



## Close the Gap briefing for Scottish Government debate: Programme for Government – Eradicating Child Poverty

September 2024

Close the Gap is Scotland’s policy advocacy organisation working on women’s labour market participation. For more than two decades, we have been working with policymakers, employers and employees to influence and enable action that will address the causes of women’s labour market inequality.

### 1. Introduction

Close the Gap welcomes the focus of Programme for Government on eradicating child poverty. The most recent data indicates 240,000 children are living in poverty in Scotland, with little change to underlying trends in these figures.<sup>1</sup> Commenting on Scottish Government’s most recent progress report, the Poverty and Inequality Commission notes that the interim statutory target of 18% by 2023-24 is unlikely to met, and the 10% target by 2030 will not be met unless decisive action is taken.<sup>2</sup> It is therefore vital that targeted action is taken to address the root causes of child poverty.

Poverty in Scotland is gendered, with women being more likely to be in poverty than men, more likely to experience in-work poverty, find it harder to escape poverty and being more likely to experience persistent poverty than men.<sup>3</sup> Women are not a homogenous group, and disabled women, racially minoritised women, young women, single parents, and refugee and asylum seeking women face intersecting inequalities which compound and put them at greater risk of poverty. **Women’s poverty is directly tied to child poverty, and women’s economic and labour market inequality is therefore a key cause of child poverty.** The first child poverty delivery plan 2018-2022 recognised the gendered nature of poverty, noting there is “**conclusive evidence that poverty and gender are inextricably linked**”.<sup>4</sup> However, a gender analysis is less evident in the most recent child poverty delivery plan,

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<sup>1</sup> SPICe (2024) *Progress on the plan to reduce child poverty*, available at: <https://spice-spotlight.scot/2024/08/27/progress-on-the-plan-to-reduce-child-poverty/>

<sup>2</sup> Poverty and Inequality Commission (2024) *Child Poverty Delivery Plan Progress 2023-24, Scrutiny by the Poverty and Inequality Commission*, available at: <https://povertyinequality.scot/wp-content/uploads/2024/06/Child-Poverty-Delivery-Plan-progress-2023-2024-Scrutiny-by-the-Poverty-and-Inequality-Commission.pdf>

<sup>3</sup> Close the Gap (2024) *Close the Gap briefing for Social Justice and Social Security Committee debate: Addressing child poverty through parental employment*, available at: <https://www.closethegap.org.uk/content/resources/Close-the-Gap-debate-briefing-for-SJSS-committee-debate-on-addressing-child-poverty-through-parental-employment.pdf>

<sup>4</sup> Scottish Government (2018) *Every Child, Every Chance: tackling child poverty delivery plan 2018-2022*, available at: <https://www.gov.scot/publications/child-chance-tackling-child-poverty-delivery-plan-2018-22/>

*Best Start, Bright Futures*, which has much less attention given to gender<sup>5</sup> suggesting a regression in the understanding of the gendered nature of poverty.

## **2. Addressing the undervaluation of women’s work is necessary to tackle child poverty**

Women’s low earnings are a crucial driver of children’s poverty, as evidence shows where women’s disposable income is reduced, spending on children decreases.<sup>6</sup> As women comprise the majority of low paid workers in Scotland, and the gender pay gap is a key driver of women’s experiences of poverty, **addressing women’s low pay is key to eradicating child poverty.** Women’s low pay is driven by the systemic undervaluation of “women’s work”, such as cleaning, care and retail, whereby the work predominately done by women is undervalued because it is done by women. The concept of undervaluation underpins gendered experiences of low pay, poverty, occupational segregation and the gender pay gap.<sup>7</sup> Effectively addressing this undervaluation is crucial for increasing women’s incomes, and helping support them and their families out of poverty. The extension of the Real Living Wage in undervalued female-dominated jobs and sectors is an important starting point in addressing women’s low pay. However, whilst welcome, increasing the wages associated with female occupations is not sufficient to adequately revalue the skills and status of female-dominated jobs. There needs to be substantive efforts to revalue women’s work which is essential to Scotland’s economy.

**Despite the undervaluation of women’s work being a key driver of women’s poverty and therefore child poverty, there is no policy focus on addressing this economic injustice.** The National Strategy for Economic Transformation (NSET) is largely gender-blind, and fails to recognise the care economy, and how it enables the formal economy to operate. There are no actions to address the economy-wide undervaluation of women’s work or occupational segregation.

There is also no action on tackling undervaluation in the fair work action plan, despite this being a necessary step in realising fair work for women. Scottish Government commissioned research on international practice on tackling undervaluation, which was published in 2021. Three years later, it is still to publish its response to the recommendations.

Women are the majority of low-paid workers in Scotland, comprising 60% of workers earning below the living wage, and represent three-quarters of the part-time workforce.<sup>8</sup> Issues around low-paid, precarious work are particularly acute for racially minoritised

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<sup>5</sup> Scottish Government (2022) *Best Start: Strategic early learning and school age childcare plan for Scotland 2022-26*, available at: <https://www.gov.scot/publications/best-start-strategic-early-learning-school-age-childcare-plan-scotland-2022-26/>

<sup>6</sup> CPAG (2012) *Ending child poverty by 2020*, available at: <https://cpag.org.uk/policy-and-campaigns/report/ending-child-poverty-2020-progress-made-and-lessons-learned>

<sup>7</sup> Grimshaw, D., and Rubery, J. (2007) *Undervaluing Women’s Work*, Equal Opportunities Commission, available at: <https://research.manchester.ac.uk/en/publications/undervaluing-womens-work>

<sup>8</sup> Close the Gap (2023) *Briefing for Scottish Government Debate: Fair work in a wellbeing economy*, available at: <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-briefing-for-Scottish-Government-Debate--Fair-work-in-a-wellbeing-economy-Nov-2023.pdf>

women, disabled women, and single parents, the majority of whom are women. Women are more likely than men to have caring responsibilities and therefore face the additional pressure of finding work that allows them to balance earning with caring. This sees women further concentrated into low paid and insecure work, as most part-time work is found in the lowest paid jobs and sectors, often leading to women working below their skill level.

Women's concentration into these jobs is caused in part due to the significant lack of quality, flexible and well-paid working opportunities, which allows them to balance caring with earning.<sup>9</sup> Research from Flexibility Works has found **women earning under £20,000 were the least likely to have access to flexible work, but almost half (47%) would like to work more flexibly to balance their caring responsibility with earning.**<sup>10</sup> Improving women's access to flexible working is therefore critical to addressing their low pay, as well as tackling women's and children's poverty.

**The lack of emphasis on women's labour market equality has worsened since the Scotland's first gender pay gap action plan was subsumed into the fair work action plan.**

Close the Gap highlighted significant concerns at the time that it would result in a diminished focus on the complex and interrelated causes of the gender pay gap, and a much more limited range of action to address these causes. These concerns have been borne out and are evident in the much narrower focus of 'fair work'.<sup>11</sup> This significantly constrains progress on reducing child poverty.

### **3. Affordable and accessible childcare is necessary to reduce child poverty**

The lack of affordable, flexible, and accessible childcare reinforces women's labour market inequality as they provide the bulk of unpaid childcare. This constrains their engagement with the labour market, and whether they are able to study or train. **Consequently, childcare provision routinely determines whether women have a job, the type of job they have, the hours they work, and the amount of pay they get.**<sup>12</sup> Therefore, **action to improve the affordability, accessibility and flexibility of current childcare provision is crucial to supporting women's employment and tackling child poverty.**

Close the Gap welcomed the delivery of 1140 funded hours entitlement, however, it is vital that **1140 hours is not to be seen as the end of reform, as it only equates to the school days and therefore does not enable women to work full-time should they need or want to.** In addition, the inflexibility of childcare provision, which generally follows a typical 9-5 work pattern, are inaccessible to those who work irregular hours, such as shift work.

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<sup>9</sup> Close the Gap (2023) Submission to the Social Justice and Social Security Committee inquiry into child poverty and parental employment, available at: <https://www.closesthegap.org.uk/content/resources/CtG-submission-SJSS-Committee-inquiry-into-child-poverty-and-parental-employment.pdf>

<sup>10</sup> Flexibility Works (2022) *Flex for Life 2022*, available at: <https://www.flexibilityworks.org/flexible-working-research/flex-for-life-report-2022/>

<sup>11</sup> Close the Gap (2021) *Response to the Scottish Government Consultation on Becoming a Fair Work Nation*, available at: <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-response-to-the-Scottish-Governments-consultation-on-Becoming-a-fair-work-nation---December-2021.pdf>

<sup>12</sup> Close the Gap and One Parent Families Scotland (2023) *A childcare system for all: A vision that puts gender equality at the centre of Scotland's childcare strategy*, available at: <https://www.closesthegap.org.uk/content/resources/CtG-and-OPFS---A-childcare-system-for-all-FINAL.pdf>

**Research has shown two-thirds of women reported delivery of these hours does not cover their childcare needs,<sup>13</sup>** and this limited flexibility in delivery further constrains their ability to enter, remain or increase their paid working hours,<sup>14</sup> or to access training/study opportunities. Moreover, the increased funded entitlement has not negated the need for expensive top-up childcare, particularly for single parents and those who work atypical hours. Top up childcare costs remain exorbitantly high, presenting a significant financial barrier for parents to enter and remain in paid work, particularly for single parents, 91% of whom are women in Scotland, with research showing more than a fifth of single parents could no longer afford childcare at all.<sup>15</sup>

Close the Gap and One Parent Families Scotland have published a joint vision and a set of principles,<sup>16</sup> endorsed by 25 civil society organisations, that describe a childcare system that works for everyone. **The principles are framed around the need for everyone, including those on low incomes, to be able to access the services they need.** The principles include:

- A universally funded entitlement of 50 hours per week for children aged 6 months plus, free at the point of use, and fully flexible in delivery to that women can work full-time if they need to or want to;
- Flexible delivery that enables families to access childcare when they need and want it;
- A diverse and skilled childcare workforce that is valued, fairly paid and gender balanced; and,
- A high-quality service which delivers positive outcomes for children and realised children's rights.

Expanding provision would put choice at the heart of the system, and all women would have more agency to determine how and when they engage with the labour market.<sup>17</sup> This is necessary to advance women's labour market equality and in turn, reduce women's and children's experiences of poverty.

#### **4. Gender-sensitive skills and employability programmes**

Increasing women's incomes is a critical aspect of eradicating child poverty. Skills and employability programmes are important mechanisms to enable women to enter or

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<sup>13</sup> Scottish Women's Budget Group (2022) *Women's experiences of childcare shared through our survey*, available at: <https://www.swbg.org.uk/news/blog/womens-experiences-of-childcare-shared-through-our-survey/>

<sup>14</sup> Close the Gap and One Parent Families Scotland (2023) *A childcare system for all: A vision that puts gender equality at the centre of Scotland's childcare strategy*, available at:

<https://www.closesthegap.org.uk/content/resources/CtG-and-OPFS---A-childcare-system-for-all-FINAL.pdf>

<sup>15</sup> One Parent Families Scotland (2022) *Living Without a Lifeline*, available at: <https://opfs.org.uk/wp-content/uploads/2022/09/Living-without-a-lifeline-full-report.pdf>

<sup>16</sup> Close the Gap and One Parent Families Scotland (2023) *A childcare system for all: A vision that puts gender equality at the centre of Scotland's childcare strategy*, available at:

<https://www.closesthegap.org.uk/content/resources/CtG-and-OPFS---A-childcare-system-for-all-FINAL.pdf>

<sup>17</sup> Close the Gap (2023) *Submission to the Social Justice and Social Security Committee inquiry into child poverty and parental employment*, available at: <https://www.closesthegap.org.uk/content/resources/CtG-submission-SJSS-Committee-inquiry-into-child-poverty-and-parental-employment.pdf>

progress in the labour market into better paid jobs. However, **the current approach to employability programmes replicates gendered patterns of skills acquisition and employment.** Mainstream employability and training programmes routinely fail to consider women's caring roles or how women's readiness and ability to work is impacted by these roles.<sup>18</sup> Employability and training programmes often result in women being funnelled into low-paid, inflexible jobs, such as retail and care, **further entrenching occupational segregation and barriers to women's progression in work. This contributes to women's higher levels of poverty and therefore children's poverty.**

It is crucial that employability, and upskilling and reskilling programmes are designed to be gender-sensitive and take into **account the gendered barriers women face in accessing training, such as their caring roles, occupational segregation, gender norms and stereotypes, the need for flexibility, and men's violence.** Occupational segregation is a cause and a consequence of women's inequality in employment, acting as a barrier to women's progression in the workplace, and entrenching women's in-work poverty and child poverty. Therefore, action to address occupational segregation must be viewed as key to eradicating child poverty.

## **5. Conclusion**

In order to make meaningful progress on reducing child poverty, Scottish Government needs to take a gendered approach by:

- a) Implementing action that will address the undervaluation of 'women's work' in female-dominated sectors such as childcare, social care, and retail.
- b) Integrating a gender analysis in NSET and labour market policymaking so that the gendered barriers to the labour market are tackled.
- c) Developing a roadmap to delivering 50 hours of high-quality, flexible funded childcare to all children aged 6 months and over.
- d) Designing targeted skills programmes that will tackle occupational segregation and move low-paid women into higher-quality and better-paid jobs.
- e) Designing employability programmes that consciously tackle occupational segregation, and providing flexible opportunities for women in fair work jobs.

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<sup>18</sup> Engender (2016) *Unblocking the pipeline: Gender and Employability in Scotland*, available at: <https://www.engender.org.uk/content/publications/Unblocking-the-Pipeline---Gender-and-Employability-in-Scotland.pdf>