of a new recruitment marketing campaign, which will be developed

¹³⁰ Official Report, 14 March, col. 42-43

¹³¹ Scottish Government, [Increased provision of free childcare](#)

and ready for autumn 2017. We will work...to raise the profile of a career in ELC among underrepresented groups and to seek to improve gender balance across the sector.¹³²

133. Scottish Care drew the Committee's attention to the need to increase the number of social carers:

” The need to diversify the workforce in social care is a result not of a desire to increase capacity or profits but of a need to maintain survival...we have an 86 per cent female workforce. On average, staff are over the age of 45, with a significant group who are over the age of 50. Unless we begin to recruit a much more diverse workforce—that includes women, despite the 86 per cent figure—we will not be around in 10 or 15 years' time. The UK will need 700,000 additional social care workers by 2037, even allowing for the progression of technology-enabled care. The Scottish equivalent of that is roughly 80,000. I know where they need to come from, but I really do not know where they will come from.¹³³

134. Witnesses warned against waiting for the numbers of men in the care sector to increase before subsequently increasing wages. STUC said:

” Of course we should encourage more men to work in childcare and social care, but we should not get into a position where we wait until more men are working in that sector before we increase wages.¹³⁴

135. Committee Members visited Men in Childcare, a Scottish Government and Edinburgh Council funded initiative aimed at encouraging men into childcare. We were told that men are interested in working in the sector; however, they tend to turn to childcare at a later stage in their lives, not straight out of school. As such, they have different financial responsibilities and the prospect of taking time out of the workforce to retrain causes many to drop out of the programmes before completing training. Men in Childcare thought that financial support for men to enable them to meet living expenses while re-training, or the ability to qualify while on the job, would greatly increase the number of men in the field. They did not consider there was any attitudinal barrier to men working in the sector.¹³⁵

¹³² Chamber [Official Report](#), 23 March, col.45-46

¹³³ Official Report, 18 April, col. 35

¹³⁴ STUC, Official Report, 18 April, col. 10

¹³⁵ Men in Childcare visit note

Undervaluing of “Women’s Work”



Translation: “Ending the gender pay gap matters because the value of work isn’t dependent on gender.”

136. The question of gender balance within sectors, and the term “feminisation”, has been discussed. Scottish Care told the Committee:

” We often hear the phrase “feminisation of the workforce” in respect of social care, and it is unfortunate that we equate and associate feminisation of a workforce with low pay and poor terms and conditions. We would much rather that people recognised that, in social care, the fact that our workforce is not truly representative and sufficiently diverse is itself because of the low pay and poor terms and conditions. When we have discussions around gender pay gaps we must be very careful not to equate a female-dominated workforce with a workforce that should be paid less...if the social care workforce in Scotland was more balanced and

representative of the community and—dare I say it—more male dominated...we would not be a low-paid profession.¹³⁶

137. Emily Thomson argued:

” Seeing more men in the traditional female-dominated carer-type roles will help us to break the ideological link between women and care or the idea of the female as caregiver...Childcare is a low-paid sector because the market tends to devalue or undervalue work that is dominated by women. The skills that are needed to be a childcare worker or a nursery worker are seen to be somehow naturally endowed to women by dint of their biological characteristics, so the market does not reward them in the same way. It is important that we try to increase male representation in female-dominated areas. That would help to increase the wages in those sectors.¹³⁷

138. In addition to the sectors that are female dominated being lower paid, women often undertake unpaid roles within the household. Professor Bell told the Committee:

” to measure the overall activity in the economy, we should measure the activity of businesses, government and households. We can make a reasonably good go of measuring the activity of businesses and we can make a bit of a go of the public sector and government. We add those two together and call them GDP. However, we make no real effort to value the contribution towards overall economic wellbeing that activity in households makes, which is inherently difficult to do. There is a pretty stark contrast between having a meal in the home and having a meal in a restaurant, in that the latter contributes to GDP and the former does not. That is just how national income accounting works.¹³⁸

139. Equate Scotland said that:

” although we are trying to get women into STEM occupations, there needs to be an equal push to value the work on the other side. If the work in those areas is not valued, why would men pursue jobs in them? We have to value the women who work in those areas in order to overcome the significant occupational segregation that exists.¹³⁹

140. The Scottish Women’s Convention wrote:

” Why does a plumber get paid more than an early years 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.¹⁴⁰

¹³⁶ Official Report, 18 April, col. 42

¹³⁷ Official Report, 7 March, col. 36

¹³⁸ Official Report, 25 April, col. 9

¹³⁹ Official Report, 14 March, col. 16

¹⁴⁰ Scottish Women’s Convention, written submission

141. Scottish Government key sectors – food and drink, financial and business services, life sciences, energy, tourism and creative industries - were first identified in the 2007 Economic Strategy¹⁴¹ as sectors where Scotland has an international comparative advantage. However, as well as having international potential, key sectors should, according to the Scottish Government, “account for a significant part of the Scottish economy and reflect the contribution of all areas of Scotland.”
142. Being identified as a key sector brings access to a range of support from the enterprise agencies. According to Audit Scotland, Scottish Enterprise and Highlands and Islands Enterprise “assist individual businesses in these sectors and they offer support that will benefit all businesses in that sector as a whole. The focus of their sector support often differs, taking into account the different businesses and opportunities in their respective areas.”¹⁴²
143. The Committee has heard evidence that childcare and social care sectors are fundamentally important to the Scottish economy; not just to those who work in them, but also to large sections of the population who rely on their services. Increasingly, care services are being provided by private companies or the third sector, and demand for their services will continue to grow.
144. With the 2015 Economic Strategy’s move towards a more “inclusive” definition of what’s important to the Scottish economy, there is a strong argument for widening the definition of key sectors to include the care sector. The addition of care as a key Scottish sector could help more companies working in this sector benefit from enterprise agency support in the fields of investment, leadership, innovation and fair work.

145. The Scottish Government has stated that in September 2017 it will publish a new learning and development pathway for childcare workers. The Committee recommends that the forthcoming expansion of childcare learning and development pathway specifically address measures on gender.

146. It is the Committee’s view that the care sector – including child care and adult/elderly care - is an undervalued but growing and central part of Scotland’s economy. The Committee recognises the impact that improving pay in child, adult and elderly care would have not only on reducing the gender pay gap but also on recruiting a more balanced workforce.

147. The Committee welcomes the statement by the Minister that the childcare workforce needs to be “fairly remunerated.” The Committee is of the view that to have a transformational effect on reducing the gender pay gap, serious consideration should be given to increasing wages in care beyond the living wage to more accurately reflect the value of the work undertaken.

¹⁴¹ [Scottish Government Economic Strategy](#)

¹⁴² Audit Scotland, [Supporting Scotland’s economic growth](#)

148. It is vital that we raise the status of care in Scotland. As a first step in recognising its importance, the Committee recommends that care becomes a Scottish Government priority sector with a monetary value put on the sector.

Gender Pay Gap Reporting Legislation

149. The Committee heard many views from witnesses on the new gender pay gap reporting legislation. Close the Gap said:

” It is a welcome first step in the right direction... because it will at least bring larger private and third sector organisations into line with the accountability that we see in Scotland’s public sector. The main flaw in the regulations, however, is that there is no requirement for employers to take any action to address any pay gaps; they can just publish their pay gap and that is it.¹⁴³

150. Clydesdale Bank added:

” As important as the data is, the commentary on people’s commitment to improve is far more important. Lots of large organisations can use different methods to present data, no matter how clever the Scottish Government wants to get or how specific it is. The nub of the issue is really in forcing people to talk much more specifically about their action plans for improvement and in tracking their commitments to improvement.¹⁴⁴

151. Most witnesses shared the view that this was a welcome step which would focus attention on the issue. However, in addition to the concern raised by Close the Gap, other questions were raised around Scotland’s SME (small and medium-sized enterprises)-heavy economy and whether the 250-employee threshold would capture the picture in Scotland. Iceland, for example, announced in March that they would require every company with 25 or more staff to gain a certificate demonstrating pay equality.¹⁴⁵

152. However, witnesses also pointed out that in small companies, small changes of personnel can have a large impact on the pay gap. Scottish Futures Trust said:

” As someone who comes from a relatively small organisation... it is necessary to be careful about driving the change specifically on the basis of numbers, because we are hit by the statistics of small numbers. That means that a single appointment in one role or another, whether of a male or a female, can cause some weird things to happen to the numbers that are not reflective of what is happening in the organisation. We try to focus

¹⁴³ Official Report, 7 March, col. 11

¹⁴⁴ Official Report, 14 March, col. 32

¹⁴⁵ The Independent, [Iceland becomes first country in the world to make firms prove equal pay](#)

on the change that we are making and what we do on a day-to-day basis rather than on setting targets on the basis of numbers.¹⁴⁶

153. CBI Scotland wrote to the Committee that:

” Any extension of mandatory reporting to companies in Scotland with less than 250 employees would place a significant regulatory burden on smaller firms. Collecting the data, running calculations, producing an explanatory narrative and implementing action plans is a costly exercise which would have a disproportionate impact on smaller companies...Furthermore, the application of a different threshold in Scotland to that in the rest of the UK also has the potential to create significant challenges for companies that operate on a cross-border basis.¹⁴⁷

154. The Federation of Small Businesses Scotland (FSB) also noted concerns that:

” Considering weak small business confidence, the huge economic challenges that lie ahead and the established concerns about the time constraints of regulation upon small businesses, we would not support placing an additional reporting requirement on small businesses in Scotland.¹⁴⁸

155. The Minister for Employability and Training addressed concerns about the impact the 250 employee threshold could have on Scotland's SME economy. He told the Committee that:

” What we can do is to lead by example in the public sector agencies for which we have responsibility. We have reduced the threshold for the reporting requirement for such organisations to having 20 or more employees.

” Through our entire process of engagement, including the fair work agenda, we will always be willing to discuss such matters with companies that are in the private sector and the third sector, for which we do not have policy responsibility and so cannot set targets. A statutory target has been set by the UK Government. We can work with companies that do not fall into that category to see whether they are prepared to go further and provide more information. We can lead by example, which is what we have done with our reporting threshold.¹⁴⁹

¹⁴⁶ Official Report, 28 March, col. 33

¹⁴⁷ CBI Scotland, written submission

¹⁴⁸ Federation of Small Businesses Scotland, written submission

¹⁴⁹ Official Report, 2 May, col.32

156. The Committee is concerned that the 250 employee threshold for gender pay gap reporting does not capture Scotland's SME economy. However, given that this reporting requirement is new, the Committee recommends that the Scottish Government monitor and review the number of businesses and employees captured by the reporting.

157. The Committee is of the view that reporting a pay gap in itself may not lead to change. The Committee notes that at present, employers have the option to provide a narrative around their gender pay gap report, but this is not required, nor is an action plan to reduce the pay gap. The Committee encourages all businesses to create an action plan, and recommends that the Scottish Government put in place guidance to support employers in creating such a plan.

Page\Park: Transparent pay scales

Page\Park told the Committee that when Karen Pickering started with the Glasgow-based architecture firm in 1992, she soon discovered that she was being paid less than her male counterparts. A self-described strong woman, she challenged her employers and, although it took her two years, did achieve equal pay – and became the firm's only female architect.

Since then, Karen has moved up through the firm and is now Chair of the Board of Directors. Three years ago, Page\Park became employee-owned, but before that transparent pay and equality had become part of their workplace culture and ethos. For the past five years, their pay system has been completely transparent, with everyone knowing how much everyone else earns. There is no negotiation over salary, and bonuses are distributed to all staff on a fair and transparent basis.

Karen says that having everything in the open has ironed out any remnants of inequality and made everything fair for men and women: something that is important to her, and to Page\Park.

Targets

158. There has been some agreement from witnesses that targets may be needed, at least in the short term, with witnesses saying "what is measured is managed."¹⁵⁰ Professor Ian Wall, Chair of the Science, Technology, Engineering and Mathematics Education Committee, wrote to the Committee that, "without mandatory rules change will not come."¹⁵¹ He spoke of the Athena SWAN charter, established in 2005 to address the leaky pipeline of women in STEM:

” The Athena SWAN experience is instructive in this respect, too. It was introduced in 2005 on a voluntary basis. Two research areas then made it

¹⁵⁰ Official Report, 28 March, col. 32; 14 March, col. 11

¹⁵¹ Professor Wall, written submission.

mandatory for institutions to have either silver or bronze awards. Until then, take-up by the universities had been very patchy, but suddenly it became very enthusiastic as the universities would not otherwise get research grants. My conclusion is that encouragement is good, but compulsion works.¹⁵²

159. Maggie Morrison of the Scottish Chambers of Commerce told the Committee:

” I graduated in 1983. If I had been told then that, in 2017, the number of young women entering STEM as a profession would be going backwards, I simply would not have believed it to be possible. Also, if I had been told that not much progress would have been made on gender diversity in organisations, I would not have believed that either because, when I graduated, I thought that things would change. I would not have agreed with quotas and targets at that time, but I do now, because I have watched while not much has changed in the past 34 years. If we continue at the present pace, trying to do what we have always done, I do not think that we will see much change. Leaders need to lead from the front and believe in it; otherwise, it is just a lot of talk.¹⁵³

160. Debbie Miller of RBS also agreed:

” I have gone through a whole range of emotions on targets versus quotas...Do I agree with targets? They have helped to focus leaders on the size of the challenge and the quantum of change that is required, but the shift in the numbers is down to our doing things differently. Earlier, I referred to the gender plan. We have things in place across the employee lifecycle that help our leaders to do things differently, and we apply consequences where those are not adhered to. That has helped. I have moved from not particularly buying into the targets to seeing that they have made a difference. The transparency and focus have really helped.¹⁵⁴

161. The Committee heard evidence on the Scottish Government’s “50:50 by 2020” target for public bodies.¹⁵⁵ This target has been welcomed with witnesses stating that targets focus minds and change behaviours. Boards are forced to look at recruitment from a different talent pool. The target was also welcomed to show leadership from the public sector that the private sector could learn from. However, witnesses also stated that whilst this target was welcome it was only a small step and that there needed to be a focus on all levels of female talent – not just in the board room.

162. The Committee also heard of the experience in Norway where positive steps had been taken to achieve gender equality on boards. The Committee heard the law had limited effect as it tended to support only a small group of women who had

¹⁵² Official Report, 7 March, col. 22

¹⁵³ Official Report, 25 April, col. 33

¹⁵⁴ Official Report, 14 March, col. 39-40

¹⁵⁵ The Gender Representation on Public Boards (Scotland) Bill was published on 15 June 2017. The Committee has therefore not had the opportunity to consider the proposed provisions.

board experience and therefore succeeded in gaining board appointments. There was little evidence cited of this quota having a positive impact on the female talent pipeline.¹⁵⁶

163. The Committee welcomes the Scottish Government's 50:50 by 2020 public bodies target but agrees that this is not an end in itself.

164. The Committee has heard that organic change is required to embed progress. However, the Committee recognises the role that targets have to play in making progress on the gender pay gap issue, and supports their use to produce change.

Scottish Government Labour Market Strategy

165. In May last year, the First Minister made a commitment to publish a labour market strategy within her first 100 days of taking office. The strategy was launched by Employability and Training Minister, Jamie Hepburn, on 26 August 2016.¹⁵⁷ It is considered an integral part of the Government's wider Economic Strategy.

166. Consistent with the Government's Economic "inclusive growth" aspirations, as expressed in its Economic Strategy, the Labour Market Strategy states that "creating a fairer society is not just a desirable goal in itself, but is essential to the sustained, long-term prosperity of the Scottish economy."¹⁵⁸

167. Although the strategy includes a number of measures which could have a positive impact on the gender pay gap, there are no specific targets included in the document.

168. The National Performance Framework was updated in March 2016 to include the new indicator "Reduce the pay gap"¹⁵⁹. However, this is not a "SMART" target: it is not Specific, Measurable, Achievable, Relevant and Time-Constrained.

169. Given what it has heard on the value of targets in achieving change, the Committee believes that a SMART target in the National Performance Framework on the gender pay gap – specifying what should be achieved and by when – would help focus efforts in this area and recommends the Scottish Government set one.

¹⁵⁶ University of Stirling Management School, written submission

¹⁵⁷ Scottish Government, [Scotland's Labour Market Strategy](#)

¹⁵⁸ [Scotland's Labour Market Strategy](#), p. 6

¹⁵⁹ Scottish Government, [Scotland Performs: National Indicator Pay Gap](#)

Procurement

170. The Committee heard evidence from a range of witnesses about the possible use of procurement to influence a reduction in the gender pay gap. The Public Service Reform (Scotland) Act 2014 includes a “sustainable procurement duty” which, according to the Government¹⁶⁰, “places sustainable and socially responsible purchasing at the heart of the process.” In October 2015 the Scottish Government issued statutory guidance¹⁶¹ to public bodies on how to evaluate fair work practices, including the Living Wage when selecting tenderers and awarding contracts. This guidance does not specifically mention the gender pay gap.

171. In evidence to the Committee, the EHRC said:

” It is evident that there is a potential opportunity for pushing the issue by placing conditions on economic development aid or procurement in the key sectors of the Scottish economy, as identified by the Scottish Government...It would be extremely welcome if procurement and economic development aid had conditions around equality.¹⁶²

172. However, Professor Findlay argued:

” It is clear from the European procurement rules that it is not appropriate to say in a contract that is secured under those rules that, for example, companies have to pay the living wage. There are grey areas, but in some areas it is clear that procurement cannot be used to address issues. However, the committee could explore that and think about how not just procurement but business support services might provide ways of encouraging people to address issues around the gender pay gap.¹⁶³

173. Highlands and Islands Enterprise argued that:

” legislation prevents making award of contracts conditional on payment of the Living Wage. Legal clarification would be welcome to facilitate positive action in promoting progressive working practices more effectively.¹⁶⁴

174. Close the Gap stated:

” While European procurement law establishes a tight legal framework that limits the legal scope for non-economic criteria, it clearly and explicitly gives room to social, and therefore equality, considerations. As equality sensitive public procurement can reduce discriminatory features of goods, works or

¹⁶⁰ Scottish Government, [Sustainable Procurement Duty](#)

¹⁶¹ Scottish Government, [Statutory Guidance on the Selection of Tenderers and Award of Contracts - Addressing Fair Work Practices, including the Living Wage, in Procurement](#)

¹⁶² Official Report, 7 March, col.15

¹⁶³ Official Report, 7 March, col.43-44

¹⁶⁴ HIE, written submission

services, it can be strategically used to advance equality within the workforce of the specific contract.¹⁶⁵

175. However, the FSB commented that:

” Placing additional conditions upon *all* public contracts is unlikely to change behaviour amongst employers; instead fewer firms bid for work and an increasing share of public spending is placed in the hands of an ever-smaller number of large firms.¹⁶⁶

176. When asked about the role of procurement during the final evidence session, Minister for Employability and Training responded:

” We will certainly look at anything that is suggested to us. The procurement agenda in general is something that we discussed when I was previously before the committee. We have done quite a lot of work in procurement regulations to ensure that a range of fair work practices can be criteria that any body that procures a service or contract can utilise as part of its assessment process. The gender pay gap is not specifically cited, but the guidance refers to “promoting equality of opportunity and developing a workforce which reflects the population of Scotland” in terms of a range of characteristics including gender, so that could be a part of the work that companies undertake. However, if there is something else that we can look at and we think that we can take forward, we will certainly reflect on it.¹⁶⁷

177. The Committee notes the potential opportunities around procurement presented not only by the upcoming shift in legislation from the European Union but also in the Scottish Government’s own sustainable procurement duty, as set out in the Procurement Reform (Scotland) Act 2014. The Committee urges the Scottish Government to consider with a view to amending the current procurement regulations to include a question for bidders on their gender pay gap. Bidders could be asked to calculate and submit their gender pay gap, using the formula stipulated in the 2017 Gender Pay Gap Reporting Duty.

178. The Committee asks the Scottish Government to take advantage of the opportunities presented by the shift in procurement legislation as a result of leaving the European Union, to consider any new legislation in light of the gender pay gap.

¹⁶⁵ Close the Gap, written submission

¹⁶⁶ Federation of Small Businesses Scotland, written submission

¹⁶⁷ Official Report, 2 May, col. 33

Scottish Business Pledge

179. The Scottish Business Pledge is a central part of the Scottish Government's fair work agenda. According to the Scottish Government, the [Scottish Business Pledge \(SBP\)](#) is a "values-based partnership between Government and business" which consists of a company or organisation committing to pay the Living Wage to all direct employees over 18 and "delivering on at least two other elements and be committed to achieving the rest over time." Other components include:

- Not using exploitative zero hours contracts
- Supporting progressive workforce engagement
- Investing in youth
- Making progress on diversity and gender balance
- Committing to an innovation programme
- Pursuing international business opportunities
- Playing an active role in the community, and,
- Committing to prompt payment of invoices.

180. As of 10 May, 362 companies had signed up to the Business Pledge. According to Audit Scotland, SE and HIE account manage around 2,800 companies, and "work with or assist approximately 11,200 businesses each year"¹⁶⁸. COSLA wrote:

” Based on the SBP statistics from November 2016, making progress on diversity and gender balance has been the least successful element of the pledge. Since workforce segregation, both in terms of sectors and within organisations, remains a key cause of any gender pay gap, a greater focus on this element could be beneficial.¹⁶⁹

181. Evidence to the Committee has not given great credence to the effectiveness of the Business Pledge in tackling the gender pay gap. Close the Gap called the gender balance measure "meaningless."¹⁷⁰ Equate Scotland said, "Although the Scottish business pledge is well intentioned, it does not give businesses enough to work on. I can see it only as an introduction to the topic."¹⁷¹ Tricia Nelson of EY commented, "My advice would be to...make it easy to understand which campaigns have teeth and which campaigns are cosmetic."¹⁷² SSE added, "We are in agreement with the Scottish business pledge. However, when it comes to the gender pay gap, there is room to be a bit more specific and a bit more targeted."¹⁷³

182. Witnesses have commented that the gender element of the pledge is unclear. Close the Gap wrote that:

¹⁶⁸ Audit Scotland, [Supporting Scotland's Economic Growth](#), p.30

¹⁶⁹ COSLA, written submission

¹⁷⁰ Close the Gap, written submission

¹⁷¹ Official Report, 14 March, col. 23

¹⁷² Official Report, 14 March, col. 49

¹⁷³ Official Report, 28 March, col 26

” The gender equality element of the Pledge describes achieving a “balanced workforce.” Close the Gap is not aware of this indicator being used anywhere else in the world to measure progress on women’s labour market inequality.

” ...we are concerned that a lack of gender competence during the development process has resulted in the wrong indicator being used for the gender equality element of the Pledge. It is very likely that this will confuse businesses...¹⁷⁴

183. Others, including Engender¹⁷⁵ and Equate Scotland, agree.¹⁷⁶

184. CMS Cameron McKenna LLP said:

” The only organisations that we work with that pay much attention to the Scottish business pledge are those that are tendering for public sector work and want to be able to tick a box to say that they have done it. However, I would not say that the pledge as it stands has had a huge impact on the client base that we work with.¹⁷⁷

185. SE and HIE both highlighted work their organisations are doing to promote the Scottish Business Pledge. This is a central part of the Scottish Government’s Fair Work agenda, appearing prominently in both its Economic Strategy and Labour Market Strategy. However, SE appeared to label the Business Pledge and Living Wage accreditation as “badges”:

” When we ask questions about it, we find that lots of companies are not particularly interested in badges—people think, “That feels quite political, and I’m not interested in politics.” I have had some conversations along those lines with company representatives I have met. There will be many different reasons why they have chosen not to go down the route of accreditation even though they are doing the thing that we would like them to be accredited for.¹⁷⁸

186. The Scottish Government has indicated that the Business Pledge will be reviewed this year and has recently stated that, “There are no plans to add additional elements to the Scottish Business Pledge at this time. Formal evaluation of the Business Pledge, scheduled for 2017, will provide further evidence of company behaviours.”¹⁷⁹

¹⁷⁴ Close the Gap, written submission

¹⁷⁵ Engender, written submission

¹⁷⁶ Equate Scotland, written submission

¹⁷⁷ Official Report, 14 March, col. 49

¹⁷⁸ Official Report, 2 May, col. 8

¹⁷⁹ [S5W-08110](#)

187. The Committee recommends that the gender element of the Scottish Business Pledge is redesigned so that businesses are fully aware of what is required of them. The Committee recommends that this work be undertaken by the Scottish Government in consultation with gender advisers and that the Scottish Government provide guidance to support businesses in reducing the gender pay gap.

Low Pay and the Living Wage

188. Witnesses told the Committee that paying the living wage can have a significant impact on the gender pay gap, and on women's lives. The Committee heard from Professor Findlay that:

” One thing that we could do to reduce the gender pay gap is reduce low pay. Women make up 60 per cent of the low-paid workforce in the UK and, in Scotland, 20 per cent of women earn less than the living wage, compared with 14 per cent of men. Tackling issues of low pay would automatically impact on the gender pay gap. We saw that the introduction of the minimum wage had the biggest impact of any initiative in a single year on the size of the gender pay gap in the UK. In certain occupations, the issue is not just to do with tackling the gender pay gap and segregation; it is about tackling poverty wages.¹⁸⁰

189. Professor Loretto illustrated this with a point about the care sector, where:

” there is a key shortage of employees and demand for people is increasing. Employers are now paying the living wage and those to whom I have spoken say that more men are coming into the sector and taking up positions. That relates to our discussion about the business case for narrowing the pay gap, which can release capacity.¹⁸¹

190. Others have supported this in written evidence, with Police Scotland writing their elevation of wages to the living wage “reduced GPG as [it] increased base levels of pay for lower ends where higher concentration of women.”¹⁸² Stirling Council have been paying the living wage since 2012 and write, “This strategy has had a major impact in reducing the basic pay gender pay gap as the majority of beneficiaries in these grades are women.”¹⁸³

191. The Committee heard evidence from several organisations that although they were living wage employers, they could not be certain whether that living wage commitment extended throughout their supply and procurement chain. This meant

¹⁸⁰ Official Report, 7 March, col. 37

¹⁸¹ Official Report, 7 March, col. 45

¹⁸² Police Scotland, written submission

¹⁸³ Stirling Council, written submission

that some organisations were ostensibly accredited living wage employers, and paid the living wage to their direct employees, but not necessarily to those who might work for the business as contractors. While some organisations stated a “commitment to the living wage concept,”¹⁸⁴ they were uncertain or unable to ascertain whether that commitment extended to their contracted employees.

192. The Committee highlights the difference between “actual” living wage employers, who ensure all those working for the business are paid the living wage, and “conceptual” living wage employers, who support the concept of the living wage but do not actually implement it. The Committee encourages all businesses to enter into the letter and not merely the spirit of being a living wage employer. The Committee believes that all businesses should not only strive to be living wage employers themselves but should also encourage those in the supply chain to pay the living wage.¹⁸⁵

Business Support and Enterprise

193. Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE) are Scotland’s main economic development agencies. Local authorities also have an important economic development role, for example through the delivery of Business Gateway services to new and growing companies.
194. Enterprise agencies support businesses in a number of ways; for example through the provision of grants and other types of finance, advice and training. Larger companies and those with high growth potential may be “account managed”, meaning they receive one-to-one support, advice and guidance from enterprise agency account managers.
195. Representatives of Clydesdale Bank, EY and CMS Cameron Miller all believe there is merit in making some business support conditional on recipient companies addressing gender pay issues or meeting certain criteria.¹⁸⁶
196. The Committee heard from both SE and HIE, as well as a representative from local authority economic development. Neither SE nor HIE were enthusiastic about introducing conditionality to their services, with HIE stating:

” Conditionality is quite a difficult topic. There are ways that we can work with businesses to encourage higher numbers of women into them. In some sectors—for example, the IT sector—we have quite a lot of foreign direct investment. At present, given the economic climate, it would be quite a

¹⁸⁴ Official Report, 28 March, col.22-23

¹⁸⁵ There was a division on the content of this paragraph. See Annexe A, Minute of the Meeting of 20 June 2017 for details.

¹⁸⁶ Official Report, 14 March, col.55-56

challenge to introduce things that could be perceived as additional barriers to investment in Scotland.¹⁸⁷

197. HIE also highlighted potential *practical* problems that may arise from introducing conditionality:

” I am not sure what your thoughts are around conditionality. Would you set percentages for gender in the workforce? Would it have to be 50:50 or whatever? How would businesses be expected to achieve that?¹⁸⁸

198. Lynne Cadenhead of Women’s Enterprise Scotland took a different view, stating:

” I like the idea of making funding conditional on gender balance. Although it is good to encourage people—I understand that— encouragement goes only so far, so we must sometimes make things mandatory: we need to set down rules and responsibilities and what people need to do.¹⁸⁹

199. One of SE’s main grant programmes is Regional Selective Assistance (RSA), a grant scheme which helps fund projects leading to the creation or safeguarding of jobs. In 2014/15 £58 million worth of RSA payments were agreed, to be paid over a number of years. Since 2015, SE has encouraged all RSA applicants to develop an “Invest in Youth” policy, including setting a target for youth employment as a percentage of their workforce.

200. In evidence to the Committee, SE announced that a new measure will be included in SE’s 2017-18 business plan, which records the number of companies they work with which have introduced “fair and progressive workplace practices”¹⁹⁰. The business plan was published in June 2017.¹⁹¹

201. From the evidence heard on 2 May, the Committee is not persuaded that the enterprise agencies are as fully committed to promoting the Scottish Business Pledge as they might be. The Committee expects to see the inclusion of ambitious Scottish Business Pledge targets and gender pay measures within future business plans.

202. The Committee recommends that the enterprise agencies require all account managed businesses to have or produce gender pay gap reports and action plans. The Committee also recommends that those who receive significant support such as Regional Selective Assistance grants (RSA) should also be asked to have or produce gender pay gap reports and action plans for their Scottish operations.

¹⁸⁷ Official Report, 2 May, col. 14

¹⁸⁸ Official Report, 2 May, col. 15

¹⁸⁹ Official Report, 2 May, col. 15

¹⁹⁰ Official Report, 2 May, col. 26

¹⁹¹ The SE Business Plan update for the 2017-18 operating year (as part of the 2015-18 Business Plan) was published on 21 June 2017. The Committee has therefore not had the opportunity to consider it.

203. The Committee expresses disappointment in the lack of information given in evidence by Scottish Enterprise on the number of account managed companies run by women, and on the potential economic benefit to Scotland of greater levels of female employment and female entrepreneurship.
204. In addition, the Committee believes that all account managed companies and recipients of RSA grants should be Business Pledge signatories.
205. From the evidence received, the Committee is disappointed in the apparent lack of consideration or commitment from the enterprise agencies to addressing the gender pay gap through its work with businesses. The Committee recommends that the Scottish Government clearly sets out what is expected of the enterprise agencies in relation to addressing the gender pay gap and that it monitors their performance in this area.
206. The Committee notes that the gender pay indicator page¹⁹² on Scotland Performs does not include the enterprise agencies as “partners” in helping the Government address the pay gap. The Committee asks the Government to explain and address this exclusion.
207. The Committee recommends that the Scottish Government require the enterprise agencies to report on the work they are doing with their account managed companies to reduce the gender pay gap. This activity and progress should be reported through the agencies’ annual reports and fed into the National Performance Framework’s (NPF) “Reduce the pay gap” national indicator.
208. The Committee recommends that a question on the gender pay gap be added to the RSA application form, as is currently done for the “Invest in Youth” policy.

The Enterprise Gap

209. Women’s Enterprise Scotland (WES) cites evidence showing that women-led businesses contribute more than £5 billion towards the Scottish economy. In addition, female entrepreneurs across Glasgow and Edinburgh set up 3,300 businesses in 2015, with 7,100 launched across all of Scotland.¹⁹³
210. Despite females accounting for 51% of the Scottish population, only 21% of SMEs are led by women. WES argues that “if rates of women-led businesses equalled that of men, the contribution to Scotland’s GVA would increase to £13 billion.”¹⁹⁴

¹⁹² Scottish Government, [Scotland Performs: National Indicator Pay Gap](#)

¹⁹³ Women’s Enterprise Scotland, written submission

¹⁹⁴ Women’s Enterprise Scotland, written submission

211. Emma Gibbs of McKinsey states that women entrepreneurship is relatively strong in the UK – “we are ranked fifth in the world on the Dell global women entrepreneur leaders scale.” However, she also acknowledged that more could and should be done. Referencing the economic benefits of closing the enterprise gap, Emma Gibbs stated “if we were able to match the rate of women in entrepreneurship that exists in the United States, the UK could experience quite a substantial economic uplift.”¹⁹⁵
212. Linking the pay gap and the enterprise gap, Lynne Cadenhead of WES believes that female entrepreneurs “pay themselves 20 per cent less than male entrepreneurs who start-up businesses”¹⁹⁶, although she accepted that data in this area is far from definitive.
213. The Scottish Chambers of Commerce highlighted the importance of mentoring and support services provided by the Chambers aimed at helping new and existing women-led businesses, as well as those provided by SE and WES. In terms of improving services for women entrepreneurs, however, they stated:
- ” I am not sure whether more funding would help or whether part of the answer is in providing the right support to those women through mentoring and sponsorship, so that they can see and become role models showing that it is possible to be a successful female entrepreneur. That is another issue that we have not touched on yet—women will be encouraged by seeing more successful women, and more funding and support could help with that.”¹⁹⁷
214. SE were unable to provide details of how many of their account managed companies were female-owned; however, WES believes it is around 11 per cent. HIE were more forthcoming:
- ” About 35 per cent of our (HIE’s) account managed businesses are either in female ownership or have a woman in the partnership. There is a lower level of businesses that have a female executive—about 14 per cent. Around 45 per cent of our account managed businesses have women in senior leadership positions.”¹⁹⁸
215. The two main barriers to increasing levels of female entrepreneurship, according to WES, are access to capital and insufficient mentoring opportunities during the pre-start up stage. On the first point, WES contends that business angel capital, venture capital and banking decision-making is very much dominated by men:
- ” investment decisions are made and assessed by men. I say with the best will in the world that men will tend to look at things from the point of view of how they think businesses should grow, which is quickly. Access to capital is really important, so we need to develop more initiatives on long-term

¹⁹⁵ Official Report, 25 April, col. 13

¹⁹⁶ Official Report, 2 May, col. 4-5

¹⁹⁷ Official Report, 25 April, col. 32

¹⁹⁸ Official Report, 2 May, col. 7

patient capital that is not looking for quick wins, quick bucks and headlines.¹⁹⁹

216. Asked about similar issues, Minister for Employability and Training responded:

” That is why we (the Scottish Government) fund Women’s Enterprise Scotland to work with a range of partners to undertake various measures such as peer mentoring and providing links with angel investors to attract the relevant finance.²⁰⁰

217. The Committee asks the Scottish Government and its agencies to review the funding streams available to new and existing female entrepreneurs. Of particular concern to the Committee is the suggestion that male entrepreneurs are more successful in accessing capital than females. The Committee would be interested to hear if this has been the experience of female-owned account managed companies and Business Gateway clients, and recommends the Scottish Government and its agencies undertake research in this area.

218. The Committee heard evidence about the importance of mentoring to new and existing female business owners, and recommends that the Scottish Government reviews existing opportunities available to female entrepreneurs across the whole of Scotland with a view to enhancing support wherever possible.

Overarching Strategy

219. The Committee has heard repeated calls from witnesses for an “overarching strategy” to bring together the many strands of policy that could impact the gender pay gap.²⁰¹ Close the Gap highlighted this saying:

” The Government could develop a national strategy to reduce the pay gap, which is something that we have never seen before. All we have had are bits and pieces of things and quite piecemeal actions that have not really resulted in any substantive change.²⁰²

¹⁹⁹ Official Report, 2 May, col. 16-17

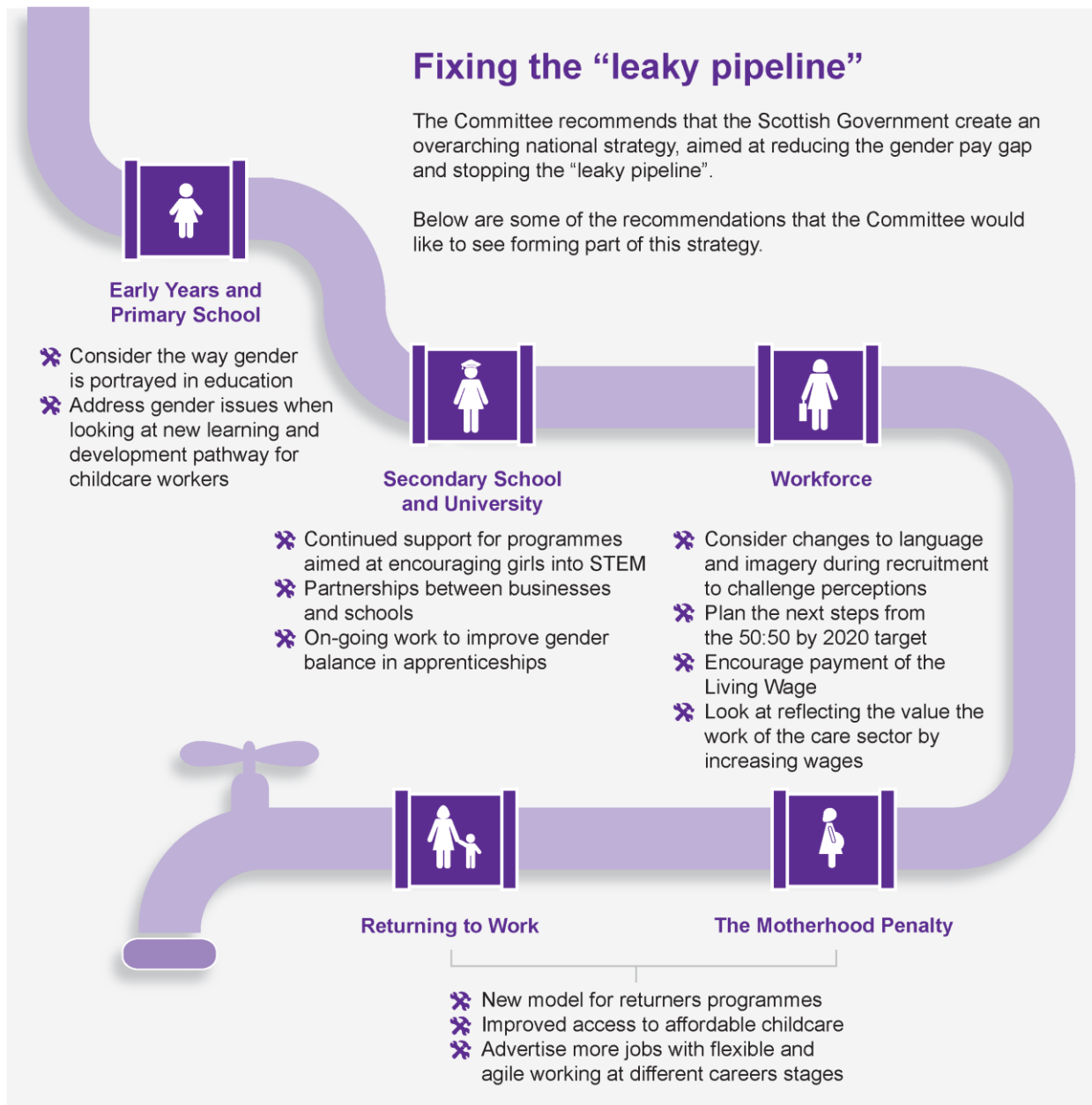
²⁰⁰ Official Report, 2 May, col. 37

²⁰¹ Official Reports: Close the Gap, 7 March, col. 19 and written submission; Engender, 7 March, col. 20 and written submission; Professor Wall, 7 March, col. 50; Equate Scotland, 14 March, col. 24; CMS Cameron McKenna LLP, 14 March, col. 56; Unison, 18 April, col. 27; CIPD, 25 April, col. 37; Scottish Water, written submission

²⁰² Official Report, 7 March, col. 19

220. Engender added, “We would entirely support such a move”²⁰³ while Unison commented, “We do not have a strategy, but we need one.”²⁰⁴ CMS Cameron McKenna LLP agreed with the idea saying:

” Yes, if by a national strategy you mean a 360° solution, almost, that starts with education at the very early stages and is entirely joined up. It should not be about just agencies being joined up, but the full process. That is the only way, in the long term, to deliver the change that we are trying to deliver.²⁰⁵



²⁰³ Official Report, 7 March, col. 20

²⁰⁴ Official Report, 18 April, col. 27

²⁰⁵ Official Report, 14 March, col. 56

221. The Committee recognises that the reasons for the gender pay gap are deep-seated and wide-ranging and need to be tackled in a number of policy areas, including education, skills, childcare, procurement, business support, and the work of the enterprise agencies. Therefore, the Committee recommends that the Scottish Government produce an overarching strategy to address the gender pay gap, including an action plan and measurable targets.

222. The Committee acknowledges the willingness of the Scottish Government to address the issue, and feels there is an opportunity here for Scotland to become a world leader in reducing the gender pay gap. This report and the Committee's recommendations are intended to set the groundwork for this.

Ending the #GenderPayGap matters because...

Ending the gender pay gap matters because, in 2017 there is no justification for paying someone less for doing the same amount and type of work. There is no justification for the segregation that exists when it comes to male dominated or female dominated sectors, and there is no justification for the responsibility of family matters falling to women. Society cannot be divided into outdated and unfair stereotypes, and that needs to be recognised in the workplace.

-Bee



genderpaygap@parliament.scot

 **@SP_Economy**
#GenderPayGap

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Pàrlamaid na h-Alba

Annexe A

Extracts from the minutes of the Economy, Jobs and Fair Work Committee and associated written and supplementary evidence.

3rd Meeting, Tuesday 24 January 2017

3. Gender Pay Gap (in private): The Committee considered a list of candidates and agreed an order of preference for appointment.

8th Meeting, Tuesday 7 March 2017

1. Gender Pay Gap: The Committee took evidence from—

Anna Ritchie Allan, Project Manager, Close the Gap;

Emma Ritch, Executive Director, Engender;

Chris Oswald, Head of Policy and Communications, Equality and Human Rights Commission Scotland;

Professor Patricia Findlay, Member and Academic Adviser, Fair Work Convention;

Professor Wendy Loretto, Dean of the Business School and Professor of Organisational Behaviour, University of Edinburgh Business School;

Emily Thomson, Research Associate, Women in Scotland's Economy (WiSE Research Centre), Glasgow Caledonian University;

Dr Irina Merkurieva, Lecturer in Economics, School of Economics and Finance, The University of St Andrews;

Professor Fiona Wilson, Professor of Organisational Behaviour, Adam Smith Business School, The University of Glasgow;

Professor Ian Wall, Chair, STEMEC (Science, Technology, Engineering and Mathematics Education Committee).

Written Evidence



Close the Gap



Engender



Professor Ian Wall

Supplementary Written Evidence



Close the Gap



Engender



Equality and Human Rights Commission

9th Meeting, Tuesday 14 March 2017




1. Decision on taking business in private: The Committee agreed to take item 4 in private.

2. Gender Pay Gap: The Committee took evidence from—

Talat Yaqoob, Director, Equate Scotland;
 Tanya Castell, Non Executive Director and CEO, Changing the Chemistry;
 Shona Struthers, Chief Executive, Colleges Scotland;
 Katie Hutton, Director, National Training Programmes, Skills Development Scotland;
 Professor Gillian Hogg, Deputy Principal (External Relations), Heriot-Watt University, Universities Scotland;
 Tricia Nelson, Partner, EY;
 Debbie Crosbie, Chief Operating Officer and an Executive Director, Clydesdale Bank;
 Gillian MacLellan, Partner, CMS Cameron McKenna LLP;
 Debbie Miller, Inclusion Manager, Royal Bank of Scotland.

4. Gender Pay Gap (in private): The Committee considered evidence heard at today's meeting.

Written Evidence

-  [Equate Scotland](#)
-  [Colleges Scotland](#)
-  [EY](#)

Supplementary Written Evidence

-  [Clydesdale Bank](#)

11th Meeting, Tuesday 28 March 2017

2. Gender Pay Gap: The Committee took evidence from—

Shirley Campbell, Director for People, Scottish Water;
 Rosie MacRae, Head of Inclusion and Diversity, SSE;
 Megan Horsburgh, Head of Diversity and Inclusion, Sodexo UK & Ireland;
 Catriona Mackie, HR Director, Diageo Global Supply, Diageo;
 Katy Miller, Head of Human Resources, City of Edinburgh Council, COSLA;
 Peter Reekie, Deputy Chief Executive and Director of Investments, Scottish Futures Trust;
 Nicky Page, Head of People Management, Police Scotland;
 Ian Reid, Management Side Secretary, NHS Scotland Terms and Conditions Committee (STAC);
 Diane Vincent, Director of People and Organisational Development, Scottish Fire and Rescue Service.

3. Gender Pay Gap (in private): The Committee considered the evidence heard at today's meeting.

Written Evidence

-  COSLA
-  Scottish Police Authority/Police Scotland
-  Scottish Water


12th Meeting, Tuesday 18 April 2017

2. Gender Pay Gap: The Committee took evidence from—
Peter Hunter, Regional Manager, UNISON Scotland;
Cheryl Gedling, Industrial Officer, Public and Commercial Services Union (PCS);
Ann Henderson, Assistant Secretary, STUC;
Richard Hardy, National Secretary, Prospect;
Val Dougan, Equality and Diversity Committee, Law Society of Scotland;
Kevin Burnett C. Eng, MICE, MStructE, President, Aberdeen Association of Civil Engineers, Institution of Civil Engineers Scotland;
Dr Donald Macaskill, Chief Executive, Scottish Care;
Professor Catriona Paisey, Professor of Accounting at Glasgow University, member of the ICAS Council and Ethics Board, ICAS.

John Mason declared that he had been a member of the ICAS Council and Ethics Board; Bill Bowman declared that he was a member of ICAS and had worked at KPMG with Professor Catriona Paisey; Dean Lockhart declared that he is a member of the Law society of England and Wales; Gordon Lindhurst declared that he is an Advocate and member of the Faculty of Advocates, and Jackie Baillie declared that she is a member of UNISON.

3. Gender Pay Gap (in private): The Committee considered the evidence heard at today's meeting.

Written Evidence

-  UNISON Scotland
-  Law Society of Scotland
-  Scottish Care
-  Professor Catriona Paisey and Professor Nicholas Paisey

Supplementary Written Evidence

 [Law Society of Scotland](#)

13th Meeting, Tuesday 25 April 2017

2. Gender Pay Gap: The Committee took evidence from—

Professor David Bell, Professor of Economics, and Dr Tanya Wilson, Early Career Fellow, University of Stirling;

Emma Gibbs, Partner, McKinsey & Company;

Charles Cotton, Policy Adviser, Pay and Reward, CIPD (Chartered Institute of Personnel and Development);

Maggie Morrison, Vice President, Public Sector, CGI Scotland, Board Member, Scottish Chambers of Commerce.

4. Gender Pay Gap (in private): The Committee considered the evidence heard at today's meeting.

Written Evidence

 [David Bell and Tanya Wilson, Stirling Management School](#)

Supplementary Written Evidence

 [McKinsey & Company](#)

14th Meeting, Tuesday 2 May 2017

2. Gender Pay Gap: The Committee took evidence from—

Linda Murray, Head of Strategy, Scottish Enterprise;

Carroll Buxton, Director of Regional Development, Highlands and Islands Enterprise;

Lynne Cadenhead, Chairman, Women's Enterprise Scotland;

Elma Murray, Chief Executive of North Ayrshire Council, Member, Scottish Local Authorities Economic Development Group;

Jamie Hepburn, Minister for Employability and Training, Scottish Government.

3. Gender Pay Gap (in private): The Committee considered the evidence heard at today's meeting.

Written Evidence



Scottish Enterprise



Highlands and Islands Enterprise



Women's Enterprise Scotland



North Ayrshire Council

15th Meeting, Tuesday 16 May 2017

1. Gender Pay Gap (in private): The Committee considered its approach to its draft report.

18th Meeting, Tuesday 6 June 2017

1. Gender Pay Gap (in private): The Committee considered a draft report, various changes were agreed to, and the Committee agreed to consider a revised draft in private at a future meeting.

18th Meeting, Tuesday 13 June 2017








4. Gender Pay Gap (in private): The Committee considered a draft report, various changes were agreed to, and the Committee agreed to consider a revised draft in private at a future meeting.

20th Meeting, Tuesday 20 June 2017

1. Gender Pay Gap (in private): The Committee considered a draft report. Various changes were proposed and decided upon (one by division), and the report was agreed for publication.

Record of division in private: Dean Lockhart proposed that “where possible” be inserted into the second last sentence of paragraph 192 after “all businesses.” The proposal was disagreed to by division: For 3 (Bill Bowman, Gordon Lindhurst, Dean Lockhart), Against 7 (John Mason, Jackie Baillie, Ash Denham, Richard Leonard, Gordon MacDonald, Gillian Martin, Andy Wightman), Abstentions 0.

List of other Written Evidence

-  Aberdeenshire Council
-  Coalition for Racial Equality and Rights (CRER)
-  Comhairle nan Eilean Siar
-  Family Friendly Working Scotland
-  FDM Group
-  Institute of Physics
-  Janice Sibbald
-  Liz Albert
-  Moray Council
-  Public Relations and Communications Association
-  Royal Society of Edinburgh
-  S Davidson
-  Scottish Funding Council
-  Scottish Women's Budget Group's
-  Scottish Women's Convention
-  South Lanarkshire Council
-  Stirling Council
-  Unite the Union Scotland
-  University and College Union
-  VisitScotland
-  WiSE Research Centre

Late Submissions

-  Professor Tom Schuller

Supplementary Evidence

-  Oil and Gas UK

Annexe B

Notes of Visits

-  FDM Group
-  Page\Park Architects
-  Men in Childcare
-  The Wood Group
-  Home Sweet Home

Annexe C

Text of Twitter responses to the question, “Ending the gender pay gap matters because...”

1. what message are we sending to young people when half the population is devalued
2. the same work should have the same value no matter who does it
3. this shouldn't be a problem in 2017
4. cost of living is not determined by gender
5. it creates a more cohesive and equal society
6. the next generation of girls deserve better
7. I don't want my daughter and my nieces to have the same issues I encountered in the workplace
8. we are underutilising the skills of half of Scotland's workforce
9. women's contributions are vital to the economy
10. it is indefensible
11. we're worth it!
12. I want my sisters to have the same opportunities as me
13. because if we don't move forward together, we won't move forward at all
14. We are equal
15. (Gaelic) it should be ended – it's so obvious!
16. food doesn't cost less if you're female
17. valuing women's work means recognising women's contribution to the economy
18. it's good for economic growth
19. I'm the only earner supporting my family
20. it's so bloody out of date and wrong it's embarrassing. It's the 21st century – get real!
21. (from a dog) it would be such a paw-sitive step, we'd be barking not to!
22. it's the 21st century and everybody is equal
23. because we all have mothers, aunts, sisters, wives, daughters, nieces and friends that deserve it!
24. it creates a more equal and cohesive society
25. equal pay for equal work
26. when women thrive we all benefit

27. (Gaelic) because girls are just as good as boys
28. I don't think my brother should get more pocket money than me!
29. it could add £17 billion to Scotland's economy (and that's good for everyone!)
30. women's contribution to the economy still isn't recognised equally, after years of fighting. Our pay must be equal! It's our legal right!
31. we all want to see women playing their fair part in Britain's top jobs and we all want to see women having access to the same economic opportunities as men.
32. we want our daughters to fulfil their potential
33. it's 2017
34. women's economic inequality creates a conducive context for violence against women
35. equality will benefit men just as much as women
36. it's your combination of skills, experience and attitude that matters, not the combination of chromosomes you were born with.
37. it should never have existed in the first place
38. women shouldn't be penalised for taking a break to have children
39. Equal pay is a matter of justice. Equal pay is essential if we're serious about lifting women and children out of poverty. Equal pay will help enable and empower women to take advantage of education, to become politically active, to do what matters to them. Decades after the Equal Pay Act came into force, it's high time there was no gender pay gap.
40. it is our right to be valued and for our skills and experience to be treated equally.
41. 40+ years after equal pay law, it's past time
42. young women need role models who are progressing in the workplace now
43. our daughters matter just as much as our sons. Our mothers deserve to not be penalised just because they are not our fathers.
44. fairness should be the basis of our society
45. pay equality = gender equality = ending violence against women
46. it's not fair
47. we are equal citizens and deserve to be treated as equals
48. I worked very hard to get my degree and I'm as intelligent as a man
49. more money means more autonomy and more choices for women and children experiencing domestic abuse
50. everyone is equal

51. we are all equal. It's as simple as that
52. equality of opportunity is a human right. Equal pay = equal opportunity
53. holding back women holds back everyone
54. women are no different to men. They are capable of doing pretty much the same things that men can do. What is different about us? Answer: nothing
55. that will encourage women to pursue careers, not merely jobs
56. we do the same work, same pressures, same intelligence, same commitment
57. there would be better job opportunities for women
58. when most women do two jobs and ensuring the survival of mankind, why are we still being treated as second class citizens?
59. equality for women is progress for all
60. it's 2017 for goodness sake
61. it's only fair
62. equality matters, no excuses
63. we are all born equal and we should all remain equal
64. a fair day's work deserves a fair day's pay
65. equal work should mean equal pay
66. it's long overdue
67. it is simply wrong
68. equality of opportunity transcends gender
69. because equal rights, fair play, justice are like the air: we all have it or none of us has it (Maya Angelou)
70. such disparity is shocking, inexcusable and makes absolutely no economic sense
71. everyone is equal and everyone should have the opportunity to fulfil their potential
72. promoting gender equality is the most effective way of tackling child poverty
73. it's simply the right thing to do – what are we waiting for?
74. an equal society is better for everyone
75. my daughter should earn the same as your sons
76. occupational segregation is bad for women and bad for the economy
77. women's work is of equal worth
78. paying men more for the same work, and not offering them decent paternity, perpetuates sexist attitudes towards gender roles. This places unnecessary pressure

on men and women to act in certain ways. It has negative implications for mental health, workplace productivity, and people's home lives. The gender pay gap has no business being in a democratic, modern society.

79. the only division I should learn should be in arithmetic

80. (Gaelic) the value of work doesn't depend on gender

81. in 2017 there is no justification for paying someone less for doing the same amount and type of work. There is no justification for the segregation that exists when it comes to male dominated or female dominated sectors, and there is no justification for the responsibility of family matters falling to women. Society cannot be divided into outdated and unfair stereotypes, and that needs to be recognised in the workplace.

82. it has no place in a democratic, modern society

83. we're all collaborators in building a better world

84. (Gaelic) it's 2017

85. (Czech) women are people too

86. (Portuguese) everyone is equal

87. women shouldn't have to wait until 2069 for equal pay for equal work

88. as a 14 year old, I don't find it fair that my future female counterparts will be paid on average £11,000 less than me just because of their gender

Annexe D

Selected sources for “leaky pipeline” infographic

Early Years and Primary School	
By primary school, the ideas of “girl’s jobs” and “boy’s jobs” are already established	<p>Engender: imagery and messages in children’s books contains strong gender stereotypes around jobs (7 March, col. 16-17)</p> <p>Scottish Care: Children have formed ideas by age 3 of who is responsible for care (women) (18 April, col. 44)</p> <p>Police Scotland: by age 5, children identify certain roles as male (28 March, col. 46)</p>
Gendered school curriculum can impact on both boys’ and girls’ future choices	<p>Engender: Addressing gender issues through the whole school curriculum helps boys and girls (7 March, col. 16)</p> <p>Emily Thomson: Higher education choices are affected by early school influences (7 March, col. 22)</p> <p>SDS: Development and delivery of curriculum should consider how it may engender particular attitudes. (14 March, col. 17)</p>
Secondary School and University	
Girls and boys study STEM subjects at equal levels in school	SQA statistics 2016 show 53% of entries starting Highers in Biology, Chemistry, Computing Science, Engineering Science, Environmental Science, Human Biology, Mathematics and Physics were male and 47% were female.
But 73% of women who graduate with STEM degrees leave the industry	Equate Scotland: 73% of women who graduate in STEM subjects do not stay in STEM industries in technical roles. (14 March, col. 29)
citing casual sexism and a lack of female role models	McKinsey: 80% of girls say that they have no STEM role models. 30% expect to experience sexism in a STEM career. (25 April, col. 14)
Workforce	
Women enter the STEM workforce at similar positions and pay to men. However, women tend to receive fewer promotions, leading to fewer women in senior positions.	<p>Scottish Chambers of Commerce: women are passed over for promotion because they are of child-bearing age. (25 April, col. 28)</p> <p>Close the Gap: the impact of working part time damages promotion prospects. (7 March, col. 5)</p> <p>Equate Scotland: women tend to take up only 12 per cent of the management roles in STEM (14 March, col. 2)</p>
This helps create a negative environment for female workers.	Scottish Chambers of Commerce: STEM industries are male dominated, making it difficult for women to advance among male networks. (25 April, col. 31)
The Motherhood Penalty	
Workplace pregnancy and	EHRC: approximately 5,500 women a year in

Economy, Jobs and Fair Work Committee

No Small Change: The Economic Potential of Closing the Gender Pay Gap, 6th Report, 2017 (Session 5)

maternity discrimination is still widely reported, including cases of redundancy and dismissal.	Scotland lose their jobs directly because of pregnancy and maternity issues or because they feel pushed out. (7 March, col. 17-18)
Skilled female workers take a permanent 4% pay cut for each year not in work.	McKinsey: for every year a skilled mother takes out of work, pay has a lasting 4% reduction. (25 April, col. 7)
Returning to Work	
Many women choose to return to work on reduced hours	Professor Bell: A typical pattern is women leave work for a couple of years and then return part-time (25 April, col. 6)
but a lack of flexible and part-time opportunities is limiting.	Close the Gap: a lack of flexible working leads to lack of opportunities (7 March, col 5-6)
Women can experience a drop in confidence from time not in work, particularly in fast changing sectors	Prospect: Women in technical roles worry about how work has changed while they've been out of the sector (18 April, col. 24-25)
Ongoing care responsibilities can affect women throughout their careers.	Professor Loretto: there is a lack of flexible opportunities in later life to recognise unpaid work like care. (7 March, col. 50)

