



House of Commons
Trade and Industry Committee

**Jobs for the Girls:
Government Response
to the Committee's
Sixteenth Report of
Session 2004-05**

**Sixth Special Report of
Session 2005–06**

*Ordered by The House of Commons
to be printed 19 July 2005*

HC 367
Published on 21 July 2005
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

The Trade and Industry Committee

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Sixth Special Report

The previous Committee published its Sixteenth Report¹ of Session 2004-05 on 7 April 2005. The Government's response to this Report was received on 30 June 2005 and is published as an Appendix to this Special Report.

Government response

Introduction

The Department of Trade and Industry (DTI) welcomes the Select Committee's Report. It is pleased to note the Committee's support for some of the Government initiatives which tackle inequality issues including occupational segregation. These include the Government's Strategy for Women in Science, Engineering and Technology and the increased attention given to challenging gender stereotypes in education and training. The Committee recognises that action taken to address the causes of occupational segregation cuts across departmental boundaries. The DTI is therefore pleased to include responses from the Department for Education and Skills (DfES), the Department of Work and Pensions (DWP), Regional Development Agencies and Government funded bodies such as the Learning and Skills Councils and the UK Resource Centre in this response.

The Committee raises important questions regarding the availability of information which might encourage women to enter non-traditional sectors, higher-paid and higher-skilled sectors. The Inquiry Report also makes links between occupational segregation and the barriers to work experience and training faced by women in these sectors. Such trends are reflected across Europe where the average gender pay gap is 18%. Programmes such as EQUAL, which is funded through the European Social Fund, fund innovative programmes to combat inequalities in the labour market and help disseminate best practice across the EU. Like our European counterparts, the UK uses a range of approaches to tackle occupational segregation. This memorandum provides details of the UK Government initiatives in place to ensure that women are able to make informed choices regarding their training and careers. It also highlights the steps being taken to tackle the significant areas outlined by the Committee such as barriers caused by misconceptions or misinformation and the relative inflexibility and inaccessibility of training.

General

1. Our aim in undertaking this inquiry was to produce some practical suggestions on how to tackle occupational segregation. Unfortunately, the inquiry has been curtailed because of the expectation that a general election will take place shortly. We have therefore been unable to treat the issues as comprehensively as we wished. However, we believe that there is value in publishing our conclusions and recommendations based

¹ Sixteenth Report from the Trade and Industry Committee, Session 2004-05, *Jobs for the Girls: the effect of Occupational Segregation on the Gender Pay Gap*, HC 300-I

on the evidence we have received. This is an important subject, and we hope that our successors will return to it in due course, perhaps in the context of the final report from the Women and Work Commission later this year. (Paragraph 3)²

The DTI concurs with the Committee's view that this is an important subject and welcomes both the analysis carried out as well as the recommendations made. The DTI agrees that the findings of the inquiry are pertinent to the deliberations of the Women and Work Commission (WWC). Baroness Prosser, Chair of the WWC, has ensured that the Committee's analysis has fed into its work. The WWC will draw on the issues uncovered by the Committee in its analysis of the pay gap and the reasons as to why women are more prevalent in certain, often low-paid, occupations. A number of the questions raised by the Committee are in line with the questions the WWC believe are important to address.

Reasons for occupational segregation: lack of knowledge

2. The experience of some members of the Committee supports the EOC's contention that, though it is by no means a universal attitude, a significant number of schools seem to consider finding work experience placements an onerous addition to their core teaching work, and they try to devolve as much of the responsibility to individual pupils as possible. For both students and employers, this is a wasted opportunity. (Paragraph 15)

The Government agrees that work experience placements can create opportunities for students and employers. In fact, research indicates that young people have a strong preference for experiential learning. The DfES is helping schools to find placements through the Learning and Skills Council (LSC) funded Education Business Partnerships (EBP). These partnerships assist schools to find work experience opportunities locally. 300,000 businesses are currently involved with schools through EBPs. There are different levels of service in different areas depending on local requirements. For example a number of EBPs have databases of suitable contacts for work experience. Some EBPs offer a complete matching service for schools where they do all the paperwork, preparation, matching and debrief.

The DfES also highlighted plans for the Youth Green Paper to look at ways of giving both girls and boys more opportunities to experience different working environments, for example, through work experience and enterprise education. Other proposals being considered include peer mentoring and formal or informal talks from young people who have recently entered further or higher education, employment or training. All of these proposals will be vital in the Government's push to combat gender stereotyping and open young people's eyes to opportunities they might not previously have considered.

3. We recognise that providing well structured and informative work placements is a burden on businesses, and that employers are understandably anxious about health and safety issues and other statutory responsibilities towards the young people involved. However, especially in sectors suffering from skills shortages, there is a strong argument from economic self-interest for employers to take seriously the opportunity

² All paragraphs in bold type are quotations from the Committee's Report.

afforded by work placements to ‘sell’ their industry and their company. The burden is especially acute for small businesses, and here we see a role for Sector Skills Councils and local trade associations to provide advice and support. It might, for example, be possible to co-ordinate a programme of brief ‘taster’ sessions in several companies to share the responsibility more widely. (Paragraph 16)

The DTI also recognises that developing a well-structured work placement can be a burden on business, particularly small business. The Committee’s suggestions for improving young people’s exposure to the work place are therefore particularly welcomed.

In response to the issues raised by the Committee, the DfES has drawn attention to the types of support Sector Skills Councils (SSC) plan to give employers involved in facilitating work experience through Young Apprenticeship programmes. SSCs are working to provide relevant information on the benefits of becoming involved in Young Apprenticeships. In particular they will highlight the potential to address skills shortages. They will also provide guidance on how employers can best induct, mentor and support 14-16 year olds on the programme to encourage retention. This will help ensure that work placements are a valuable experience for young people.

4. While the issue of education of 14-19 year olds is a matter for our colleagues on the Education and Skills Committee, not us, we feel it a shame that, so far, although there has been a marked improvement in the educational achievements of girls, which should have led to a greater range of career options for these girls when they leave school, the pattern of occupational choices has not changed as much as one might have expected. We are confident that the DTI and the Learning and Skills Council are giving due attention to this issue, but we have doubts about whether the message has really penetrated down to the level of individual schools, and the local businesses that might benefit from having a wider range of candidates for jobs. We are also uncertain of the extent to which the Department for Education and Skills has ensured that the challenging of gender stereotypes is fully incorporated into the curriculum and into the general approach of schools towards fitting their pupils for adult life. (Paragraph 18)

The Committee’s analysis of the educational achievement of girls and their occupational choices is helpful. The DfES responded with interest and informed the DTI of how the challenging of gender stereotypes is incorporated into the curriculum. The National Framework for Careers Education and Guidance lists as one of the learning outcomes for Key Stage 3 that young people should: “recognise stereotyped and misrepresented images of people, careers and work and how their own views of these issues affect their decision making”. It recommends that they could do this through collecting and analysing images of people in work, and debating views on ‘men’s jobs’ and ‘women’s jobs’.

In the careers publications produced by the DfES, care is taken to include photographs displaying young people in ‘non traditional’ roles. For example, all the ‘Working in’ information booklets include case studies showing people in ‘non traditional’ roles; some recent examples include a female crane driver and female electrician in ‘Working in building and construction’ and a male nanny in ‘Working with young children’.

The DfES are also currently working to add case studies to each of the 600+ jobs contained on the jobs4u occupational database (www.connexions-direct.com/jobs4u). Details of pay

rates are included for each job on the website. As pointed out in the Committee's report, pay rates will influence students' decision to train for a non-traditional job so this information is particularly useful for tackling occupational segregation.

5. Although there have been improvements in the provision of careers advice and work placements, and in the links between business and schools, the quality still varies too much from place to place. The critical links in the process of spreading best practice would appear to be the local Learning and Skills Councils, local education authorities, Sector Skills Councils, Regional Development Agencies, and local trade associations such as Chambers of Commerce. Until all these bodies are properly engaged in the process, it will be extremely difficult to challenge the general culture of sexual stereotyping of roles, and young people will not be given the information and encouragement necessary to step outside the stereotypes. Half the battle to improve women's pay and opportunities and to tackle skills shortages will already have been lost. (Paragraph 19)

The Government notes the Committee's comments that the quality of careers advice and work placements and the links between business and schools varies too much from place to place. The LSC is undertaking a strategic review of education business links. They plan to consult widely on findings later this year. This is clearly an important issue and one which, taken alongside the WWC's deliberations, will be critical in making the necessary 'step change' in improving the career choices of girls and women.

Reasons for occupational segregation: difficulties with training

6. While the Modern Apprenticeships programme is a key to alleviating skills shortages in the UK and to providing young people with the means to access higher value and higher paid work, it appears that the structure of the apprenticeships may have been designed too much with the traditional school-leaver recruit in mind. The development of schemes for older people, particularly those with caring responsibilities, is vital to attracting more women into male-dominated sectors; and we therefore welcome the pilots being run for older people. However, we are disappointed that the Modern Apprenticeships programme seems to date to be reinforcing gender segregation among young people. (Paragraph 24)

The Committee's analysis of the Apprenticeship (formerly Modern Apprenticeship) programme raises some important concerns about access to programmes. Some of these are being addressed by DfES initiatives to widen access and improve Apprenticeships' capacity to meet individuals' and employers' needs. For example, Young Apprenticeship provision is now introduced from age 14 and, as noted by the Committee, Apprenticeships are now open to older learners.

The DfES also works with SSCs to develop strategies for addressing gender imbalances in recruitment, including the recruitment of apprentices. A good example is the work done by the Engineering Construction Industry Training Board (ECITB), some of which is highlighted in the Inquiry Report. The ECITB framework acknowledges gender and cultural imbalances and commits to positive promotion of opportunities within the sector. Further ECITB activities include 'taster' days at schools run jointly with local employers and providers.

Employers are increasingly aware of the negative impact of occupational segregation. The Apprenticeship Task Force (ATF) is made up of senior figures from across the public and private sector. By drawing attention to the link between skill shortages and gender segregation in particular sectors, the ATF makes a business case for challenging occupational segregation. It also provides guidance on how to tackle segregation in its report on 'Good Practice in Promoting Diversity in Apprenticeships'.

7. The example of Foundation Degrees shows that it is possible to construct training to make it accessible to the greatest range of people. We recognise the difficulty in extending this flexibility into employer-based schemes: the sole purpose of FE institutions is to provide training, while employers have to juggle the sometimes conflicting demands of efficiency and immediate productivity against providing for future skills needs via training. However, the development of flexibility should be encouraged, not hindered, by the overall requirements for Modern Apprenticeship schemes. We recommend that the Government review the structure of such apprenticeships to ensure that the maximum possible flexibility is built into them. We commend the suggestion that the Government should reconsider whether the programme of Young Apprenticeships, which is aimed at 14–16 year olds, should be used actively to encourage young people to think about a wider range of job options by offering training in three sectors rather than just one. (Paragraph 25)

The DfES is improving Apprenticeship programme flexibility. For example, by giving SSCs greater discretion and authority to recommend entry standards and determine the attributes needed for fully-skilled status, Apprenticeships are more tailored to the industry sector. Developing the more flexible approach of Programme-Led Pathway (PLP) Apprenticeships, which begin with specialised occupational training in a college before progressing to learning while working for an employer, helps to cater for learners who may prefer a programme initially based in an educational setting.

The DfES noted the Committees recommendations on Young Apprenticeships (YAs) with interest. The first group of Young Apprentices started in September 2004, with 1,000 pupils embarking on YAs in Art and Design, Business Administration, Engineering, Health and Social Care, Performing Arts and the Motor Industry. The two days a week the young people spend on the programme allows them to complete substantial Level 2 vocationally related qualifications in individual sectors and the 50 days experience of work, with practical learning on the job, supports their qualification studies. Training in more than one sector would require a radical re-design of the programme, particularly with regard to accreditation of learning.

A second group of around 2,000 Young Apprentices will start the programme in September 2005. In addition, for the second cohort, a further two sectors will be included in the programme, they are Hospitality and Carpet Manufacturing and Fitting.

The LSC, OFSTED and DfES are closely monitoring the progress of the YA programme to inform decisions on how to progress the initiative in future years.

8. We were told there was a variation in the degree to which local Learning and Skills Councils were using Equality and Diversity Impact Measures to tackle gender segregation. We think it would encourage the wider adoption of best practice if the Learning and Skills Council itself set a national indicator to show how seriously it took this issue. (Paragraph 26)

The LSC is fully involved in taking steps to address gender segregation and will take this into account during the current review of the Equality and Diversity Impact Measures (EDIMs) approach which includes consideration of whether and, if so, how best to introduce national EDIMs.

In addition to any focus that a gender related national EDIM would provide, the LSC will continue to work with its partners, including the DfES and the Inspectorates, and use all relevant forms of monitoring arrangements to tackle inequalities. For example, in the future, Adult Learning Inspectorate inspectors will quiz local LSCs about Apprenticeship recruitment patterns by area of learning, and by gender, ethnicity and disability. This will reinforce the significance given to diversity issues in recruitment. The inspectors will similarly review the success of individual providers in attracting and retaining atypical Apprentices.

9. We note the complexity of the requirements for qualifying for and accessing the training schemes under the New Deal umbrella. This in itself may be a deterrent to the unemployed accessing the training that would benefit both them and the UK economy. (Paragraph 31)

The Building on New Deal programme (BoND) builds on the success of New Deal, giving people in all areas of the country the help and support they need to move off benefits and into work. The BoND strategy is based on a review of New Deal which was published on 17 June 2004. Key aims of the review were to simplify administration and simplify programme eligibility. As noted by the Committee, provision has traditionally been made up of a complex mix of eligibility rules and programme specification. BoND simplifies these through direct access to provision as opposed to the complex routeways currently used.

The BoND programme will introduce a greater flexibility into employment programmes, providing a service that meets the needs of individuals, local areas and local employers. BoND reduces complexity and bureaucracy in employment programmes; making them simpler for staff, partners and customers.

Reasons for occupational segregation: business cultures

10. It is stating the obvious to say that the culture of industries will not be changed quickly. Both employers and trade unions could do more to tackle the overtly sexist elements of workplace culture, simply by making it clear that certain behaviour is unacceptable. We welcome the indications that some companies are now indicating that they are unwilling to do business with firms that have tolerated, let alone tacitly encouraged, harassment and discrimination. (Paragraph 36)

The Government wholly supports the Committee's comments. ACAS, an independent statutory body, aims to improve organisations and working life through better employment relations. They provide publications, guidance and training on tackling discrimination, bullying and harassment in the workplace. This includes practical advice to employers to help them prevent bullying and harassment and to deal with any cases that occur. Guidelines on the development of policies and procedures are also available to employers.

As part of implementing the amended Equal Treatment Directive, regulations will come into force on 1 October 2005 which will add harassment on grounds of sex and sexual harassment to the Sex Discrimination Act. ACAS are therefore updating their guidance to reinforce the fact that such treatment is unlawful and will provide additional examples of what constitutes such treatment.

The DTI leads by example as an employer by refusing to tolerate harassment. It is departmental policy that all staff have the right to be treated with dignity and respect whilst on official premises, or in the course of official duty. Harassment or bullying in any form is unacceptable and will not be tolerated. Other practical examples supporting the promotion of culture change include DTI's women's development programme, DTI's mentoring programme (which has supported the work to improve under-representation) and the department's flexible working policy which offers everyone the flexibility to balance work and life.

11. The problem of the 'downgrading' of jobs which have increasingly become the preserve of women is not a new one: it happened to the clerical/secretarial sector almost 100 years ago. Dealing with this problem would require an overturning of the traditional view of caring and service (and largely female) jobs as inherently inferior—less skilled, less valuable, lower paid—to 'wealth-creating' financial, technical and manufacturing (and largely male) jobs. This is beyond the scope of our Report, but we note, in passing, the example set by the Government in its re-evaluation of the work done by different occupational groups within the National Health Service in the context of its Agenda for Change programme. We would welcome moves by any other employer to undertake a similarly fundamental review of the value—and rewards—attached to the range of jobs within their business. (Paragraph 37)

The Committee's concerns reflect those of the WWC. As outlined in the interim statement, the Commission proposes to look at the undervaluing of female-dominated workforces and 'women's jobs' including the relative valuing of the public and private sectors. The WWC see the value that society places on caring as fundamental to the position of women. For this reason, the WWC will investigate how caring is valued at present and whether and how our society might value caring jobs more highly.

12. It is only comparatively recently that women have regularly reached senior positions in professions in which they have been well established for a long time, such as the law and medicine. It is as yet too early to judge the success of the Government's Strategy for Women in Science, Engineering and Technology, which was launched in 2003. Changing the culture in areas like SET will clearly require sustained effort, but the process started by Baroness Greenfield's SET Fair report in 2002 appears to be gathering momentum. (Paragraph 39)

The DTI welcomes the Committee's comments and agrees that the process is indeed gathering momentum. The Government Strategy for Women in Science, Engineering and Technology (SET) included a commitment to set up a new UK Resource Centre for Women in SET (UKRC). The Centre was launched in September 2004 by the former Secretary of State Patricia Hewitt. The Consortium running the Centre comprises Bradford College, Sheffield Hallam University, the Open University and the WiSETi Project of Cambridge University. The Government has now committed a total of £6.9 million over the period 2004–2008 for the operation of the Centre, £1.5 million of this funding being ring-fenced for activities specifically to help women who wish to return to SET careers.

An example of the Resource Centre's work is the Return Campaign. Official research shows that 50,000 women are not currently working in the UK's SET industries, despite having specialist skills and training that are crucial to the economy. The UKRC expects to help SET-trained women return to SET professions over the next three years by connecting them to a host of free services and support, including training, courses, mentoring schemes and networking organisations.

Central to this campaign is a free, Open University, on-line course called Science, Engineering and Technology: A Course for Women Returners (T160). The course is currently enrolling and will start in October. It will help women plan their return and update their skills. The course also provides opportunities to attend networking events, meet with potential employers, role models and mentors.

Reasons for occupational segregation: lack of flexible working

13. There is a long-established view that certain jobs—senior managerial posts, skilled manufacturing jobs, key service industry posts—are unsuited to part-time and flexible working. This view is accepted far too uncritically: there appear to be a number of good examples where it has been perfectly practicable to re-arrange working hours while maintaining—sometimes even improving—productivity and performance. There are already indications that employers are re-thinking their attitudes, not least in light of the success of the recent introduction of the parental right to request flexible working. A number of employers have already extended this and have indicated that they are willing to consider requests from any of their employees. At present, we would not recommend introducing an element of compulsion on employers: the codification of best practice seems more likely to facilitate its widespread adoption than any statutory requirement would. However, we believe it would be useful to monitor the success rate of such requests, and to examine the reasons for refusal to see whether there are any grounds for instituting the sort of mechanism to challenge an employer's decision that Amicus suggested to us. (Paragraph 48)

The UK Government has monitored the flexible working law since its implementation and in April it published its second Flexible Working employee survey. This continued to show that on the whole the law is proving a success and having a positive impact. Fourteen per cent of British employees reported that they had requested a change to their working arrangements in the two years since the law's implementation. Almost one quarter (22%) of employees with dependent children under the age of six have requested to work flexibly.

Over four-fifths of employee requests were fully or partly accepted by employers, with the refusal rate significantly lower than before the new right was introduced. Over four-fifths of employees who had requested to change their working pattern said they were satisfied or very satisfied with their working arrangements. 11 per cent said they were either dissatisfied or very dissatisfied.

The UK Government agrees with the Committee on not recommending an element of compulsion on employers. The ‘Work and Families: Choice and Flexibility’ consultation closed on 25th May 2005. The consultation takes forward the work and family proposals that were announced in last December’s pre-budget report and the ten-year childcare strategy and, in particular, explores the case for extending the right to request flexible working to carers of sick and disabled adults and parents of older children. The Government is currently considering the responses. As part of this work the Government is also looking at whether the accompanying guidance can be improved to help facilitate the spread of flexible working, especially where flexible working is not the cultural norm.

The role of employers

14. We received evidence that the experience of equal pay audits has been mixed. Some of our witnesses believe they are of doubtful effectiveness as a tool to make companies take the issue of occupational segregation more seriously. They are probably of more use as a way of marking out those companies that employ best practice from others, which—given the likely consequences for recruitment and retention—may concentrate the minds of the less forward-looking companies. We do not wish to denigrate them as a means of facilitating the process of changing the overall culture with respect to equal treatment of the sexes. (Paragraph 52)

The Committee’s assessment of the usefulness of compulsory equal pay audits is helpful. Whilst equal pay audits alone will not automatically close the gender pay gap the Government would agree that they are considered a useful way of marking out companies that employ best practice. The Government as an employer leads by example in its dedication to equal pay. As an example of good practice and to show commitment to equal pay, all Government departments and agencies (88 in total) have completed equal pay reviews. This is reinforced by our toughened target of 45 per cent of large organisations having undertaken pay reviews by April 2008.

The Equal Pay Panel of experts is a pilot initiative led by the TUC and supported by the DTI Partnership at Work Fund. The panel gives free advice and guidance sessions to organisations looking to investigate or undertake an equal pay review in partnership with unions. Serco is a large UK service company which has recently engaged with the Panel of Experts. Serco subsequently decided to roll out equal pay audits, initially across health divisions, with the aim over time to extend this work across the whole of the business. Serco has committed to ensuring that pay systems are transparent and easy to understand. In this respect, they will continue comparing the pay of men and women doing equal work, explaining any equal pay gaps and closing those pay gaps that cannot satisfactorily be explained on grounds other than gender.

15. Employers are showing increasing awareness of the damage that occupational segregation can do to their businesses. However, although there are some imaginative attempts to tackle the problems that deter women from taking certain jobs, as yet these seem to occur in isolation, and there needs to be more effort to share best practice. We discuss the potential role of the Regional Development Agencies ('RDAs') in this in the next Chapter; but, with a few honourable exceptions, there is also a need for greater effort by Sector Skills Councils and trade associations. We are not asking business to behave altruistically—though some companies will doubtless do so—but we do expect them to behave fairly, and to be aware of the effect on their competitiveness of a failure to act. (Paragraph 55)

DTI, in association with the Sector Skills Development Agency, is encouraging SSCs and other partners to adopt a complementary approach to tackling diversity and occupational segregation. Some sectors are already addressing these issues in this way such as the Women in IT Forum. A joint report has recently been published, 'Women in the IT Industry: Towards a business case for diversity', the principles of which are being taken forward. SSCs have submitted plans to address cross-cutting issues to the SSSA and DTI will be working with the SSC network to address them. DTI and the SSSA will shortly begin a project focusing on how SSCs are addressing diversity issues, finding and sharing good practice and using these examples to make recommendations for change.

The Select Committee report refers to a number of programmes put in place by CITB-Construction Skills to address occupational segregation. These include project-based Apprenticeships, and adult Apprenticeships for women. The National Construction College also provides mentors for women and Diversity Equality workshops. More women are being encouraged to enter the industry as part of their current Positive Image campaign, and the same theme will run through the 2005 National Construction Week (October) which showcases opportunities in the industry. CITB-Construction Skills carries out a broad and ongoing programme of research to underpin their strategies and interventions in this area. DTI continues to be closely involved with CITB-Construction Skills, and other industry bodies covering the built environment, on a number of fronts supporting their diversity agenda.

More broadly, the WWC will consider minimum standards (the legal framework) and how to spread best practice across employers. The WWC will look at organisational practice with respect to equal opportunities, recruitment and retention policies and procedure, work organisation, flexibility and support mechanisms. The WWC will consider the respective roles and responsibilities of managers and trade unions in raising standards of practice. The Commissioners are a team of influential and senior figures comprising employers, unions, education and skills experts and practitioners from a wide range of fields. They will play a significant role in highlighting the negative impact of occupational segregation on the wider economy.

The role of the RDAs

16. Some RDAs are running schemes to provide women returning to work after career breaks with advice on career options, access to training, work placements, and good quality, affordable childcare. We are concerned that they are still at the pilot stage—we

would have thought that RDAs would have already finished experimenting in this area and that they would be disseminating and adopting best practice by now. We are also surprised at how tentative the DTI seems to be about the development of these pilot programmes: “If the model proves successful then, potentially, there is scope to explore whether it could be applied more widely” shows less than wholehearted belief that successful programmes will be adopted by RDAs en masse. (Paragraph 56)

The DTI is not tentative about the development of pilot programmes and is considering them. The Department agrees that progress has been slow, however, it is fair to say that RDAs have taken forward this work based on variations in regional priorities. Research into the area of supporting women back into employment has resulted in a range of good practice which has now been used to develop two pilot projects—‘Supporting Women Returners back into the Workforce’. These projects have been set up to take forward best practice in supporting women back into employment and to analyse Childcare issues in relation to Women Returners.

Following completion of the two pilot projects, the London Development Agency (LDA), as the lead RDA for Childcare, will hold a regional and national dissemination event to ensure that best practice and lessons learnt are shared with all RDAs.

The Gender and Labour Market report referred to in paragraph 56 of the Select Committee report is co-funded by the South East of England Development Agency (SEEDA) and is currently at the interim stage of development. It is expected that recommendations for future action will be included in the final report and three year Action Plan due for publication in August 2005.

17. RDAs may have committed themselves to seriously tackling occupational segregation as a major focus of their work in improving the skills of the workforce and boosting productivity in their area; but the comparative silence about what they are doing leads us to conclude that most have yet to take the issue fully on board. Given their key role in ensuring that the needs and wishes of local businesses are taken into account in regional development policies, and their position as local agents for the delivery of much of the Government’s policy with respect to industry and commerce, we would have expected them to be playing a larger part in the attempts to engage the attention of employers on the disadvantages of occupational segregation. (Paragraph 57)

The DTI would also expect the RDAs to play a greater role in engaging employers and will be pushing for them to build upon existing work in this area. The Committee expressed concerns that RDAs have not yet taken the issue of occupational segregation fully on board. However, there are examples of work in train to address the issues highlighted by the Committee. The LDA has set itself challenging targets of 50% female participation to ensure that women have access to and benefit from the business and job opportunities currently available in London; One North East (Development Agency for the North East) has funded the Women into the Network project working with mainstream businesses to address the barriers facing women starting up and succeeding in business; North West Development Agency (NWDA) is working towards developing a Regional Centre for Equality and Diversity to provide advice to employers and employees; and South West England Regional Development Agency (SWRDA) has equality representatives on the

South West Enterprise and Skills Alliance embedding equality principles into the Regional Skills Partnership work. RDAs also have a broad range of projects specifically focusing on improving female participation in enterprise.

There are other examples of RDA initiatives where a key objective is to tackle occupational segregation. For instance projects targeted exclusively at women such as multi-skills training for employment in the Construction industry, the SEEDA funded Computer Clubs for Girls project which is now a nationwide project and a Construction apprenticeship programme targeted at Graduates from the LDA's equalities groups. The DTI welcomes these initiatives, however continued efforts will be necessary to tackle gender segregation and the DTI will continue to challenge the RDAs in this area.

Co-ordination in central Government

18. We think that there needs to be greater co-ordination between government departments. Since 2002–03 there has been an explicit Public Service Agreement target across Government about delivering achievable improvements in equality for women. We are also aware that the Women and Equality Unit has been given the task of advising other departments on their specific targets for achieving this and of reporting on progress across Government. However, we suspect that other departments have not fully integrated into their policy decisions the need to be conscious of any effects on occupational segregation. We believe, for example, that the DfES has only recently started to consider the issue of segregation in the recruitment of apprentices; the Learning and Skills Council admitted that, although it had held information on training broken down by gender, it had never thought of making use of it before the EOC's investigation into the area; and we are still uncertain of the extent to which the DWP's general training and employment programmes take into account the difficulties faced by women returning to work. It is not clear to us whether the slowness of other departments in addressing the issues is a result of insufficient vigour in the lead Department, the DTI, or a lack of co-operation from the other departments. It appears to us that the Women and Equality Unit still has considerable work to do, and may have neither the authority in relation to other departments nor the resources to do it. (Paragraph 59)

The Government agrees that there needs to be greater co-ordination between departments and recognises that the Public Service Agreement (PSA) targets, to bring about measurable improvements in gender equality, provide a platform upon which to build more effective cross-Government working.

Although the first gender equality PSA was agreed as part of Spending Review 2002, the diverse basket of indicators underpinning the PSA—for delivery in 2006—did not focus specifically on occupational segregation, but were the targets that the Ministers for Women saw as key priorities for Government action, including employment, pay, flexible working, childcare and fear of crime.

As part of the negotiations for the Spending Review 2004, however, the Women and Equality Unit had identified occupational segregation as an important issue in order to improve gender equality, and this now forms one of the indicators for the new gender equality PSA, due for delivery in 2008. As part of the delivery strategy for SR04, the DTI

will actively be looking to work across Government and more broadly, to increase the number of girls and boys achieving level 2 and level 3 Apprenticeships in sectors where they are currently under-represented, and where employer demand for these skills is high.

The Women and Equality Unit has developed a broad strategy to influence individual departments to bring about change. This includes working through the high-level cross-Government Gender Equality Steering Group to monitor and scrutinise progress and through a series of official bi-laterals. The strategy is supplemented by the annual publication of a wide-ranging annual progress report to support gender mainstreaming. The gender equality PSA objectives, where appropriate, also provide the context for the Women and Equality Unit to have a structured intervention in the areas of key spending departments.

In order to move forward into the new PSA delivery period, the Unit is proposing changes to the leadership of the gender equality PSA SR04, and targeted and sustained Ministerial support forms an important feature of the forward strategy. It is envisaged that a new Cross-Government Gender Equality Delivery Board will be assembled to enhance accountability and provide a mechanism to integrate cross-cutting work strands and over-arching PSAs.

The new Minister for Women, Tessa Jowell, has already demonstrated her commitment to greater coordination between Government departments by identifying a Women's Minister in each department to act as a Women's Network across Government to ensure mainstreaming of gender within each Department's priorities.

19. The Government has given a strong lead in the field of racial equality through both the adoption of a general public duty to promote such equality and through procurement policy. We think it would be valuable for the question of gender equality to be treated in the same way. (Paragraph 61)

The Government agrees that the approach to the inclusion of relevant gender equality issues in public procurement should follow that adopted for race equality issues. In respect to the proposed Public Sector Duty on Gender Equality, currently legislated for in Part III of the Equality Bill, the Government will be keen to ensure that public authorities, who are responsible for their own procurement practices, are better equipped to consider in a proper, proportionate and relevant manner gender equality issues in the granting of contracts. The Government will ensure that this is adequately covered in any Code of Practice and guidance issued in advance of the Gender Duty coming into force which is expected to be the end of 2006. The Government intends to hold a full public consultation on the details of specific duties to assist public authorities in complying with the gender duty during this Summer.

Equal Pay Act

20. While we understand the Minister's concerns, it seems to us that the 1970 Equal Pay Act is reaching the limits of its usefulness. There appears to be a consensus among analysts of the labour market that most of the remaining gender pay gap is attributable to factors other than 'straightforward' discrimination, and it is notable that the rate of decrease in the pay gap has slowed almost to a stop in recent years. Although there are

difficulties in dealing with the deep-seated problem of the undervaluing of women's work through legislation, the concepts of "work of equal value" and indirect discrimination are already embedded in statute, and we believe that it should be possible to build on these. We regret that the Government appears to be ruling changes out as 'too difficult' without having undertaken a serious review of the options. (Paragraph 63)

The DTI notes the Committee's comments that the Equal Pay Act is reaching the limits of its usefulness. Legislation has made a vital contribution to reducing the gender pay gap, however, the Equal Pay Act only addresses one aspect of the gender pay gap—that of unequal pay. It will not tackle issues such as job segregation, differences in education and qualifications, differences in length of work experience and the cultural barriers women face when returning to the labour market. Therefore, Government must balance out the legislative approach with other actions. The WWC will be identifying the underlying causes of the pay gap in its work to close the pay and opportunities gap. The WWC will make recommendations on how to address these underlying causes in its final report

The DTI is carrying out a Discrimination Law Review (discussed further below) which will examine the current anti-discrimination legislative framework, including the Equal Pay Act 1970.

21. We have not had time to examine these issues in the depth necessary for us to make a recommendation for specific legislative change, and we realise that considerable further work would be required before appropriate legislation could be drafted. However, we believe that the persistent undervaluing of women in the workplace is a major obstacle to the UK's being considered to be a society with true gender equality. (Paragraph 64)

The Government is currently undertaking a comprehensive programme of reform to deliver a new framework to challenge discrimination and inequality. The independent Equalities Review, which is investigating the causes of persistent discrimination and inequality in British society will report to the Prime Minister by Summer 2006, making practical recommendations on key policy priorities for: the Government and public sector; employers and trade unions; civic society and the voluntary sector.

This work will feed into the DTI-led Discrimination Law Review which is considering in detail how our anti-discrimination legislation, including the Equal Pay Act 1970, can be made fairer, simpler and more effective, with a view to bringing forward a Single Equality Bill in due course. The DTI will take the opportunity to consider the detailed issues raised by the Committee during the course of the Review and will work closely with the Equal Opportunities Commission, WWC and other experts on Equal Pay.

Concluding Remarks

The Committee's analysis demonstrates that occupational segregation continues to constrain UK potential. Barriers to particular sectors of the labour market, based on gender stereotypes or inaccurate information, limit opportunities for individuals but also for business and society. This Government recognises that removing these barriers is

fundamental to closing the gender pay gap, addressing skill shortages and tackling inequality.

It is evident from the inquiry that occupational segregation needs to be both acknowledged and confronted across Government as well as by employers and educators. This will require a clear plan of action and time as moving such an entrenched cultural barrier will not happen overnight.

There is plenty more to do and this Government is committed to the challenge. The Committee's report is very timely as the new Ministers for Women and Equality, Tessa Jowell and Meg Munn, are already looking hard at gender inequality. They are leading in identifying practical ways of improving opportunities for women and reducing the constraints on their choices. The Committee's inquiry will therefore contribute to developing the Government's long-term programme of action to reduce gender inequalities in the labour market.