



Close the Gap Response to the Covid-19 Recovery Committee Inquiry into the impact of the pandemic on the Scottish labour market

August 2022

1. Introduction

Close the Gap is Scotland's policy advocacy organisation working on women's labour market participation. We have been working with policymakers, employers and employees for over 20 years to influence and enable action that will address the causes of women's labour market inequality.

Close the Gap welcomes the opportunity to respond to this inquiry on the impact of Covid-19 on the Scottish labour market. The impact of the pandemic on women's labour market inequality has been a core focus of Close the Gap's work since 2020. Our analysis has shown that women's employment has been impacted in multiple and specific ways by Covid-19 job disruption¹, with disproportionate implications for the employment of Black and racialised women, disabled women and single mothers.² This underscores the need for a gendered approach to labour market policymaking in Covid recovery.

While unemployment did not reach the unprecedented highs that were expected during the crisis, an unanticipated labour market trend emerging from the pandemic has been rising economic inactivity. This trend is particularly acute among older workers. In the context of a tight labour market and record vacancies, rising inactivity could have far-reaching implications for the UK economy.³ Women continue to account for the majority of economically inactive people in the UK. Women's engagement with the labour market is constrained by their caring responsibilities and increasing numbers of women are inactive due to retirement or ill-health. If we are to enable women to re-enter the labour market, there is need for action to improve access to high-quality flexible working;

¹ Close the Gap (2021) *One Year On: How COVID-19 is impacting women's employment in Scotland* available at https://www.closesthegap.org.uk/content/covid-19/1617267711_One-Year-On---How-COVID-19-is-impacting-womens-employment-in-Scotland.pdf

² Close the Gap (2022) *An Unequal Burden: How Covid-19 has affected women's employment, financial security and unpaid work* available at <https://www.closesthegap.org.uk/content/resources/An-Unequal-Burden---How-Covid-19-has-affected-womens-employment-financial-security-and-unpaid-work-2.pdf>

³ ONS (2022) *Vacancies and jobs in the UK: August 2022* available at <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/latest>

provide support with caring responsibilities; develop gender-sensitive upskilling and reskilling initiatives; and provide better support for those experiencing long-Covid.

The data relating to economic inactivity is a changing picture. Data released by the Office for National Statistics (ONS) in July 2022 showed that inactivity for those aged 50-64 had fallen on the last quarter with more people aged 50 and older in work or looking for work than since just before the pandemic.⁴ In July 2022, economic activity had increased by 116,000 among the over-50s in the past year.⁵ By contrast, in the latest data release (August 2022) the inactivity rate for older workers has increased on the previous quarter.⁶ We therefore urge the Covid-19 Committee to analyse future data releases to understand the longer-term trends around gender differences in economic inactivity.

2. Economic inactivity

Women are more likely to be economically inactive than men. Data from July 2022 shows that there are 1,544,000 more economically inactive women (5,146,000) than men (3,602,000) in the UK.⁷ Higher rates of economic inactivity among women reflects women's propensity to be primary caregivers for children, or to have unpaid caring roles for older people or disabled people. The Gender Equality Index published in 2020 finds that 85% of people aged 16-64 who were "economically inactive" due to caring were women and Scotland's overall score on the measure of inactivity due to caring is low, leading Scottish Government to conclude that "Scotland is a long way from full gender equality in this area."⁸ The value of this work is estimated to be worth an estimated £1.1 trillion to the UK economy, or around 56% of GDP.⁹ Despite women's unpaid work being critical to the functioning of the economy, the system of national accounts does not identify it as "productive", and instead when women are doing unpaid work they are counted as being economically inactive.

Gendered patterns of care were exacerbated by the Covid-19 crisis, particularly during school and nursery closures, as women assumed the burden of additional unpaid caring responsibilities for children, older people and disabled people. Women's increased caring responsibilities were a key contributor to the negative impact of Covid-19 on

⁴ Hill, Amelia (2022) "Britain's 'great unretirement': cost of living drives older people back to work", *The Guardian*, 25th July 2022 available at https://www.theguardian.com/business/2022/jul/25/britains-great-unretirement-cost-of-living-drives-older-people-back-to-work?CMP=share_btn_link

⁵ Ibid.

⁶ ONS (2022) *A05 SA: Employment, unemployment and economic inactivity by age group (seasonally adjusted) – August 2022* available at

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/employmentunemploymentandeconomicinactivitybyagegroupseasonallyadjusteda05sa>

⁷ ONS (2022) *Table INAC01: Economic inactivity: Women aged 16 to 64 by reasons for inactivity (seasonally adjusted) July 2022*

⁸ Scottish Government (2020) *Gender Equality Index*

⁹ Office for National Statistics (2016) *Women shoulder the responsibility of 'unpaid work'*

women's labour market equality, particularly at the start of the pandemic. Looking at the period of March to May 2020, women's unemployment rose twice as fast as men's in Scotland¹⁰ and mothers across the UK were 1.5 times more likely than fathers to have lost their job or quit.¹¹ The difficulties in balancing paid work, home-schooling and childcare saw many women with caring responsibilities withdraw from paid work or reduce their working hours, posing significant risks for women's economic equality in the longer term. In addition, the reduction or loss of social care packages during the crisis made it more difficult to access formal care, displacing responsibility onto female family members.¹² Unpaid caring roles have traditionally posed a barrier to women entering and retaining employment, and this was intensified by the crisis

3. Answers to consultation questions

1. What are the key factors driving the increase in labour market inactivity?

Comparing data relating to March to May 2022 to data for the same period pre-pandemic (March to May 2019) shows that long-term sickness and retirement accounted for the biggest rises in economic inactivity among women aged 16-64. When comparing these time periods, there are 146,000 additional economically inactive women due to long-term sickness and 25,000 more retired women.¹³ Retirement was the key driver of rising economic inactivity for older workers (50 to 69 year olds), accounting for more than half of the growth.¹⁴ Older men and women saw similar increases in the rate of moving from employment into retirement and other forms of economic inactivity during the pandemic.¹⁵

The only category of economic inactivity that decreased during the pandemic is those looking after family or home. This has a particular impact on women's inactivity rates, particularly within the 35-49 age group.¹⁶ Overall, there are 334,000 fewer women who are economically inactive due to looking after family or home in March to May 2022 than there were in the same period in 2019.¹⁷ This decline is attributed to women being more likely to enter or stay in the workforce because of increased flexibility in working

¹⁰ Close the Gap (2021) *One Year On: How COVID-19 is impacting women's employment in Scotland* available at https://www.closesthegap.org.uk/content/covid-19/1617267711_One-Year-On---How-COVID-19-is-impacting-womens-employment-in-Scotland.pdf

¹¹ House of Commons Library (2022) *Will more economic inactivity be a legacy of the pandemic?* available at <https://commonslibrary.parliament.uk/will-more-economic-inactivity-be-a-legacy-of-the-pandemic/>

¹² Engender (2020) *Gender and unpaid work: The impact of COVID-19 on women's caring roles*

¹³ ONS (2022) *Table INAC01: Economic inactivity: People aged 16 to 64 by reasons for inactivity (seasonally adjusted)*

¹⁴ Institute for Fiscal Studies (2022) *The Rise in economic inactivity among people in their 50s and 60s* available at <https://ifs.org.uk/publications/16087>

¹⁵ Ibid.

¹⁶ <https://commonslibrary.parliament.uk/will-more-economic-inactivity-be-a-legacy-of-the-pandemic/>

¹⁷ ONS (2022) *Table INAC01: Economic inactivity: People aged 16 to 64 by reasons for inactivity (seasonally adjusted)*

patterns, or to compensate for a partner losing income during the crisis.¹⁸ During the pandemic, there was also increasing demand for labour in female-dominated sectors which were critical to the pandemic response such as care, cleaning, education and essential retail which meant many women in these sectors actually increased their working hours during the crisis.¹⁹ Despite reducing inactivity due to looking after family or home, this remained the most common reason for women's inactivity throughout the pandemic. Recent data releases have also shown increasing numbers of women being inactive due to care, which calls into question the extent to which this is a long-term trend. In March to May 2022, more than a quarter (28.3%) of economically inactive women were inactive due to looking after home or family.²⁰ This underscores the need for sufficient flexibility in the labour market to enable women to balance earning with caring.

2. Has long-COVID been a factor in current levels of labour market inactivity? If so, is this likely to be a permanent feature of the labour market?

Data from the ONS shows that almost 2 million people in the UK (3% of the population) were experiencing long-Covid symptoms lasting longer than four weeks as of 4th June 2022.²¹ This data also shows that long-Covid was significantly more prevalent among women which aligns with a previous review of risk factors which found consistent evidence of an increased risk of long-Covid amongst women.²² While acute cases of Covid tend to be mostly male and over 50, long-Covid sufferers are both relatively young and overwhelmingly women.²³ As women are more likely to experience long-Covid, it will very likely have an impact on the female economic activity rate.

Recent analysis by the Institute for Fiscal Studies (IFS) points to about one in 10 long-Covid sufferers stopping paid work while they had the condition, with the majority taking sick leave, rather than losing their job altogether.²⁴ In the longer-term, the numbers of people who are inactive due to long-Covid may increase as entitlement to

¹⁸ House of Commons Library (2022) *Will more economic inactivity be a legacy of the pandemic?* available at <https://commonslibrary.parliament.uk/will-more-economic-inactivity-be-a-legacy-of-the-pandemic/>

¹⁹ Close the Gap (2021) *One Year On: How COVID-19 is impacting women's employment in Scotland* available at https://www.closesthegap.org.uk/content/covid-19/1617267711_One-Year-On---How-COVID-19-is-impacting-womens-employment-in-Scotland.pdf

²⁰ ONS (2022) *Employment in the UK – July 2022* available at <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/july2022>

²¹ ONS (2022) *Prevalence of ongoing symptoms following coronavirus (COVID-19) infection in the UK: 7 July 2022* available at <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/prevalenceofongoingsymptomsfollowingcoronaviruscovid19infectionintheuk/7july2022>

²² REACT (2021) *Long COVID* available at https://spiral.imperial.ac.uk/bitstream/10044/1/89844/9/REACT_long_covid_paper_final.pdf

²³ David Cox (2021) 'Why are women more prone to long Covid?', *The Guardian*, 21st June 2021, available at: <https://www.theguardian.com/society/2021/jun/13/why-are-women-more-prone-to-long-covid>

²⁴ Institute for Fiscal Studies (2022) *The Rise in economic inactivity among people in their 50s and 60s* available at <https://ifs.org.uk/publications/16087>

sick leave runs out. A survey by the Resolution Foundation found that around 600,000 adults have either left the workforce since the pandemic started, or are working fewer hours, because of long-Covid or the fear of the virus, with women and younger people over-represented in this group.²⁵ These results thus reflect the profile of people who are currently reporting symptoms of long-Covid and women's concentration in occupations which have higher exposure to the virus. ONS data shows that the prevalence of long-Covid was greatest among those working in social care (85% female²⁶), teaching and education (68% female²⁷) or health care (76% female²⁸).²⁹

Inadequate employer responses have made sustaining paid work while experiencing long-Covid particularly difficult, heightening the risk of rising inactivity due to ill-health. The campaign group Long Covid Nurses and Midwives UK has raised concerns about the number of nursing staff with long-Covid being encouraged to take ill-health retirement by employers.³⁰ In some cases, staff with the condition were being pushed down the retirement route without reasonable adjustments being put into place to support them back to work. More broadly, a survey by the TUC in 2021³¹ also found that:

- Over half (52%) of respondents said they had experienced some form of discrimination or disadvantage due to long-Covid.
- One in six respondents (18%) said the amount of sick leave they had taken had triggered absence management or HR processes. This could be particularly difficult for women, as evidence showed women have been forced into using their sick leave entitlement to undertake additional unpaid care during the pandemic, especially during school and nursery closures.³²
- Overall, one in 20 respondents said they had been forced out of their jobs because they had long-Covid.

While there is a lack of data to demonstrate the particular impact of long-Covid on economic inactivity, the condition is likely to have contributed to the additional numbers of people across the UK who are economically inactive due to ill-health. Given the

²⁵ Resolution Foundation (2021) *Begin again? Assessing the permanent implications of Covid-19 for the UK's labour market* available at <https://economy2030.resolutionfoundation.org/wp-content/uploads/2021/11/Begin-again.pdf>

²⁶ Scottish Social Services Council (2019) *Scottish Social Service Sector: Report on 2018 Workforce Data*

²⁷ NOMIS (2022) Annual population survey - regional - employment by occupation – teaching and education professionals

²⁸ NOMIS (2022) workforce jobs by industry (SIC 2007) and sex - human health and social work activities

²⁹ ONS (2022) *Prevalence of ongoing symptoms following coronavirus (COVID-19) infection in the UK: 6 May 2022*

³⁰ Nursing Times (2022) 'Nurses with long Covid being 'pushed' to take ill health retirement' available at <https://www.nursingtimes.net/news/coronavirus/nurses-with-long-covid-being-pushed-to-take-ill-health-retirement-12-08-2022/>

³¹ TUC (2021) 'TUC calls for long Covid to be urgently recognised as a disability to prevent "massive" discrimination' available at <https://www.tuc.org.uk/news/tuc-calls-long-covid-be-urgently-recognised-disability-prevent-massive-discrimination>

³² Close the Gap (2020) *Disproportionate Disruption* available at <https://www.closesthegap.org.uk/content/resources/Disproportionate-Disruption---The-impact-of-COVID-19-on-womens-labour-market-equality.pdf>

groups who are more likely to experience long-Covid, it would be expected that the condition will have a particular impact on the labour market participation of younger women. With individuals continuing to report long-Covid symptoms at least three months after infection, there are likely to be persistent negative labour market implications which further cement women's economic inequality.³³ It is therefore vital that employers improve their responses to long-Covid among the workforce, ensuring that those experiencing symptoms are given appropriate support.

3. What has been the labour market impact of the pandemic on people with pre-existing health conditions?

People with pre-existing health conditions are at greater risk of Covid-19 and more likely to experience long-Covid. Research by Resolution Foundation also showed that the fear of the virus was resulting in people reducing their working hours or leaving the labour market.³⁴ Taken together, the continued presence of Covid-19 may lead to increasing numbers of people with pre-existing conditions leaving the labour market due to ill-health or a desire to protect their health, particularly when public health measures have been removed.

There is a lack of labour market data to highlight how the pandemic has specifically affected women with pre-existing health conditions and disabled women. However, research by Glasgow Disability Alliance found that disabled women experienced a number of employment challenges as a result of the pandemic including lack of employment support; discrimination; increased difficulties in progressing Access to Work Claims; and pressure to return to the workplace.³⁵ Many disabled people also lost social care support during the pandemic which will have created additional barriers to maintaining paid employment. It is therefore critical that employers take steps to improve their workplace practices to support disabled women, otherwise a long-term outcome of the pandemic may be rising economic inactivity among this group. This would further jeopardise Scottish Government commitments to tackling the disability employment gap and the gender pay gap.

4. What factors have influenced some people to take early retirement?

Early retirement is a key contributor to rising inactivity, with 70% of the increase in inactivity since the start of the pandemic being driven by those aged 50 to 64 years. Falls

³³ Institute for Fiscal Studies (2022) *The Rise in economic inactivity among people in their 50s and 60s* available at <https://ifs.org.uk/publications/16087>

³⁴ Resolution Foundation (2021) *Begin again? Assessing the permanent implications of Covid-19 for the UK's labour market* available at <https://economy2030.resolutionfoundation.org/wp-content/uploads/2021/11/Begin-again.pdf>

³⁵ Glasgow Disability Alliance (2022) *Triple Whammy: Disabled Women's Lived Experiences of Covid-19* available at <https://gda.scot/resources/triple-whammy-disabled-womens-lived-experiences-of-covid-19-voices-priorities-and-actions-for-change-full-report-pdf/>

in inactivity for older workers, which had been visible over a number of years before the outbreak of Covid-19, were always likely to slow in 2021 because this was the first year in a decade in which the state pension age was not rising.³⁶ However, the level of increase in inactivity had not been anticipated. A number of factors contribute to the rise in early retirement, including changes to working practices in response to Covid-19; the fear of the virus and ill-health; and the lack of high-quality part-time and flexible work.

Research by the Institute for Fiscal Studies suggested that people taking early retirement were making a “lifestyle choice” reflecting changing priorities and preferences, with relatively small numbers being forced out of work because of redundancy or long-term health problems.³⁷ However, this may also reflect the lack of flexibility in the labour market, with older workers struggling to find quality part-time or flexible work that enables them to work the number of hours they wish. Analysis by IFS and the Fair Work Convention has also highlighted that remote working has made employment less appealing to some older workers with less access to the social interactions of the workplace.³⁸

Data shows that the rise in inactivity has not been restricted to those who are relatively well-off.³⁹ We therefore urge the Committee to consider the financial implications for women who take early retirement, particularly in the context of the ongoing cost of living crisis. Older women are already more likely than their male counterparts to be experiencing pensioner poverty. Research by Age UK found that 1 in 5 female pensioners in 2021 were living in poverty.⁴⁰ The gender pay gap is a key contributor to the gender pension gap, leading to higher rates of pensioner poverty among women. As women are more likely to be in low-paid work, and more likely to take time out of paid employment in order to care, they contribute less to their pension pot over the course of their working lives. Leaving the labour market earlier than planned could therefore have far-reaching implications for older women’s financial security. There are concerns for nursing staff who have been encouraged to take ill-health retirement by their employer, as highlighted in question 2, despite the lack of evidence that exists for successful applications for a diagnosis for long-Covid alone. Women who have pursued this option may therefore be pushed to financial precarity when they are unable to

³⁶ Institute for Fiscal Studies (2022) *The Rise in economic inactivity among people in their 50s and 60s* available at <https://ifs.org.uk/publications/16087>

³⁷ Ibid.

³⁸ National Institute of Economic and Social Research (2022) *Exploration of the pay and career progression experiences of women aged over 50 in Scotland* available at <https://www.fairworkconvention.scot/wp-content/uploads/2022/07/Experiences-of-pay-and-progression-among-women-over-50-in-the-workplace-in-Scotland.pdf> and Institute for Fiscal Studies (2022) *The Rise in economic inactivity among people in their 50s and 60s* available at <https://ifs.org.uk/publications/16087>

³⁹ Institute for Fiscal Studies (2022) *The Rise in economic inactivity among people in their 50s and 60s* available at <https://ifs.org.uk/publications/16087>

⁴⁰ Age UK (2021) *Pensioner Poverty: Making ends meet: why pensioner poverty is still an issue*

access their NHS pension and have no entitlement to other forms of financial support.⁴¹

Research by the ONS found that men are more likely (7%) to state that they left the labour market because no longer needed the money from their job than women (3%). Moreover, men were more likely (51%) to use savings and investments to fund their retirement than women (33%). By contrast, women were more likely to receive financial support from a partner or family (26%) than men (10%).⁴² This is concerning as financial dependence and poverty are both primary risk factors that diminish women's resilience and can prevent women from leaving an abusive partner. The vast majority of women (89%) affected by domestic abuse report that financial abuse was central to their experience. Findings from the Women's Aid survivor voice survey in 2018 found that nearly half of women did not have enough money to pay for basic essentials, like food and bills, while they were with their abusive partner.⁴³ The survey also found that almost half (43%) of respondents were in debt as a result of their experiences of abuse.⁴⁴ It is particularly important that the Committee consider this economic context as women's economic inequality means that the ongoing cost of living crisis is having a disproportionate impact on women's financial insecurity.

5. Thinking about labour market participation, have certain groups of society and parts of the country been impacted more than others?

There is a lack of intersectional data on experiences on employment, unemployment, and economic inactivity. In particular, there is no publicly available data on rates of inactivity for Black and racialised women or disabled women. The lack of intersectional labour market data makes it difficult to draw meaningful conclusions about the experiences of different groups. Improving the range of intersectional and gender-sensitive sex-disaggregated data used in labour market policymaking must be a key priority for the Scottish Government if it is to realise its ambitions on women's equality.⁴⁵

⁴¹ Nursing Times (2022) 'Nurses with long Covid being 'pushed' to take ill health retirement' available at <https://www.nursingtimes.net/news/coronavirus/nurses-with-long-covid-being-pushed-to-take-ill-health-retirement-12-08-2022/>

⁴² Strickland, Hugh (2022) *The over-50s and the world of work: what's happening and why?* Available at <https://blog.ons.gov.uk/2022/03/14/the-over-50s-and-the-world-of-work-whats-happening-and-why/>

⁴³ Women's Aid (2019) *The Economics of Abuse* available at <https://www.womensaid.org.uk/wp-content/uploads/2019/03/Economics-of-Abuse-Report-Summary-2019.pdf>

⁴⁴ Ibid.

⁴⁵ Scottish Government (2020) *Scottish Government's Response to the First Minister's National Advisory Council on Women and Girls: 2019 Report Recommendations* available at <https://www.gov.scot/binaries/content/documents/govscot/publications/corporate-report/2020/12/scottish-governments-response-first-ministers-national-advisory-council-women-girls-nacwg-2019-report-recommendations/documents/scottish-governments-response-first-ministers-national-advisory-council-women-girls/scottish-governments-response-first-ministers-national-advisory-council-women-girls/govscot%3Adocument/scottish-governments-response-first-ministers-national-advisory-council-women-girls.pdf>

6. Have there been sectoral differences from economic inactivity – for example, have Health and Hospitality sectors been more exposed than, for example, Finance?

Occupational segregation puts women at greater risk of leaving the labour market due to ill health. Data analysed by the TUC found that people whose last job was in caring, leisure and other service occupations (83% female); sales occupations (63% female)⁴⁶ and customer service occupations (54% female) are disproportionately likely to be inactive because of health problems. In total, these low-paid occupation groups account for almost six in ten ill-health early exits from the labour market (57%), despite employing just three in ten workers.⁴⁷ Between the third quarters of 2019 and 2021, there was a 95% increase in the numbers of staff leaving sales and customer services occupations (60% female)⁴⁸ into economic inactivity due to ill health.⁴⁹ The limited available data on occupational segregation for Black and racialised women shows that they are over-represented within these sectors, implying that Black and racialised women may be particularly impacted by economic inactivity due to ill health.

7. What policies might encourage people to re-enter the labour market?

Support to mitigate the impact of the cost of living crisis

Qualitative data from the ONS supports the hypothesis that the recent reduction in economic inactivity among older workers reflects those coming out of retirement, rather than simply continuing to look for work after the age of 65.⁵⁰ The UK is now replicating a trend that has been visible within the US economy, whereby rising inflation and the cost of living crisis has contributed to “unretirement”.⁵¹ Economic inactivity due to retirement may decline as people return to paid work in order to prevent their household falling into poverty, particularly as working age benefits are insufficient to protect households from financial insecurity. This trend is likely to be particularly acute for those who are already at greater risk of poverty, including older women, single mothers, Black and racialised women, and families with a disabled member.

⁴⁶ ONS - Annual population survey - regional - employment by occupation – October to September 2021

⁴⁷ TUC (2022) *Older workers after the pandemic: creating an inclusive labour market* available at <https://www.tuc.org.uk/research-analysis/reports/older-workers-after-pandemic-creating-inclusive-labour-market>

⁴⁸ Annual Population Survey – regional – employment by occupation

⁴⁹ TUC (2022) *Older workers after the pandemic: creating an inclusive labour market* available at <https://www.tuc.org.uk/research-analysis/reports/older-workers-after-pandemic-creating-inclusive-labour-market>

⁵⁰ Hill, Amelia (2022) “Britain’s ‘great unretirement’: cost of living drives older people back to work”, *The Guardian*, 25th July 2022 available at https://www.theguardian.com/business/2022/jul/25/britains-great-unretirement-cost-of-living-drives-older-people-back-to-work?CMP=share_btn_link

⁵¹ Institute for Fiscal Studies (2022) *The Rise in economic inactivity among people in their 50s and 60s* available at <https://ifs.org.uk/publications/16087>

This current economic context is therefore critical to understanding changes in inactivity rates. While the cost of living crisis may facilitate a reduction in economic inactivity, this would not be a trend to celebrate. Historically, retired people are less likely to return to work than people of the same age in other forms of inactivity, with around 5-10% of retired people ever returning to paid work.⁵² Recent research commissioned by the Fair Work Convention noted that older women cited a number of reasons for their wish to retire or reduce their hours, such as: pursuing leisure and personal interests while they were still in good health; improving their own health; and to spend time with family, particularly their spouses.⁵³ The necessity of returning to work during the cost of living crisis may deprive women of choice over their lives and when they leave the labour market.

Support for women with caring responsibilities

While the numbers of people who are economically inactive due to looking after home or family decreased over the course of the pandemic, caring roles remain a critical reason for women's economic inactivity. Women's disproportionate responsibility for unpaid care is a key cause of the gender pay gap and a contributor to higher rates of poverty among women. Women's disproportionate responsibility for childcare and care and the lack of quality flexible working makes it difficult for them to balance work with family life.⁵⁴ As a result, maternal employment in the UK continues to lag significantly behind the best performers in the OECD.⁵⁵ Prioritising policies which better enable women to balance earning with caring might encourage more women to re-enter the labour market. This requires a focus on creating a flexible labour market, improving the quality of part-time jobs and improving access to affordable, flexible and accessible childcare.

There is a popular narrative that flexible working has become a workplace norm during the pandemic. However, in reality there remain numerous barriers to flexibility. While there was an increase in access to remote working for some workers during the pandemic, data highlights that all other forms of flexible working declined during the crisis. In 2021, only 27% of jobs in the Scottish labour market were advertised with flexible options.⁵⁶ It is therefore easy to overstate the impact of the pandemic in

⁵² Institute for Fiscal Studies (2022) *The Rise in economic inactivity among people in their 50s and 60s* available at <https://ifs.org.uk/publications/16087>

⁵³ National Institute of Economic and Social Research (2022) *Exploration of the pay and career progression experiences of women aged over 50 in Scotland* available at <https://www.fairworkconvention.scot/wp-content/uploads/2022/07/Experiences-of-pay-and-progression-among-women-over-50-in-the-workplace-in-Scotland.pdf>

⁵⁴ Close the Gap (2019) *Flexible Working for All? The impact of the right to request regulations on women in Scotland* available at <https://www.closesthegap.org.uk/content/resources/Flexible-Working-for-All.pdf>

⁵⁵ Campbell, Jim, Prof Diane Elson and Prof Ailsa McKay (2013) *The Economic Case for Investing in High Quality Childcare and Early Years Education*, Women in Scotland's Economy Research Centre

⁵⁶ Timewise (2022) *The Timewise Scottish Flexible Jobs Index 2021* available at <https://timewise.co.uk/wp-content/uploads/2022/02/Timewise-Scotland-Flexible-Jobs-Index-2021.pdf>

changing working practices and it cannot be presumed that employers have drastically changed their approach to flexible working. A survey conducted by the TUC in 2021 highlighted that 87% of women want to work more flexibly in the future.⁵⁷ We currently remain some distance from meeting that demand, necessitating both regulatory and cultural change.

The Scottish Government should work with the UK Government to implement changes to the regulatory framework, as per the consultation on making flexible working the default.⁵⁸ There is also a critical role for the Scottish Government in influencing employer practice around flexible working. Recent research conducted in Scotland found that just over half (52%) of employers think flexible working creates more work for line managers, and almost a third (30%) felt that those working flexibly are less committed to their career.⁵⁶ Building a labour market that is characterised by high-quality flexible and part-time jobs would enable women with caring responsibilities to re-enter the labour market.

In addition, there is a need to improve access to affordable, flexible and accessible childcare in Scotland. A survey by Working Families found that mothers were twice as likely as fathers to report that the availability of childcare had a “big impact” on their ability to work.⁵⁹ The introduction of the 1140 hours of funded childcare is an important starting point, but this should not be the end point of reform. The delivery of these funded hours at the local level is often insufficiently flexible to meet the needs of women, particularly single mothers, and their families.⁶⁰ A recent survey by the Scottish Women’s Budget Group found that, of women with children who were entitled to the 1140 hours, two-thirds reported that the delivery of these hours do not cover their childcare requirements due to a lack of flexibility in delivery.⁶¹ Prescriptive models of delivery do not align with available hours in the labour market and, as a result, the 1140 hours has not enabled mothers to enter employment if they need or want to.⁶²

Close the Gap have called for a further increase in the funded childcare entitlement to 50 hours for children aged 6 months and above. This call has also been supported by One Parent Families Scotland; First Minister’s National Advisory Council on Women and

⁵⁷ TUC (2021) *The Future of Flexible Work*

⁵⁸ Close the Gap (2021) *Close the Gap response to the UK Government Consultation on making flexible working the default* available at <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-response-to-the-UK-Government-consultation-on-Making-Flexible-Working-the-Default--November-2021.pdf>

⁵⁹ Working Families (2022) *Working Families Index 2022: Families and Flexible Working post Covid-19*

⁶⁰ Audit Scotland (2018) *Early Learning and Childcare*

⁶¹ 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/>

⁶² Joseph Rowntree Foundation and Save the Children (2022) *Delivering for Families? JRF and Save the Children’s response to Best Start, Bright Futures* available at <http://www.jrf.org.uk/file/59179/download?token=7uqyQuTG&filetype=full-report>

Girls⁶³; the Poverty and Inequality Commission⁶⁴; the Social Renewal Advisory Board⁶⁵; Poverty Alliance⁶⁶; and the Child Poverty Action Group in Scotland.⁶⁷ In enabling mothers to re-enter the labour market should they need or want to, the introduction of a universal entitlement to 50 hours a week of funded childcare would be an important anti-poverty measure. In addition, investment in childcare infrastructure is good for the economy and is a stimulus for growth.⁶⁸ A key factor in the strong return on investment is that childcare enables women to enter employment. Analysis by Close the Gap found that the cost of women's labour market inequality in Scotland is £17 billion a year.⁶⁹ Similarly, the Centre for Progressive Policy have estimated that ensuring women have access to childcare services that enables them to work the hours they want would generate up to £28.2bn in economic output per annum.⁷⁰ Women increasing their earnings would also translate into greater tax revenue for the Government, stimulate economic activity, and lower benefit spending.⁷¹ Investment in childcare is therefore not only good for women and their families, it is good for economic growth.

Supporting older women to return to work

Among older workers who would consider returning to employment, flexible working was the most important aspect of choosing a new job (36%), followed by working from home (18%) and something that fits around caring responsibilities (16%).⁷² These issues are likely to be particularly pertinent for women. Research by the Fair Work Convention highlighted that older women seek out flexible or part-time work as a means of managing health, wellbeing and caring responsibilities.⁷³ Moreover, the majority of older workers who would either consider returning to work or are looking for paid work would like to return on a part-time basis (69%), with only 9% reporting that they would like to

⁶³ National Advisory Council on Women and Girls (2018) *2018 Report and Recommendations* available at <https://onescotland.org/wp-content/uploads/2021/03/2018report.pdf>

⁶⁴ Poverty and Inequality Commission (2021) *Child Poverty Delivery Plan progress 2020-2021 Scrutiny by the Poverty and Inequality Commission* <https://povertyinequality.scot/wp-content/uploads/2021/06/Child-poverty-scrutiny-report-2020-21-Report-to-Scottish-Government-22-June-2021-003.pdf>

⁶⁵ Social Renewal Advisory Board (2021) *If Not Now, When? The Social Renewal Advisory Board Report*

⁶⁶ Poverty Alliance (2021) *A Scotland for All of Us: Poverty Alliance 2021 Scottish Parliament Election Manifesto* available at <https://www.povertyalliance.org/wp-content/uploads/2021/03/A-Scotland-for-all-of-us-Poverty-Alliance-2021-Scottish-Parliament-election-manifesto.pdf>

⁶⁷ <https://cpag.org.uk/policy-and-campaigns/briefing/early-learning-and-childcare-%E2%80%93-1140-hours-and-beyond-msp-briefing>

⁶⁸ Calver, Tom (2022) 'Held Back: the mothers who can't afford to return to work' *The Times*, 5th June 2022, available at <https://www.thetimes.co.uk/article/held-back-the-mothers-who-cant-afford-to-return-to-work-r5r3k9bxl>

⁶⁹ Close the Gap (2016) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

⁷⁰ Centre for Progressive Policy (2022) *Women in the labour market boosting mothers' employment and earnings through accessible childcare* available at <https://www.progressive-policy.net/downloads/files/CP-Report-women-in-the-labour-market-Oct-2021-2.pdf>

⁷¹ Ibid.

⁷² ONS (2021) *Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic* available at <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/reasonsforworkersagedover50yearsleavingemploymentsincethestartofthecoronaviruspandemic/2022-03-14>

⁷³ National Institute of Economic and Social Research (2022) *Exploration of the pay and career progression experiences of women aged over 50 in Scotland* available at <https://www.fairworkconvention.scot/wp-content/uploads/2022/07/Experiences-of-pay-and-progression-among-women-over-50-in-the-workplace-in-Scotland.pdf>

return full-time. It is therefore vital that there are good quality part-time and flexible working opportunities for older women which enables them to access fair work and decent wages. During a period of high vacancy rates in sectors where older women are concentrated, including retail and social care, there is a strong business case for employers prioritising flexible working and providing support with caring responsibilities in order to support older women to return to the labour market.

Older women also face multiple disadvantages in the workplace as a result of the discrimination and intersecting inequalities as a result of their age and gender. Older women identify recruitment processes as a primary reason that they are not applying for new opportunities, reporting that they fear they will experience discrimination and be stigmatised as less productive or efficient.⁷⁴ Building inclusive workplace cultures through the introduction of gender-sensitive recruitment, development and employment practices are therefore critical to enabling more older women to re-enter the workplace.

Gender-sensitive upskilling and reskilling support

In order to support women to re-enter the labour market, there is a need to develop gender-sensitive upskilling and reskilling support. Evidence shows that women are less likely to have access to training, particularly women working in low-paid part-time jobs⁷⁵; less likely to undertake training that will enable them to progress or secure a pay rise; and more likely to have to do training in their own time and to contribute towards the cost.⁷⁶ Embedding gender mainstreaming approaches in the development of skills and training interventions would give prominence to factors which influence women's access to skills including gender stereotyping; occupational segregation; women's propensity to have caring roles; the need to provide support with travel and childcare costs for women living in poverty; women's experiences of male violence; the timing and location of skills and training opportunities; and whether any course costs present a gendered financial barrier.

The recently published Adult Learning Strategy for Scotland includes only a marginal reference to the gendered barriers women experience in accessing skills, and there are no actions which specifically engage with gendered patterns of skills acquisition and utilisation. If the forthcoming lifetime upskilling and retraining offer replicates this gender-blind approach, the offer is unlikely to enable economically inactive women to move into high-quality employment. To reduce economic inactivity rates among women, the Scottish Government must ensure that gender mainstreaming approaches are

⁷⁴ Ibid.

⁷⁵ House of Commons Women and Equalities Committee (2016) *Inquiry into the gender pay gap*

⁷⁶ Aldrige, Fiona and Corin Egglestone, (2015) *Learning, Skills and Progression at Work: Analysis from the 2015 adult participation in learning survey*, UK Commission for Employment and Skills

embedded within all skills policymaking and service design. This should include gathering intersectional gender-sensitive sex-disaggregated data for all skills programmes and interventions to ensure that gender equality is core to the evaluation and monitoring of programmes.

Support for people experiencing long-Covid

The Scottish Government should work with employers to promote best practice responses to long-Covid in the workplace. Women experiencing long-Covid may require reasonable adjustments to enable them to continue paid work. Close the Gap has advocated that the UK Government should urgently recognise long-Covid as a disability under the Equality Act. Many individuals experiencing long-Covid already meet the 12-month criteria for a “long-term condition”.⁷⁷ This would ensure that employers cannot legally discriminate against workers with long-Covid while also placing a duty on employers to make reasonable adjustments that remove, reduce or prevent any disadvantages workers with long-Covid face. Without the legal obligation to make reasonable adjustments, it may be difficult for those experiencing long-Covid to get the necessary support from employers, leading them to leave the labour market. To prevent increasing numbers of those experiencing long-Covid leaving employment, the Scottish Government should work with the UK Government to recognise long-Covid as a disability under the Equality Act.

For further information

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⁷⁷ TUC (2021) ‘TUC calls for long Covid to be urgently recognised as a disability to prevent “massive” discrimination’ available at <https://www.tuc.org.uk/news/tuc-calls-long-covid-be-urgently-recognised-disability-prevent-massive-discrimination>