



Economy, Energy and Tourism Committee Call for Evidence

Work, Wages and Wellbeing in the Scottish Labour Market

August 2015

Introduction

The Scottish Women's Convention (SWC) is funded to engage with women throughout Scotland in order that their views might influence public policy. The SWC uses the views of women to respond to Scottish and UK Government consultation papers.

SWC Evidence Source

The Scottish Women's Convention engages with women using numerous communication channels including Roadshow events, Thematic Conferences and regional contact groups. This submission paper provides the views of women and reflects their opinions and experiences in a number of key areas relevant to the system of work and wages in Scotland.

Purpose of the Consultation

This inquiry will investigate how employment and job quality has changed since the 2008 recession and has been launched by the Economy, Energy and Tourism Committee. Throughout the course of its inquiry, the Committee will explore the contrasting qualities of different jobs and the impact of low wages and temporary/insecure jobs on the Scottish economy. MSPs on the Committee have issued a call for views on the quality of work in Scotland, and how that work has affected health and wellbeing. The Committee will also look at the health and social impacts of low pay and low quality work, and how the Scottish Government policies can influence the quality of jobs and the wellbeing of workers in Scotland.

The Committee has issued a survey and is also asking the following views:

- What makes a job 'good' or 'bad'?
- Have jobs become better or worse since 2008?
- What effect might low quality/low pay jobs have on the economy?
- What can the Scottish Government and public policy makers do to improve job quality in Scotland?

The SWC has consulted with women of all ages, from a variety of different backgrounds and in a number of different forms of employment throughout Scotland. During these discussions it has become clear that the following characteristics define what makes a job ‘good’.

Decent pay

Women continue to be clustered into roles in what is known as the ‘5c’s’ – catering, cleaning, caring, cashiering and clerical. These jobs offer low wages and little in the way of training, development and progression. This type of employment is often part-time. It can also raise issues around temporary and zero hours contracts and agency work. These are all insecure forms of employment and tend to be predominant in areas of what is traditionally seen as ‘women’s work’.

The lack of decent pay and conditions means there is a significant amount of in-work poverty, as well as a reliance on ‘top up’ welfare benefits, such as Housing and Council Tax Benefit and Tax Credits. Changes to the welfare system are making it increasingly difficult for women to claim and be eligible for additional income assistance.

Working hours thresholds for tax credit entitlement have increased. Lone parents must work at least 16 hours per week. For couples, joint working hours need to be at least 24 per week with one person working at least 16 hours per week. In a couple where only one person is working, that person must be working 24 hours a week. These changes are causing concern as employers may be unwilling or unable to increase working hours where necessary. Women will therefore be forced to engage in more part-time work and face additional childcare and transport costs.

“There are no guarantees my employer will increase my hours so I still qualify for tax credits. I need this money to pay for my childcare. If they can’t increase my hours I really don’t know how I’m going to manage.”

The ways in which benefit claims are made are changing. There are real concerns that the new system will put women into financial hardship, despite many of them being in work.

Previously, each person in a household made an individual claim. Under the system of Universal Credit (UC) which is being put in place by the UK Government, the benefit will go to the household overall. In the future the Scottish Parliament will be able to decide how this is administered, as part of the package of devolved powers which are currently being discussed and debated at Westminster. Until this transfer of control takes place, however, only one claim per household can be made. The likelihood is that in many cases the man will receive the money. This has the potential to put women at risk of having little or no financial independence, particularly if they have an abusive or controlling partner.

UC will be paid monthly in arrears. Previously, individual payments were made on a weekly basis to claimants. Under the old system, housing and council tax benefits were paid directly to the landlord. These will now go directly to the claimant. There is a real worry that families will end up in debt as a result of these imposed changes. There is very little additional support or information around personal and household budgeting.

“Women are used to managing their money in a certain way, getting small payments throughout the month which spreads their finances. There will be so many who fall into rent arrears or who have to rely on pay day loans because they don't know how to handle a lump sum once a month.”

More often than not, women manage very tight household budgets, which run to the dates upon which small pockets of money will be received. This will all change when UC is paid on a monthly basis.

“If we have another bad winter then I won't be paying my rent. The money will go towards my gas and electricity instead. I can't cope with my kids being cold again.”

The SWC fully supports the payment of a Living Wage. This has the potential to lift women and their families out of poverty, as well as reducing reliance on welfare benefits. It would not only be beneficial to the workers who receive it, but also the economy as a whole.

Decent Working Hours

As well as being low paid, much of the work undertaken by women is part-time. For some this is an informed choice, however for many others it is the only option available. Family and caring responsibilities and poor public transport mean that part-time work is often the most feasible means of employment. The lack of flexibility demonstrated by many employers for those who work full time is also a contributing factor. Many women are forced to take on two or three jobs in order to make ends meet.

Temporary, seasonal and part-time jobs are often the only work available in rural Scotland, where women are massively underemployed. As well as a lack of childcare services, public transport in these areas is *“expensive and unreliable”*.

“Buses in this area are extortionate. If you're on minimum wage then you're working two or three hours a day just to be able to get to work.”

Returning to work after maternity leave is another cause of underemployment. Despite legislation, women find they have less responsibility and their roles and hours are subject to change. This can make progression very difficult. Many choose not to return to their previous job, but instead seek part-time employment which fits around their caring responsibilities.

“I was a bank branch manager in a town approximately 30 miles away from where I live before I had my second baby. Travelling there every day plus the cost of childcare meant it was not worth my while to go back. I now work part-time at the weekends when my husband is at home so we don't have to pay for childcare. He increased his hours slightly and because he is a lower wage earner we qualify for tax credits. It's crazy how we are better off now than me working 6 days a week as a bank manager.”

Many lone parents or women in families on lower incomes are unable to apply for 'better' jobs due to a reliance on the money they receive from tax credits, which have an entitlement threshold of £24,000. A job which pays a few thousand more than they currently receive would not cover e.g. childcare costs.

Underemployment also has a significant impact on young women graduates, due to a lack of full-time jobs available in the careers they wish to pursue. Many keep the jobs they had while studying, e.g. in bars and shops, which attract low wages and have limited opportunities for training and development.

Accessible, affordable and appropriate childcare

“If employment is the route out of poverty and onto a better life, then childcare is the bridge.”

There is not enough accessible, affordable and appropriate childcare in Scotland. The SWC welcomed the provisions in the Children and Young People's Act, which raised the number of early years funding hours for 3-4 year olds and vulnerable two year olds from 475 hours per year to 600 hours per year. However it must be recognised that while this attempt to improve things for families is a step in the right direction, it is not enough to remove the barriers to women's labour market participation.

Those additional hours equate to sixteen minutes per day. They also do not take into account children under the age of three, or those over the age of five. The need for childcare does not stop when a child turns 5 and goes to school. The lack of after-school care in Scotland is a real issue, and one which is all too often forgotten when childcare is being discussed. The Act also makes no provisions for the working conditions of those employed in the childcare sector.

Flexibility in childcare, at present, comes at a price. Private nurseries tend to provide longer opening hours, often taking children in from 0730 and closing at 1800. Local Authority nurseries, on the other hand, provide childcare in sessions, offering places either in the morning or the afternoon. Working patterns have changed, but the way in which children are looked after have not.

Local Authority provision still works on the notion that a woman will work on a part-time basis, a few mornings or afternoons a week in their local area, and the 16 hours and 20 minutes per week of funded provision will cover their childcare needs. The reality for many women is that they are in low paid, low skilled employment, on zero hours contracts or in uncertain shift patterns. The lack of wrap-around, flexible provision, makes it extremely difficult for these women to access childcare. As a result they rely heavily on assistance from friends and family. The lack of flexibility, coupled with their working patterns, means that their children are often missing out on the funded places they are entitled to.

Informal caring is increasingly relied upon, with many women in the *“middle layer of caring, looking after both young grandchildren and older parents.”* This can have a detrimental effect on the physical and mental health of these women, many of whom continue to hold down part-time jobs.

The cost of childcare is a huge barrier for women accessing employment or increasing working hours. This is particularly the case for families with more than one child, a disabled child and lone parents.

Middle income families do not qualify for assistance with childcare costs. Sending a child to nursery takes “a huge chunk” out of household budgets, particularly if they have more than one child. Women often delay returning to work until their children are at school as it is the only financially viable option.

The Impact of the 2008 Financial Crisis

The economic downturn has resulted in severe cuts to public and voluntary sector jobs, in which women predominate. Posts have been reduced from full-time to part-time or job-share. Women face taking a cut in hours, wages and associated benefits, or becoming unemployed altogether. While part-time hours – and, by consequence, underemployment - are not desirable, they are often the only real option for many women throughout Scotland.

“I’m so aware of the impact of cuts and redundancies but to tell you the truth I’m not going to complain about the changes – I’m just glad I still have a job.”

The current economic climate has also contributed to a vast number of redundancies in the private sector. Jobs at the lower end of the scale, where women predominate, have been the first to go. This contributes not only to unemployment, but also underemployment for women. Many have been employed in the same workplace for a number of years and can find it very difficult to find work elsewhere due to a lack of formal qualifications. They also face significant barriers in accessing training and up-skilling opportunities, as well as issues around confidence. More needs to be done in order to support these workers.

The Impact of Low Quality/Low Paid Jobs on the Economy

Women will be unable to participate fully in the labour market, and consequently contribute to the economy, if they continue to be pushed towards low paid, low skilled jobs. This type of employment offers little in the way of training and development, which can restrict women’s ability to progress within the workplace.

Low quality, low paid jobs also make it difficult for women to both access and afford childcare. Being employed on temporary or zero hours contracts, with no guarantee of hours on a week to week basis, means that securing and maintaining a place at a childcare provider is “almost impossible.” Insecure working hours also make it difficult for women to claim for assistance with childcare costs through tax credits.

“I’m seriously considering giving up work because the cost of childcare is not making it worth my while. I want to work, I want my kids to grow up in a household where their mum works, but it’s costing me as much as my rent and Council Tax combined.”

What can be done to improve job quality in Scotland?

It is vital that the Scottish Government and policy makers take women into consideration when creating legislation, policies and practice. More needs to be done at school level to encourage women to take up non-traditional subjects, such as science, technology, engineering and maths (STEM).

Removing gender stereotyping at this level will go some way to ensuring that women have the opportunity to access decent jobs, with decent wages and good working conditions.

It is also extremely important, however that the jobs in which women continue to predominate, such as childcare, customer service and cleaning, are given a higher status and more value within society. The amount of unpaid work undertaken by women should also be valued much more significantly than it is at the moment. Unpaid carers are estimated to save the economy tens of billions of pounds per year. This should be recognised.

It is widely recognised that despite the Scottish Government's commitment to increasing childcare provision, families across Scotland are missing out on the funded hours their children are entitled to. A number of factors contribute to this, such as rurality and access to formal childcare, as well as level of demand in more urban areas. More needs to be done to ensure that families are able to access that which they are entitled to. Childcare is, without a doubt, the main reason why more women are not active in the labour market. Ensuring that pre-school education is provided is beneficial to children, their parents, the childcare workforce and the economy overall.

Conclusion

In order to ensure that the jobs they undertake are 'good jobs', women need:

- Decent wages;
- Decent working hours;
- An end to zero hours contracts;
- Flexibility within the workplace;
- Accessible, affordable and appropriate childcare;
- Good public transport;
- Access to training and development within the workplace;
- Opportunities for progression within the workplace;
- Encouragement from an early age to study and pursue careers in 'non-traditional' roles;
- Value placed on the work which women traditionally do; and
- Value placed on the unpaid work which women carry out.

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