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Official Report

EQUAL OPPORTUNITIES COMMITTEE

Thursday 4 October 2012

Session 4

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EQUAL OPPORTUNITIES COMMITTEE
18th Meeting 2012, Session 4

CONVENER

*Mary Fee (West Scotland) (Lab)

DEPUTY CONVENER

*Jean Urquhart (Highlands and Islands) (SNP)

COMMITTEE MEMBERS

*Marco Biagi (Edinburgh Central) (SNP)
*John Finnie (Highlands and Islands) (SNP)
*Annabel Goldie (West Scotland) (Con)
*Siobhan McMahon (Central Scotland) (Lab)
*Dennis Robertson (Aberdeenshire West) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stephen Boyd (Scottish Trades Union Congress)
Jackie Brierton (Women's Enterprise Scotland)
Angela O'Hagan (Scottish Women's Budget Group)
Linda Somerville (Scottish Resource Centre for Women in Science, Engineering and Technology)
Claire Telfer (Save the Children)

CLERK TO THE COMMITTEE

Douglas Thornton

LOCATION

Committee Room 4

Scottish Parliament

Equal Opportunities Committee

Thursday 4 October 2012

[The Convener *opened the meeting at 09:16*]

The Convener (Mary Fee): Good morning and welcome to the Equal Opportunities Committee's 18th meeting of 2012. I ask everyone present to turn off all mobile phones. At the table, along with members and witnesses, are the clerking and research team, the official reporters and broadcasting services. We are also supported by the security office.

My name is Mary Fee and I am the convener of the committee. I ask committee members and witnesses to introduce themselves in turn.

Jean Urquhart (Highlands and Islands) (SNP): I am a list MSP for the Highlands and Islands.

Dennis Robertson (Aberdeenshire West) (SNP): Good morning. I am the Scottish National Party MSP for Aberdeenshire West.

John Finnie (Highlands and Islands) (SNP): Good morning. I am an MSP for the Highlands and Islands.

Siobhan McMahon (Central Scotland) (Lab): I am an MSP for Central Scotland.

Annabel Goldie (West Scotland) (Con): I am an MSP for West Scotland.

Marco Biagi (Edinburgh Central) (SNP): I am the MSP for Edinburgh Central.

Claire Telfer (Save the Children): I am policy and advocacy manager with Save the Children in Scotland.

Linda Somerville (Scottish Resource Centre for Women in Science, Engineering and Technology): I am director of the Scottish resource centre for women in science, engineering and technology.

Angela O'Hagan (Scottish Women's Budget Group): I am convener of the Scottish women's budget group.

Jackie Brierton (Women's Enterprise Scotland): I am director of Women's Enterprise Scotland.

Stephen Boyd (Scottish Trades Union Congress): I am an assistant secretary with the Scottish Trades Union Congress.

The Convener: Thank you. I also welcome the observer who is sitting at the back of the room today.

Decision on Taking Business in Private

The Convener: Agenda item 1 is a decision on taking business in private. Are members content to agree that consideration of a draft report to the Finance Committee on the Scottish Government's draft budget 2013-14 should be taken in private at future meetings?

Members *indicated agreement.*

Draft Budget Scrutiny 2013-14

09:18

The Convener: Agenda item 2 is evidence on the Scottish Government's draft budget. Before I open up the discussion for questions, I ask the witnesses to give a brief introduction to the work that they are involved in and their background, as that may help committee members. I will start with Stephen Boyd.

Stephen Boyd: My main area of responsibility at the STUC is economic and industrial policy, although I also look after a number of other areas. I guess that my main interest in today's discussions is the current state of the labour market and, in particular, the position of disadvantaged groups within it. The STUC has a lot of labour market analysis, so I am particularly interested in how the draft Scottish budget might affect the labour market—whether it will help or be detrimental to the situation.

Jackie Brierton: Women's Enterprise Scotland is particularly interested in promoting business ownership among women and increasing the number of women who either start up or grow a business. Therefore, we have an interest in how the economic development budget is allocated and, in particular, how the business development and business support spend is allocated.

Angela O'Hagan: Good morning. The Scottish women's budget group is a voluntary, unresourced group. We have been around since the very early days of the new Parliament and we press for gender analysis in the budgetary process. Throughout our work, we have remained non-party aligned and have worked across various committees and processes.

Our focus is on trying to bring about a shift in understanding that the budget is the principal expression of the Government's priorities and, as such, is not gender neutral. How money is spent has an impact on how women and men experience working and other aspects of their lives. The fundamental change that we are trying to bring about is to introduce and embed that gender analysis throughout the budget process and in the outcomes that flow from budget and spending decisions.

Linda Somerville: I am based at the Scottish resource centre for women in science, engineering and technology. We are hosted at Edinburgh Napier University, but we have a remit to work across the whole of Scotland to improve the participation of women in education and employment in the areas of science, engineering and technology. We recognise that some of Scotland's key economic industrial sectors are currently reliant on those skills, but there is a huge deficit in the number of women going into and actively participating in those areas. Indeed, the trend is for women to leave or not to progress. Our interest is in helping the committee to understand how we can influence matters to encourage women into those areas and ensure that they can reach their potential and contribute to economic development within those areas.

Claire Telfer: Our focus in Scotland is on supporting efforts to tackle child poverty. Our perspective on the budget is particularly around supporting families living on the lowest incomes, who are some of our most vulnerable families. Also, given that the child poverty strategy in Scotland sets out the key areas and actions that need to be taken to tackle child poverty, we are particularly interested in how that is influencing spending allocations in the budget process and how that is taken forward through things such as parental employment.

The Convener: It is useful to the committee to get that background. I will now open up the discussion to questions.

Jean Urquhart: Good morning, again. I would like to ask Linda Somerville specifically about the resource centre and to get to know a wee bit about its work. How new is the centre? What barriers are experienced by women who think that they might be interested in science, engineering or technology and how do you encourage women who do not see themselves as ever being attracted to work in those areas? I understand that about 17 per cent of women in Scotland work in those areas, whereas the figure for Europe is 18 per cent, so the issue is perhaps not specific to Scotland. Does that reflect the kind of work that you do and what happens across Europe?

The question is rather specific to Linda Somerville, but I am happy to hear from Stephen Boyd and others if they wish to comment.

Linda Somerville: The centre has been based in Scotland since around 2005. We were previously funded mainly by the United Kingdom Government through the UK Resource Centre, which was a large enterprise at Bradford College that had a long history of women in engineering projects. Funding from the UK Government ceased in 2010 and, unfortunately, the UK Resource Centre is now a commercial enterprise that is much smaller than it was.

In Scotland, we have managed to sustain our funding, thanks to support from the Scottish Government and through European funding. We also have industry support, in that we currently work with ConstructionSkills on trying to diversify the construction workforce by looking at ways to bring women into manual trades within

construction—at present, the figure in that sector is less than 1 per cent. In addition, we work with the business sector to get science, engineering and technology employers to examine both their recruitment techniques and their policy and practice. All too often, employers have very good policy that does not translate into practice in the workforce.

One of our key findings is that many women who are trained in science, engineering or technology no longer work in those areas. In Scotland, only 27 per cent of women who are qualified in those areas currently work in them, which is a huge loss. We have free public education services, and we have put a massive amount of public resource into training people who no longer work in those areas. We must find ways to stop that leakage from the pipeline, as it is often described.

Women go into studying in those areas in smaller numbers than men to begin with, so something is happening much earlier. Even when they are qualified, they are less likely to make the transition between education and employment in those areas.

Only 4.7 per cent of women who are qualified in science, engineering and technology end up in that workforce. They are often attracted to working elsewhere, often in the public sector, although they might move into related occupations. There is something going on in the culture of the businesses that means that women do not want to work in those areas or, if they do, that they soon drop out.

We have found that there are several key transition points at which women are not moving into science, engineering or technology subjects. At school, girls tend to outperform boys in some of those subjects, but that does not translate into their choices for further education. There is a drop-off at that point, and again when women move into employment.

If women take a career break later in their employment for parenting reasons, it is unlikely that they will return to those areas, because they tend to find that employment is quite inflexible. There is a strong demand for quality part-time work, and yet there are almost no part-time vacancies whatsoever in those areas. Women often report to us that, while engineering companies say that they have part-time work available, nobody actually does it.

We need to make the shift between policy and practice, which is quite difficult to achieve.

Jean Urquhart: Will the change to curriculum for excellence help? Could we dedicate time to addressing the problem in primary and secondary schools by encouraging girls to think about those areas, or could that be done through careers services? Is there an attack on all those fronts?

Linda Somerville: There is to a lesser degree. People often pick up on the education aspect and say that, if we only sorted it all in pre-school and girls played with Lego, things would be much easier. However, the situation is complex, because there is occupational segregation across the board that cuts across education, culture, stereotypes and parental influences. There is not one simple solution, and this committee is responsible for looking at occupational segregation and guiding other committees through that because the issue cuts across education and employment.

The curriculum for excellence may well help within education, but there are issues around subjects such as computing. We once had computer clubs for girls across local authorities, but there is now no public funding for that. I think that there is one such club left in Scotland, which has been privately sponsored.

We need to ensure that teachers have the requisite skills and levels of confidence to teach subjects such as information technology, for example, which is an expanding industry in Scotland. It is one of the recession-busting sectors and is consistently reported as needing experienced and skilled staff, but there are very few women working in the field.

The skills that are being taught in schools are about simply learning to use applications such as Word and Excel rather than the type of problem solving that programming techniques involve. Children and young people—male and female—respond well to being taught those problem-solving skills. We need to make a shift in our education away from teaching people to use applications to service things towards building and using those skills in a different way.

Jean Urquhart also mentioned careers advice. All too often, people say that, if only careers advisers knew more about that area, they could direct people to the right situation. However, because of the cutbacks in Skills Development Scotland, there is now very limited careers advice available to people in that area. There are much wider societal influences on people's choices, although good careers advice can help.

My last point is on work experience. We have found—and this came up at the women's employment summit, which I know has been mentioned in the committee's reports—that getting people into work experience in non-traditional areas helps enormously in preparing them for work, and giving them a wider view and greater access to things. The access to employment choices and the culture within those places of

employment are the main issues that keep women out.

Scottish education does not provide for quality work experience, which is something that we would like to change. Research shows that people who have good work-experience choices in school and in higher education are more likely to stay in that type of employment.

09:30

Stephen Boyd: The STUC is involved in a range of forums across Scotland that deal with various aspects of economic development. Although we hear a lot from employers about skills gaps and shortages in a number of the sectors, which Linda Somerville has just mentioned, the aspiration to move women into those occupations is not regarded as a serious issue in many of those forums. I will give a couple of examples to add a bit of colour to that.

In December 2010, I gave a presentation to the national economic forum on manufacturing and, in the workshop that followed my presentation, Linda Somerville gave a presentation on the issues that she has just discussed with you. Immediately, her points were dismissed out of hand by a senior industry figure. He was talking about skills gaps and shortages, but he did not regard the issue of getting women into those jobs as serious, and he wanted to talk about something he thought was more important.

About 18 months ago, I was at the Highland economic forum—a particularly good forum with quite a high level of buy-in from various stakeholders—which was discussing the challenges of filling the places that would be created at the Nigg energy academy. When I emphasised the imperative of ensuring that young women in the Highlands and Islands were afforded those opportunities, a number of employer representatives around the table dismissed the point, because they did not view the jobs as being women's jobs. It was only the woman from the workforce plus initiative who backed me up.

Given that everyone agreed about the extent of the challenge and of the opportunities—we are talking about a lot of high-quality training opportunities that should lead to good-quality employment—it was quite startling that nobody wanted to engage seriously in how young women could be attracted into those professions. I see that kind of thing time and again.

I do not have anything to add to what Linda Somerville said about barriers, other than to say that we confront those barriers daily.

The Convener: Would you say that the biggest barriers are with the employers, or is the problem more to do with how we educate boys and girls in our schools?

Stephen Boyd: Both. However, we spend a lot of time and energy talking about education and how the public sector can get its contribution right, but we do not spend a lot of time talking about what employers are doing. We should rebalance that.

Linda Somerville: That is true. People always focus on education, as that is quite a tangible issue. We run programmes with women who are qualified in science, engineering and technology and with female students who are studying in those areas. We support female students to try to ensure that they finish their courses. There might be two women doing mechanical engineering among 200 young men, and we bring them together, get them to network, give them access to employers and bring in industry speakers as role models from whom they can get an idea of what the world of work might look like.

I sometimes have concerns that we are setting those women up to move into a world of work that, all too often, they will not stay in, for the reasons that we have outlined. Various issues to do with the culture of the workplace and the discrimination that they might face might lead to them taking their skills elsewhere. Sometimes, of course, those moves represent positive career choices—I am not saying that someone who has been trained in science must always do science—but, all too often, people move into areas where their skills are not utilised. They end up doing jobs that are less valued, which means that they cannot reach their own potential or contribute as they would like to.

Dennis Robertson: Are there regional variations in how various areas tackle the skills shortage? For instance, I understand that, as a result of the presence of the oil and gas industry in the north-east corner of the country, many schools in Aberdeen city, Aberdeenshire and the surrounding areas teach modules at secondary 2 that broaden out the whole issue of energy and introduce girls and boys to subjects such as geophysics, offshore drilling, procurement management and, indeed, a whole range of skills that the sector needs.

Would you endorse the establishment of such programmes in other areas? It certainly seems to have been successful in the north-east, with more women and indeed young girls becoming educationally aware of the subjects. I accept that that might not have materialised in the numbers but, with the skills shortage, the private sector seems keener to encourage women to enter these industries. Moreover, the University of Aberdeen, Robert Gordon University and the two colleges have come together to create a centre of

excellence. Should such a model be replicated in other areas to address the skills shortage?

Stephen Boyd: It sounds like a good initiative. However, I do not think that we should exaggerate the scale of the skills shortage in the Scottish economy. It is not really suffering from any major skills gaps and shortages, although there are some around.

The oil and gas sector is a very interesting example. To be frank, I think that the skills shortages in the industry derive from decades of its failing to invest in its human assets and sweating those assets as much as its capital ones. The companies in the sector are increasingly recognising that that is the case and their moves to deal with the issue are very welcome.

Linda Somerville mentioned the importance of recruitment strategies. Colleagues in the close the gap project, which is housed within the STUC building, have shown me a number of advertisements from the oil and gas sector that say, "Come and work with us" and show scantily clad women wearing hard hats and so on. What sort of message is that sending out to women? The industry tells us that it needs people while basically excluding 50 per cent of the population through such recruitment strategies. Any young woman who is highly trained in the subjects that we are discussing and who should, one would hope, have a decent array of opportunities when she leaves education is not going to work in a sector that is throwing back such images at her. The kind of initiative that you have described sounds all well and good but might well be undermined by other practices in the sector.

Angela O'Hagan: Although initiatives such as the one Mr Robertson described sound positive, they are isolated against the background of a flawed labour market and series of interventions. I come back to the point about how the budget process brings—or does not bring—these issues together. One consistent flaw is the mismatch between education and employment policy; indeed, if you read the budget documentation, you will see that there is no read-across to tackle occupational segregation in education or health, where occupations are very segregated along gender lines, or wider employability and lifelong learning concerns.

Such occupational segregation is reinforced year on year by the modern apprenticeship scheme, which is very gender biased both in its outcomes and in where the funding is directed. According to my very rudimentary calculations based on the very helpful paper produced for this meeting by the Scottish Parliament information centre, there is an annual £10 million difference in spending between women and men. If we take that over this session of the Parliament and against the background of the expressed objective of creating 25,000 modern apprenticeships year on year, even I can work out that we are talking about a £40 million differential in spending on the access of women and men to skills training that positions them in the labour market. That simply continues the inequality, the low pay and the occupational segregation that women experience.

As a result, although the initiatives such as the one described by Mr Robertson are very positive, they are localised. We need a much more structured and structural intervention in our labour market and labour market policies, including education, employability, lifelong learning and access to training and employment.

Dennis Robertson: On the budget, given that we have a Minister for Youth Employment and money going into the skills academy, do you accept that the Government is trying to address some of the problems that you have highlighted and that the Minister for Youth Employment could look at bridging the gap between education and careers and youth employment?

Angela O'Hagan: That is a positive suggestion, because it starts to square some circles.

Regarding the budget and the accompanying equality statement, the proposal of £16.5 million investment in the energy skills academy is a welcome initiative. However, given what we know about the administration of modern apprenticeships, what we have heard from Stephen Boyd and Linda Somerville today and the wealth of information there is about in-built gender bias in those processes, how will the skills academy initiative ensure that it addresses the issues? What specific measures will be taken, whether it be positive action, education in schools or working with employers?

Again, there is read-across because elsewhere the documentation talks about the importance of tackling discrimination in recruitment and employment practices. That is where it is imperative that we see much more directed action and a clear message given to the intermediary agencies that disburse millions of pounds of public money for modern apprenticeships and other skills development programmes. We need those agencies to take much more direct action to address occupational segregation and discriminatory practices in employment outcomes.

Annabel Goldie: I have a couple of questions, the first of which is for Linda Somerville. I listened with interest to what you said about the experience of younger women of segregation in education, including while studying at university, and of its manifesting itself in the workplace. Does your organisation engage with women out there—some of whom I know—who have made it in engineering

and technology to the extent of owning their own companies? It seems to me that they would be fantastic role models. You could engage with them to establish a kind of STEM—science, technology, engineering and mathematics—female network.

My second question is about the points that Stephen Boyd and Angela O'Hagan made. I, too, was struck by the SPICe information on "framework/occupation choice". If my arithmetic is correct, it shows that 2.6 per cent of women go into engineering and 1.55 per cent of women go into construction. Can the budget do something about that? If so, what should it do?

Linda Somerville: We try to bring in benefit from examples of role models and leadership. We find that it is helpful to support women at the career-entry stage and in the early stages of their careers by allowing them to mix with professional women. We have something called project interconnect, whereby we bring together female students from across a sector—for example, energy—and women from industry who are role models and who may be self-employed or work at various levels within organisations. That allows the female students to get together with female role models and get access to industry. Female students do not tend to identify that they need support in that area, but they do want access to employability and employability skills, so we support them in that by giving them access to industry. That is all well and good and it is important that people can see what can be achieved, but we must also be realistic about what the barriers are, because the statistics show us that things are quite heavily weighted the other way.

Can you remind me what your second question was? Was it about the statistics?

Annabel Goldie: My second question was to Stephen Boyd and Angela O'Hagan and it was about the proven segregation issues. What do you think the budget could do about that—if anything—particularly in relation to modern apprenticeships?

09:45

Angela O'Hagan: We must recognise the tight parameters within which the budget has been produced, so perhaps much of what we have to say must look forward to the spending review in 2013.

We have known for a long time about the situation in modern apprenticeships, which is becoming more and more entrenched. Successive Governments have failed to get underneath that and to start to change it. That is about working with the intermediary agencies, such as Scottish Enterprise and Skills Development Scotland. Vast amounts of public money are disbursed to those agencies, but there is a lack of transparency on, and a lack of scrutiny of, how they actively promote the breaking down of barriers such as those that Linda Somerville and Stephen Boyd talked about.

In this year's budget, there is, once again, huge emphasis on capital investment—the shovel-ready projects. The question that the Scottish women's budget group has for the committee and the Government is this: what are we achieving year on year with that reorientation of moneys within the budget towards capital investment? Is it saving, protecting or creating jobs and who benefits from that employment? What capital investment would work for women to address low pay, unequal pay, occupational segregation and the continuing squeeze out of the labour market that women in Scotland experience? By our reckoning, between March 2011 and March 2012, 22,500 women lost jobs in the public sector. Are those jobs being picked up by the current orientation of economic policy and investment in the labour market?

When we hear about the kinds of barriers that women face and the very low numbers of women who are employed in the shovel-ready sectors, we have part of the answer to those questions. There is a continued mismatch. There is really positive rhetoric—sorry, that was a slip. There is a really positive statement in the budget about tackling the underlying causes of gender inequality, which is a huge statement and a huge political commitment. However, doing that requires getting underneath and behind the causes. Linda Somerville has already touched on many of them: education, attitudes, culture, influence and the mismatch between employment policy, economic policy and employment practice.

We absolutely support a political objective of tackling the underlying causes of gender inequality, but the budget needs to start meaningfully to break down, and to support a restructuring of, the labour market. Emphasis on some of the current economic thinking and modelling will not deliver unless some of the strong statements in the budget about an economic model that works for everybody are realised in meaningful policy interventions.

Stephen Boyd: Angela O'Hagan has raised a lot of big issues, to which I will perhaps come back. First, I will go back to the question.

I emphasise that there is some very long-standing occupational segregation within the modern apprenticeships programme. A particular concern to the STUC is that some of the new apprenticeships that have been developed for renewable energy, such as the one in turbine maintenance, seem to have been exclusively male until now. To be fair, we are still talking about very

small numbers. The latest figures that we have are for up to the end of 2011; I think that there were 40 apprenticeships and all the apprentices were male.

Spending can play a role, as the First Minister acknowledged at the women's employment summit, where he announced new spending to try to encourage young girls at school to take a greater interest in the STEM subjects. That is important and very much to be welcomed.

However, a number of the factors that Linda Somerville described in her initial answer are much longer-term factors, including cultural issues that we could not expect a budget to address. Even over the course of a spending review, we could not expect the Scottish Government to introduce policies that would solve those problems once and for all. Work that can help to address some of those issues is not necessarily reliant on additional spend. It could be a matter of shifting the spend or doing what we currently do differently. There is a range of possible approaches.

One important issue where the budget might have a role to play concerns whether we really know what we are talking about. Do we have sufficient information? I am not sure that we do. On some of the measures that Angela O'Hagan has described, such as the shift from revenue to capital, do we know what the outcomes have been for jobs, for example, never mind knowing the gender disaggregation of those outcomes? I think that we do not.

Our work on the labour market is consistently frustrated by the lack of quality information at Scotland level. That is primarily an issue for the Office for National Statistics rather than the Scottish Government. I know that the Scottish Government pushes the ONS, and indeed funds it, to produce more Scotlandified statistics but, to be frank, the ONS fails to do that.

The trajectory of male and female unemployment during the recession has had interesting fluctuations, but it is difficult to get to the bottom of that. In particular, a trend has been developing in the past two or three reports that show women's unemployment falling again and male unemployment rising. When we do not have decent sectoral information in Scotland, let alone decent sectoral information at regional level, it is difficult to describe why that is happening, which is a concern to us all. The Scottish Government should be mindful that addressing that failure could have budgetary implications, although it might just involve working more closely with the ONS to ensure that it gives us all that it can give us. However, we really need to get to the bottom of that.

Jackie Brierton: I want to link what we have been talking about with the opportunities and the issues around encouraging more women to start their own businesses, to become employers and therefore to open up opportunities for young women and people in general. There are a number of issues. At present, about 20 per cent of the businesses in Scotland are female led, which is, interestingly, a slightly higher proportion than in other parts of the UK, although that is more to do with the size of the business environment in Scotland and the fact that, proportionately, men run fewer businesses in Scotland compared with other parts of the UK. However, that is still a huge opportunity—that is 60,000-odd female-led businesses, although many of them are slightly smaller than those that are led by their male counterparts.

Two months ago, a Women's Enterprise Scotland survey found that a large proportion of the respondents wanted to grow their businesses rapidly but their perception was that support was not available to help them to grow. They did not perceive that the services on the ground were for them, as it were. We know that only 4.7 per cent of Scottish Enterprise's account-managed companies are female led. That is a tiny proportion of the allocated budget that Scottish Enterprise has to spend on support for businesses.

To us, that means that a huge opportunity gap exists. If we focused more on attracting women-owned businesses, that would have an impact on employment and skills development. As Linda Somerville pointed out, many women opt out of careers in science, engineering and technology, despite the fact that they have great qualifications, skills and ability. Some of those women start their own businesses, but they often start with disadvantages compared with their male counterparts because they have come out of their engineering or technical careers earlier and have less capital available and less social capital in terms of networking and contacts. That means that women often end up running much smaller businesses and find that their businesses cannot grow in the same way.

The issues are self-perpetuating, because of all the infrastructure matters that we have talked about. There is an opportunity, but we need to consider the allocation of business support and economic development assistance to women-owned businesses, and we need to consider how we can get our enterprise organisations to be more proactively supportive of those businesses.

Linda Somerville: I agree with Angela O'Hagan that the Scottish Government's equality statement is welcome and helpful. However, running throughout it there is a constant focus on the balance in capital spend and the money that has

gone into renewables to somehow try to address occupational segregation. A theme runs throughout the equality statement about women working within emerging industries, which is obviously meant to refer to renewables. However, in Scotland, we have no gender breakdown or data on women within the renewables sector. We know that 11,000 people work in the renewables industry. The industry is therefore very small and, although it is predicted to grow quite rapidly, I am sure that Mr Robertson is familiar with some of the issues that might hold back that growth. The proportion is very small.

Concern was also expressed within the equality statement about the type of work and shape of the work that people do. The statement says:

"The economic crisis may offer an opportunity to alter and re-balance the traditional job distribution, as more men are expected to work part-time and seek employment opportunities in female-dominated work areas",

which means that they are going to end up working for lower pay because traditionally those jobs are in much less-valued and lower-paid areas.

Last year, the Joseph Rowntree Foundation produced a report that showed that, out of all jobs that are advertised, 55 per cent are full time and pay more than £20,000, but only 3 per cent of jobs that are advertised as part time pay more than £20,000. We are therefore talking about a huge pay discrepancy at the same time as we are talking about good quality part-time employment.

I am not necessarily sure that we think that it is a good thing that men are moving into such jobs, but the equality statement also says:

"At the same time, women may be well placed in terms of skills and aptitude to capitalise on the opportunities presented by emerging industries".

Note that it says "may be well placed". There is no evidence for that in the report, so it might be interesting for the committee to look at that in more detail to find out what is behind that idea, to see how we think women are better placed in that way and how the budget will allow them to do that.

The Convener: I have Marco Biagi, Siobhan McMahon and Annabel Goldie with supplementaries on the topic, then I will move on to another topic.

Marco Biagi: I have a question for Angela O'Hagan. I am trying to crystallise some of the things that you were saying into policy specifics that would be compatible with our parliamentary perspective. You were talking about the difference between the funding for female-occupied and male-occupied modern apprenticeships, and your point is well taken. Clearly, that has been led by demand thus far, and we are in the situation that we are in. That is not a moral justification; it is simply how we got to where we are.

What would be sufficient to bring about a change in that situation? Are we looking at dealing with how the demand is set up by encouragement, action, engagement and the right kind of communication, or do we need to go beyond that to such things as targets, or all the way to full-scale quotas?

Angela O'Hagan: Given what Linda Somerville said earlier about the multiple influences that affect women's positioning in occupational and subject choices, I would probably disagree with the characterisation that the difference in funding is demand-led. It feels like a systematic and systemic failure to act on the part of the agencies that are charged with delivering vocational training and lifelong learning that is oriented towards vocational occupations and so on in the labour market. Why do we consistently see women being channelled into lower-paid and lower-skilled occupations across the traditional five Cs—catering, cleaning, caring, clerical and cashiering—in the labour market, and all the attendant consequences?

Marco Biagi: Do you think that the modern apprenticeship scheme is causing that or does it come from the huge range of pressures that we have talked about? Is how the modern apprenticeships scheme is administered actively funnelling women into a pigeonholed set of jobs?

Angela O'Hagan: Linda Somerville and Stephen Boyd are probably better qualified to talk about that, but it seems that the way in which the modern apprenticeships scheme is structured and how it is administered and activated at all its different levels is reinforcing occupational segregation. It is reinforcing that channelling of women and men into segregated occupations and the outcomes that follow from that.

The rough-and-ready calculation in the SPICe briefing is probably an underestimation, because when we look at how modern apprenticeships are constructed, they vary in duration and there is not a single unit cost for a modern apprenticeship qualification at the different levels. There is a whole funding mix in there that it would be good to shine a light on, in order that we could explore some of those issues. Is that channelling a structural element of the programme or is it, as we have been discussing, a cumulative effect, to which subject choice, employer practice, parental and other influences contribute?

10:00

Linda Somerville: I think that there is a further aspect to consider. The issue is also about what we value as an apprenticeship. Traditionally, we

value things that have involved male-dominated skills, which people can see as a three or four-year apprenticeship. The valuing of work is a factor, and women's work is often undervalued because of the nature of how we measure and evaluate things. When a package is produced and a set of skills is put together to become an apprenticeship, the decisions are often made by the men who run such programmes or by people who are part of that organisation. They tend to look at things from the point of view of, "How do we evaluate that as an apprenticeship?"

A lot of the apprenticeships in what are traditionally seen as women's roles will not qualify at Scottish credit and qualifications framework levels 4 and 5. It is a question of how we value things. There is something going on in the mechanism underneath.

Stephen Boyd: I do not have much to add. I suggest that, if we are serious about pushing the Scottish Government down the road of addressing the issues a bit more effectively, perhaps we should look at the targets that are associated with the modern apprenticeships scheme. The history of skills and labour market policy in the UK suggests that the voluntarist approach does not really work and that people need a nudge—to use the voguish phrase—or a regulatory approach to try and make things happen.

Annabel Goldie: I was struck by something that Angela O'Hagan said earlier about modern apprentices and the role of intermediary agencies—you mentioned that in response to Marco Biagi. I tie that in with what Jackie Brierton said about female-led businesses. I think that I understood you to say that only 4 per cent of Scottish Enterprise-supported businesses are female led. It leaps out at me that it is an extraordinary irony that of the businesses that that female-led enterprise agency supports, only 4 per cent are female led.

To go back to Angela's point about intermediary agencies and how we exert influence, how does the budget—if it can—encourage more positive strategies and discourage negative ones? It seems to me that although we are teasing out issues, we are shying away from how the budget can, by intervention, alter the present situation. That is what we are here to consider.

I am struck by Stephen Boyd's point that, if we are talking about a £10 million gap between men and women in modern apprenticeships, that must perpetuate segregation. It cannot do anything else. Does the budget need to consider more carefully the objectives for spending the money? I do not quite know what you are all saying to the committee about the role of the budget.

Jackie Brierton: I come back to Scottish Enterprise—I am not picking on Scottish Enterprise, but it is our main agency and it takes the bulk of our £430,000 enterprise budget. Its submission to the budget process, which was signed off by the chief executive officer, made no mention of the way in which the organisation allocates business support and development. The organisation makes no attempt to look at how that impacts on equality. It mentions a couple of projects, such as close the gap and science, engineering and technology initiatives, but it mentions nothing about how it allocates money not just to its account-managed businesses but to the programmes that it administers, such as regional selective assistance, the co-investment fund and the proof of concept fund, which involve hundreds of millions of pounds.

Having tried to get information from the agency in the past, we know that it does not gender disaggregate the beneficiaries of such funds, so it has no idea how the money that it puts out is allocated. For example, it does not know the ownership by gender of businesses that receive RSA. I accept that knowing that is sometimes difficult; for example, assessing the ownership of a limited company or a company that has shareholders is difficult. However, it is not impossible—in fact, it is relatively easy.

A major issue on the account-managed side comes back to a core factor in what the budget is all about. The budget documents start by saying that the budget is all about achieving growth in the Scottish economy. To be a Scottish Enterprise account-managed business, a business must meet the criterion of being a high-growth company. Immediately, that creates a set of expectations to which sectoral and financial criteria are attached. It could be said that, by definition, that discriminates against many female-owned businesses because, for some of the reasons that we have talked about, they are not in the prioritised sectors and do not appear to be of the size for which the agency is looking.

I argue strongly that, unless we support smaller businesses that have growth aspirations—whatever sector they are in—we will not get the growth that is wanted. As we know, the Scottish economy consists of a huge number of microbusinesses. The Scottish economy has between 60,000 and 70,000 more businesses than it had 10 years ago, and almost all of them have come from the micro end of business ownership. In most areas of Scotland, the average turnover of something like 70 per cent of businesses is less than £250,000. Even in the economy of Aberdeenshire, only 10 per cent of companies have a turnover of more than £1 million.

We must be realistic; that is what our economy looks like. However, the criteria for allocating budgets apply to a small percentage of the businesses in the economy. That is not just a budgetary issue; it is a major policy issue, because the policy—that we will help high-growth businesses—has been set.

We have not yet mentioned the business gateway process, which supports smaller businesses and start-up businesses. We have some of the same issues with budget allocation by business gateway. For example, we know that the number of woman-owned businesses that business gateway helps has reduced in the past five years. It is difficult to get figures from business gateway. A major issue is that it is not obliged to provide gender-disaggregated data, which should have been part of the contract from day 1. However, we know that percentages have reduced and that probably just over 30 per cent of business gateway's clients are female. The self-employment rate for females in Scotland is about 30 per cent, so it could be argued that business gateway is helping the same number of women as a proportion, but that figure is not rising and the business base is not growing. That is a fundamental issue.

As for the focused spend in business gateway, five years ago, it had a women in business programme, but that is now optional. The structure is different—business gateway is now run by local authorities and not by Scottish Enterprise, and local authorities can choose what to do. They are not obliged to have a women in business focus, and some choose not to focus on that.

Those issues are absolutely linked to the budget and the way in which it is allocated. There is a fundamental need to influence our agencies and to encourage them to see how important it is not just to provide data on and monitor what they do around females in businesses, but to look at the mechanisms that they need to introduce in order to—apart from anything else—help women to feel that they are there for them.

Our survey showed that only two thirds of women who use the business gateway would recommend it to other people. That is considerably less than the proportion that the business gateway states in its information on satisfaction rates. However, it tends not to disaggregate the information that it gets from its satisfaction surveys.

The Convener: Siobhan McMahon has been waiting patiently.

Siobhan McMahon: Thank you, convener. Most of the issues that I want to raise have already been mentioned.

When I took part in this week's debate on the women's employment summit, I said that modern apprenticeships are reinforcing occupational segregation in society. In the past few years, and certainly since I was elected to the Scottish Parliament, I have been concerned about the definition of modern apprenticeships, because I think that it has changed. Although I take the point that other Governments reinforced occupational segregation as well, I believe that a modern apprenticeship is not what it used to be, to put it bluntly.

It is clear that more females than males take up level 2 modern apprenticeships and do not go on to the latter stages—levels 4 and 5—where more public funds are spent. I am not doing down the 26,000 modern apprenticeships—no one around the table is doing that—but, given that we are spending public money, how can we best direct it to give women, in particular, the chance to go on to do levels 3, 4 and 5?

I will explain why I ask that question. If we look at particular sectors, we see that 97 per cent of females in modern apprenticeships started in the early years sector, compared with only three per cent in engineering. Beyond that, how many of the women in engineering modern apprenticeships started at level 2 while males were on level 4? If we then think about positive destinations after apprenticeships, who is going to get the job—the person on level 2 or the person on level 4? I would like to hear some comment on that.

In the debate we had, I also mentioned the youth employment strategy. The Government consulted on the strategy and set out objectives within it, but it contains no specific mention of females. Everyone round the table has said—again—that female unemployment is a specific problem that we must deal with, but if it is not addressed in a youth employment strategy, that lets it down.

We are here to talk about the draft budget and what the Government can do with the money that is allocated, but I would appreciate it if someone could talk about the youth employment strategy and what more we can do for young females.

I know that apprenticeships are not just for young people—that point is sometimes lost—and there are things that we can do for people who have just lost their job and want to retrain. However, it would be helpful if you could comment specifically on the youth employment strategy.

Stephen Boyd: The first and most important thing to say is that we have to be realistic about what is achievable. By 2015, £2 billion will be extracted from the Scottish economy in benefit cuts alone, and the Scottish Government budget is falling in real terms year on year. At present, to

expect the Scottish Government to solve the problem of youth unemployment through the youth employment strategy or other mechanisms is not realistic. We need to be clear about that. Nevertheless, we want the youth employment strategy to be as effective as it can be. At the time, we raised directly with the minister the handling of equality issues in the strategy. I think that the minister is clear about our views on that.

On the specific issues that you mentioned in relation to modern apprenticeships, I am not confident that I am hugely well placed to answer all of them in detail. Again, over an extended period we have raised with ministers concerns about the quality of some of what are being badged as apprenticeships. We welcome the fact that older people in the workforce can obtain apprenticeships. Indeed, the approach is helping to meet the STUC's long-standing objective for training to be available to everyone in the workplace. Linda Somerville might be better placed to talk about the specifics—sorry to put you on the spot, Linda.

10:15

Linda Somerville: I am not particularly well placed to talk about the issue. Until we have the data on apprenticeships, it will be difficult to comment on what is happening. Angela O'Hagan has come up with a figure, but it is important that we look at where the spend is for men and women in the apprenticeships programme. Many women will take up lower-level qualifications, which take less time. They might take up six and 12-month apprenticeships, as opposed to three and four-year apprenticeships. It is not about the percentages; it is about where the spend is.

I imagine that what happens when people try to move into employment after an apprenticeship will be similar to what happens to graduates who have been trained in certain areas. At the women's employment summit, the Government announced the careerwise Scotland initiative, which will try to inspire women to take up jobs in science, engineering and technology. I have asked for a bit more detail on the initiative, which I am sure will be forthcoming. The budget for the initiative is £250,000, and we must be realistic about what we can do with that kind of money to change stereotypes, provide education and inform people about access to careers. However, providing information and inspiring people to pursue careers is something that the Government, through its education function and its public bodies, can do.

Stephen Boyd: I reiterate what I said about the quality of the information that we have to work with. Siobhan McMahon asked whether a young man who is trained to level 4 will be given priority over a young woman who is trained to level 2, and I am not sure that the information is available that would enable us to comment on that. Policy making in general would be much better informed if we introduced what are probably reasonably easy processes for collecting such data.

Linda Somerville: We certainly have information on graduate destinations across Scotland. We can map out what has happened after six months and 3.5 years, for example. We find that graduate entry into the areas that we are talking about is much greater for men than for women—men move in at a rate of 16 per cent, whereas the rate for women is 4.7 per cent.

Angela O'Hagan: I agree with colleagues about the importance of having good, effective, gender-disaggregated data to analyse across the piece. That takes me back to the questions that Annabel Goldie and Siobhan McMahon asked. We need good data and good analysis to inform policy, which spend follows. There continues to be a mismatch in that regard; there is an absence of a link between policy and spend. We have aspirational policy with no spend attached, and so on. There are positive and laudable aspirations in the equality statement in the budget, but where are they going?

Annabel Goldie asked how the budget can encourage greater equality and discourage negative strategies. As I said, if we take the budget as the principal expression of Government priorities and objectives, we need to see that spend is following the Government's policy imperatives. There is a lot of disjuncture between the various target mechanisms and performance reporting mechanisms, as the examples that Jackie Brierton and Linda Somerville gave showed, and there are lots of lost opportunities.

There needs to be far more linkage with the national performance framework. The budget talks about single outcome agreements, which do not require delivery agencies to be explicit about how their actions will contribute to the national performance framework target of tackling significant inequalities. We need all that to be linked up, and we need to encourage—indeed, require—much more explicit use of the equality outcomes process that is required through the public sector equality duties.

The Scottish Government should regard the process as a useful lever to require agencies such as Scottish Enterprise to produce gender-disaggregated data about, for example, how business gateway finance has been directed. It seems completely bizarre that we have monitoring, measurements and legally binding frameworks, yet there are all those other loopholes. There is work to be done on linking up all of the mechanisms, and on seeing the read-across.

The women's employment summit was a really positive event, from which one would hope that there is much more to come. There was strong political leadership on the day and the commissions that were established potentially have a much longer life. The Deputy First Minister talked about childcare being part of our infrastructure. For a lot of us in the room that was a very welcome statement, as that was how we had viewed childcare for a very long time. It was a really important decoupling of childcare and women—is childcare seen as a women's issue or as an early years issue? Taking that across spending portfolios is another example of where we would want to see an interweaving of policy objectives, reporting and accountability measures, and spend. We would also want to see reporting on spend, to see how it is contributing to equality outcomes.

Jackie Brierton: I want to come in on the youth employment strategy that Siobhan McMahon mentioned. It is very unfortunate—a lost opportunity—that young women were not specifically talked about in that strategy. That is reflected in other economic strategies, where we have seen that gender is not segregated as such.

I think that I am right in saying that entrepreneurship, self-employment and business ownership were also not touched on in the strategy, which was another major lost opportunity. We have a very entrepreneurial young population in Scotland, and we have the success of Youth Business Scotland—it has been much more successful at helping young women than other agencies involved in business support have been. Its statistics show that more than 40 per cent of its clients are female. There has also been the determined to succeed strategy in schools—although it is no longer continuing as determined to succeed—which was all about enterprising skills in young people. However, that was not included in the strategy. We should look at and address that issue, because if we do not encourage our young people to think of entrepreneurship or self-employment as things that they could look at now, aspire to, or at least start to get involved in, we will lose a generation with that kind of aspiration.

The Convener: I would like to move on to the issue of childcare. I was unable to attend the whole of the women's employment summit, but from speaking to people who were there, I know that childcare was key to the discussions on the day. Childcare beyond the age of five came across as a crucial issue, rather than childcare up to the age of five, because there is very little good-quality childcare from the age of five. John Finnie and Siobhan McMahon have questions on that.

John Finnie: Good morning. I will pick up on the points that Angela O'Hagan made. I am quoting from SPICe's paper—rather than from any Government or party document—about the equality statement and its purpose. We are told that it is

"a tool to assist with the scrutiny of our spending decisions".

If you could further assist us with that scrutiny, that would be helpful. We are also told that chapter 12 of the statement

"primarily highlights those budget decisions which the Government states will have a positive impact on equalities."

One of those things—on which I would appreciate Claire Telfer's comments—is

"an increase in the availability and flexibility of free early learning and childcare for three and four year olds and the most vulnerable two year olds".

While I am at it, I will ask about the preceding example in the list, which is an

"increase in total healthcare funding, with the potential to tackle specifically gendered health inequalities"

What are your comments on that?

Claire Telfer: I welcome childcare being raised as part of the discussion. Everyone at the meeting knows that it is a key barrier that prevents parents from accessing work, particularly low-income parents. That point relates back to the child poverty strategy that I mentioned at the start. One of the outcomes in that strategy is about supporting more parents into work.

On childcare as a barrier, I will highlight a couple of points and then turn to the specific policy proposals. We often talk about childcare as a barrier to parents entering work, but it is also a barrier to parents remaining in work. We did a survey of parents last year that found that a quarter of parents on very low incomes who were in jobs had to give up work because they could not find affordable or accessible childcare. The same is true of training and education as well. Those parents had jobs but had to give them up because of issues around childcare—they did not lose their jobs because they were made redundant or because of any other issue. It is important that we recognise that, because it is an issue on a number of levels. That survey also found that a third of parents on low incomes turned down jobs because they did not have accessible childcare, so we welcome the commitment of the Scottish Government around increasing the annual provision of early learning and childcare for three and four-year-olds to 600 hours and extending that provision to vulnerable two-year-olds. For families with very young children, that is an important support to put in place and reducing the cost to families is important in that respect.

On Angela O'Hagan's point about childcare becoming part of the infrastructure in Scotland, the

scope of the proposals is limited. Although we recognise that the proposals are good and we welcome the direction, we need to look at the budget process and how we can take further steps over the longer term to address issues around childcare—not just care for young children, but out-of-school care as well. Unless we do that, we are essentially forcing a lot of parents—particularly women, who are disproportionately represented in low-income groups—to stay in low-income households and live on low incomes. We are perhaps even forcing them into poverty or even deeper poverty. We need to consider whether that is the case as part of the budget process, because if we are not addressing those barriers, what impact will that have on other services that support those families? We know that child poverty costs public services in Scotland just under about £2 billion every year, and that is probably an underestimate given the context, which is of rising child poverty over the next few years.

We welcome the commitments from the Scottish Government, including in the budget, around extending childcare support for families, but we need to look at how we can take that further. Perhaps the committee can look at that in the context of supporting women into work—particularly in the light of some of the discussions at the women's employment summit—because we also know that in countries where women's employment is higher, child poverty tends to be lower. In a briefing that we produced recently with the women in Scotland's economy research centre those links appear to be very clear in Scotland as well, so we really need to look at addressing that issue in the longer term.

Was the second part of your question around healthcare?

John Finnie: It was on health inequalities.

Claire Telfer: I am not sure that I have the expertise to answer that specific question. From the perspective of supporting lower-income groups, we need to ensure that the spending in the budget is being directed towards the most vulnerable in our society. Elements of that can be seen in the budget, for example there are a few programmes such as the family-nurse partnerships, which we certainly welcome. However, a lot of the spend in the overall budget allocation—this relates to childcare as well—is rolled up in the allocations to local government, so it is difficult to know whether that is being translated into delivering the services that we need.

10:30

Angela O'Hagan: My expertise is not in health policy, but fortunately I have comments from other members of the Scottish women's budget group who have expertise in that area. Our main point on health inequalities is the same point that I keep making. The statement about tackling the underlying causes of gender inequality needs to be reflected in the understanding of health inequalities and the extent to which they are gendered. We need think only of the long-term consequences on women's health, including mental health, of gender-based violence in the home or elsewhere, the often combined pressures of poverty and caring and the pressures, mainly on women, of providing care to a whole range of family members and in other relationships. Again, this is all about seeing policy making in the round.

At this point, I should perhaps highlight one of the real benefits of having the equality statement process attached to the budget. Although it continues to be a narrative accompaniment that simply states the context of budgetary and policy decisions—it is clear that it is not an equality impact assessment of the budget; indeed, it says itself that it is a commentary on the budget—and although we certainly want it to move far beyond that, now that it is in its fourth iteration we can see the year-on-year change in the narrative and how the messages themselves are changing. It talks about an economic model that works for everyone. If that is what we aspire to, we must ensure that it is our starting point, not an add-on or part of the post hoc analysis of the budget as the principal expression of Government priorities. Our starting point must be how we fulfil the expressed ambition in the documents of creating a fairer society and tackle the significant underlying causes of gender inequality. I think that the direction of travel is positive, but it all comes down to making those links between policy and spend.

Jackie Brierton: I want to touch on the double disadvantage faced by self-employed people in respect of childcare, although I accept that, as it is partly a UK matter, we might not be able to tackle it through the Scottish budget. Self-employed men and women—although obviously more women are affected—neither benefit from childcare vouchers nor can claim childcare as a tax allowance. As a result, they are disadvantaged both ways. For many self-employed women, childcare is a real issue. Many women choose self-employment to create a balance that allows them to look after their children, but in many cases that affects the development of their business.

Stephen Boyd: I do not really have anything to add about childcare, but I want to endorse Angela O'Hagan's comments about the equality statement. Although it is obviously a serious piece of work and a lot of time and effort has gone into its preparation, it does not say very much about impacts. Over time, we will have to move to a situation where the document tells us about the

impact of spend on the issues that we are discussing.

The Convener: That was a very useful comment.

John Finnie: My question is for either Stephen Boyd or Angela O'Hagan—or, indeed, both. How will the committee be able to gauge the success or otherwise of some of these laudable statements? Do you believe that we will be able to do so?

Stephen Boyd: It will be difficult. I have already highlighted a number of areas in which I do not think that we have sufficient information and perhaps one of the committee's first steps should be to discuss with the Government what it thinks is achievable in the provision of more and better information. Angela O'Hagan mentioned the shift from revenue to capital expenditure; I do not think that we are close to answering the question about the real impact of such a move on the labour market and, within that, on men and women. We should be much closer to getting an answer to Siobhan McMahon's question about modern apprenticeships and I think that that is just a matter of collecting the data that we have more effectively. However, until we have that information, it will be difficult to progress the committee's work and make the equality statement much more effective than it is at the moment.

Angela O'Hagan: I will try to be brief. Absolutely, I think that the committee could do it and needs to do it. We have raised questions about data today and we are continually asking for data and asking that the Government's analytical services be meaningfully resourced to meet our demands for data, so that we can get underneath the impact of public service reform, for example in employment terms, and see the cumulative effect of the withdrawal of services across communities and the implications, and get that read-across. Decisions will be made within local authority departments, but the effect on the service users will be cumulative. We have only to look at what is happening with domiciliary care and all sorts of services that are provided by local authorities to see that.

The equality statement and the budget talk about the national health service, but there are massive gendered workforce issues within the NHS, which could be a specific area to chart and follow through. What are the consequences of having no compulsory redundancies but natural wastage? What are the cumulative effects of the pay freeze in the sector and the squeeze on pensions? We can ask similar questions about local government restructuring. A high proportion of women are employed in the public service in Scotland. Are we collectively charting the impact of that and how other forms of investment and economic policy are picking up on that? There is no provision in the budget to resolve the equal pay issue in local government, which has been a focus of this committee and other committees in the past. Yet again, it is an elephant in the room that is not addressed in the provisions in the budget or elsewhere. I would link the council tax freeze back to service provision. What are the implications of the council tax freeze for households in terms of the cumulative and knock-on effects on service provision at the local level?

There are a number of areas, which may be policy specific, that the committee could engage with as well as the overarching issue of the need to get behind and underneath these really positive aspirations about shifting the economic model. That is linked to Linda Somerville's point about how we value what people do, how we can change how we value some of what we resource, and how we can resource our economy and economic development in different ways.

Linda Somerville: If we are talking about measurement, evaluation and how the committee judges whether the budget is successful, the headline for the budget is about jobs and growth, but we need to look at some of the statements on equalities that are in the Scottish Government's national performance framework—and some of the statements that are not in there, particularly around the key performance indicators. The committee might want to pursue how we judge our success in travelling towards an equal society, which is an objective of the Scottish Government, and consider how we can identify better indicators within the national performance framework that will allow us to say whether we can measure anything around equalities.

Siobhan McMahon: I was interested to hear Claire Telfer talk about the Scottish Government's policy of more provision for vulnerable two-year-olds. Is our definition of "vulnerable" correct and should we be doing more? You also talked about the child poverty strategy and said that what it sets out should be an overarching desire throughout the budget. What impact will the decrease of £3.9 million in the children and families budget have on that? Do you have any concerns about that? Can we look at the total impact of the welfare reforms just now and what that will mean for families across Scotland?

My final question goes a wee bit further than that. We have spoken about the shift in budgets that has taken place, which has impacted through the 30,000 job losses in the public sector. The impact has been disproportionate on females and will, therefore, impact on child poverty further down the line. Do you have any comments on that?

Claire Telfer: You asked about the definition of "vulnerable two-year-olds". The Scottish

Government uses the definition for looked-after children, which I think equates to about 8,000 children. Save the Children recommends considering whether there is scope to broaden the definition of vulnerable two year-olds, so that we can reach all families living in poverty. If the definition was extended to cover all two-year-old children who are living in poverty in deprived areas, that would go some way towards supporting families on the issues that I raised earlier around childcare and access to work.

In relation to linking back to the child poverty strategy, I would echo Angela O'Hagan's and Stephen Boyd's comments on the general approach to the budget and how we can use the process and the outcomes in the child poverty strategy to link the objectives together. Child poverty is a huge cross-cutting issue, so it is difficult to identify in the budget all the spending allocations that might have an impact on it. There are areas that we can look at in more detail—for example, commitments on the living wage. How exactly does that support families on the lowest income? What will the benefits be? Will that support more parents to maximise their household incomes? Is there a particular impact if we disaggregate that by gender? How would that relate to the overall goal of supporting parents into work?

Reductions in the children and families budget and the local government budget would be a concern, particularly around delivering new commitments on childcare, because we certainly would not want that to happen at the expense of existing childcare services. Again, it is difficult to give a definitive answer around that, because it depends whether the money is spent in the most efficient way. That leads back to the question: how do we analyse the impact of all that spend on the outcomes that we have set out in the child poverty strategy? There are some links back to the national performance framework around what is being tracked, reducing the number of people living in poverty and reducing children's material deprivation. We need to make those links more explicit and use that process to get under some of the information and understand it better.

The Convener: Thank you. Does anyone else on the panel want to comment on that subject?

Dennis Robertson: I have a quick supplementary question. I think that everyone accepts that there are constraints in the budget, as there are within most budgets. Could the committee and the Government have more positive dialogue with the private sector with regard to childcare provision? Basically, where I am coming from is that there is sometimes in-house childcare provision in the private sector. It is not all down to the Government and the public sector; the private sector must have a specific role in this. Do you have a comment on that?

Angela O'Hagan: I was thinking back to the days when I worked at the Equal Opportunities Commission, which was from 1993 to 2001, when we did a lot of work on childcare with employers. Claire Telfer is much better placed than I am to answer this, but what we have seen in the last wee while is a rolling back of private sector employers providing workplace nurseries and other such support. That links back to Linda Somerville's point about what we mean by good-quality part-time working. A lot of the gains that we made in how we conceive all these issues have been rolled back, which is consistent with a rolling back of all sorts of other measures. A lot of good practice has been lost. The cumulative effect of cuts that have been imposed from elsewhere, welfare reform and the shrinking of the economy and the labour market in Scotland are sometimes used by employers as an excuse for a kind of pre-emptive strike to do things that they do not actually need to do, and that will undermine their own workforce. Being a good employer is as valid in times of austerity as it is at any other time; in fact, it is more so if we are to see something like the preventative spend agenda being meaningfully reinforced by employment practices.

10:45

Claire Telfer: Picking up on that, I would say that there is a role for the private sector in providing childcare, but if our focus is on low-income households and the most vulnerable people, we need to recognise that charging policies for childcare will have a disproportionately negative impact on them. It will not be sustainable for families on very low incomes to afford the cost of such childcare, so we need to look at how we can reduce the cost to parents.

Obviously, one way of doing that is by providing more subsidised childcare. However, our concern is that because those services are, if you like, on the margins and are non-statutory, they are at risk from cuts and reductions in spending. If we are left in a situation where childcare is not available, what impact will that have on the ability of parents—mothers in particular—to work or to take up training opportunities in order to maximise their family income? I think that we need to look at that in a holistic way.

One issue that has not been raised relates to the childcare workforce itself. Creating more childcare will create jobs, but we also need to look at what those jobs look like, because we know that the sector tends to offer low-paid, insecure and predominantly female work, which may just be reinforcing some of the problems that we have discussed about female employment. The picture

is really complex. If there are opportunities to look at that from a socioeconomic and gender perspective, that would be very welcome.

Stephen Boyd: I endorse Claire Telfer's comments about the childcare workforce, which I think is absolutely pivotal.

Bitter experience tells us that, in the current state of the labour market, trying to engage employers in discussions on childcare initiatives is tremendously difficult. When the labour market is very tight, we might all of a sudden find that employers come back to the table, but the track record of the representative organisations in Scotland on engaging in a positive discussion on these issues is not particularly good. Often, there seems to be a kind of wilful blindness to the positive labour supply effects of childcare in all its forms. Particularly at this moment in time, when we see a drawing back of provision of breakfast clubs and after-school care, these are really important issues, especially for low-paid women who want to enter the workforce. Childcare provision can have extremely positive labour-supply effects, but very often that is missing entirely from the debate.

Jean Urquhart: This is really just a statement. I have to declare that I tried to start a workplace nursery in a small business only to discover that the whole tax system is against that. We really wanted to do it, but we could get absolutely no tax relief on the capital cost of the building or on the costs of the staff or provision of food. Everything would have had to come out of our top line, and we could not do that. Do your organisations know about that problem? The situation has not changed at all. If the STUC raises the issue, there might be a kind of onslaught to encourage people, but that will not help anyone to do it. Really, only huge businesses could afford to lose that cost in their overheads, but we could not call it an overhead.

Stephen Boyd: We would be absolutely delighted to have a conversation with our colleagues in the business representative organisations on how we could take forward a coherent agenda. However, as I have already said, unfortunately it can be very difficult to engage them in that type of discussion.

The Convener: Do you want to come back in on that point, Claire?

Claire Telfer: I am not sure that I have anything to add on the specifics, but I think that we need to look at how we provide sustainable childcare in the round. Childcare is very complex and is expensive to provide—I am not saying that it should not be expensive, given that it is about caring for our children—but we need to look at ways in which we can make it more sustainable if we are really to deliver a childcare system that is part of the infrastructure of this country. I think that it is important that we engage employers of all sizes, so we need to look at how we can do that. Hopefully, that might be progressed through the women's employment summit and the work that is to come from one of the groups, which looked specifically at childcare.

Marco Biagi: I will ask a quick supplementary question on that. Do you think that, in an ideal situation and if it could be done, there should be a legal requirement on large businesses at least to provide childcare, just as there is a legal requirement on them to pay the minimum wage and just as they are under other current employment restrictions?

Stephen Boyd: That is an interesting question. I have never really thought about a legal requirement. We currently subsidise large employers through a vast array of mechanisms; the tax-credit regime is a major one. Public support for childcare is, in effect, a subsidy to large employers. We must build recognition that that is the case. Thereafter, the type of measure that you suggest may make absolute sense.

Linda Somerville: Rather than taking the top-down approach of enforcing large employers to provide childcare, we must consider what people want. Parents do not want their children in the workplace for a variety of reasons. At one point in the 1980s, when we had the opportunity to do such things, workplace childcare was high on the agenda in negotiations with employers. However, many of the surveys that were done among workers—particularly women who had the childcare responsibilities—said that it was not suitable and was not what they wanted for a variety of logistical reasons and because they wanted space of their own.

We must consider where people want their children to be looked after: it tends to be in their communities, because that is where they are most likely to interact with the people around them and to build support networks. Relying on employers for childcare is not always a suitable alternative.

Marco Biagi: Was there a difference by industry sector on that, or was it consistent across all areas of work?

Linda Somerville: I am not aware that there was any such division.

The Convener: Marco—did you want to ask a question about education?

Marco Biagi: I did, but it has been covered well in questions about the extension of apprenticeships. Can I ask a question about a different topic?

The Convener: You can.

Marco Biagi: The no compulsory redundancies policy was raised in a question from the witnesses, so perhaps I can ask about it in a question for the witnesses. The policy has had substantial airtime in the public debate, but does it have important gender equality implications that we should take into consideration in the budget report?

Stephen Boyd: Potentially, it has. Two thirds of the public sector workforce are women so, if more women are staying in work as a result of the policy, it has gender equality implications, but we must consider matters in the round. We have already discussed policies such as the shift from revenue to capital spending and the council tax freeze. We must consider them all and discern the proper gender impact, which is reasonably difficult to do.

I recently tried to get figures for the loss of public sector jobs in Scotland compared with the other ONS regions. It is impossible to get those figures, even with the financial institutions removed, which does not allow for any proper comparison. Therefore, it is difficult to see how the Scottish public sector as a whole has performed against the other UK nations and regions, which might allow us to start to get to high-level findings about gender equality implications.

My poor response is that it is a difficult question to answer.

Linda Somerville: Sometimes, we must look behind the headline figures for redundancy and see what is left behind. Although it is welcome that the Government has introduced a no compulsory redundancies policy, we must ask this: If people are still leaving organisations, what makes them leave? Perhaps there is not an attractive redundancy package, but because the shape of their job has changed so much, it is no longer the type of work that they want to do.

There is perhaps a 10 per cent cut in many of the departmental budgets year on year. That is maybe into its third year, which means a 30 per cent cut. However, there is still the same amount of work to be done. There are no fewer services to provide and there is no reduction in what it is demanded that public sector workers achieve. The consequent intensification of work for those who are left behind is often a factor in people deciding to leave employment. That is sometimes missed in the statutory redundancy process. Among the concerns from workers' representatives and employers, who are trying to do their best as well, the effect on the people who are left behind is sometimes forgotten. Redundancy can often lead to further job losses and leakage, because people do not want to work in a pressured environment.

Stephen Boyd: We are about to publish quite a major report by Professor Phil Taylor of the University of Strathclyde, which is provisionally entitled "The New Workplace Tyranny". A large part of that discusses what we might describe as the survivor syndrome—the impact on the people who are left at work. The main bulk of the research has been in the finance and communications industry, so it does not cover the public sector. The type of issues that Linda Somerville has just discussed resonate throughout the report and will probably be of great interest.

Dennis Robertson: I have a question specifically for Stephen Boyd, although I am sure that others will have comments. In your opening remarks, you said that part of your responsibility is to look at disadvantaged groups. Within disadvantaged groups, if we look at the employment rate of people with disabilities, obviously there is a gender factor there, too. About 35 per cent of people who are blind or partially sighted are in employment; for people who are deaf or hard of hearing, it is about 54 per cent; and for people with learning disabilities, it is about 12 per cent. Taking cognisance of welfare reform, is there any scope in the budget to enable introduction to employment?

Stephen Boyd: That is a tremendously difficult ask for the Scottish budget, considering what is happening throughout the economy. You have quoted some statistics—we just do not have up-to-date statistics. The reason why our submission focuses almost exclusively on women is because, despite my overall concerns about equality data, we have reasonable data for women. We have no up-to-date data on any other disadvantaged groups in Scotland, which is a major concern.

Dennis Robertson: I think that the Office for National Statistics has reasonable data on people in the workforce—

Stephen Boyd: The data are not regionally disaggregated—not for Scotland.

First, we have to ask whether the Scottish Government has the powers that would enable it to implement the kind of measures that would help disabled people to have a better experience of work and which would open up more and better opportunities for them. I am not entirely sure that it does. Secondly, would it currently be able to afford what are probably reasonably expensive measures? I think that it would be very difficult.

Angela O'Hagan: There are a couple of opportunities, not the least of which is the forthcoming procurement reform bill, as well as existing equalities legislation that requires employers to make appropriate adjustments. It comes back to the questions of which jobs are being safeguarded or created by the investment capital spend and how they are being conceived. They need to be considered in the widest possible

way—for example, who the prospective candidates are for those jobs. It is incumbent upon employers and those who provide training opportunities to make adjustments to ensure that opportunities are truly open to all, and to avoid a mismatch.

I may digress here or speak out of turn, but procurement should be used in such a way that there is clear direction from Government on jobs and on the responsibilities of employers. This is where I may be digressing, but maybe we should be moving towards a situation in which Governments do not enter into arrangements with organisations such as Atos, in which those organisations are charged with administering and distributing significant financial pain on the livelihoods and wellbeing of thousands of disabled people in Scotland.

Going back to John Finnie's earlier question, the equality statement says:

"The drive for greater equality and the reduction in inequalities is an important element of the Scottish Government's economic strategy and therefore employability, reducing discrimination in employment and increasing economic activity are key themes".

On what the committee can continue to scrutinise, I think that it should continue to ask about every spending allocation that comes forward; whether that spend, and the policy objective that it seeks to achieve, will contribute to the drive for equality and to a reduction in inequalities in the economy and economic strategy of Scotland.

11:00

Dennis Robertson: Do you accept that there are constraints because of European procurement legislation?

Angela O'Hagan: I do accept that, but I also know that there are opportunities to look at forms of conditionality and to learn, for example from European structural funds, some progressive lessons about structuring access to employment.

Jackie Brierton: On Dennis Robertson's point about employment opportunities for people with disabilities, one part of the economy that has quite a good track record for creating employment opportunities is the social enterprise sector. It is good that there has not been much of a decrease in the budget allocated to both the third sector and the social enterprise sector, because we need to be seen to support those areas.

We should also look a bit more carefully at how the sector provides the opportunities and how we can develop it to create more job opportunities. A few miles from the Parliament there is the Engine Shed, which for over 20 years has been providing good-quality employment opportunities for people with learning disabilities.

Dennis Robertson: I was there the other day; it also provides good-quality food.

Jackie Brierton: Exactly—and it sells its produce across Scotland. It is great to be able to buy Engine Shed bread in Perth. Such workplaces are a sometimes forgotten part of the economy, but they are very important.

Stephen Boyd: Angela O'Hagan raised the issue of procurement, so I will briefly come back on that. The consultation on the draft procurement reform bill was extremely disappointing for the STUC in a number of areas. The proposals on community benefit are very weak and will not change the current situation. On the question about disability, I argue that the section on supported workplaces is even weaker. It refers only to procuring authorities having to "nominate" an article 19 "champion". I am not sure what that means.

I come back to my favourite issue, which is lack of information. The Scottish Government has already made a strong commitment to working with procuring authorities to ensure that each procuring authority hands at least one contract a year to supported workplaces. However, it has told us that it is unable to report on whether that commitment has been met, because the data are not collected: we do not even know whether the current commitment is being met.

The bill is very disappointing. A bill that started its life as a sustainable procurement bill, which would focus on social, employment and environmental concerns, has shifted to being a procurement reform bill, which is almost entirely devoid of any meaningful measures in any of those areas.

I will introduce a more controversial note. The Scottish Government will also introduce a better regulation bill. Although the bill, at Scotland level, will not have a material impact on any of the issues that we have discussed, I argue that it would extend the orthodoxy that any business regulation is a bad thing. It refers to introducing a duty on regulators to promote economic growth as well as performing their regulatory function, which we strongly argue would introduce a conflict of interests. The Government has to learn from what happened in the financial sector over the past decade: you cannot hand a regulator a duty to promote a sector that it is meant to be regulating, because that ends in tears.

John Finnie: It is important to stress that the bill is in the consultation process.

Stephen Boyd: Absolutely. I accept that.

John Finnie: I look forward to the STUC's submission to the consultation, much of which I

would be keen to align myself with. I hope that it will be a detailed submission.

Stephen Boyd: Yes, it will be—unfortunately.

The Convener: As the committee has no further questions, before I close the evidence session I am happy to let witnesses make closing statements, if they want to make any brief final points to the committee. As no one wants to make a closing statement, I thank you all for coming along to what has been a very informative and useful evidence session, which will certainly help to inform our deliberations.

Meeting closed at 11:05.

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