

Scottish Women's Convention
response to the Low Pay
Commission's consultation on:

National Living Wage and National Minimum Wage Rates for 2025



June 2024

Premise

The Low Pay Commission (LPC) is an independent organisation, which advises the UK Government on the setting of levels for the National Living Wage (NLW) and the National Minimum Wage (NMW). The NLW, is the minimum wage payable to workers in the UK aged 21 and over - the rate set in 2024 was £11.44. Alternatively, the NMW is the minimum pay per hour almost all workers are entitled to, varying by age. For workers aged under 18, the 2024 rate is £6.40, while 18-20 year olds, are entitled to £8.60. Anyone who takes up an apprenticeship in the UK is entitled to the apprentice-rate of £6.40 in their first year of study and/or are under the age of 19¹.

The LPC are obliged to review these rates annually, advising on the rate of increases to the NLW and NMW. They have stated that the NLW should be increased to between the range of £11.61 and £12.18, which they estimate meets the UK Government's aim of covering two-thirds of median earnings. The LPC have requested further details from respondents in relation to NMW-setting, however, have stated that they would believe that NMW thresholds should be reduced to 18 year olds over time. After the LPC have received consultation responses, they shall consider how plans impact citizens, and which estimations should be presented to the UK Government.



The Scottish Women's Convention (SWC)

The SWC is funded to engage with women across Scotland to ensure that their views are represented in policy and decision-making processes. The SWC uses the views of women to respond to a variety of parliamentary, governmental, and organisational consultation papers at Scottish, UK and international levels.

The SWC gathers information using different methods, including roadshows, thematic conferences, surveys, and both in-person and online roundtable events. This submission presents the views of a range of women, reflecting their opinions, ideas and lived experience. Working together with many other equalities organisations and community groups, we use our broad network to ensure that women from a range of backgrounds are heard and acknowledged. We are continually reviewing innovative ways of engaging with women and developing our trauma-informed and culturally sensitive practice to support vital contributions from as many women as possible.

¹ UK Government. (2024). National Minimum Wage and National Living Wage Rates. Available at: <https://www.gov.uk/national-minimum-wage-rates>

The National Living Wage (NLW)

To what extent has the NLW affected different groups of workers, particularly those with protected characteristics (for example women ethnic minorities and those with disabilities) and migrant workers?

In relation to the NLW, those who fulfil caring roles, either child or adult care, are more likely to experience low pay, with women making up the majority of care workers. Women within this industry experience consistent low pay, despite the integral role they play in the Scottish economy. From conversations with women, they have explained that care workers are under increasing stress to deliver care in a quick and efficient manner, regardless of the personal needs of the individual. Furthermore, the industry is facing significant strain as a result of the Covid-19 pandemic, with staff struggling to cope. Women have also stated that this has been worsened by Brexit, as social care staff from Europe have sought work within the European Union. It can be said that as a result, care workers feel undervalued and forgotten, highlighting that their lifesaving, and NHS-sustaining, work should be better paid.

- “...it’s [care work] is really hard work, and they don’t get paid well, dreadful condition some of them.”
- “...socially it’s [care work] is seen as no different, or no more skilled, than working a till or in a café. Where actually it’s a highly skilled job, and highly responsible. You’re keeping people alive!”

Additionally, disabled women face multiple levels of disadvantage across their lives, including within the labour market. Disabled women are less likely to be in paid employment than non-disabled women: the disability employment gap for women in 2022 was 28.2 percentage points from non-disabled women. However, it can be seen that in Scotland, disabled people make up a higher proportion of workers in distribution, hotels and restaurants, traditionally low-paid work². The barriers faced by disabled women are plentiful, including inaccessible workplaces, stigma and poor implementation of reasonable adjustment policies, with each of these being particularly difficult to measure within low-paid workplaces. Due to the regular undervaluing of low paid work, such as hospitality, workers often experience poor conditions and poor training from employers. This is particularly prevalent across smaller organisations/companies, with capacity preventing effective equality and diversity training, as well as the implementation of reasonable adjustments.

Furthermore, ethnic minority women in Scotland are more likely to be in low-paid work than white women, due to sustained societal hardship. Overall, employment rates for minority ethnic groups are lower in Scotland, sitting at approximately 60% in 2023, compared to 70% for white groups³. It is estimated that 1 in 8 BME women working in the whole of the UK are employed in

² Scottish Government. (2023). Labour Market Statistics for Scotland by Disability. Available at: <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2023/05/labour-market-statistics-for-scotland-by-disability-january-to-december-2022/documents/labour-market-statistics-for-scotland-by-disability-january-to-december-2022/labour-market-statistics-for-scotland-by-disability-january-to-december-2022/govscot%3Adocument/Labour%2BMarket%2BStatistics%2Bfor%2BScotland%2Bby%2BDisability%2B-%2BJD22.pdf>

³ Scottish Government. (2023). Scotland's Labour Market Overview. Available at: <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2023/12/scotlands-labour-market-overview-december-2023/documents/scotlands-labour-market-overview---december-2023/scotlands-labour-market-overview---december-2023/govscot%3Adocument/Scotland%2527s%2BQuarterly%2BLabour%2BMarket%2BOverview%2B-%2B19%2BDecember%2B2023.pdf>

insecure jobs, compared to 1 in 16 white women⁴. Reasons for why this disadvantage persists are myriad, but rooted in racism, resulting in discrimination and unfair treatment. From discussions with BME women, the SWC have heard that this group are often overlooked for promotions and are given low-skill tasks, notwithstanding ability or experience. In some cases, ethnic minority women hold high levels of education, however, these are not always adequately valued, forcing them further into low-quality work. Therefore, it is estimated that BME women are over-represented in low-paid work, meaning that increases to the NLW are likely to directly benefit this group, however we would recommend significant shifts in workplace cultures to allow BME to flourish in employment.

At what level should the NLW be set from April 2025?

We believe that due to the extensive testimony received from women across Scotland relating to rising living costs, the NLW rate should be increased to the highest possible amount – estimated to be £12.18. This higher level would assist women working within low-paid sectors, allowing them increased access to better quality lives. We would, however, state that the UK Government should consider the utilisation of gender budgeting techniques throughout development of NLW levels. Gender budgeting takes into consideration the lived experience of women and minoritised groups, placing the onus on how women and men interact with society differently, including how the economy can better value caring responsibilities⁵.

Experiences of Those on Low Pay Over the Past Year

How has the cost of living effected workers on or close to the National Minimum Wage (NMW) and NLW and how, if at all, has this affected worker needs and expectations from their employment and pay?

Despite increases to the National Living Wage, women have continued to struggle financially across Scotland. Throughout discussions, women on low incomes have explained that rising living costs have seriously impacted their ability to afford basic necessities, including food, clothing and bills. Single women with children, have been the most acutely impacted by rising living costs, with a sole income often not being adequate to cover expenses. This group are the most likely to be in receipt of benefits, regardless of work status, and regularly feel that their needs are not considered. They have expressed frustration around benefit payments, particularly those provided by the Department of Work and Pensions (DWP), with checks contributing to a sense of low self-worth. This has impacted single mothers' ability to hold good quality jobs, as they are more likely to take on part-time or zero-hour work to mitigate the costs of childcare.

- “I ran the food larder for a while, and before COVID, it was people who were on benefits, and then from that it then moved to in-work poverty. We've had nurses come in, who's mortgages have gone up, who are trying to feed three children. And yeah, they have a car, they have a house, they work, but they can't afford food.”

⁴ TUC. (2020). BME Women and Work: TUC Equality Briefing. Available at: <https://www.tuc.org.uk/research-analysis/reports/bme-women-and-work>

⁵ Scottish Women's Budget Group. (2024). What We Do. Available at: <https://www.swbg.org.uk/content/what-we-do/>

- “I think it has gone from that situation where people were only going [to a foodbank] when they absolutely needed it, to now where, ‘okay, I’m working, and I still am getting no further forward’.”

What has happened to quality of work recently? For example, have workers experienced changes in contract types, flexibility, workplace harassment and work intensification (e.g. greater expectations for workers to work more flexible, with greater effort, to higher standard, etc.).

As stated, the quality of work experienced by care workers has significantly reduced in recent years. From speaking to women, they have explained that the low pay is a result of the continued devaluation of care work, with this being further degraded by the Covid-19 pandemic. It has been highlighted that the work carried out by carers was heavily relied upon during the pandemic period, however, the recognition received has not continued. Through the increase in workload, women have experienced poor mental health and burn-out, resulting in some leaving the industry. When this is coupled with the reduction in staff numbers caused by Brexit, the current situation across social care is dire.

In addition, women have expressed concern around contract types, with there being an increase in precarious working schedules and zero-hour contracts. This is particularly prevalent across hospitality and retail industries, sectors which are predominantly staffed with women. Women in zero-hour contracts have explained that they, at times, are left out of pocket, working fewer hours than promised, meaning that transport and childcare costs are no longer covered by their wages. Zero-hour contracts also facilitate exploitative practices, as women are less empowered to challenge unfair working schedules and policies. For example, a worker may be pressured to remain in work for longer than originally promised, under the threat of losing future shifts. This may further impact women who work within the night-time economy, with late shifts contributing to a sense of unsafety. Some women may feel a pressure to remain in work, which when coupled with poor public transport options late at night, can place them in dangerous scenarios. Overall due to the tempestuous nature of precarious work, women feel further disempowered to follow complaints procedures, with an employer's ability to replace them being clear.

What are the barriers preventing workers from moving to a new job, particularly one that is better paid?

Women in Scotland have expressed their frustration at the various barriers which prevent them from moving to a new job. Firstly, they have explained that poor training across low-paid work prevents them from improving their professional skillset, trapping them in low-quality employment. This is a major issue for women who work in private organisations/businesses, with employers rarely valuing their employees. It could be suggested that this is related to the high staff turnover experienced across low-paid work, such as retail and hospitality, however, in order to fill staffing gaps left by Brexit, ensuring that low-paid workers feel valued is imperative to maintaining amenities. Furthermore, the CIPD have found that those working in the private sector feel less likely to express their concerns around job quality due to a lack of official channels, such as meetings with managers, surveys or trade unions⁶. Overall, workers across

⁶ CIPD. (2023). Working Lives: Scotland 2023. Available at: <https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/2023-pdfs/2023-working-lives-scotland-report-8407-final.pdf>

low pay do not feel that they are encouraged to develop across their roles, often leading to a sense of disenfranchisement within the job market.

- “I worked in hospitality for years, and I mean the only training I got was the stuff they had to do, like the legal bits. They weren't going to actually put you forward for anything that would develop you as a worker, they didn't care.”

In addition, women have stated that consistent misogyny is a key barrier to their ability to progress professionally. During a SWC project focusing on misogyny, we found that women face misogyny regularly across workplaces⁷Women recounted stories of being passed over for promotions, with ability and experience being discounted, contributing to poor feelings of self-worth and frustration. Misogyny is heavily linked with the experiences of those who take maternity leave, with women explaining that they may not experience direct misogyny until this life-stage. Over the course of their maternity leave, women can be viewed more negatively by employers and are, again, ignored when it comes to promotions. As well as impacting women's ability to access higher pay, misogyny also belittles and degrades women's sense of worth across workplaces. Women consulted, have stated that they regularly are given domestic tasks in workplaces, being viewed as a workplace 'mum', and must combat boys' club mentalities. Overall, misogyny presents a significant barrier to women across workplaces, preventing their full participation in the labour market.

- “I applied for a promoted post...and was not successful because the interviewing manager...openly told me that he did not think a woman could do the job, and especially not a younger woman.”
- “You always see men being promoted above women, despite the fact that I work in a female dominated field.”
- “There's an expectation that if an administrative task arrives in our team of professionals, one of the women will do it.”
- “There was a refusal to move the time of an early morning meeting where I couldn't arrange childcare. But they managed to move it to accommodate lunch time football training.”

How has access and cost of childcare and transport affected workers' ability to move or to a better paying job?

Women across Scotland have highlighted that a significant detractor to their household finances is childcare, with the current 1140 system, where three to four year old children are entitled to 1140 hours of free childcare per year, is not sufficient. During our childcare project, the SWC found that the inflexibility and limitations placed on 1140 hours has created a difficult situation for mothers, with this group being the most likely to pick up the burden of domestic labour⁸. Women also explained that childcare has impacted their job security and progression, with this being more obvious during and after maternity leave. Many women leave work for maternity purposes but are unlikely to return to their job with the same level of responsibility. Despite this commonly being attributed to higher paid employment options, it remains an issue across low-

⁷ Scottish Women's Convention. (2023). Misogyny in Scotland. Available at: <https://www.scottishwomensconvention.org/resources/misogyny-report-june-2023-final.pdf>

⁸ Scottish Women's Convention. (2024). What Should Childcare Look Like in Scotland? Available at: <https://www.scottishwomensconvention.org/resources/childcare-conference-report.pdf>

paid work, with women being passed over for promotions. Furthermore, due to high staff turnovers in sectors such as hospitality and retail, women returning from maternity leave, may return to an entirely new group of team members, significantly impacting their level of influence. Overall, childcare considerations are a clear barrier to women's participation in the labour market, with the current NLW not effectively mitigating the financial burden placed on mothers/carers.

- “Unless something changes there will be more and more women unable to work. The financial implications of childcare are far too great for working class families.”
- “There does not seem to be enough pre-school nursery places for the amount of children requiring them. On paper it looks great – 30 free hours – but some nurseries do not offer these hours at times that are flexible with parents' working patterns”

With regards to transport, we have heard of the struggles rural women experience to access work due to a complete lack of public transport links. Women in rural Scotland are continually let down by infrequent bus services, greatly limiting their ability to access town/city centres. This inevitably places increased onus on the usage of personal vehicles, however for those women who lack access to a car due to either a lack of financial means, no driver's license or a combination of the two, prevents many women from gaining employment. Young women in particular face this barrier, with their age preventing them from holding a valid driver's license. This has a detrimental impact on young women in rural regions, as they are unable to develop their professional skillset through part-time work. In Scotland however, the implementation of the Under 22s bus pass has been viewed positively, providing all people under the age of 22 years old with free bus travel. This has assisted some young women into accessing part-time employment, yet, it has been proposed by women that the scheme lacks impact in rural areas where bus options are so poor.

- “The fact that Under 22s are provided with a free bus pass is a significant help with our household finances.”
- “It is good that you don't need to pay extra to take your children with you, that would have been a huge help to me when my children were at school.”

More generally, women across Scotland have explained that the cost of public transport is greatly limiting. They have explained that private bus and train companies place high prices on tickets, making public transport a non-viable option. When this is coupled with a lack of reliability across public transport, women do not feel that they are well-served by public transport. Furthermore, the removal of peak train fares in Scotland can be commended, reducing costs for commuters. However, with the majority of low-paid employees using buses across Scotland, a focus on reducing bus ticket prices would be an impactful step to reducing inequalities seen in society.

- “Well, I was a carer for my dad for quite a number of years, and you didn't get much money to be a carer. And I mean if I had to go anywhere for appointments and things, I found it too expensive for me.”
- “I've always had to determine whether I should walk instead if I do not have appointments, price hike of bus fares made me think some very short additional hour shifts were not worth the extra expenditure and time spent in public transport.”

What opportunities are there for progression to better paid work for low paid workers and how common is promotion?

As stated, training opportunities remain scarce across low paid work. Women experience little motivation to gain new skills within low paid work, with a focus remaining on basic training, usually training which is motivated by legal obligations, such as fire safety. Despite these training courses being vital to the safe and efficient running of organisations, the lack of additional options on offer for workers prevents upwards mobility. Moreover, internal promotion within low paid work is relatively limited, particularly within smaller organisations. This is partly fuelled by logistics; staff numbers are low and shift patterns do not facilitate required training programmes. However, it can also be said that internal promotion is generally not encouraged due to the requirement to retain workable employee numbers. The impact Brexit has had on low-paid work is clear, social care has been discussed above, but hospitality has also experienced great losses in workforce numbers. In order to remain functional, some employers cannot allow staff to progress within the organisation, as they will struggle to find replacement in lower-level positions.

What has been workers’ experience of the Universal Credit system and how the minimum wage interacts with it? Has these influenced workers approach to how many hours they work and whether they move to another better paying job?

The UK Universal Credit (UC) system is widely regarded by women in Scotland as being unfit for purpose. Women who access UC regularly feel shame on application, explaining that it makes them feel like a “scrounger”. With regards to the question posed, women on low pay often must be mindful of shifts when considering their UC. Some explained that they had had to pay sums back into the system, in cases where they have worked slightly more hours than they should have, putting them in breach of UC regulations. Women have expressed trepidation surrounding repayments of UC, with this creating significant financial burdens on households. They have however expressed positive opinions towards the recently developed Scottish Social Security (SSS), which places an emphasis on respect and takes a human-rights based approach. We would greatly encourage the UK UC system to learn from the progress being made by the SSS, implementing knowledge gained to create an equitable system.

- “Well, I didn’t work, I couldn’t work. I was a single mum with four children all under three...I think now the system, where you get pressured, you have to go to the job centre...the pressures of me, trying to raise my four children, and being a single parent. I was trying to take them to toddler groups and things like that, to help them, and then also having to go to job centre appointments at the same time”
- “If you’re having to attend job centre interviews every week, that choice is absolutely gone, that is just horrific. You’re taking that autonomy away from people.”
- “Yeah, I mean the benefit system; you’re encouraged to work, and if you do work, you get penalised.”

Young People

At what level should these rates be set form April 2025?

We believe that the level of minimum wage rates should be aligned with that of the NLW, with this group carrying out the same work as their older peers. Young women have expressed significant frustration around this policy, explaining that it amounts to ageism. Some have also stated that they too have monthly expenses, such as rent, bills, transport costs, as well as general living costs, which are difficult to manage on such low levels of pay.

Apprenticeships

What is the outlook for the recruitment and employment of apprentices?

The apprenticeship schemes available for women in Scotland are poor. We have heard from women that entering apprenticeships can be intimidating due to a lack of women colleagues and teachers, as well as a 'boys' club' mentality which can make working environments uncomfortable. They have explained that the engrained misogyny at play across sectors, such as construction, contribute to their continued disengagement in apprenticeships. Therefore, the recruitment of women apprentices is made increasingly difficult, with poor pay structures further preventing women from engaging with traditionally men-dominated sectors.

- "Yeah, I mean you do get some girls who are interested in going into the trades, but because it's so dominated by boys...they go for one day, and it's too much for them because they're the only girl. And that's just unfair, because it's what they want to do...So, yeah, it's quite hard seeing that sometimes with the girls I teach."
- "...if I'm doing well or something [in a design technology class] they'll [boy classmates] go like 'aw the teachers are just saying that because you're a girl'. But I just want to get on with my work. The teachers treat us the same, it's my classmates that maybe don't."

Economic Outlook

To what extent have employers been affected by other major trends in the economy and labour market: for example, inflation, Brexit, the shift to homeworking or changes in the number of migrant workers in the UK?

Overall, it can be said that Brexit has significantly impacted low-paid work. As discussed, the reduction in staff pools has placed increased pressure on remaining UK-based staff, particularly in hospitality and social care roles. These sectors have a majority women workforce, ultimately disproportionately impacting women workers. Brexit has also fuelled the increases seen across living costs, such as food. For example, seasonal fruit and vegetable picker numbers have reduced, causing an untenable situation for growers. This ultimately impacts shoppers, as prices increase.

Moreover, the recent changes to working patterns, such as the increase in homeworking, has negatively impacted the retail and hospitality sector. With fewer workers commuting and working in city/town centres, retail and hospitality have experienced significant losses in profitability. This has ultimately resulted in the sectors reducing staffing numbers and/or closing units, with the combined challenges of online shopping preference and reduced household incomes exacerbating issues. Homeworking has also impacted workers, through increased fuel

and food costs. Some employers have not considered the additional costs such as gas, electricity and broadband, resulting in an unfair financial situation for women.

Apart from the minimum wage, what are the key drivers of pay decisions in low-paying sectors and occupations? For example, this could include the cost of living, availability and retention of staff, changes to Universal Credit/other benefits, access to transport or homeworking.

The key driver behind pay decisions in low-paying sectors and occupations, is the continued undervaluing of this work. Throughout low-paying sectors women make up most workers, further driving gender inequalities across society. This is worsened through women's poorer access to flexible transport options, increased caring responsibilities in the home and dependence on sub-par social security payments. Through the regular underpaying, and undervaluing, of women, a patriarchal system is enabled to further advance the degradation of working conditions, in preference of profit.

Conclusion

Having listened to women, our three key recommendations on this topic are:

- The National Living Wage (NLW) should be increased to the highest possible amount, £12.18, to alleviate rising living costs.
- Consider the implementation of gender budgeting techniques, which financially value the role of caring in society.
- Align National Minimum Wages (NMW) with NLW rates, to improve young women's economic participation.

The SWC is grateful for the opportunity to respond to the Low Pay Commission's consultation on **NLW and NMW Rates for 2025**. As an organisation, we will continue to work with women from across Scotland to gather voices and experiences relating to this topic and its effects on women's equality.

For further information or to share your views, please contact:

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