



Scottish Parliament Economy, Energy and Tourism Committee

Inquiry into Underemployment in Scotland

January 2013

Introduction

The Scottish Women's Convention (SWC) is funded to engage with women throughout Scotland in order that their views might influence public policy.

This is achieved in a number of different ways - through roadshow, round table, conference and celebratory events. Following each event a report is compiled and issued to women who attend and relevant policy and decision makers.

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 throughout Scotland, Thematic Conferences and regional contact groups. Throughout these events it was clear that underemployment has a huge impact on women. This submission paper provides the views of women and reflects their opinions and experiences in a number of key areas relevant to this consultation document.

Purpose of the Call for Evidence

The Economy, Energy and Tourism Committee are currently undertaking an *“inquiry into the scale and character of underemployment in Scotland and its short and long-term implications for Scotland’s economy and people.”*

Underemployment comprises both visible and invisible underemployment. **Visible** underemployment refers to both involuntary part-time employment and temporary short-time work. **Invisible** employment encompasses work of inadequate productivity, where an individual is not utilising his or her skills.

“Underemployment includes all employed persons aged 16 or over who were willing to work additional hours, meaning that they

- *Wanted another job in addition to their current job(s), or*
- *Wanted another job with more hours instead of their current job(s), or*
- *Wanted to increase the total number of hours worked in their current job(s).”*

The Committee has decided to focus its inquiry on 4 themes.

UNDERSTANDING UNDEREMPLOYMENT

In what areas is more data needed to be able to better understand the characteristics of underemployment in Scotland?

More data is needed overall. Underemployment is a huge issue in Scotland, particularly amongst women. It is accepted that many will undertake one or more part-time jobs as opposed to one full time job. This happens for a variety of reasons, including a lack of accessible, affordable, appropriate childcare, poor public transport and limited job availability in the current economic climate.

It is vital that any data collected is gender specific, so that the impact of underemployment on both men and women can be assessed.

What has been the impact of the economic downturn since 2008 on underemployment?

The economic downturn has undoubtedly had an impact on underemployment. There have been vast redundancies across the public sector, where the majority of employees are women. Full time jobs are frequently becoming part-time, job share or removed altogether. Restructuring has meant one person can be left to do the work of three staff members, often on part-time hours with no increase in wages.

Redundancies have resulted in many women applying for full time jobs with lower wages and lower skill requirements, or jobs comparable to their previous however on a part-time or short-term, temporary contractual basis. This is creating both increased visible and invisible underemployment.

“I have an 18 hour post with a Local Authority which started as temporary in 2010. I was then interviewed and gained this post on a permanent basis. In August I was seconded into a 36 hour temporary post (due to end in June 2013) however if this isn’t extended I will only have my 18 hour permanent post. This prospect is both scary and confusing.”

Women are at risk of *“dipping in and out”* of underemployment, depending on how their employer distributes hours and makes changes to employment contracts. More often than not this is as a result of redundancies because of cuts to public sector budgets.

Which groups are most likely to be affected by underemployment?

Underemployment has a massive impact on women, who make up the majority of part-time workers in Scotland. While there are those who have made an informed choice to undertake part-time work, there are many who have no other option. Family and caring responsibilities and poor public transport mean that part-time work is often the most feasible means of employment. Low wages available in part-time roles mean it is common for women to take on two or three part-time jobs in order to make ends meet. The cost of childcare in Scotland, combined with a little to no availability in the evenings and at weekends, contributes significantly to underemployment.

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 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.”

What is known about the degree of 'invisible' underemployment, where people are employed in posts which do not make use of their skills levels?

This is an area which has an adverse effect on women. As well as the caring and transport issues outlined above, there are a number of reasons why women are invisibly underemployed. 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.

Invisible underemployment has a real 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.

Is underemployment sufficiently understood for policies to be targeted to address it?

It is often taken for granted that women will be both visibly and invisibly underemployed. Throughout the country the SWC has spoken to many who hold down two or three part time jobs in order to be able to support their families. Underemployment is simply not sufficiently understood.

Will there be a correlation between a return to economic growth and a decline in underemployment?

This will not necessarily be the case, as many of the barriers to employment faced by women will still exist. Policies regarding improved access to e.g. transport and childcare are more likely to bring about a decline in underemployment for women than a return to economic growth.

THE IMPACT OF UNDEREMPLOYMENT

What are the impacts of underemployment on productivity, pension costs, tax revenue and welfare costs?

Most underemployed women rely on the money they receive from welfare benefits in order to 'top up' their incomes, for example tax credits in order to cover childcare costs or small amounts of housing/council tax benefit.

Working hours thresholds for tax credit entitlement are increasing. Lone parents must work at least 16 hours per week. For couples, joint working hours need to be at least 24 a 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 amongst women as employers may be unwilling or unable to increase working hours where necessary. Women may therefore be forced to take up more part-time work and face additional childcare and transport costs and worries.

If the infrastructure was put in place to enable women to undertake more hours, and a living wage was paid, there would be less of a reliance on these 'top up' welfare benefits. This would lead to a reduction in welfare costs. More economic activity also means increased Income Tax and National Insurance contributions which would be better overall for the economy.

How does underemployment impact on skills, earning capacity (now and in the future), future career prospects and health?

All of these factors have a real impact on women. Many part-time workers are under-utilising their skills on a daily basis and if this carries on for a sustained period of time they can be seriously diminished. Women who do not achieve their full potential within the workplace can lose confidence in their abilities and often do not apply for jobs which they are capable of doing.

There is also a big issue with regards to the training and development of underemployed workers, the majority of whom are women in part-time roles. Many employers do not invest in training for these workers because *"they're only part time"*. Opportunities for up-skilling and development are missed out on as a result of the number of hours they choose or are able to work in a week. Earning capacity and future career prospects are also impeded due to lack of training opportunities.

Underemployment undoubtedly has an impact on health. The stress of seeking employment on a full-time basis while working part-time and dealing with family

responsibilities, finances etc. can contribute to both poor physical and mental health. Similarly, women who are invisibly underemployed may suffer from poor mental health as a result of frustration at not fully utilising the skills they have to offer.

The health of other family members can also be affected. Women who work on a part-time basis, often working in more than one job, have to rely on family and friends to help with childcare as private provision is simply too expensive. In most cases other women undertake these responsibilities, often the grandmother. Many of these women are in the “*middle layer of caring*”, looking after both grandchildren and elderly parents. This can put a real strain on their health.

THE ROLE OF THE PUBLIC SECTOR, BUSINESS AND THIRD SECTOR

How can the underemployed be supported in finding full time employment?

It is important to realise that many women choose to undertake part-time employment because they want to.

“There are those who want to look for part-time work and I fully see the benefit in these types of jobs being advertised or for jobs to be shared to ensure that some people can still work.”

Adequate support must be given to part-time workers in order to ensure they utilise their skills and are paid a fair and decent wage.

Women who wish to increase their hours must be provided with basic support. Access to affordable, appropriate childcare and strong, integrated public transport systems are vital in finding and securing full time employment.

There also needs to be a cultural change to address the root causes of underemployment. Gender streaming must be addressed – young women accessing careers advice must not continue to be steered to what are seen as ‘traditionally female’, low paid and low skilled roles. They must be given advice and information about all careers possible, encompassing higher/further education, Modern Apprenticeships and work.

The value of women’s work must also be recognised. Unpaid roles, for example carers, and women who work part-time or full-time in jobs which are traditionally seen as ‘women’s work’ and which attract low wages, all need to be appreciated.

“Plumbers are paid more than Early Years Practitioners. Why are pipes more important than our children?”

THE ROLE OF THE SCOTTISH GOVERNMENT

How can underemployment be addressed without having the unintended consequence of increasing unemployment levels?

Is there a need for the Scottish Government to adapt its policies and strategies to address underemployment? What scope does it have to do this?

The Scottish Government can address underemployment in women by putting in place support structures, such as improved transport and affordable childcare. This can be done without increasing unemployment levels, as better services would encourage more women to seek and sustain employment. Similarly, the payment of a living wage which makes work pay, as well as adequate training and development opportunities for part-time workers would be instrumental in addressing underemployment.

For further information, please contact
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