OFFICIAL REPORT
AITHISG OIFIGEIL

Economy, Jobs and Fair Work Committee

Tuesday 7 March 2017

Session 5

The Scottish Parliament
Pàrlamaid na h-Alba

Tuesday 7 March 2017

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ECONOMY, JOBS AND FAIR WORK COMMITTEE
8th Meeting 2017, Session 5

CONVENER

*Gordon Lindhurst (Lothian) (Con)

DEPUTY CONVENER

*John Mason (Glasgow Shettleston) (SNP)

COMMITTEE MEMBERS

*Jackie Baillie (Dumbarton) (Lab)
*Bill Bowman (North East Scotland) (Con)
*Ash Denham (Edinburgh Eastern) (SNP)
*Richard Leonard (Central Scotland) (Lab)
*Dean Lockhart (Mid Scotland and Fife) (Con)
*Gordon MacDonald (Edinburgh Pentlands) (SNP)
*Gillian Martin (Aberdeenshire East) (SNP)
*Gil Paterson (Clydebank and Milngavie) (SNP)
*Andy Wightman (Lothian) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Anna Ritchie Allan (Close the Gap)
Professor Patricia Findlay (Fair Work Convention)
Professor Wendy Loretto (University of Edinburgh)
Dr Irina Merkurieva (University of St Andrews)
Chris Oswald (Equality and Human Rights Commission Scotland)
Emma Ritch (Engender)
Emily Thomson (Glasgow Caledonian University)
Professor Ian Wall (Science, Technology, Engineering and Mathematics Education Committee)
Professor Fiona Wilson (University of Glasgow)

CLERK TO THE COMMITTEE

Alison Walker

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Economy, Jobs and Fair Work Committee

Tuesday 7 March 2017

[The Convener opened the meeting at 09:33]

Gender Pay Gap

The Convener (Gordon Lindhurst): Good morning and welcome to the eighth meeting in 2017 of the Economy, Jobs and Fair Work Committee. I remind everyone to turn off or turn to silent electrical devices that might interfere with the sound systems.

We welcome three witnesses: Anna Ritchie Allan, project manager at Close the Gap; Emma Ritch, executive director of Engender; and Chris Oswald, head of policy and communications at the Equality and Human Rights Commission in Scotland. I have introduced the witnesses in no particular order.

I ask members to keep their questions succinct and the witnesses to try to keep their answers focused, in the limited time that we have. The witnesses might not wish to answer every question. If they wish to say something, they should simply raise their hand so that I can bring them in. There is no need to worry about the microphones, which the sound engineer deals with.

I will start with a general question about what is called the gender pay gap. I thought that it might be useful to ask each of the witnesses how that looks in their own organisation. Who would like to start? Chris Oswald, perhaps?

Chris Oswald (Equality and Human Rights Commission Scotland): I must admit that I had not anticipated that question so I have not prepared for it. From memory, we have a gender pay gap of approximately 6 to 7 per cent. I can come back and give you the exact figure in correspondence. We have the data.

The Convener: That would be helpful. If questions are asked and witnesses wish to get back to the committee in writing with details about particular matters, they should feel free to do that. Indeed, the committee might write later to witnesses for clarification of matters.

Anna Ritchie Allan (Close the Gap): We just have women in our organisation.

The Convener: Right.

Emma Ritch (Engender): Engender is the same. Women form the majority of people who work in gender inequality. We have a pay gap of zero because we have no men working for Engender.

The Convener: I see. Are there similar organisations that address the issue from men's point of view that have only men working for them?

Anna Ritchie Allan: There are not, that I am aware of.

Emma Ritch: Organisations and initiatives that work on the issues that underpin the pay gap—getting men into care—would absolutely tend to employ men. I am talking about, for example, Men in Childcare, the Alan Plus initiative, which was funded through European funding and employed men to do its work, and Fathers Network Scotland, which employs only men, as do other organisations that work around men and gender. Abused Men in Scotland also springs to mind as a male-only employer.

The Convener: That might not have been the expected or best first question, so we will move on to other questions.

Dean Lockhart (Mid Scotland and Fife) (Con): I will start with a question about definitions. I would like to get the witnesses' understanding or further my understanding of what we mean by "pay". Is it basic earnings or does it include other things such as overtime and, possibly, bonuses? Perhaps that is a good place to start so that, when we compare pay between sectors or genders, we compare like with like. I would like to get each of our guests' views on that question.

Anna Ritchie Allan: That depends on the context, when calculating the gender pay gap. The public sector equality duty requires that listed public authorities publish their pay gap calculated on average hourly earnings excluding overtime. However, in the context of equal pay legislation, a claim or case for equal pay would look at pay in the broadest sense and include all elements of pay, including pension, overtime entitlements, basic pay and so on.

Dean Lockhart: Do you therefore come up with different gaps depending on which definition is used?

Anna Ritchie Allan: That is the case if we use different formulae to calculate the pay gap—for example, whether we use the mean or the median. Is that what you are hinting at?

Dean Lockhart: Yes.

Anna Ritchie Allan: There is no consensus on whether to use the mean or the median. The argument for using the median is that it is

acknowledged, in general statistics terms, as being more robust because it excludes the outliers—the very low earners and the very high earners.

Close the Gap prefers to use the mean, however, because the pay gap itself is gendered by its nature, so the very lowest earners and the very highest earners are the crux of the problem, because men are overrepresented among the highest earners and the lowest earners are overwhelmingly likely to be female.

Dean Lockhart: That is helpful.

Chris Oswald: That underlines the complexity, and the differences between pay gaps and equal pay. A number of equal pay cases rest on issues about who gets bonuses or overtime and to what extent. As Anna Ritchie Allan suggested, that can be very gendered.

A few years back, the EHRC did work on the financial sector, in which we saw that pay was affected by occupational segregation. 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. On an individual basis, that type of comparison can show quite stark differences. Equally, as Anna Ritchie Allan said, looking across the averages produces a different type of result. Overwhelmingly, we are working in a gendered environment.

Dean Lockhart: For the purposes of today's discussion, can we assume that we are working on the mean figure? Is the figure of a 15.6 per cent pay gap in Scotland based on the mean calculation?

Anna Ritchie Allan: The figure is based on the mean calculation and it uses the overall figure, in that it includes full-time and part-time workers. That is an important point, because some organisations default to the full-time pay gap, but the problem with that is that it excludes just under half of working women—42 per cent of women work part-time. If we look only at the full-time figure, because part-time pay is, on the whole, lower, we exclude those women's experiences of the pay gap.

Dean Lockhart: Finally, is that how other countries look at the pay gap? I ask so that we have a good idea of international comparators. We have evidence showing the pay gap in Scotland compared to other countries, so it would be good to know whether we are comparing like with like.

Anna Ritchie Allan: The mean is the global standard, so that enables comparison internationally.

Dean Lockhart: Thank you.

Bill Bowman (North East Scotland) (Con): My question in a sense follows up on Dean Lockhart's questions, which were about the principles of the calculation. Are panel members confident that there is a definitive set of statistics on pay, earnings and employment for women from which all those calculations can be taken?

Emma Ritch: The figures that are produced by the Office for National Statistics come from the annual survey of hours and earnings, which is based on employer survey data; employers are asked to provide information on pay for designated employees. The challenge with the annual survey of hours and earnings is that, although it provides a fairly accurate reflection of the gender pay gap, it does not capture other protected-characteristic information. Therefore, to look at the intersections between gender, race, disability and other characteristics, we need to rely on the slightly more inaccurate labour force survey, which gathers information about protected characteristics but which is based on surveys of individuals about their recollections of pay, and which is therefore understood to be more inaccurate than the information that is drawn from employers' payroll systems. That is one weakness that Engender identifies with the current annual survey of hours and earnings.

Anna Ritchie Allan: The data are patchy overall. We are more likely to get data produced regularly at United Kingdom level than at regional or Scotland level. In particular, there are gaps around skills underemployment. Women's underemployment in relation to their skills and qualifications is a significant problem. Many women have to reduce their hours to undertake caring responsibilities, but because part-time work is concentrated in lower-paid and undervalued jobs, many women are working below their skill level. The problem is that official statistics on skills underemployment are not gathered, but we know that many women are working below their skill level. That is a significant gap. I agree with Emma Ritch's point about intersectional data, which is a particular problem.

09:45

Chris Oswald: The public sector equality duty falls on about 250 public bodies in Scotland and requires them to produce annual data on pay gaps. We have observed that there can be wide variation within a sector because of how individual bodies choose to calculate the pay gap. Anna Ritchie Allan, Emma Ritch and I have been working with the Scottish Government on whom bodies include in and exclude from their calculations, with the aim of getting agreement on

how to calculate the pay gap. Variation can sometimes be explained by the method.

Bill Bowman: Is the conclusion that there is no definitive set of data at the moment?

Anna Ritchie Allan: Yes.

Gillian Martin (Aberdeenshire East) (SNP): It would be helpful if one of the panel were to explain to the committee how they define the gender pay gap, because we need to get that on the record to avoid confusion about what the pay gap is and is not.

Anna Ritchie Allan: The gender pay gap is, in essence, the difference in pay between men and women when comparing all men with all women. As I mentioned, we measure that by comparing the average hourly pay of men and women. Are you also asking about the causes of the gender pay gap?

Gillian Martin: Yes, I am. I am asking in terms of a woman's career path and issues around achievement and destination for women, compared to those for men in various sectors.

Anna Ritchie Allan: 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 long-term 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.

Gillian Martin: The pay gap is an economic issue, as well. I am interested to know what panel members think would be the effect of closing the gender pay gap on the Scottish economy.

Emma Ritch: Close the Gap has done some great work on that. Efforts have been made over the years to calculate the return to economies that could be realised if we were to remove all the barriers to women's labour-market participation. Close the Gap has estimated that there would be a return to the Scottish economy of £17.2 billion, which would be the result of resolving the question of allocative inefficiency. At the moment, we have women working outside their skill sets and being significantly underemployed, we have girls not pursuing their preferences in education and, thereafter, we have socially constructed ideas about what girls, boys, men and women should be doing. All that comes at a significant cost to the Scottish economy.

Gillian Martin: Businesses might have a preconception that addressing the issue will be problematic, but I have heard that the companies and the organisations that are addressing gender pay gap issues perform well in productivity terms. Is that your experience?

Chris Oswald: Yes—and there is evidence to show that. I will go back a step, because it is instructive to look at the narrowing of the gender pay gap over time in Britain and in Scotland. A lot of people argue—I very much agree—that that narrowing has more to do with the reduction in men's pay than it has to do with the increase in women's pay, or with women penetrating better-paid areas of the economy. It is a volatile statistic, however. Sometimes, it is not as simple as saying that the gender pay gap has narrowed and that is a good thing. The gap has narrowed because men's earnings have come down; women's earnings have not risen.

I very much back the idea that the gender pay gap is a product of segregation and other aspects of the economy. The issues are as applicable to disabled people and to some ethnic minority groups, too. To put it crudely, the issues are about the extent to which people and the work that they do are valued.

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 potential, and about what Scotland

is missing out on as a result of not being able to do or achieve that.

Anna Ritchie Allan: On the business case for narrowing the pay gap, a lot of evidence shows that businesses that have taken steps to advance gender equality, and which have fair and flexible workforce policies, are likely to see improved morale and higher productivity. We also know that gender balance—in particular, on senior management teams—is likely to lead to greater creativity and innovation. Products and services are more likely to be designed to benefit everyone, because men and women bring different experiences to the table. Therefore, when it comes to designing products and services, businesses and public sector organisations that are gender balanced are likely to design services and goods that meet the needs of a wider client or customer base.

The Convener: Thank you for that information. It might be helpful if you were to write to the committee with reference to studies or reports that have been done on the gender pay gap, particularly in Scotland, because there might not have been as much research done on a small country such as Scotland. Anything that you have referred to as evidence and that you are able to feed in would be helpful.

Andy Wightman (Lothian) (Green): Chris Oswald has touched on the question of the pay gap in Scotland vis-à-vis the UK and has suggested a reason for it. Will the panel reflect on why the pay gap is lower in Scotland? It is not a great deal lower at 15.6 per cent compared with 18.1 per cent. What has the trend been historically for that difference?

Emma Ritch: It seems that what proportion of the pay gap is attributable to what set of factors should be relatively easy to answer, but it is hard to model pay gaps. Up until now, there has not been any modelling of the pay gap in Scotland, although Close the Gap has commissioned some and that work is under way, which is extremely helpful.

When we look at decompositions done by Walby and Olsen for the Equal Opportunities Commission and then the EHRC, we see an unexplained chunk to the pay gap. I hope that the work in Scotland will lift the veil on some of the matters that we do not understand.

Widely speculated on is the notion that the pay gap is higher because of the impact of the City of London. We know that the financial services sector has one of the largest pay gaps—it usually sits just behind manufacturing. It is especially large in those parts of the financial sector in which large bonuses are paid and bonuses represent a significant proportion of salary. Many roles with such bonuses are found in the City. The shorthand explanation, therefore, is that the City skews the rest-of-UK pay gap, and the gap is particularly wide in London. That is the best intelligence that we have at the moment.

Andy Wightman: You have mentioned the City of London, but is there good data on regional pay gap variations across Scotland, or is that getting to too detailed a level for the statistics that we have available?

Emma Ritch: There is a difficulty with regionalisation. Because of the way in which the annual survey of hours and earnings works, the smaller the region you are trying to look at, the more difficult that sort of activity becomes and the less robust the figures are. Other kinds of surveys that are pushed out during the year attempt to answer some of those questions but, because they are not based on the rigorous methodology that is employed in the annual survey of hours and earnings, I would treat them with caution. Occasionally you will see figures decomposed for local authority areas and other sub-national geographical areas but, as I have said, I would treat them with extreme caution.

It is possible to look at the factors underpinning the pay gap and to take a particular view. For instance, if you know that a local authority area has an extremely large proportion of jobs in farming, say, or tourism, you can take a view on the likely impact of such aspects on the pay gap. However, hard figures become increasingly shaky the smaller the regional area you look at.

Andy Wightman: Coming back to my original question on the pay gap vis-à-vis Scotland and the UK, what has the trend been over time?

Emma Ritch: The full-time pay gap has been narrowing, but there has not been much movement overall.

Anna Ritchie Allan: I would agree.

Andy Wightman: And what about the variation between Scotland and UK?

Emma Ritch: It remains roughly the same. However, as other colleagues have said, the pay gap is a very top-line and lagging indicator of what is happening as a whole in the labour market, and it is affected by a lot of trends. 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.

Andy Wightman: How far back can we go for reliable statistics on the pay gap?

Emma Ritch: Twenty-ish years, at least, but I should point out that the measure has changed over time, with a move in the UK between the

median and the mean and the presentation of full-time and part-time aspects. It is possible to dig back into those figures, but the official Office for National Statistics statement has changed its methodology during that time.

Chris Oswald: As an illustration of the issue with the narrowing of the pay gap, we saw post the 2008 recession men displacing women in what we might describe as traditionally female occupations such as care, but women did not displace men in traditionally male areas, and there is still a male dominance in areas such as construction and manufacturing. The figures themselves are influenced by other factors.

Anna Ritchie Allan: On the point that Emma Ritch has touched on about the challenges of looking only at the headline pay gap figure, one particular challenge is that businesses and policy makers do not look below that figure. For example, an organisation might have a zero per cent pay gap but could still have stark segregation, with all the women clustered in the lower grades and all the men clustered in the higher. It is therefore important to look at the causes of the pay gap, where the gaps are across an organisation and the distribution of men and women across the workforce.

The Convener: I think that Gil Paterson has a short supplementary.

Gil Paterson (Clydebank and Milngavie) (SNP): When you talk about clusters, is there an issue with the time served? After all, women take time off to have babies and perhaps wait until the child goes to primary school, and that is another gap. If a business or company has a policy of rewarding people who have stayed with them, does that come into play?

10:00

Anna Ritchie Allan: That sometimes comes into play when it should not come into play. There are cultural presumptions around women having primary responsibility for childcare and for long-term care, and that undoubtedly severely impacts on their ability to progress in an organisation or to re-enter the labour market if they have a career break for caring reasons, or any other reason. Employers make a lot of assumptions about women and whether they are going to have children. Women are perceived as being less committed to an organisation if they are not able to be present at their desk for long hours—many employers wrongly equate presenteeism with commitment to an organisation. There are a number of factors, and employers undertake some quite discriminatory practices and make assumptions about women's and men's lives.

Chris Oswald: In the financial sector, which I mentioned earlier, we saw stark occupational segregation, with women being placed into lower-risk and therefore lower bonus-attracting types of work. There was a perception that men were better placed in the boiler-room or risky part of the economy. That links to things such as presenteeism and long hours. There can be a bias in the way in which an organisation perceives itself and how it values its staff and the roles that it then ascribes.

The Convener: Just as a quick follow-up, certain jobs now do not require physical presence because of the internet. Do you see more opportunity for people who cannot be physically present in a workplace, because they can now do remote working? Is that helpful in this area? Have you seen much evidence of that?

Anna Ritchie Allan: There are definitely opportunities. The take-up of flexible working is increasing, but there is still a big mismatch between the number of people who want to work flexibly and the availability of flexible working. There is just not the demand there. We still see a cultural presumption against flexible working in some organisations. We know that businesses that operate flexible working, or agile working as it is sometimes called, are more productive, because employees can work in a way that suits their lives.

The Convener: I take it that you accept that some jobs require someone to physically be present.

Anna Ritchie Allan: Yes.

Emma Ritch: I want to comment on the procurement of information technology systems that may or may not enable home working. In working with large private sector companies on the barriers that are in place to women's progression, I have found that that factor is often not considered when IT systems are being procured. Therefore, although it would be possible for workers to work from home and work flexibly and potentially to meet business needs by being available to clients through a greater proportion of the 24-hour global working cycle that some enterprises are involved in, during the procurement of IT systems, the question of home working and how it might advance gender equality was not taken into account. There was no reason for that; it just was not included in the IT solutions that the company decided on. To me, that speaks to the need for companies to take a gender mainstreaming approach to systems procurement, which is not in evidence across all enterprises in Scotland.

Chris Oswald: A positive example of that is some of the work that BT has done. It has quite a large home working employment group, which

benefits women and parents with young children—whoever is looking after the young child—and it potentially benefits disabled people. There are strong economic reasons for that but, as Emma Ritch suggested, there needs to be a conscious decision to do it, rather than its being a consequence of something that has been arrived at. There has to be investment in IT to enable people to work from home.

It also has to be accessible IT that disabled people can use. We have high levels of unemployment among people with sensory impairments. If we have proper IT systems, people will be enabled to work from home. Equally, on the economic exclusion of disabled people, the reason why somebody is unable to work may be to do with their transport requirements—not their lack of skills but the fact that they cannot physically get to an office. Therefore, home working is a very attractive option if the infrastructure is there to support them.

Richard Leonard (Central Scotland) (Lab): In exactly 30 days' time, new gender pay gap reporting legislation will be enacted. Do you think that it will make any difference?

Anna Ritchie Allan: It is a welcome first step in the right direction. We have been looking for it for a while. From April, large private and third sector organisations in the UK will be required to report on their gender pay gap and their gender gap in bonus earnings. That is welcome, 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. There are, therefore, concerns about compliance and enforcement, which Chris Oswald might want to comment on. The proof of the pudding will be in the eating.

One of our concerns is that, while Close the Gap is planning what work we are going to undertake to assess the Scottish companies that are required under legislation to report, the database of employers that is available cannot be searched for Scottish companies, which makes it difficult to identify which companies are required to report.

Chris Oswald: I very much agree with that. There is also an issue with the model of change that is being employed. Are we to believe that transparency, in itself, will result in organisations changing their behaviour? One of the fears is that, if a fines system or a name-and-shame system is put in place, that might not be effective, particularly if fines are relatively low.

There is still some uncertainty about the enforcement of the new regulations. A large number of companies are suddenly coming into the area and there is an issue with the commission's ability to monitor an extra 1,500 companies in Scotland—7,000 or 8,000 across Britain. It is a huge area. I would love to believe that transparency, in itself, would work in that situation, but I do not see a lot of examples of that.

It is instructive to look at the work of the Low Pay Commission in the area. It has been quite rigorously identifying cases and bringing companies to account rather than relying on the companies themselves to disclose. Given some of the difficulties that we have identified with how the calculation is made, how quickly we will get to a point at which we are confident that the figures reflect what is happening inside companies is an issue. The regulations may take some time to bed in.

Anna Ritchie Allan: The regulations are much clearer than the Scotland-specific duties about how to calculate the pay gap, which is really helpful. However, our experience of attending employer briefings that are organised by lawyers is that there is already widespread tuition, shall I say, in how to find loopholes. For example, a company can be divided up so that its partners are not included in the gender pay gap figure, and its workforce can be segmented so that the pay gap is smaller.

The Convener: Do you have a follow-up question, Richard?

Richard Leonard: It is a brief one. You have all mentioned your experience with the public sector duty. Is there any evidence that it has made any difference that public sector bodies have to report equal pay information annually? Has the gap closed in the public sector in the past six years?

Anna Ritchie Allan: Close the Gap has done two assessments, and we are approaching the final reporting period of the first four years of the public sector equality duty. We assessed the first reporting in 2013 and undertook a follow-up assessment in 2015, but we have been quite disappointed with performance, which has been quite poor across the board.

We have seen a regression in performance. Two thirds of the organisations that we assessed achieved a lower score in 2015 than they did in 2013, and that performance was already poorer than what we had seen under the gender equality duty.

There is a sense from organisations that work on gender, such as Engender and Scottish Women's Aid, which also do work on the public sector equality duty, and the EHRC, that

concerted efforts are needed to increase compliance across the public sector.

Chris Oswald: We are 30 days away from the end of the first cycle of the public sector duties. The commission will do an in-depth assessment of the impacts of that; we suspect that that will be available in August or September. It is possibly too early to judge, but I very much agree with Anna Ritchie Allan's observation that it is taking time for the public sector equality duty to bed in. We will get the first indication of the first four-year cycle in around 30 days' time, but we need to realise that the real value of the duty is that it makes organisations conscious of what is going on inside them, which they might previously not have been. It also requires them to do something about that. The question what they do about it is just as interesting. When we look at the data that we will gather from the start of next month, the consideration will perhaps be less about whether the pay gap has narrowed; it will be about what has been done, how conscious the organisation is of what is going on, and how pay gap thinking has influenced its approach to policy, recruitment and other areas of activity.

Ash Denham (Edinburgh Eastern) (SNP): Most of the panel have touched on occupational segregation as a factor. Chris Oswald mentioned women being funnelled into certain roles, and Anna Ritchie Allan spoke about occupational segregation starting quite early, with girls choosing certain subjects at school. I suppose that girls avoid subjects such as maths, science and computing and prefer other things. Is there any evidence that that is changing? Obviously, it is a long time since I made my choices; I chose what subjects to study around 30 years ago. Have things improved in the past 30 years?

Anna Ritchie Allan: No. One of the key challenges is probably the lack of gender mainstreaming across the education and skills system in particular. 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.

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.

Emma Ritch: As an indicator of the intransigence of the problem, New York University put out a study this week that said that girls as young as six believe that brilliance is a male trait and that that has a projected impact on their participation in school and their progression on through coded male subjects such as the STEM subjects that Anna Ritchie Allan mentioned.

We have talked to the Equalities and Human Rights Committee about sexualised bullying in schools, which has a very clear link with girls' participation in the classroom and thereafter. In 2015, 25 per cent of 11 to 16-year-olds told Girlguiding UK that sexual harassment stopped them speaking out in class. Tackling the toxic environments in which we expect girls and young women to learn is an enormous challenge.

We also want to see included in some of Scotland's policy spaces the bringing forward of the age for interventions and the mainstreaming approach that Anna Ritchie Allan outlined. The developing Scotland's young workforce policy, for example, helpfully focuses its enormously welcome gender equality actions on the modern apprenticeship programme, which has long been totemic for gender advocates, and on higher and further education. However, doing that at the FE and HE stage is simply too late; if it is not done beforehand, including in the early years, vital opportunities to take a gendered approach to education will be missed.

10:15

Ash Denham: We have spoken previously about the biological sciences. Even if women study those subjects, graduate in them—often with very high marks—and go into the biological sciences sector, very few of them are to be found there 10 years later. Can you explain the workplace factors that are involved in that?

Emma Ritch: Sure. In a lot of sciences, there is something that is called the leaky pipeline. Girls are achieving at school and university; it is widely reported that girls are achieving more qualifications, although in different subject areas. However, girls who are in non-traditional areas—the hard sciences, if you will—tend to detach at each stage in larger numbers than their male colleagues. When it comes to further 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, as Gil Paterson described. 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, as Anna Ritchie Allan described, 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.

Chris Oswald: 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 is depressing to see that, in areas such as life sciences, biopharma and, perhaps, alternative energy, there is a tendency to ape some of the worst aspects of the traditional economy. We might have hoped that, as they are new industries, there would be some new thinking.

Scotland has a programme to build 50,000 new affordable houses, but only 17 per cent of construction industry jobs are filled by women. There are real opportunities to increase the pool of labour and the economic benefit through significant investment. Again, no one thing is going to resolve the problem—if there were a magic bullet, we would have found it many years ago—and a co-ordinated set of actions is required. It would be extremely welcome if procurement and economic development aid had conditions around equality, as has happened in relation to social deprivation and inclusion, and if the thinking were expanded to cover gender, race and disability.

John Mason (Glasgow Shettleston) (SNP): I will follow up the same themes. I sometimes get the impression that schools, which have children for six or seven hours a day, are doing their best, but that families, which have the kids for 16 hours a day, can be very resistant to a girl studying physics or going into engineering, so the family wins. How can we change such cultural or background bias?

Anna Ritchie Allan: I push back slightly on the idea that the schools are doing their best, because they are not, frankly. However, I take on board your point about parental influence. Close the Gap's be what you want work stream works with children and young people to try to address gender segregation; we have also worked in schools with teachers and careers advisers. That has confirmed what we knew: children are influenced by the world around them. It is not just down to parents. Parents are massively influential on their children's lives but so, too, are their peers and teachers. Careers advisers can be influential as well, even though they spend only a limited time with children. In addition, the media sends very clear messages to children and young people about what the position of girls and boys should be in the world, what they should be interested in and what their skills are. Engaging with parents is a tough nut to crack.

Chris Oswald: In Sweden, or Scandinavia more generally, there are better role models for young women. There has been a conscious investment in childcare, so it is possible for women to go into the labour market. It is about stretching what is seen to be possible in terms of aspiration.

Emma Ritch: Sweden has also 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.

It might be helpful for the committee to note the evidence that 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.

John Mason: I am not an expert, so can you explain what you mean when you say "gendered approach"?

Emma Ritch: Essentially, people have looked at pedagogy in the classroom—how things are taught—and the content of books and lessons, and have tried to remove the sometimes unwitting gendered messages that are sent. For example, more than a decade ago, the Educational Institute of Scotland researched children's books and what they said about the roles of the girls and boys in them. It discovered a preponderance of princesses

and ballet dancers who were female, while the boys and men had a wide range of roles, including pirates, spacemen, adventurers and doctors. Sadly, we still see that unwitting gendered messaging in children's literature today.

The Swedes made an effort to try to remove some of that messaging to provide balance in the books that were read to children and to consider how teachers and educators spoke to the young people about their future prospects. That has made a significant difference to how the children behave and learn in the classroom, and to the outcomes for those children and young people.

John Mason: Can I ask one more—

The Convener: We are running a bit short of time, so I want to move on to Gordon MacDonald's question—if that is all right, deputy convener.

Gordon MacDonald (Edinburgh Pentlands) (SNP): I want to return to an earlier point. A Scottish Trades Union Congress report in 2016 suggested that, in the United Kingdom, 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. How do you close that gap? Presumably it exists because the women who have chosen not to have children are being awarded for their experience, or for their investment in and time spent on continuous professional development.

Anna Ritchie Allan: We can look at that from a different angle. It is about not penalising women who choose to have children and who go on maternity leave, and addressing the cultural presumptions about who takes leave to take care of the children. Some tentative steps have been taken towards the implementation of shared parental leave in an attempt to rebalance caring responsibilities, but they have had limited success for a number of different reasons, which are probably part of another discussion.

Chris Oswald will have something to say, as the EHRC has done some work on pregnancy and maternity discrimination, which is the crux of the issue.

Chris Oswald: 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 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.

The research has thrown up a lot of good practice and confusion among employers. To be fair, the majority of employers in Scotland appear to be doing the right thing; we are concerned about approximately 20 per cent of employers.

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.

Gordon MacDonald: You rightly identify that women carry out most of the childcare. In the PriceWaterhouseCoopers women in work index, which came out last month, the top three countries were Iceland, Sweden and Norway, and we know that there are fewer females in the workforce in Scotland than there are in those three countries. More stark than that is the fact that, as a proportion of all females in employment, the percentage of women who are in full-time employment is 58 in Scotland, 76 in Iceland, 82 in Sweden and 72 in Norway. Is there a cultural issue here that we are missing?

Emma Ritch: That point is well made. It is not so much a cultural issue as a systemic issue of where those nations have invested, and they have invested in childcare.

In the UK, the presumption is that the way in which we have organised our economy is almost inevitable. 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. I absolutely agree that 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.

The three countries that you listed 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 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.

We have a very different system of childcare, even with the recent improvements and commitments to provide more in Scotland.

10:30

Gordon MacDonald: I note your point about cultural presumptions. However, the opening sentence of the summary of a Fawcett Society report entitled "Gender pay gap by ethnicity in Britain", which came out this month, says that

"Fawcett Society research has shown that the gender pay gap in Britain is shaped by racial inequality".

The report also says that

"Black Caribbean women ... reversed"

the

"gender pay gap with Black Caribbean men"

and that

"Chinese women in Britain have closed their gender pay gap with White British men".

There is a further example related to Irish women. How can we have those cultural differences in our different ethnic groups and still say that there is no cultural difference within the main population?

Anna Ritchie Allan: I am not sure that I understand the point. However, reflecting on what you have said, I absolutely agree that there is no single experience for all women. Different groups of women—black and minority ethnic women, disabled women and lesbian, bisexual and transgender women—experience multiple and complex barriers in different ways, and we really need an intersectional approach if we are to close the pay gap and reduce the barriers that different groups of women experience.

The Convener: Thank you very much. I am afraid that our time is up, but the committee will probably come back and ask for further written submissions on one or two issues. You might also wish to input further comments on some of the questions and issues that have been raised.

Perhaps I should ask a final and very quick question. What can the Scottish Government do about all of this? It might be unfair of me to ask you to deal with that in a minute or two, but you might wish to come back with a response in your further written comments. I am, of course, happy to take a quick comment now from each of you, if you wish.

Anna Ritchie Allan: 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.

Emma Ritch: We would entirely support such a move. We would also note that, apart from in the area of anti-discrimination law, Scotland has the power to act on all the causes of the pay gap, and we would like a concerted push to be made on a single indicator that has been too persistent for too long now.

Chris Oswald: We need to be more Scandinavian. Scandinavia has consciously chosen a path, and we have not—that is the real distinction.

The Convener: I thank all our witnesses, and I suspend the meeting for five minutes to allow for a changeover to our next panel.

10:32

Meeting suspended.

10:40

On resuming—

The Convener: I welcome back committee members and I welcome our new guests. This session will follow a round-table format. In the interests of hearing as much as possible from witnesses, I ask members—including myself—to keep questions succinct and to the point. If anyone would like to contribute, I ask them simply to raise their hand; the sound desk will look after the microphones.

I ask our guests to give us a very brief introduction. Perhaps we will start with the witness on my left, who is Dr Irina Merkurieva.

Dr Irina Merkurieva (University of St Andrews): I am a lecturer at the University of St Andrews. I am a labour economist, working on the intersection of retirement and gender issues.

Emily Thomson (Glasgow Caledonian University): I am a senior lecturer in the department of law, economics, accountancy and risk at Glasgow Caledonian University. I work closely with the women in Scotland's economy research centre there. My previous work has been around gender and modern apprenticeships, and evidencing the business case for gender equality measures.

Professor Ian Wall (Science, Technology, Engineering and Mathematics Education Committee): I am chair of STEMEC, the science, technology, engineering and mathematics education committee, which was established some 16 years ago by the Scottish Government as an independent committee. We advise the Government on STEM education.

Professor Patricia Findlay (Fair Work Convention): I am a professor of work and

employment relations at the University of Strathclyde, where I am the director of the Scottish centre for employment research, which has as one of its core themes gender inequality and regulation issues. Wearing another hat, I am also the academic adviser to Scotland's fair work convention.

Professor Fiona Wilson (University of Glasgow): I am a professor of organisational behaviour at the University of Glasgow, in the business school there. I have been working on a couple of research proposals on equal pay, and also recently published a paper on the topic.

Professor Wendy Loretto (University of Edinburgh): I am a professor of organisational behaviour and dean of the University of Edinburgh business school. My research area is on the intersection between gender and age over the life course, with a particular focus on later working life.

The Convener: Thank you very much.

I have a general starter question. I suspect that the academics here—our guests, that is—will be familiar with the Scottish Further and Higher Education Funding Council report from August 2016, which brought out that the gender balance of Scottish-domiciled undergraduate entrants to university in 2014-15 was roughly 58 per cent female and 42 per cent male. The introduction to the report refers to the funding council's ambition that

"by 2030 the proportion of male students studying at undergraduate level at university will be at least 47.5% (or to put it another way, the gap between male and female participation will be reduced to 5%) and that no college or university subject will have a gender imbalance of greater than 75% of one gender."

I suppose that there are two aspects to that; one is the gender imbalance, and the larger proportion of female students, and the other is the issue of specific subjects having a gender imbalance greater than 75 per cent. Perhaps one or two of our panel might like to give a general comment on that; I am not sure who would like to start.

Professor Loretto: I can speak from a business perspective. I have been going through the Athena scientific women's academic network charter, which promotes gender equality in academic subjects. It started off in the STEM subjects and moved to wider subjects, including the social sciences

We have slightly more women than men coming into education—not just at undergraduate level, but at postgraduate level. As you alluded to in the question, that is partly about subject choice. The challenge for us is in making sure—not so much with regard to our intake, but more what we do with the students when they are with us—that we are getting equal achievement among men and women.

Women are outperforming men in their achievement as well. That relates to some of the responses in the first evidence session about different forms of learning and making pedagogic adjustments to reflect the ways in which men and women learn. It is as much an issue in further and higher education as it is in the school education that was referred to by the earlier panel.

10:45

Emily Thomson: I agree with what Wendy Loretto said about pedagogical approaches in different subject areas. I teach economics to business and social science students. There are issues about the perception of certain subjects and understanding what subjects are about. There is a perception among students that the economics discipline is very technical, hard and scientific. It can be, but there is more to it than that. The position might be similar for engineering and science subjects.

We need to change perceptions. The previous panel spoke about doing that from an early age. That is important because, once students reach further and higher education, most of the opportunities to challenge perceptions and gendered norms of pedagogy and subject choice have been missed.

Professor Wall: 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 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.

The Convener: We move on to our first question on statistics.

Dean Lockhart: I would like feedback on the best statistics to look at when we are considering the gender pay gap. We heard from the previous panel about the median and mean approaches to calculating the gap. We are looking at pay, which is an arithmetic sum. What are the best measurements available, either in Scotland or on a UK-wide basis, to calculate the gap precisely?

Professor Findlay: There is no best measurement. There is a set of measurements that are helpful in different circumstances, depending on what one wants to uncover.

You heard from the previous panel that the median gender pay gap is useful to understand the broad experience of most people. The mean

pay gap takes into account some of the particular problems at the higher pay deciles. Whether average or hourly pay is used also depends on the objectives. Looking at differences in the pay gap as a rate for the job is different from looking at differences in women and men's earnings.

It depends on what the question is. There is a suite of measures, which are largely agreed in terms of composition although different bodies use different measures. A big challenge is how to translate those measures into something that is applicable within workplaces. There is not disagreement about what the options are within the suite of measures at national and research level. The issue is how to get measures that people can understand and translate into something that has an impact on workplace practice.

Professor Loretto: I would argue for a more comprehensive measure that takes into account pension entitlements and contributions. The number of women in pensioner poverty far exceeds the number of men.

Auto-enrolment has been a very welcome initiative, but the number of women, particularly those in part-time work, who fall below the threshold for auto-enrolment is still very high. A survey that was done by the Trades Union Congress a few years ago found that up to half of women working part time were below the threshold. If we do not look at that as well in calculating gender pay, future generations will be in poverty far beyond their time in the paid workforce.

Emily Thomson: I would add to that list bonus pay and overtime pay, because we have some evidence that men have more access to such payments in the labour market. The tendency to use the median headline figure when comparing full-time hours underplays some of the structural barriers. The fact that the high-earning outliers are almost exclusively male, and that women are overrepresented at the lower end of the pay distribution, is not reflected in reports of median full-time comparisons. If we compare men's full-time earnings with women's part-time earnings, we see a very big gender pay gap starting to arise, and we know that women are much more likely to be in part-time employment—currently 41 per cent of women, as opposed to about 12 per cent of men. Some of those headline measures can really underplay the structural barriers, and I would like to see both the mean and the median reported, where possible, so that we get a fuller picture.

Dean Lockhart: Within each category, how definitive are the mean and median numbers? Are they based on surveys or are they based on audited financial statements from different companies or from the public sector? I would welcome some feedback on that question.

Professor Findlay: The most definitive account is from the annual survey of hours and earnings, which is carried out using HM Revenue and Customs records and takes into account the HMRC reports of 1 per cent of businesses. That is robust data, and that is good for Scotland, because when you start to disaggregate it you do not lose sample size in the same way as sometimes happens with the labour force survey.

The Convener: Gillian Martin wants to come in, but I think that Professor Wall wants to make a quick point on the issues that we have been discussing.

Professor Wall: Emily Thomson talked about the bigger picture, but the wider issue is that Scotland is really poor in statistics; I say that wearing a different hat, as deputy chair of the Scottish Council for Development and Industry. Some of our members are concerned that we do not have enough knowledge, whatever judgments you might draw from the available data. Although the statistics that you refer to are easily available, there are other Britain-wide statistics that are difficult to interpret for Scotland, and there are whole areas that are not touched on at all. Particularly when it comes to the questions of intersectionality that were raised earlier in the meeting, you need a lot more figures than just the wages. That is an important place to start, but it needs to be widened out. If the committee were to give consideration to the sort of knowledge that is required by it, and by the Parliament as a whole, in order to make a real contribution to understanding and improving Scotland, that would be valuable.

The Convener: Does intersectionality include the differences in different age brackets? Earnings and opportunities can vary markedly, can they not?

Professor Wall: Yes.

Professor Wilson: A lot of issues were raised about intersectionality, and there is some interesting new research that raises the issue of class. Those who come from better backgrounds are earning higher wages in law, for example. There are examples across the spectrum of where inequalities can happen.

Gillian Martin: We have heard that women achieve better at HE and FE and do very well at postgraduate level, but that they are still not reaching the same heights in career progression or pay levels as their male counterparts as they go through their careers. That suggests to me that there are problems in the workplace. Do the witnesses agree that companies are missing a trick if they are not realising the full potential of their female workforce? That seems to be the crux

of the matter. You can put in place all the legislation that you want, but Scottish companies are missing that economic opportunity. Does anyone have a view on that analysis?

Professor Wilson: A report by McKinsey in September 2016 argued that narrowing the UK pay gap

"has the potential to create an extra £150 billion on top of business-as-usual GDP forecasts in 2025, and could translate into 840,000 additional female employees."

There are organisations—such as the big consultancies McKinsey and Deloitte—that are laying out facts and figures about the business case for greater equality in pay. The messages are very strong and clear.

The Convener: I think that Professor Findlay and Emily Thomson want to come in on that.

Professor Findlay: I have a similar point, in the sense that there are estimates that 1.3 to 2.4 per cent could be added to gross domestic product if sex discrimination within organisations were reduced.

To return to Gillian Martin's original point, I think that there is a huge issue within the workplace. We know that the gender pay gap is multidimensional and we know that it is caused by factors that predate the workplace. The convener's first question raised some issues that we did not discuss about the different pipelines through which women and men get to the workplace and how they experience different things. The reality is that a lot of that plays itself out in the workplace.

The argument was always that women did not invest in their human capital to the same extent that men did. One thing that I am struck by is that, as women have increasingly improved their human capital, they have not been paid back for it in terms of workplace experience.

The issue becomes how to influence and change workplace practice and experience to affect those outcomes. The workplace is absolutely crucial.

Emily Thomson: I have a few points to add to what Patricia Findlay has said. 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. As was mentioned in the earlier session, 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.

Patricia Findlay's point about human capital is absolutely accurate. 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.

Perhaps, as was mentioned in the earlier session, childcare has something to do with that. We know that there is a link between doing all the unpaid caring in the economy and not having access to paid work—there has to be a link between those two things. If someone is providing a lot of unpaid care, they do not have the time and energy left to engage in the labour market in the same way. Therefore, we need to think about the childcare infrastructure as crucial to addressing those workplace issues.

We also have to think about data about unpaid work, because we do not really know a lot about what is going on in the household.

I am sorry, that was a very long response.

Gillian Martin: I will not take too much more time with this question. Do recruitment practices also have an impact? For example, we mentioned that flexible working has never really been advertised; people have to ask for it when they are in work, which might mark them out as needing special treatment. Would that make an impact?

Emily Thomson: Yes, probably. There is not very much quality part-time employment available in the economy. As Emma Ritch mentioned in the previous session, we have the 1.5 model of familial configuration. If more quality part-time jobs were available, that would be very helpful. We do not often see high-level management jobs, for example, as a job share or on a part-time basis. If we saw that more often, that could be very helpful.

11:00

Dr Merkurieva: I want to follow up on several issues. Relative to everything else, we are doing fairly well at the recruitment stage. One of the reasons for that is fairly observable: organisations often have comparably skilled workers, and it is easy to offer similar terms and conditions and avoid the pay gap. However, we have a lot of evidence that, in the contemporary world, a lot of difference accumulates post recruitment, over the employees' careers. It is not just down to childcare and women being of child-bearing age, important though those issues are. Single women who never have children still differ from their male peers.

One piece of evidence that we have is on the negotiation of pay and conditions in the workplace. There is experimental, lab-based evidence that males are more likely to be aggressively involved in negotiations whereas women take their initial offers and their renegotiations at later stages involve a take-it-or-leave-it offer. One way to think about the situation is that a female worker is more inclined to be satisfied with the status quo than to consider her progression path.

There can be some straightforward interventions. For example, you want to stimulate people to think about what their functions are and to be more proactive in taking those functions upon themselves. That intervention has been implemented successfully here in Scotland to encourage unemployed workers who are looking for jobs that are closely related to the jobs that they have lost to look for vacancies in a broader area that pay better. That is similar to female workers being focused on a particular set of functions; extending that range can also be an intervention that helps.

Jackie Baillie (Dumbarton) (Lab): I am enjoying the discussion, but I have a table in front of me that does not quite fit with what is being said. It is taken from the annual survey of hours and earnings statistical bulletin for 2016, and it shows the pay gap in full-time earnings by age group in Scotland. It tells me that the 30 to 39 age group is the only age group in which women have a higher median income than men. That does not really fit with our discussion about childcare responsibilities. I am trying to understand what is going on there. Do you understand it?

Professor Loretto: That goes back to my original point about age. Those figures will show that the gender pay gap gets bigger over time. I will comment briefly on the business case before I come back to that point.

An aspect of the business case that we are just waking up to—I am currently doing some work for the Scottish Government on it, talking to a range of employers in Scotland—is the untapped potential of older women. That is starting to be picked up in some of the statistics, and it is now being picked up by employers as well. We heard earlier about the leaky pipeline. Given that we have an ageing population and people staying in work for longer, it will be increasingly important that we keep women in the workforce for longer and do not discriminate against them.

Jackie Baillie asked about the 30 to 39 age group. Other colleagues may want to respond to that question as well. Part of the answer may lie in the rising age at which people are having children, which is starting to see some of the motherhood penalty—the discrimination around pregnancy and women coming back to work afterwards—kicking in slightly later. We are also now seeing the gap close for better-educated women, but one of the most shocking things is that the gap still opens up after that age. We are not necessarily looking at a cohort issue. It would be lovely to say that the gap closes as those women get older but, unfortunately, the signs are that the gap opens up and we start to see discrimination, particularly as a result of some of the pressures that Irina Merkurieva has raised.

The Convener: Professor Findlay wants to come in on the previous point and probably on this point as well.

Professor Findlay: It is probably on both points. We know that there is variation by age. There are statistics for some years in which there is not a big difference in the 16 to 19-year-old group. One of the issues with young workers is that they tend to be paid minimum wages. Therefore, at the lowest pay decile, we find one of the lowest gender pay gaps, because the reality is that people have to be paid the national minimum wage—at that age it is still the national minimum wage rather than the national living wage. That narrows the opportunity for a pay gap to emerge.

On the question of recruitment practices, a few years ago, we did some work for the EHRC on the financial services sector. One interesting thing that we found was how quickly the pay gap emerged for young women who entered the sector. There was some variation at the beginning, which reflected the issue around negotiation. A lot of the recruitment was informal and done through word of mouth and networks, and people negotiated an individual salary rather than being allocated a graded salary. Men tended to negotiate that starting salary much better than women did. However, within three years, a gap emerged across that cohort—it started to emerge very quickly. To come back to Jackie Baillie's point, that means that the gap is not necessarily connected to the fact that people have children; it is just connected to the fact that they might.

The Convener: So it is not age related in that sense.

Professor Findlay: It is age related in different ways for different cohorts, and it gets bigger as careers progress. That is not necessarily an age effect; it is a cumulative effect of the discrimination or other factors that push the gender pay gap.

In the financial services sector, the gender pay gap for bonuses rather than for hourly pay was 83 per cent. Most women who took time out for childcare lost their clients and their portfolio of activities and came back not just to much lower salaries but to much lower bonuses.

The Convener: Was that in London or was it UK-wide?

Professor Findlay: That was for the UK, so it included Scotland. We had significant responses from Scotland given the size of the Scottish financial services sector.

The Convener: Do we have any breakdown of that for Scotland?

Professor Findlay: We have that in the report, which I can send to you.

The Convener: Thank you.

Jackie Baillie wants to come back in.

Jackie Baillie: Yes, because I remain curious. I do not think that I have had an explanation in detail of why, for age 30 to 39 and nowhere else, the gap works to women's advantage. I genuinely do not think that there are that many women aged 40 and over having babies who would make such a huge difference to the pay gap. If we know what is working in that age group and what is not working elsewhere, we can spread the effect. I am curious as to why that group seems to be an outlier.

Dr Merkurieva: One way to look at it is to check the profile of lifetime earnings. In general, when we look at the pay gap, it is important to understand what the split is. Generally, the biggest gap is between the low-skilled female-dominated sector and the high-skilled top management and financial services sector, which is male dominated. If we look at the life-cycle profile of the top earners, we find that 30 to 39 is still the age of accumulation for that cohort. They peak much later—probably by their early 50s. That is when they will outperform their female colleagues, who did equally well in what we might call their mid-career, between 30 and 39. However, the females will stay at that mid-career point and the males will go way ahead. That is one way of explaining those numbers.

Andy Wightman: This question is perhaps mainly for Professor Findlay, who advises the fair work convention. To what extent is the pay gap a prominent issue in the work of the convention?

Professor Findlay: It is a very prominent issue in the work of the convention. From the outset, including in constructing the definition and the framework of fair work, we have ensured that, in every dimension that we look at, we analyse the evidence base using all the protected characteristics. Therefore, when we look at effective voice or the extent to which there is access to skills and training that provide fulfilling work, we assess the evidence base by considering how those issues affect people differently across the Scottish economy. It is clear that, if someone is likely to be disadvantaged by one fair work issue, as women often are, that impacts across other fair work issues. That does not just apply to women. The idea of gender and other protected categories was immediately at the heart of how we constructed the framework and looked at the evidence.

In the consultation that took place over the convention's first year, we spent a lot of time travelling the length and breadth of Scotland, talking to people about their jobs and their experiences and expectations with regard to fair work. We had very significant representation from women in that respect, and older women in particular, predominantly in the care sector but also in the banking and financial services sector, expressed concern about some of their experiences at different parts of their life-cycle.

This is a very prominent part of what we do, and it is a very prominent focus of our current activities. At the moment, we are focusing on the social care sector, which is occupied predominantly by women, and the particular experience of older women. It is very central to what we are interested in.

Andy Wightman: Are you confident that the work is going to lead to change?

Professor Findlay: The last time I appeared before the committee, I made it very clear that the fair work convention's job is to do what it can to act as a catalyst for change. However, there are many players in the landscape, and any change has to be driven by a multiplicity of players, including Government, employers, campaigning organisations and trade unions. There is a variety of places where we might improve the experience of women in the Scottish economy, but I must point out that it is a very complex and broad ecosystem or landscape. Nevertheless, that is what we hope to do—otherwise, why would we try?

Richard Leonard: On the gender bias affecting women workers, can you share with us any research that you have done or reports that you

have published on the impact of a sustained period of public expenditure restraint on the position of women in the workplace in both the public and private sectors? Secondly, looking forward, have you done any work on the expected impact of automation on women workers?

Professor Loretto: I cannot comment on the second question, but, on the first, I think that the issue comes back to the relationship with care and unpaid work more generally. Looking over the life course and towards later-life working, which is my area, I have to say that 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 that I have noticed in a couple of projects that I have been working on, and it will have quite profound implications for future working among women of all ages.

Emily Thomson: Again on the first rather than the second question, public sector spending restraint in the wake of the great recession has impacted on women in two ways: first, as workers in the public sector, where they are overrepresented; and secondly, as service users in light of cuts to local services, particularly social care. Even if it is being defunded or has less funding available, social care still needs to be provided and, as Wendy Loretto has pointed out, there is a little bit of evidence to suggest that it is going out into the informal care sector. People such as elderly parents still need to be cared for, and when the state does not do that work, it is done instead by women on an unpaid basis.

We do not really know what goes on in the household as far as unpaid productive work is concerned. However, last October, for the first time in 10 years, the ONS published the household satellite accounts, which showed that childcare and elderly care comprised the biggest component of the unpaid work being done within households and that that had increased in the wake of the recession. It was not the number of people being cared for that had increased but the hours of care being provided. The impact has been to move some of that caring work out of the paid economy and into the informal, unpaid economy, and that has impacted more on women because of structural expectations about who will provide that care.

11:15

Ash Denham: My question is about how we alter the occupational segregation landscape in Scotland in terms of women choosing or being funnelled into certain types of work. Also, Emily Thomson has undertaken some work on the gender split in modern apprenticeships that I would be interested in hearing about.

Emily Thomson: We have been working on the issue of gender in modern apprenticeships for some time now. The first piece of work on that was the Equal Opportunities Commission's general and formal investigation into segregation in training, and a report was published in 2005. The modern apprenticeship programme is publicly funded and, as such, offers a real opportunity to impact on gender segregation.

The notion of apprenticeship training is much more embedded in the traditional engineering, construction and manufacturing areas than it is in the service sector; the modern apprenticeships are "modern" because they are in the sectors that became more prevalent as the economy restructured. There is a difference between those areas in the quality of the training that is offered. As time has gone by, we have had limited evidence that the pay gap in apprenticeships is very large. We found that those in the female-dominated sectors were being paid much less and that there was much less return on the human capital investment than was the case in the traditional sectors of engineering, construction and manufacturing.

Emma Ritch described this as a totemic issue in modern apprenticeships because we have so much evidence on occupational segregation in modern apprenticeships and, given that the programme is publicly funded, we could take steps towards change. Chris Oswald from the EHRC referred to changing things through procurement conditions, which could be a key lever in modern apprenticeships. However, 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.

Ash Denham: It has not shifted in 10 years.

Emily Thomson: No. There has been very little progress. We have seen a massive expansion of social care apprenticeships, but there is very low male representation in them, which is part of the issue. We see more work being done to get women into the traditional areas but less being done to get men into the non-traditional areas. The latter can often be a hard sell, because those areas are generally quite low paid. There are lots of intractable issues like that in those areas, but we could really make a difference there.

Professor Loretto: I have a brief adjunct point. An area that we have not spoken about is the increasing number of women in self-employment. We know that women in self-employment are

much lower paid, so that is a big area of the gender pay gap that requires some exploration. It perhaps links back to automation. Why do people leave employment and take up self-employment? Is it because they have been driven out? How much of a conscious choice is it? It would be helpful if the committee did a bit more investigation in that area.

Professor Findlay: A few years ago, we did some work on the manufacturing cluster in modern apprenticeships. The issue is partly about, as Emily Thomson said, access to modern apprenticeships and the terms on which people get that access. However, the qualifications level of modern apprenticeships is also an important issue. We find that women are less likely to undertake modern apprenticeships in manufacturing in Scotland and that, even when they do undertake them, they will be at a lower level. It is not just about women being offered a lower level of apprenticeship but about the apprenticeships being in the lower-paid parts of the manufacturing subsectors—for example, food production. It is therefore not just about getting an equal number of women into apprenticeships, challenging though that undoubtedly is, but about ensuring that women get access to the higher-paid apprenticeships, given that that there is now quite a high spread in the qualifications framework.

The Convener: As someone who has been self-employed, I wonder how much personal choice is an issue in somebody becoming self-employed. It gets rather complex, does it not? A self-employed person makes decisions about all sorts of things in a business context. I think that we have touched on some of that already, but I wonder how much of an influence personal choice is.

Emily Thomson: I have a couple of points to make. Professor Mike Danson is leading work at Heriot-Watt University on poverty and self-employment. An early finding from that research is that, although there is an element of free choice, in the wake of the structural changes to the welfare system, what we are seeing is survival strategies rather than a move towards entrepreneurialism or an entrepreneurial spirit. We are talking about people who are trying to scratch a living when they might have been sanctioned. That has a gender dimension, because issues to do with lone parenthood come into play. We must recognise that, although people have free will and free choice, those choices are being made under conditions of considerable constraint, one of which relates to the interaction of the welfare system with paid labour markets.

Another issue is the fact that the ASHE data on pay will not reflect earnings from self-employment, so we do not really know what the issues are with regard to how much people earn when they become self-employed. In 2013, I gave evidence to the committee's predecessor committee, which was looking at the issue as part of an inquiry into underemployment. Of the new businesses that had been set up in the wake of the recession, 60 per cent were female-owned businesses, but the people in them were very low paid and were not earning enough to pay tax, and that has an impact on the tax revenues that are available to Scotland. There is a lot of work to be done on that.

The Convener: You mentioned tax. How much a person pays in tax is part of the equation. Is that taken account of in the figures on the gender pay gap? Is the tax burden on individuals considered, or are we looking only at gross income figures?

Emily Thomson: I think that the ASHE is based on HMRC data. Patricia Findlay might have a more detailed knowledge of that.

Professor Findlay: The figures are based on gross earnings. In that sense, there is no difference in the taxation profiles of men and women—the personal allowances are the same.

Dr Merkurieva: If we want to supplement our knowledge of self-employment, we can rely to some extent on the household surveys, which include a measure of earnings for the self-employed and employees. The evidence is clear. I would probably draw a parallel between the developments in self-employment and the issues that we have discussed in relation to part-time and full-time employment. The differences are exactly the same—the situation is highly polarised.

Self-employment and part-time employment can be used as coping strategies. When a person is displaced because of automation or whatever, they have to come up with alternative pathways. Alternatively, part-time employment or self-employment might be an effect of a person's income—I am thinking of an older worker who has enough income to cut down their hours and open a business, such as a high-level consultancy. Self-employment might be the choice of someone who wants to enjoy their work rather than someone who has to cope with a difficult circumstance. In both part-time employment and self-employment, we have the two poles.

Professor Loretto: I will pick up on choice, which the convener mentioned. It is important to say that the opportunity for choice is gendered, particularly when someone loses their job slightly later in their career—I am talking about the over-50s. We have evidence that women find that particularly difficult. Although men and women both find it difficult to get back into employment, women face additional challenges at the intersection between ageism and sexism. Going

on to take up self-employment might be a choice, but it is one that is severely constrained.

Given the partial evidence that we have, there is a question about the extent to which self-employment is disguised unemployment. In some cases—again, I am talking about the over-50s—self-employment can be a face-saving measure. Some people do a very small number of hours—in other words, it is very part-time work—so there is a huge underemployment issue as well, which our findings suggest is gendered.

Gil Paterson: Further to that, is there any evidence to suggest that people in some sectors are being encouraged to be self-employed, so that there is less liability for the real employer? In other words, a job is available, but only for self-employed people.

Professor Findlay: Over a number of years, business models have undoubtedly developed that rely on a much more distanced workforce. Couriers provide the classic example that people cite. Most couriers are not directly employed but self-employed and are subject to challenging contractual arrangements with the companies that they contract with.

I suppose that you are referring to bogus self-employment. In that sense—this picks up on Wendy Loretto's point—one issue is whether self-employment masks underemployment. Why people end up in self-employment and what it produces are complex matters, but we know that the gender pay gap persists and that self-employed women work fewer hours than self-employed men. We know that different choices are being made. On a normal distribution, we would not expect to see differences across the genders. If we are seeing differences, we are seeing them for a reason.

Gillian Martin: I presume that people who are almost forced into self-employment are less likely to have pensions or to make pension contributions. Are we storing up a problem of poverty for elderly women?

Professor Loretto: We could be. Part of my point is that we do not have good, systematic evidence. We are storing up a problem for all women and increasing pension poverty for women if we do not address the gender pay gap because, as I have said, this is an employment issue.

The self-employed are a relatively small part of the whole labour force. That is not to say that they are not important—they are. However, the storing up of problems for pensioner poverty affects everyone—the employed and the self-employed.

John Mason: Emily Thomson mentioned the idea of getting men into sectors where they have not traditionally been and how that is maybe not worth while for them if the work is low paid. That is not exactly what she said—I am being provocative, as usual.

Based on what has been said, getting more men into nursery care, for example, might strengthen the argument for paying nursery workers better, although maybe that is not how that should be achieved. Should we be aiming for that? Is it important? Does it matter for kids who are in nursery and childcare to have male role models? Beyond that, primary school is—I think—dominated by women teachers. There is the financial question, but there is also the wider question of whether that is inherently a good or a bad thing.

Emily Thomson: Aiming to have more men in such sectors is worth while. 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. That seems to be at the crux of quite a lot of the arguments that we have heard—on childcare and unpaid work, for example—that underpin women's inequality in the labour market in a wider sense.

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.

Primary school teaching is dominated by women. Classroom assistants, who have some of the lowest-paid jobs in our economy, are overwhelmingly women. However, even in the female-dominated primary school setting, we see many more male headteachers. That workforce is dominated by women, but males are overrepresented at its higher levels. That said, it is incredibly important to increase the representation of men in female-dominated areas of our economy.

11:30

John Mason: Is there also a problem that society often treats men with suspicion if they are interested in working in childcare, for example?

Emily Thomson: That is true. When we did our original work on modern apprenticeships, we could not get any male childcare apprentices to talk to us as part of our research. At the time, there were only two or three of them in Scotland. Now, there are about 100—I am not sure of the exact figure.

There is definitely a purchaser barrier to having men working in nurseries. Employers reported that parents did not like it—they were suspicious of men working in nurseries and childcare. That is incredibly sad. We could do something about that if we made a concerted effort to increase the number of men who work in childcare. In terms of role models, it is good for children to see men working in childcare, as it challenges the gendered expectation that women are the only ones who do the caring in the economy and society in a wider sense. The issue is incredibly important, but there is a lot of work to do.

Professor Findlay: In the most recent statistics on the category of nursery nurses and classroom assistants, there is a gender pay gap of 4.5 per cent in the UK. Even in an occupation that is completely dominated by women—one in which women hold 90 per cent of the jobs—there is still a gender pay gap of 4.5 per cent, which translates into salaries of £15,286 for men and £12,000 for women.

That takes us back to horizontal segregation, which is probably playing a role. It also leads back to the issue of poverty. 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.

John Mason: To switch to the other end of the economy—universities and things—is there discrimination there, too? On the current panel, there are more women than men, but we saw research from Yale University that suggested that there is bias against women in the academic world.

Professor Wall: The Yale research is interesting. In that experiment, job applications that were identical apart from the fact that some had female names and some had male names were sent to senior people who appointed people to jobs, and those people thought that they were choosing people for real. The outcome was that fewer women than men were offered jobs. In fact, it was worse than that, because the women who were offered jobs were offered less money in the first instance and less mentoring. That shows the picture developing from the beginning. There is a two thirds to one third split, and people on either side of that split do not even enter into jobs on a basis of equality, because the women are below the men and are given less support in income and mentoring before they start working.

We can see evidence of that in the bigger picture for academia in general. The STEMEC report that was submitted to the Scottish Government last year shows that, in many disciplines, women make up 50 per cent or more of the people who are involved to start with, but that number drops off as time goes on. That means that, the higher up the tree we look, the less women we see. That kind of system becomes self-reinforcing.

We have not yet touched on institutional sexism. Academia is an area in which questions of sexual discrimination have been discussed for some time, and all the employers are completely committed to fairness but, nevertheless, we still see what has been described. Institutional structures and behaviours that are encouraged and supported by the institutions bring about discrimination, and they have to be tackled in a strategic way.

As for academia, the Royal Society of Edinburgh produced in 2012 the report "Tapping all our Talents—Women in science, technology, engineering and mathematics: a strategy for Scotland". The Scottish Government adopted that report, but it might be interesting for the committee to explore the different ways in which it has taken the report forward. Three committees were given different parts to take forward; I will not go into the detail, but it would be instructive to see how far the Scottish Government has gone in adopting the report's proposals itself or in encouraging the organisations that it funds to do so.

Professor Loretto: Academia illustrates some of the hidden reasons for the gender pay gap, because it runs a system of reward that is very much based on individual performance. Ostensibly that seems to be fair—after all, it means rewarding the individual for their performance, their attributes and so on—but it can hide the fact that, as we heard earlier, women might be rewarded for rather different behaviours from men.

Some of the issues of tackling the hidden reasons for the gender pay gap come to light in academia. A classic example is international mobility, whether that be the ability to travel internationally to attend conferences, to hold visiting professorships or just to shift between jobs in order to drive up pay. That is gendered, and we are only now starting to tackle the issue in academia as we see more women come into senior roles. That is key not only to tackling institutionalised prejudice and discrimination but to opening up different pathways. Academia is a bit of a lens with regard to other organisations that have such a system of reward and promotion.

John Mason: You have said that the issue is beginning to be tackled, so will it work itself out if we just give it a bit of time?

Professor Loretto: No. That is the issue—we need not only to encourage but to enable more women to get into such positions and enable their voices to be heard. What the committee is doing is incredibly welcome in that respect, because it is enabling the voices and the research to be heard, and it is indirectly enabling to be heard the voices of the low-paid and low-skilled women whom we have heard about and who will not be coming along to the committee. Of course, we also need to ensure that those women's voices are heard in more direct ways through, for example, trade unions and the other bodies that represent them directly.

Dr Merkurieva: In general, academia provides numerous case studies that illustrate many of the gender issues that are in question. In economics, for example, the Royal Economic Society has a women's committee that follows up the data on the economic faculty in the United Kingdom and which has concluded generally that, even after women complete their PhDs, there is still the leaky pipe that means that they do not make it into professorships.

There are a number of examples of what might have been obviously good solutions that did not work. In the United States, where maternity leave provisions are particularly bad, numerous universities used equal rights to extend the tenure track for male and female faculty. At the time, that was a great move in equality but, after several years of the outcomes being observed, it was found to be having a negative effect on the achievement gap, and women were ending up in a worse position than men. The approach that was taken was that, for every child who was born during the tenure track, the individual would get an extra year to get articles published. Men managed to use that extra year—or several extra years, if they had numerous children—to their advantage, while women got the extra year but still had to take care of the kids and then face the same previously available reduced tenure-track period. Even though it was a well-intentioned move that was totally welcome in equality terms, it played no role in tacking the achievement or pay gap.

Professor Findlay: I will make two quick points that I think draw on the academic experience but which are also pertinent to broader professional work. An interesting *American Economic Review* paper looked at the allocation of tasks in academia and the differential between men and women, and one of the issues that arose was that women were more likely to take on tasks that were less visible and less measurable. They might have been important to the quality of our students' experience, the type of research that was undertaken or the institutional maintenance of our organisations, but they tended to be less visible and therefore less liable to be counted when it came to promotion.

That is also the case in financial services. Revenue-generating functions, rather than other kinds of support or institutional functions, are allocated differently across the sexes. That is about the operation of who does what in the workplace.

A second issue, particularly for professional and managerial workers in the UK, is work intensification, and in particular work-to-life spillover. Across Europe, work intensification lowered in most countries after the global financial crisis, but it increased for many occupations in the UK, and particularly for professional and managerial workers. The work-to-life spillover for higher-level professional workers is now more than it was before. That is a disincentive for women to enter higher-level professional or managerial occupations. Those jobs have become more demanding, and they take up more time. They are now more amorphous, partly because of the use of technology. That makes it much more difficult to deal with the work-life balance issues that people talked about earlier.

The Convener: With regard to the last question, when steps are taken to address something, sometimes they have the opposite effect from what was intended, which is what Dr Merkurieva was talking about.

I want to go back to something that Emily Thomson said. In another inquiry, we heard evidence from the care sector to the effect that the sector is not as highly valued as it ought to be in terms of not money but valuing the work that is done. There is a social attitude problem, which is why not enough people are going into social care.

Is that part of the problem with this issue? When we say that something is "undervalued", are we talking just about pay and money, or is the root of the problem the type of careers that people value socially—or rate—in terms other than of money?

Can Emily Thomson comment on that?

Emily Thomson: There is a dilemma there. There are many jobs in the economy whose value is more social or spiritual—to do with children's development, for example; but that is not to say that those jobs should not also be remunerated, monetarily. The issue is not just paid jobs, but the unpaid jobs as well. Our gross domestic product figures, for example, do not tell us anything about who carries out unpaid caring roles within the economy and how those are distributed. That really has to be addressed. Our values system is very much marketised, and there needs to be a

challenge to that. At the same time, the people who engage in care work are living on poverty wages, which is not fair. It is an issue of social justice.

There is the conundrum: there are many jobs whose value is greater than can be expressed in market terms but, at the same time, there is an issue of justice in the distribution of those jobs and roles. I am not sure how we get around that.

Gordon MacDonald: Scotland's median pay gap is 15.6 per cent and its mean pay gap is 14.9 per cent. Are there any countries of a similar size with better figures, which we could look at to see how they closed their pay gap?

Professor Findlay: The Scandinavian countries have lower pay gaps. Lots of international comparative work has been done on pay gaps. This morning I came in around the end of the first panel's discussion, when people were talking about whether the lower pay gap in other countries reflected the culture, particularly in Scandinavia. I would very strongly advocate that it reflects institutional approaches.

People this morning raised the issue of childcare and talked about ensuring that access to the supply routes into different kinds of work are dealt with more appropriately in terms of gender. There are issues around access to training and development, and access to voice—which is much more characteristic of those economies. For example, we know that the gender pay gap is lower in organisations where a trade union is present, and we know that those economies have much more systematic forms of voice.

Therefore, there are institutional features in other countries that can reduce the pay gap. This morning, someone gave the example of Iceland; it might have been Gordon MacDonald.

Gordon MacDonald: Yes.

11:45

Professor Findlay: One of the things that Iceland did for a very long time—up until a few years before the global financial crisis—was to publish everybody's salary. There is a huge issue around transparency and what people know. A person might look at the aggregate figures on the gender pay gap, but not know what the gap is for their occupation; and even if they did know that, they might not know what it is in their own organisation, and it is not easy to find out.

Transparency—at a public or an organisational level—is one of the institutional factors that can really support people to understand whether or not they have been discriminated against and whether or not there is a gap. There is a long step between that and having a remedy, so a person has to be able to know that they have a problem to effect the remedy. Currently, there are real challenges around that in Scotland and in the rest of the UK, but we could learn a lot from some of the institutional features of other countries and understanding how those might impact on reducing the gender pay gap in Scotland.

Gordon MacDonald: You mentioned Scandinavia, and I need to be clear on this. I am looking at the PWC women in work index, and the top three countries are Iceland, Sweden and Norway. The median pay gap between female and male is 16 per cent in Iceland, 14 per cent in Sweden and 15 per cent in Norway. If my understanding is correct, Scotland's median pay gap is 15.6 per cent.

Professor Findlay: Those figures are close enough for there to be issues about statistical variation. It has also been different over time, but those are the economies that people tend to talk about as having lower pay gaps.

Gordon MacDonald: Right. Okay.

The Convener: I think that Professor Wall wanted to come in on that point.

Professor Wall: Convener, at the end of the previous evidence session, you asked what could be done in certain respects. One of the very powerful tools that the Scottish Government has is its procurement policy. Although there is a great deal of sophistication and this is, at one level, crude, there is no reason why Government policy should not be to say that firms cannot win public jobs if their gender pay gap is bigger than a certain amount and, at the same time, to announce that, over a period of time, the figure will be reduced. For example, if it is 15 per cent at the moment, it will be 14 per cent in two years' time and 12 per cent in five years' time, or whatever—we can argue about the figures. The point is that, once we start a trajectory like that, it becomes, to a degree, not self-fulfilling but much easier to get going.

That comes back to the point that I made earlier about the experience of the Athena SWAN charter. The discussions that we are having have been had for decades, as I know from personal experience. At some point, someone has to say that enough is enough and that we are going to start legislating or structuring our systems to ensure that it does not happen. I offer that as one practical possibility that the committee could explore.

Gordon MacDonald: Have any countries introduced legislation of that nature with regard to procurement, or is there any other best practice from across the world that we could be looking at to try to close the gender pay gap?

Professor Wall: I am not aware of it, but I am sure that my colleagues could identify some outwith this meeting.

The Convener: Professor Wall, I have one question on that point. Would it not depend on European Union procurement rules as well? They might cause slight difficulty in taking such an approach, at least at present.

Professor Wall: I do not have the expertise to say but, in my experience, you can always find a lawyer who will find you a solution and write it in any way you want. I am quite serious about that. I have done lots of procurement for most of my professional career. If someone wants an objective, there is a way to get it; they just have to find out how to draft it.

The Convener: I suppose that that might be a problem in the area in which we are involved here.

I think that Professor Wilson wanted to come in, and then Professor Findlay.

Professor Wilson: I just wanted to say that I have here a report on closing the pay gap and what other European countries have done. I would also like to pick up on the point that Professor Wall made about what the Scottish Government can do. In the news recently, there has been talk about "naming and shaming" 139 companies who have not been paying the minimum national wage—I am never very sure about the terminology; perhaps Patricia Findlay will keep me right. It turns out that HMRC collects the data that allows it to know which companies are failing to provide the minimum wage. Presumably, the data on pay gaps could be collected relatively easily as well, and then fines imposed. So there are a number of different ways forward and of ensuring that the gap is closed; it is not simply a case of making companies more accountable and then just leaving it at that—which is very much the case at the moment.

Professor Findlay: On the procurement issue, the current Scottish procurement regulations allow for an equality clause, so there is an equality element in procurement. However, that is a very big step away from understanding how people perceive and operate in relation to those guidelines. For example, there is also a commitment to fair work in the current procurement guidelines, but we do not know an awful lot about how people operationalise that. We are trying to get behind that commitment to see whether it really makes a difference. That could be pushed more than the Scottish Government is perhaps comfortable with.

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.

The fair work convention has talked a lot about naming and shaming, which is a challenging issue. That is the approach used by HMRC in relation to the national minimum wage and is possible because particular examples can be found. However, ASHE does not give us the composition of a business's gender pay gap. Part of the challenge is that individual businesses are sometimes not necessarily good at calculating or understanding their gender pay gap, which is the first step. Bodies such as the Advisory, Conciliation and Arbitration Service and the Equality and Human Rights Commission have lots of services on that, and I am sure that any university would send out a researcher to calculate a business's gender pay gap. However, lots of businesses with complex grading structures and different pay arrangements find it challenging to understand how much of a pay gap they really have.

Andy Wightman: I was interested in Emily Thomson's comment about care workers being paid less because there is a perception that their biological characteristics lend themselves to that work and therefore they deserve less. Generally speaking, the same attitude is not taken to men working in physical manual work. When we talk about the gender pay gap, we often talk about why women are paid less, but we tend to talk less about why men are paid too much. I wonder to what extent the issue is fundamentally about patriarchy.

The Convener: We have a few interested parties.

Emily Thomson: It is fundamentally about patriarchy, I think. Patriarchy interacts with markets and how they value certain skills and jobs. Job evaluation schemes and organisations can be subject to gender bias. Some of those assumptions are very entrenched in people's psyche and in our collective psyche. I am not sure where we go from there, but at least we should try to talk about caring responsibilities and caring roles as being skilled, in the same way as we might talk about manual labour, for example. I have never really thought about male-dominated roles being overpaid, but I suppose that that is a potential issue.

Looking at the gender pay gaps in individual organisations tells us part of the story, but it is also really important to look at horizontal and vertical segregation in trying to understand the gaps.

A word that we have not used is “feminist”, but a feminist analysis of the economic issues would recognise that patriarchy has something to do with the structural issues.

Professor Findlay: I suppose that the short answer is yes, of course it is about patriarchy. However, that does not necessarily take us terribly far—it does not take us to something that we can action. As Emily Thomson rightly says, patriarchy interacts with markets and organisational factors. There is a complex interplay between those things. I do not think that we should be asking whether the issue is that male manual workers are overpaid, and the fact that there are pay disparities and differences in pay evaluation across different categories of workers does not necessarily lead us to that conclusion.

Undoubtedly, some of the arguments around the gender pay gap and gender disparities detract from some of the challenges that other people in the economy face. For example, we talk a lot about women’s boardroom representation, which is probably not of great interest to many people—male or female—at the lower end of the occupational spectrum.

There are complex, intersecting factors, and we do not have to have a binary approach, whereby we say that if female care workers are being paid too little, male manual workers are being paid too much. That does not take us further forward. To go back to Mr Wightman’s question, yes, it is about patriarchy and markets.

Professor Loretto: I very much agree, but I want to make another point, which is about the current work of the Scottish Government. In the care sector, 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.

Dr Merkurieva: If we all agree on the issue, the question is where we go from here. Partly, it is about opportunity. If someone decides not to take a low-paid job, the question is what they do next. We have seen that it is easier for males to move to a female-dominated sector, such as care, than it is the other way round. It comes back to education and expanding the opportunities for female low-paid workers.

Bill Bowman: I was interested in what Professor Loretto said about the self-employed. Is it really the case that we have no information at all on entrepreneurial differences between males and females and how those contribute to earnings and GDP?

Professor Loretto: It is not that there is no information—I am sorry if I misled you on that. There is information, but it is much more limited. We talked about the sources of information that we have on pay for employed people; we do not have similar information on the self-employed, so we rely on self-reported data, which mainly comes from the labour force survey and similar sources. The information is much more unreliable.

Bill Bowman: Is there something that you can say about that?

Professor Loretto: There is. The problem with those surveys, as we heard, is that when we try to break down the UK information to get Scottish figures, for example, the information becomes quite unreliable. If we break down the figures by sector and then by gender and so on, the numbers are not big enough to enable us to do the analysis.

The Convener: If there are no other comments on that, I will go back to something that Professor Findlay said. You mentioned—perhaps in passing—protected characteristics. I think that you were referring to the definition in the Equality Act 2010. One approach to assisting women in the workplace is childcare provision, to enable women to return to work at a point that they consider appropriate. Religion is one of the protected characteristics, and some women—from a number of religions—might choose, because of their religious beliefs, to look after their children until they reach a certain age, such as two or five. Other women, even women of the same religion, might not make that choice; people have different viewpoints.

Childcare provision will not assist women who choose to take a certain amount of time out before resuming their career. How does that fit into the puzzle and the work of the fair work convention? It might be more to do with the return-to-work element and how women are brought back into the workstream than it is to do with women’s reasons for making the choices that they make.

12:00

Professor Findlay: I am not sure that there is much evidence of big religious variations in that regard; there are undoubtedly broader cultural and family structure factors that impact on whether women are more or less likely to return to work.

Part of the issue is the maternity leave that is available to women. If you have a long period of funded maternity leave, the chances of your returning to work will be greater. The length of funded maternity leave is different in different countries, so some women are more likely than others to return. Quality childcare is part of the answer, but it is not the only answer, because it does not take into account the different choices

that all parents, whether they are men or women, make about their relationship to market and non-market activities. We need to have childcare that allows women to engage appropriately in the labour market where they choose to and in the form that they choose, but we also need to have a labour market and organisations that cater specifically to the needs of families, and not the other way round.

I tend to worry that the debate in Scotland focuses too much on childcare. I do not want to underestimate how important good, high-quality childcare is in supporting parents to go to work, and in supporting children's life chances, but we have to see that as a dynamic relationship. We want families, through childcare, to be able to respond to what the labour market and organisations need, and we want organisations to respond to what individuals and families need. It is not all about change in one direction. Issues around flexible working, the type of maternity leave, and ensuring that work is not so overbearing that people cannot balance it with family life are just as important, in my view. On Gillian Martin's earlier question, what happens in the workplace is as important as the availability of childcare. There are supply and demand factors that need to be looked at interactively.

The Convener: It may be a broader issue, but are there other countries of a similar size with which we can compare Scotland to see how they approach the issues and what we can learn from them?

Professor Findlay: I do not have anything to hand, but I could think about it. We know of some countries that we do not want to compare ourselves to. For example, the experience of women in the US is much more challenging when it comes to such things as paid maternity leave. There are also the usual suspects with which to draw comparisons. For example, in Sweden, you get a two-year maternity leave; you do not get that in Scotland—or certainly not two years' paid maternity leave. That is quite significant because it might reflect the different time periods in which people are willing to leave their children. There are lots of different configurations.

In and of itself, part-time work does not have to be a problem. The issues were raised earlier partly in relation to digital working. There is no reason why working part time and combining work and family life should be as disadvantageous as it is. Many of us might want to work fewer hours and spend a bit more time at home, but the choices are constrained by the fact that the options available for part-time work and how that part-time work takes place in practice impose a detriment on part-time workers in general, but particularly on women, who are the vast majority of part-time workers. There is no reason why we could not change that to make things different.

Professor Loretto: The convener asked about other countries, and Norway is an interesting example. The information that we have comes from the Centre for Senior Policy, so it is to do with not gender but age and keeping people in work for longer. It takes a life-course approach and shows that if you allow people to work more flexibly at an earlier stage in their lives or, as Patricia Findlay said, if attention is given to work-life balance and spillover throughout the life course, you do not tire people out and you can keep them in the workforce for longer. The gender aspect to that has to do with keeping women in the workforce for longer than is currently the case, because women still retire earlier than men, despite increased healthy life expectancy.

John Mason: I have a supplementary question on what Professor Findlay said. How do we deal with a situation in which part-time workers are being paid less well than full-time workers? Should there be legislation saying that you have to pay the same for every hour, whether a person is full time or part time?

Professor Findlay: There is. There are part-time working regulations that require employers to pay the same for part-time work. The issue is less about the hours on the job and much more about the opportunities for work that are available on a part-time basis. That involves defining which work is capable of being undertaken part time and what opportunities are available to part-time workers. For example, part-time workers are less likely to get access to training opportunities or career development and they are less likely to be promoted. There are lots of sectors in which part-time working is common, such as the retail sector, and we know that lots of people in that sector work part time in order to balance work and family life, but in promoted posts such as team leaders and first-line managers it is much less likely that those employees will be part time. Is there a particular reason why that is the case? On the face of it, the nature of the work does not require it to be done full time. In fact, for lots of work, it is difficult to see why it cannot be done part time. It is about the opportunities that are available for high-quality work on a part-time basis. Maybe if more opportunities were available, men and women could equally opt to engage in part-time work.

Dean Lockhart: On the point about helping women to return to work after having children or for other reasons, traditionally women have benefited from part-time college courses to update their skills to take them back into the workplace. We have seen quite a big cut in part-time vocational college places. Does that have a disproportionate effect on women who are

returning to work? Should we be looking to reinstate some of those vocational college places to assist women and others who want to return to work?

Professor Findlay: I do not know that I have read any evidence for that. Most people who return to work return to their original employer, and initiatives such as return-to-work days have been put in place at the UK level to keep people connected to their organisation. However, I do not know about the impact for people who are returning to a different employer and would require some kind of skills upgrading or retention.

Dean Lockhart: On a slightly related point, I appreciate that statistics are limited, but is there any research to show a gender pay gap according to social background and disparity of wealth?

Professor Findlay: Earlier, Fiona Wilson referred to the fact that there are different class effects, and there are different things going on. The lowest gender pay gap is in the lowest pay decile. We will assume that people who are in the lowest pay decile are also likely to be disproportionately from a working class background, so the gender pay gap is lower because those wages are effectively regulated by the national minimum wage.

As we move up through the occupational hierarchy and the different pay deciles, we see a class effect, and Fiona Wilson might pick up on that. For example, we know that there is a class effect in relation to professional and managerial work. People who have the same qualifications and occupy the same jobs are likely to be paid less, and we do not protect against that very well in the UK.

Dean Lockhart: I have just been given the answer in the form of Fiona Wilson's report.

The Convener: You might share that with us all later.

We are coming towards the end of our time here today but I will throw this final question open to all our guests. What is the single biggest issue that is preventing the greater participation of women in the Scottish economy?

Emily Thomson: That is a hard question and I can answer only from my perspective as a feminist economist. It is about how we value market and non-market work. When we talk about economic participation and wanting more women to participate in the economy, I would like us to recognise that women are participating in the economy but their contribution is not always paid. It is about trying to change the structures in our value system that could give more recognition to the productive work that women already engage in in the home.

Professor Wall: That is a difficult question and this might not be the answer that you are looking for. As the discussion around the table has indicated, what is required is a systemic response to all the issues that we have picked up. It is not only that there are lots of issues but that those issues reinforce things. In the discussion about the wages of nursery workers and gender representation, for example, we get into a series of negative circling down or positive circling up, and we need to tackle everything systemically. The great strength of a committee doing a piece of work like this is that it can come up with a series of interlinking, systemic recommendations, which, if implemented, start us on doing things much better.

Professor Loretto: I endorse what Emily Thomson said because that is the main issue. However, if I stick to later-life working at the moment, the greatest barrier is the lack of flexible opportunities in later working life to recognise the changing balance between paid and unpaid work.

Dr Merkurieva: It is not an immediate solution, but the first thing that comes to my mind when we talk about the gender pay gap is the stereotypes that we are feeding to our children. That is a long-term solution but it is where we have to start, because once we expose children to stereotypes, we have planted the seed and it can only grow from that point on.

The Convener: As there are no further points from our panel and no further questions from committee members, I thank all our guests for coming today.

12:10

Meeting continued in private until 13:00.

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