

## **Women and Scotland's changing labour market**

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## Women and Scotland's Changing Labour Market.

The last ten years have been something of a roller coaster for the UK economy, during that time we experienced the most serious financial crisis since the 1929 crash and the deepest and longest recession since the great depression of the 1930s. However these events did not result in similar levels of unemployment to those experienced in the 1930s or indeed more recent recessions in the early 1980s and 1990s. The administrative measure of unemployment peaked at 22.1% in 1932, 13% in 1982, 10.3% in 1993 but only 5.2% in 2012. (Demnan & McDonald, 1996, ONS, 2016a). Part of the explanation is due to the changing nature of the labour market in Scotland and the UK, in particular the growth of atypical contracts such as part-time, temporary and more recently zero hours contracts (ZHC). This has resulted in a situation where we now have record numbers of people in employment particularly women. In April-June 2015 the employment rate in Scotland for women aged between 16-64 years old was at its highest ever rate of 72%. This increase resulted in a narrowing of the gap in women and men's employment rates from 8.8 to 6.8% between 2006 and 2016 (ONS, 2016a). However these headline statistics mask some important differences in the nature of employment pursued by women and men in Scotland. For example 42.4% of women in work in 2016 were employed on part-time contracts compared to 12.9% of men (ONS, 2016a). The Organisation for Economic Cooperation and Development (OECD) defines part-time employment as someone working less than 30 hours per week (OECD, 2016). The proportion of women on part-time contracts has remained fairly constant over the past decade while the number of men has risen slightly from 10.5% in 2006.

The last decade has also witnessed a significant increase in the levels of self-employment amongst both men and women. The number of people self-employed in Scotland increased by 21% between 2006 and 2016 compared to an increase of just 2.7% for employees. The largest increase in self-employment has been amongst women who experienced a 48.6% rise compared to 10.2% for men between 2006 and 2016 (ONS, 2016a). As a result women's share of self-employed in Scotland increased from 28% of the total in 2006 to 35% in 2016 (ONS, 2016). Whilst this might be taken as evidence of a more dynamic and entrepreneurial economy it should also be recognised that people may enter into self-employment not through choice but rather necessity. Using The OECDs definition of part-time employment, 55.3% of self-employed women would be classified as part-time compared to 21.9% of men in 2016 (ONS, 2016a). The increase in self-employment over recent years has attracted a different type of entrepreneur in terms of gender, hours of work, and occupation. Sectors not traditionally associated with self-employment such as education, information and communications, financial services and social security have experienced the largest increases (Philpott, 2012). The Scottish Framework and Action Plan for Women's Enterprise launched by the Scottish Government in 2014 goes some way to recognising these dynamics, informed by the advocacy and analysis of Women's Enterprise Scotland (Women's Enterprise Scotland, 2014).

The increase in self-employment and part-time employment amongst both men and women over recent years might help to explain why the so-called great

recession did not result in high rates of unemployment similar to those experienced in the economic recessions in the early 1980s and early 1990s, even though the fall in output was much higher in the great recession compared to previous ones. In addition, the great recession resulted in an increase in underemployment, indicating that the growth in precarious and insecure forms of employment may have mitigated the job losses associated with the fall in output, particularly for women. Underemployment is defined as:

“those people in employment who are willing to work more hours, either by working in an additional job, by working more hours in their current job, or by switching to a replacement job.” (ONS, 2014:25)

In Scotland the underemployment rate rose from 6.9% in 2008 to 10.6% in 2013 and currently stands at 9.4% (Scottish Government, 2016a). In 2014 56% of the underemployed were women and it was particularly prevalent amongst those on part-time contracts affecting 18% of women employed part-time (ONS, 2015).

Underemployment also encompasses the under-utilisation of skills, for example, graduates working in low skilled employment. There is limited data available on skills related underemployment partly because it is difficult to measure. However, in 2014 the UK Commission for Employment and Skills found that 17% of staff in Scotland reported as over-qualified or over-skilled for the job they were doing. Some evidence supports the contention that women work below their current skills levels in an attempt to manage the balance between paid and unpaid work such as mothers returning to the formal labour market taking jobs below their qualifications and skill levels. This choice is made under conditions of constraint such as the inability to find suitable, affordable childcare and the lack of part-time opportunities in higher skilled and higher paid jobs. The evidence suggests that women experience higher rates of underemployment compared to men both in terms of wanting to work additional hours or working at a lower level of skills than they are qualified to do (Dias et al, 2016).

Associated with the growth in underemployment has been the increased incidence of zero-hours contracts (ZHC). According to the ONS in 2016, 903,00 people in the UK were employed on ZHC; 2.9% of those in employment compared to 147,000 in 2006 ,0.5% of those in employment (ONS, 2016b). People on ZHC are more likely to be women, young, part-time or in full-time education. 55% of those on ZHC in 2016 were women accounting for 3.4% of women in employment whereas 2.4% of men in employment were on such contracts. In Scotland 78,000 people or 3% of those in employment were on ZHC in 2016 (ONS, 2016b).

Despite the increasing number of women entering the paid labour market their experience tends to be rather different to men's. They are more likely to be part-time whether they are an employee or self-employed, underemployed and working with a precarious contract. This explains to some extent the persistence of the gender pay gap along with the extent of occupational segregation.

The political commitment to inclusive economic growth as articulated in Scotland's Economic Strategy (Scottish Government 2015) must have gender equality at its core.

Scottish Government policy on employment and economic development is a potentially welcome shift from a 'growth at all costs' approach that ignores the consequences of practices such as ZHC and other forms of precarious employment. In the interests of advancing women's economic equality labour market policy in Scotland needs to act to redress these negative experiences.

Developments in the Scottish budget process have sought to integrate equality analysis, resulting in an improved awareness of the limitations of established economic models. There have been positive developments such as investment in programmes and organisations to address occupational segregation, the gender pay gap, and tackle the 'leaky pipeline' in science, technical and engineering (STEM) occupations. Commitments to the Living Wage aim to address low incomes overall and therefore stand to benefit women who predominate among low paid workers.

There are multiple levers available to the Scottish Government to advance gender equality which could be used to greater effect. For example, public procurement for products and services in Scotland amounts to over £10bn per year (Scottish Government, 2016b). Ensuring compliance with the Public Sector Equality Duty (PSED) and by extension strategically using publicly funded contracts would make a significant contribution to improving employment conditions and advancing equality (Sarter, 2016). The ministerial duties for Scotland contained in PSED provide opportunities for the Scottish Government to set out public policy objectives and direct public bodies to pursue equality outcomes more proactively.

There is clearly an intent to address women's employment status, as highlighted in the recently published Labour Market Strategy and the repeated commitment to improving provision of affordable childcare. Perhaps it will be for the newly announced Advisory Council for Women and Girls to develop a unifying strategy to address women's economic status, including the position of women in the labour market and reconciliation with the unpaid care economy. Such an overarching approach is essential if the experiences of women outlined here are to be addressed in a sustainable and transformative way that recasts gender relations and secures women's economic status and citizenship. Otherwise, unless both policy and spending proposals are informed by robust gender analysis, then decisions and outcomes will continue to be gender blind rather than gender aware.

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