

August 2014

The changing labour market 2:

women, low pay and gender equality in the emerging recovery

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Executive Summary

The changing labour market: 2

Over the past year, unemployment has fallen much faster than expected, and there are now less women economically inactive than at any time on record. Yet, at the same time, inflation continues to outstrip earnings growth and there is much talk of a 'cost of living crisis' that has taken hold among low-and middle-income earners.

This report is comprised of two parts. The first analyses labour market trends to understand how women and men are faring in the labour market in the emerging recovery. It goes beyond headline statistics to consider what types of jobs and sectors are experiencing growth and what this means for gender equality. The second part draws on a survey of 1,003 low paid women to set out their experiences in the recovery.

The labour market statistics paint a decidedly mixed picture. While levels of economic inactivity have dropped to record lows among women, levels of full-time employment are only now beginning to reach pre-crisis levels and there are still 946,000 women out of work. Growth has come largely from part-time jobs, temporary work and self-employment and often in low-wage, feminised sectors of the economy. Employment in the private sector has increased by 1.9 million, while public sector employment, where women make up nearly two-thirds of the workforce, has declined by 372,000 since its peak in 2010.

These trends have significant implications for women and gender equality. Levels of temporary working and under-employment – as measured by those working part-time because there is no full-time work – remain high. Female under-employment, for example, is nearly twice the level it was at start of the crisis in 2008 and the phenomenon of "zero-hours" contracts is ushering in a new era of insecure work amongst a substantial minority of the low-paid – the majority of whom are women.

Earnings are significantly lagging behind inflation. This is true of both average wages and the national minimum wage (NMW), which even with the planned increase to £6.50 in October 2014 will only reach 2005 levels in real terms. The low – and in real terms declining – levels of wage growth mean that many on low pay, two-thirds of whom are women, are experiencing a significant decline in their standards of living.

Against the backdrop of these trends, one of the headline indicators of gender equality in the labour market, the gender pay gap, widened last year for the first time in five years. It now stands at 19.1 per cent for all employees. This is a worrying development that, at least in part, is likely to be driven by the shape of the emerging recovery, including the high levels of under-employment, growing levels of women entering into self-employment, which is typically poorly paid and the shift of jobs to the private sector, which has a significantly higher gender pay gap than the public sector.

The survey of low paid women conducted specifically for this research confirmed that the recovery is, by and large, not being felt by this segment of the labour market. Nearly 1 in 2 said they felt worse off now than five years ago, and this rises to 56 per cent when compared to ten years ago. By far the most commonly cited reason for feeling worse off is the rising cost of groceries and bills (40 per cent), illustrating that low paid women are feeling the cost of living crisis sharply.

Consistent with recent research which found there are now more in-work households in poverty than out-of-work households, our survey demonstrates that for many low paid women work alone is not providing an adequate route out of financial hardship. Many of the low paid women in our sample were dependent on state benefits to make ends meet. 48 per cent were receiving some kind of benefit and 53 per cent said they would 'never' or 'rarely' be able to make ends meet without it.

A significant minority also said they had to turn to other sources for assistance with basic needs. Nearly 1 in 10 had obtained a loan from a pay day lender in the last twelve months. For 59 per cent of those obtaining a loan, it was to cover the cost of groceries/food, housing, or utility bills. Nearly 1 in 25 had obtained food from a foodbank in the past twelve months and this figure was twice as high – 1 in 12 – for women with children.

The survey revealed high levels of women working below their skill or qualification level with 36.8 per cent describing themselves as 'overqualified and over-skilled' for their current job. Such under-employment was not restricted to those with children, but consistently high across all groups. The most commonly cited reason was a lack of appropriate jobs (41 per cent), suggesting that the shape of the recovery with its growth in low-wage sectors may be contributing to women not being able to realise the full market value of their skills and qualifications.

A concerning number of the low paid women in our sample had experienced some form of maternity discrimination. Nearly 1 in 10 of those who had returned from maternity leave in the last five years had been given a more junior role. For 40 per cent of those, this was either because their role had been made redundant (10 per cent) or given to someone else against their wishes (30 per cent). At a time when the introduction of upfront employment tribunal fees have seen a sharp drop in cases, Fawcett is concerned that low paid women may be denied access to justice to tackle instances of maternity discrimination.

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Over 1 in 8 women in our sample self-identified as being on a zero-hours contract, but for London that figure rose to nearly 1 in 3. The incidence was almost exactly the same among low paid women in the public sector (14 per cent) and the private sector (14 per cent). The majority of women in our sample did not exercise a positive choice for this type of contract but felt compelled to accept it either because it was the only work available (40 per cent) or because they felt under pressure from the employer (17 per cent) or Job Centre (8 per cent).

The experience of being on a zero-hours contract is often defined by insecurity and unpredictability. Some 28 per cent in our sample said they usually receive less hours than they would like – a particular concern given that these are already women on a low hourly wage. There was also fear attached to refusing an offer of a shift or hours, with 17 per cent saying they felt they 'might not be offered any future work at all' and 45 per cent concerned that they 'would be less likely to be offered another shift/hours'.

Zero-hours contracts may mark the extreme end of insecure working practices, but fears around job security were also felt more widely in the sample. 23 per cent feared for their job if they spoke out about pay and conditions. More than 2 out of 5 women went to work the last time they felt 'unwell to a point where I didn't feel I could work'. Of those, 12 per cent cited 'worried about losing job' as the main reason and a further 15 per cent cited 'worried about what boss will think/do'.

Taken together with the labour market statistics, the survey findings suggest that alongside increased economic activity we are also witnessing increased levels of financial hardship, under-employment and insecure working for many women, especially for the lowest paid. The report identifies seven priority areas for government action to ensure that the recovery delivers for those on low pay and for gender equality.

Key among the recommendations is a call to uplift the minimum wage – at least in line with inflation – and extend the reach of the living wage by encouraging the public sector to take a lead in its adoption. The report also calls for action on employment tribunal fees and for the implementation of section 78 of the 2010 Equality Act which would require mandatory gender pay gap reporting in large companies.

Introduction

One of the defining trends in the UK labour market over the past four decades has been the large scale entry of women. Yet, despite advances for women, there remained significant gaps between men and women even before the 2008-9 economic crisis and subsequent programme of austerity measures. Women were far more likely to be either economically inactive, working part-time or on low pay than their male counterparts. Some research estimated that, when compared to other comparable economies, one million women were missing from the labour market.¹ Taken together, these inequities had an impact on women not only during their working lives but also across the lifespan with pension savings much lower than those of men at retirement.²

Since 2010 Fawcett has warned that austerity measures, premised on significant cuts to the public sector, where women make up the majority of the workforce, would jeopardise some of the gains that had been made by women and place women in an increasingly precarious position in the labour market. Early research, including the comprehensive assessment of women's changing position in the labour market published by Fawcett in April 2013, suggested that this was indeed the case.³

With unemployment falling much faster than expected over the past twelve months, this report revisits the position of women in the labour market. Its objectives are two-fold. In the first section, we analyse labour market statistics to investigate how women are faring relative to men in the emerging recovery. It goes beyond the headline figures on economic activity to consider the types of work and sectors that are growing and the implications of this for women and, more broadly, gender equality. In the second section, we draw on a survey of a 1,003 low-paid women to provide a snapshot of how this particularly vulnerable segment of the labour market is experiencing the recovery.

The picture that emerges from these strands of analysis

is decidedly mixed. While there are now less economically inactive women than at any other time on record, there are also a number of concerning trends. Most immediately, growth has been fuelled by part-time jobs, temporary work and self-employment, often in feminised, low-wage sectors of the economy. The gender pay gap has widened for the first time in five years and wages continue to lag behind inflation. While the job growth may add up to an economic recovery of sorts, in reality these trends mean that those on low incomes, most of whom are women, have seen a significant decline in living standards.

To this end, the concluding section of the report identifies seven areas for government action to protect the most vulnerable in the economy – the low paid – and to advance gender equality.

¹ Resolution Foundation, *The Missing Million: The potential for female employment to raise living standards in low and middle income Britain*, December 2011: http://www.resolutionfoundation.org/media/media/downloads/The_Missing_Million.pdf

² J. Hills et al, National Equality Panel, *An Anatomy of Economic Inequality in the UK*, January 2010.

³ Fawcett Society, *The Changing Labour Market: Delivering for women, delivering for growth*, April 2013: <http://www.fawcettsociety.org.uk/wp-content/uploads/2013/04/Fawcett-The-changing-labour-market.pdf>

Chapter 1:

Women in the labour market from crisis to recovery

In our comprehensive assessment of women's changing position in the labour market published last year, we identified a number of trends that suggested women were being disproportionately affected by austerity measures predicated on public sector cuts.⁴ Specifically, we were concerned by the continued rise in female unemployment post-2010 – a point at which male unemployment had begun to plateau. There were also signs that under-employment and temporary work were on the increase and that women's earnings were under threat from the transfer of jobs from the public sector to the private sector.

Since then, unemployment has fallen much faster than expected and levels of economic inactivity among women have reached record lows. It is important, therefore, to update the analysis and consider how women and men are faring now that an economic recovery is underway.

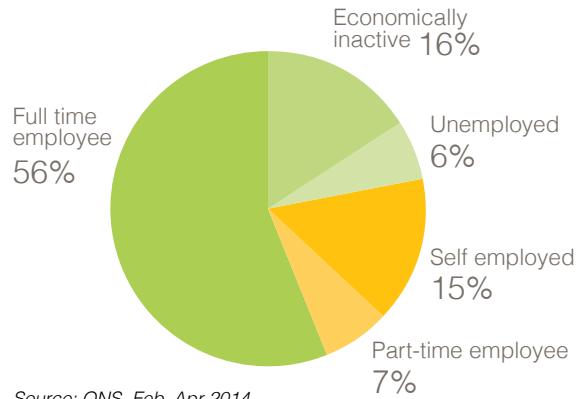
1.1 Women and men in the labour market: an overview

Although economic activity levels are up, women remain far more likely to be 'economically inactive'⁵ and working part-time than their male counterparts. Figures 1 and 2 set out the employment status of men and women.

The majority of men (56 per cent) are full-time employees, whereas only 36 per cent of women work full-time. By contrast, nearly a quarter of women work part-time, whereas only 1 in 12 (7 per cent) men do. The persistent gap in rates of full- and part-time working, largely an artefact of the greater role that women continue to play in bringing up children and caring for other dependents, is a significant contributor to the gender pay gap, which widened again last year. The contrast in self-employment levels is also stark, with men more than twice as likely to be self-employed than women.

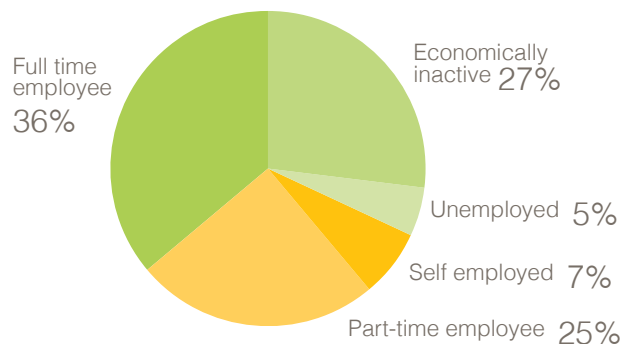
Women are also far more likely to work in the public sector, with 65 per cent of public sector workers female. In the private sector, which makes up 77 per cent of all employment, men account for 59 per cent of employees.

Figure 1: Male (16-64 yrs) Employment Status



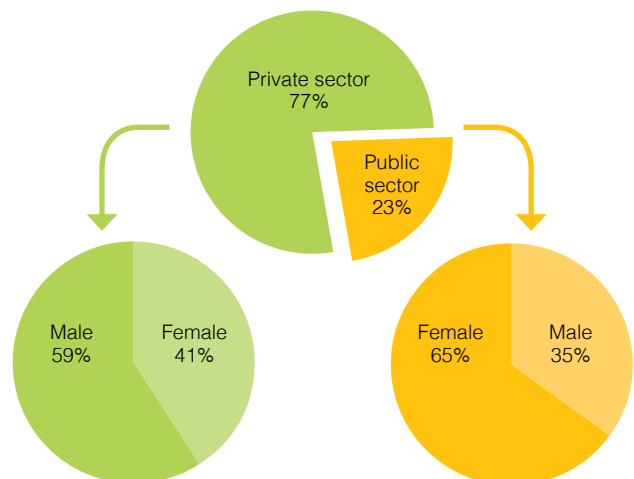
Source: ONS, Feb-Apr 2014

Figure 2: Female (16-64 yrs) Employment Status



Source: ONS, Feb-Apr 2014

Figure 3: Employment breakdown by sector and gender



Source: ONS, Feb-Apr 2014

⁴ *Ibid.*

⁵ This classification itself is deeply problematic, given that the majority of those deemed 'economically inactive' will be carrying out highly productive and economically valuable work caring for children, family members or dependents with disabilities or illness, or the elderly.

1.2 Patterns of unemployment: a very gendered story

There is a clear gendered pattern to the unemployment trends since the start of the economic crisis in 2008 (see Figure 4). Immediately in the wake of the crisis, male unemployment levels increased sharply, rising by a staggering 64.8 per cent in the period from Jan-Mar 2008 to Jun-Aug 2009.⁶ There was also a significant increase in women's unemployment at this time, with female levels seeing a 37.7 per cent increase.

After 2009, however, the trend shifts with women disproportionately impacted. Female unemployment levels continued to rise in the period from late 2009 to Jan-Mar 2012, while male unemployment levels did not significantly exceed their 2009 peak. This period of continued rises in female unemployment coincides with the implementation of austerity measures that saw significant cutbacks in the public sector, where women predominate.

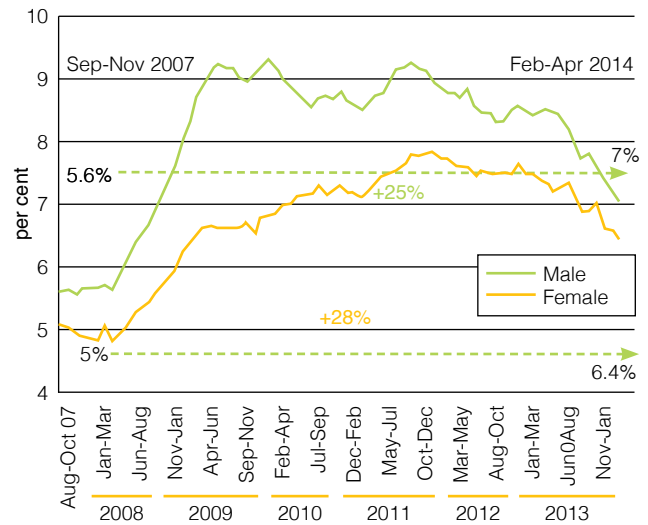
Taken together this would suggest that more women than men had lost their jobs in the public sector. Yet in the period from Apr-Jun 2010 to Feb-Apr 2014, the number of men working in the public sector reduced by 220,000 while the number of women declined by 152,000.⁷

So what explains the continued increases in female unemployment during this time? The answer lies in the gendered take up of new jobs created in the private sector. These new jobs were more likely to be taken up by men, thereby offsetting their losses in the public sector.

This also explains to a large degree the relative drop in male and female unemployment during the recovery. It is clear that while there have been significant and unexpected falls in unemployment, the fall has been much sharper for male unemployment than female. So far male unemployment has fallen by 22 per cent from its peak in the recession, while female unemployment has dropped 15 per cent from its peak.⁸ It is also important to note that, while this constitutes a substantial reduction, there remain 946,000 women out of work.⁹

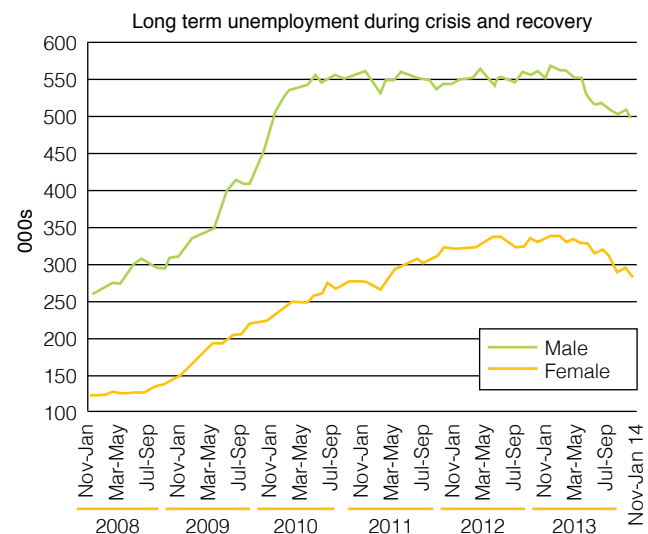
Long-term unemployment trends for those out of work longer than twelve months follow a similar pattern, again showing

Figure 4: Unemployment rate during crisis and recovery by gender



Source: ONS, Feb-Apr 2014

Figure 5: Long-term unemployment (>12 months) levels by gender during crisis and recovery



Source: ONS, Feb-Apr 2014

men to absorb significant initial rises and women bearing the brunt from mid-2010 onwards.¹⁰ The disproportionate impact of austerity measures on women is particularly noticeable with male long-term unemployment plateauing after Jun-Aug 2010 and female levels continuing to rise until Jul-Sep 2012. Overall, long-term unemployment levels remain significantly up on pre-crisis levels. Compared to Jan-Mar 2008, there are an additional 230,000 long-term unemployed men and 161,000 long-term unemployed women.

⁶ ONS, *Labour Market Statistics June 2014, A02, June 2014*: <http://www.ons.gov.uk/ons/search/index.html?newquery=A02>

⁷ ONS, *Labour Market Statistics June 2014, EMP13, June 2014*: <http://www.ons.gov.uk/ons/search/index.html?pageSize=50&sortBy=none&sortDirection=none&newquery=EMP13>

⁸ ONS, *Labour Market Statistics June 2014, A02, June 2014*: <http://www.ons.gov.uk/ons/search/index.html?newquery=A02>

⁹ *Ibid.*

¹⁰ ONS, *Labour Market Statistics June 2014, UNEM01, June 2014*: <http://www.ons.gov.uk/ons/search/index.html?newquery=UNEM01>

1.3 Where is the growth?

It is clear that the recovery is being firmly led by growth of jobs in the private sector. Figure 6 shows total employment levels in the public and private sectors. It shows that while public sector employment continued to rise until 2010, it has since fallen and is now 5.1 per cent below its 2010 peak.¹¹ This represents a loss of 372,000 jobs.¹² Private sector employment, on the other hand, has been rising steadily since its trough in January 2010 and is now 8.9 per cent up.¹³ This represents an additional 1.9 million private sector jobs.

As we noted earlier, the growth of jobs in the private sector has important implications for women. Of the 1.9 million additional private sector jobs since January 2010, 59 per cent have gone to men and 41 per cent to women.¹⁴ This differential gender take up of jobs in the private sector explains the continued increases in female unemployment post 2010 more so than the public sector job losses. It also means that if the recovery continues to be driven primarily by growth in the private sector, as is the expectation with prediction of further cuts,¹⁵ the position of women relative to men is likely to worsen further. It is worth noting that the OBR has indicated that by 2018–9 there will have been 1.1 million jobs lost in the public sector compared to 2010–11 levels. Taking out reclassified further education workers, this means that the majority of public sector job losses – close to three-quarters – are still to come.¹⁶

The recovery of the last twelve months has also been fuelled by a rise in self-employment and temporary work. Figure 7 shows that since Jan–Mar 2013, there has been a sharp spike in these types of economic activity. Part-time working is also up, while full-time employment is only just returning to pre-crisis levels.

The rise in self-employment has been especially marked for women, as per Figure 8. There are now 151,000 more self-

¹¹ ONS, *Labour Market Statistics June 2014, EMP13, June 2014*: <http://www.ons.gov.uk/ons/search/index.html?pageSize=50&sortBy=None&sortDirection=None&newquery=EMP13>

¹² Some of the loss of public sector employment is due to the reclassification of Further Education and Sixth Form College Corporations in England from public sector to private sector in May 2012. An estimated 196,000 of the losses are accounted for by this. See ONS, *Reclassification of Further Education Corporations and Sixth Form Colleges in England, May 2012*.

¹³ *Ibid.*

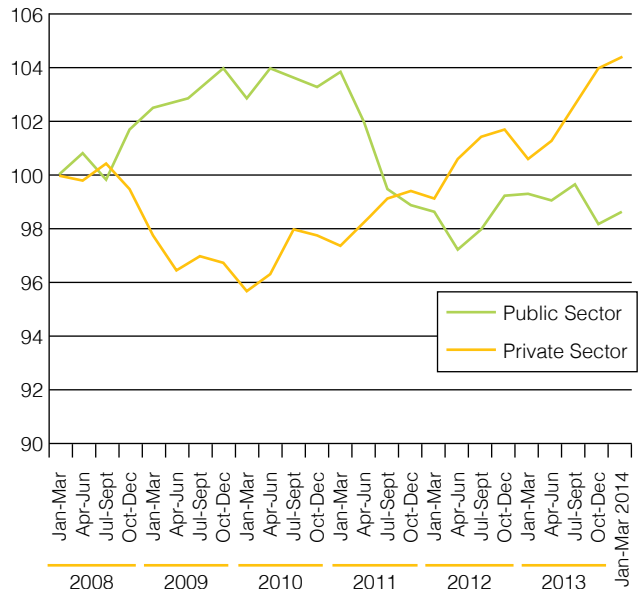
¹⁴ *Ibid.*

¹⁵ J. Cribb *et al*, *The Public Sector Workforce: Past, present and future, 2014*: <http://www.ifs.org.uk/bns/bn145.pdf>

¹⁶ *Ibid.*

employed women than a year ago.¹⁷ There are reasons to be cautious about celebrating this apparent upswing in entrepreneurialism among women, even if it appears at first to close the gender gap in self-employment levels.

Figure 6: Public and private sector employment indexed to Jan-Mar 2008 (100=Level in Jan-Mar 2008)



Source: ONS, EMP13, June 2014

Figure 7: Employment by type indexed to Jan-Mar 2008 (100=Level in Jan-Mar 2008)

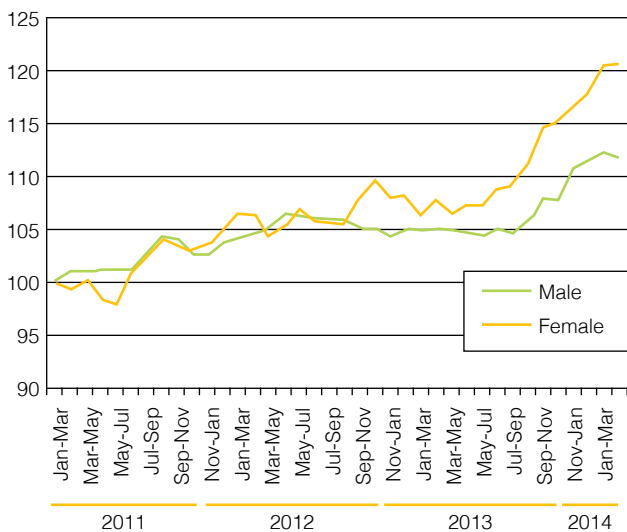


Source: ONS, EMP01, June 2014

¹⁷ ONS, *Labour Market Statistics June 2014, EMP01, June 2014*: <http://www.ons.gov.uk/ons/search/index.html?newquery=EMP01>

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Figure 8: Self-employment levels by gender, indexed to Jan-Mar 2011 (100=Level in Jan-Mar 2011)



Source: ONS, EMP01, June 2014

Most immediately, the sharp rise raises questions about whether this represents genuine self-employment, or simply previously employed individuals performing the same roles but now under the guise of being 'self-employed'.¹⁸ Where this is the case, individuals are giving up rights associated with employment, such as the right to sick leave, redundancy and in some cases pension contributions. Recent research has shown significant increases in self-employment in sectors of the economy, such as education, where employment is shrinking, thus suggesting that a transfer from employee to self-employed status may be taking place.¹⁹ There is also a distinct possibility that self-employment in some cases masks unemployment as those not able to find work declare themselves 'freelance'.

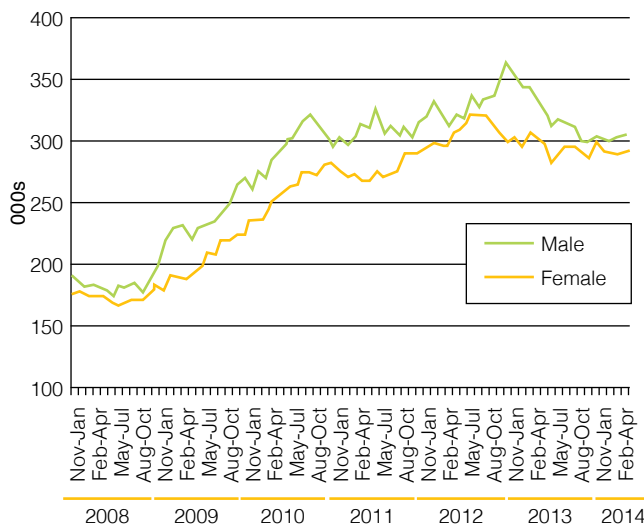
A further reason to be concerned for women specifically is that the gender pay gap among the self-employed is much higher than for the employed. Self-employed women earn on average 40 per cent less than self-employed men. With earnings for the self-employed already less than for employees, this means that becoming self-employed can be a route into low pay for many women. The average self-employed women earned just £9,800 in 2011–12 (for men the figure stood at £17,000).²⁰

¹⁸ Resolution Foundation, *Just the Job or a Working Compromise? The changing nature of self-employment*, May 2014: <http://www.resolutionfoundation.org/publications/just-job-or-working-compromise-changing-nature-self/>

¹⁹ *Ibid.*

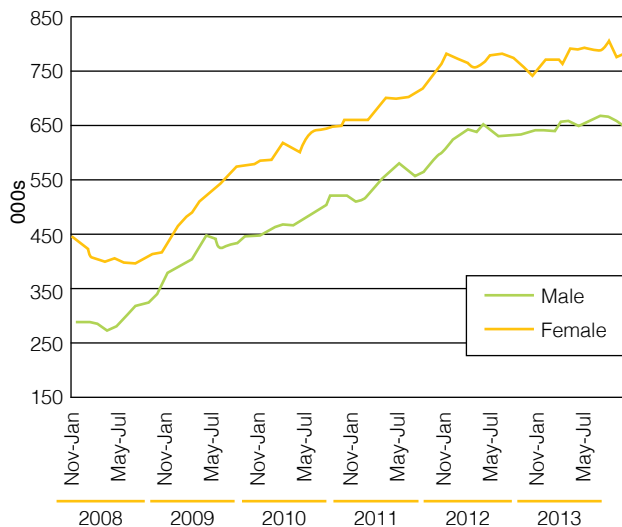
²⁰ Hansard, *Parliamentary Debates 4 March 2014*, p. 132, 4 March 2014: <http://www.publications.parliament.uk/pa/cm201314/cmhansrd/chan130.pdf>

Figure 9: Number in temporary work as 'could not find permanent job'



Source: ONS, EMP01, June 2014

Figure 10: Number in part-time work as 'couldn't find full-time work'



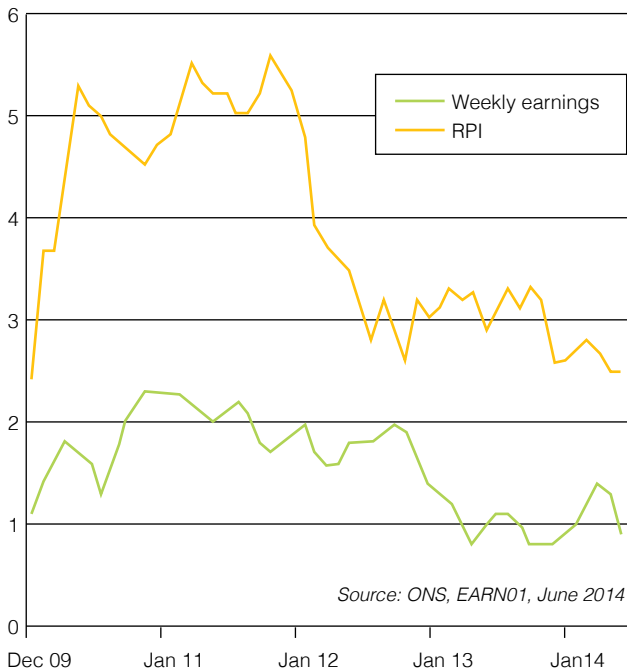
Source: ONS, EMP01, June 2014

Temporary work and part-time work are the other areas that have seen growth. Increases in temporary and part-time working are not necessarily negative, if they represent a choice for increased flexibility. Figures 9 and 10, however, suggest that a significant proportion of those that are now on temporary contracts or in part-time work are not exercising a choice for flexibility. Last quarter, 35.9 per cent of those on temporary contracts said they accepted such work as they 'could not find a permanent job'.²¹ In Jan-Mar 2008, prior to

²¹ ONS, *Labour Market Statistics June 2014*, EMP01, June 2014: <http://www.ons.gov.uk/ons/search/index.html?newquery=EMP01>

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Figure 11: Percentage year-on-year change in average weekly earnings (regular pay) and RPI



the start of the crisis, the figure was 25.1 per cent. For part-time workers, 17.5 per cent said they would rather be in full-time work while at the beginning of the crisis it was only 9.5 per cent.²² Levels of unwanted part-time working are high for both men and women – around 610,000 men and 789,000 women are working part-time because they cannot find full-time work - suggesting that increasing insecurity of employment and rising under-employment are issues for both men and women in the recovery.²³

1.4 What about earnings?

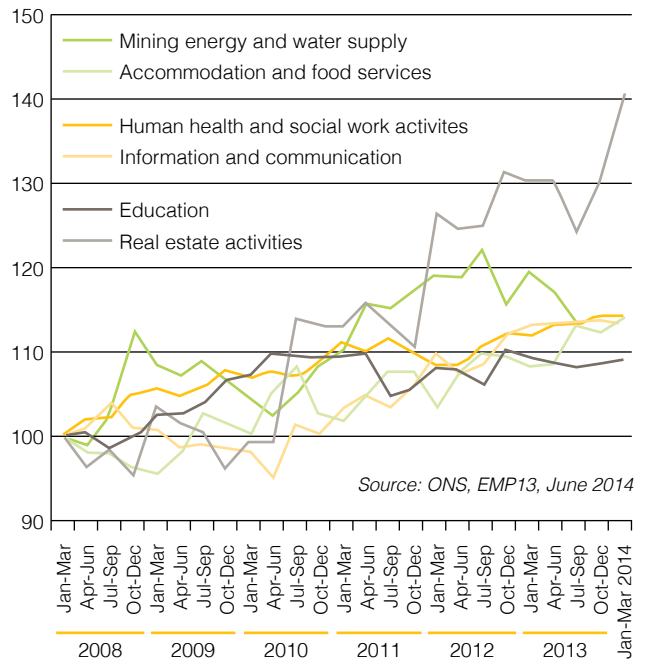
Earnings have been lagging behind inflation in both the public and private sector for some time now and the 'recovery' has not shifted this trend. Figure 11 shows the percentage year on year change in average weekly earnings and the Retail Price Index (RPI). Between 2010 and 2012, wages lagged nearly three percentage points below inflation and even now the gap still stands at close to two percentage points.²⁴ This means that wages have been falling in real terms for over three years. The National Minimum Wage (NMW) is party to this trend, with increases not keeping pace with inflation. The Resolution Foundation calculated that the increase to £6.50, which takes

²² *Ibid.*

²³ *Ibid.*

²⁴ ONS, *Labour Market Statistics June 2014, EARN01, June 2014*: <http://www.ons.gov.uk/ons/search/index.html?pageSize=50&sortBy=none&sortDirection=none&newquery=EARN01>

Figure 12: Job growth by sector indexed to Jan-Mar 2008 (six fastest growing only)



effect in October 2014, only brings the NMW up to 2005 levels in real terms.²⁵ With two-thirds of those on low pay women, this has a clear disproportionate gender impact.

The tight limits on pay settlements in the public sector, with the initial pay freeze and subsequent pay cap, have been a significant contributor to relatively static wage growth. It is estimated that pay settlements across most of the public sector will only have increased by 3 per cent between 2010 and 2015 and many workers will have seen no increase at all.²⁶ A further contributor, however, are the wage rates in the industrial sectors where jobs have been growing the fastest. Figure 12 shows the six fastest growing sectors. From a gender equality perspective it is concerning that the feminised sectors that have grown most quickly tend to be low wage sectors, with human health and social work (78 per cent female), education (73 per cent female), and accommodation and food services featuring among the six fastest growing sectors.²⁷

²⁵ J. Plunkett et al, *More than a Minimum: The review of the minimum wage – the final report, March 2014*: <http://www.resolutionfoundation.org/publications/more-minimum-review-minimum-wage-final-report/>

²⁶ H. Reed, *Lifting the Cap: The Economic Impact of Increasing Public Sector Wages in the UK, Unison, July 2014*: <https://www.unison.org.uk/upload/sharepoint/On%20line%20Catalogue/22329.pdf>

²⁷ ONS, *Labour Market Statistics June 2014, EMP13, June 2014*: <http://www.ons.gov.uk/ons/search/index.html?newquery=EMP13>

1.4 Gender equality and the recovery

The recovery has seen more women become economically active. Yet the figures around temporary working, self-employment and earnings suggest reasons to be cautious, as does the growth in private sector jobs in low-wage and feminised sectors of the economy. In short, women continue to be more likely to be in low paid and part-time employment than men, and the recovery so far appears to be entrenching this.

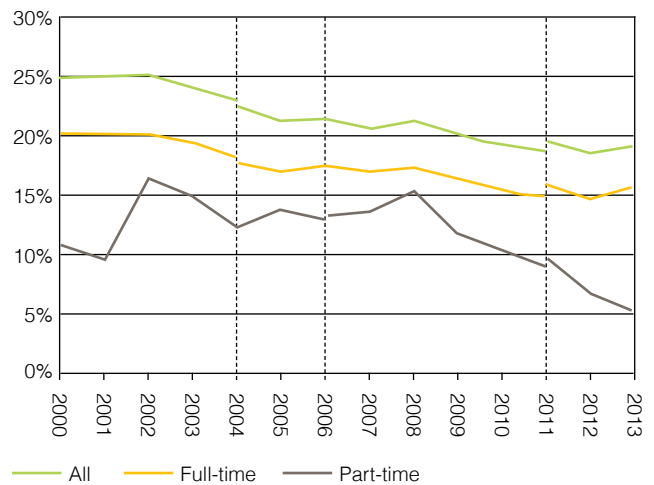
One of the key headline indicators of gender equality in the labour market is the gender pay gap. For the first time in five years, the gap widened again last year by nearly 0.5 per cent to 19.1 per cent for all employees (see Figure 13).^{28,29} There are a number of contributors to the gender pay gap, some of which are showing signs of worsening in the recovery.

One of key the contributors to the gender pay gap is the number of women working part-time. Part-time work tends to be less well-paid with the hourly pay gap between full- and part-time work for all employees (male or female) currently at 29.6 per cent.³⁰ The recent upswing in part-time work, especially where this represents under-employment, may therefore be partially responsible for the widening of the gender pay gap.

Another key, and related, factor is sometimes referred to as the 'motherhood penalty'. This refers to the impact that childcare responsibilities have on women's earnings and career prospects. Disaggregating the gender pay statistics by age, as in Figure 14, brings this into sharp relief. The gender pay gap for those aged 22–29 now stands at around 4 per cent. However, after this the gap opens up, reaching 11 per cent for those aged 30–39 and 24 per cent for those aged 40–49.³¹

The motherhood penalty is largely the result of women taking up part-time work and slowed career progression after having

Figure 13: Mean gender pay gap for all employees, full-time employees and part-time employees



Source: ONS, ASHE 2013

children. Research has found that almost half of female professionals who take up part-time employment move into low skilled jobs, suggesting that a significant proportion of women are living on low incomes because they are not earning their true market value within their available hours of work.³² The quality of part-time opportunities plays a key role here, with recent research finding that only 3 per cent of part-time jobs in London are advertised at above £20k+ FTE.³³ It is not surprising within this context that senior roles, which are typically full-time, continue to be largely the preserve of men, with women comprising just 25 per cent of Chief Executives and senior officials in the UK.³⁴

Fawcett welcomes the recent extension of the right to request flexible working to all employees, as well as the new shared parental leave provisions. However, we remain concerned that many employers will remain resistant to modernising their working practices, meaning that women will continue to miss out on quality part-time opportunities. In addition, we are concerned that without significant changes to the pay and structure of maternity and paternity pay, it is unlikely that there will be much progress towards more equal sharing of

²⁸ ONS, *Annual Survey of Hours and Earnings 2013, Provisional Results, December 2013*: <http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/2013-provisional-results/index.html>

²⁹ A note on why we use *the mean measure*: Using median estimates mostly leads to lower estimates. This is because it neutralises the effect of having a small group of very highly paid male employees. Therefore, the Office for National Statistics prefers to use the median. Fawcett, the EHRC and TUC use the mean instead. Using the mean measure is helpful precisely because it highlights that the economic elite in the UK is still predominantly male. Equation for calculating the mean gap: $[\text{male full-time hourly pay} - \text{excluding overtime (mean)}] - [\text{female full-time hourly pay} - \text{excluding overtime}] / [\text{male full-time hourly pay} - \text{excluding overtime}] \times [100]$

³⁰ *Ibid.*

³¹ *Ibid.*

³² Women Like Us/Joseph Rowntree Foundation, *Building a Sustainable, Quality, Part-time Recruitment Market*, March 2012: <http://www.womenlikeus.org.uk/policy/researchdevelopment.aspx>.

³³ *Ibid.*

³⁴ TUC, *Highest-paid Occupations are 'no-go' Areas for Part-Time Workers*, March 2014: <http://www.tuc.org.uk/economic-issues/labour-market/equality-issues/gender-equality/highest-paid-occupations-are-per centE2per cent80per cent98no-goper centE2per cent80per cent99>. See also, Fawcett, *Sex and Power Report: Who runs Britain?*, 2013: <http://www.fawcettsociety.org.uk/wp-content/uploads/2013/02/Sex-and-Power-2013-FINAL-REPORT.pdf>

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childcare responsibilities. Recent research has shown that poor remuneration of parental leave remains one of the key barriers to greater uptake among men.³⁵ In the last time-use survey in 2005, women were still doing the majority of unpaid work, spending an average of 29.75 hours in unpaid work per week compared to 16.1 hours by men.³⁶

A further factor in the widening pay gap is likely to be the growth in private sector employment. Wages tend to be higher in the public sector and this is especially the case for women. Figure 13 sets out the public to private sector pay differential by percentile and gender. The significance of this for women cannot be understated: not only is the differential greater for women, but women are also earning less to begin with. A woman in the 10th percentile in the public sector has gross average weekly earnings of £321 in the public sector and £249 in the private sector (a gap of 22.4 per cent), whereas for men in the 10th percentile earnings are £366.40 and £295.10, respectively.^{37,38} Overall, the gender pay gap in the public sector stands at 17.1 per cent, while the gender pay gap for all employees in the private sector is 24.8 per cent.³⁹

The final contributor is occupational segregation. Women continue to predominate in low wage sectors, while higher paid sectors remain dominated by men. For example, as we noted earlier, 78 per cent of those working in human health and social care are women.⁴⁰ As this is one of the largest industrial sectors, it accounts for 3.1 million women workers. Men, on the other hand, make up 88 per cent of those working

³⁵ NCT, New research finds 1 in 3 dad wouldn't use shared parental leave because of low paternity pay, May 2014: <http://www.nct.org.uk/press-release/new-research-finds-13-dads-wouldnt-use-shared-parental-leave-because-low-paternity-pay>

³⁶ Eurostat, *Comparable time-use statistics, 2005*: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-CC-05-001/EN/KS-CC-05-001-EN.PDF. Note that 2005 is the last year that a Harmonised European Time Use Survey (HETUS) was carried out in the UK. The University of Oxford Centre for Time Use Research and NatCen have secured funding to conduct a new survey that will be launched in April 2014.

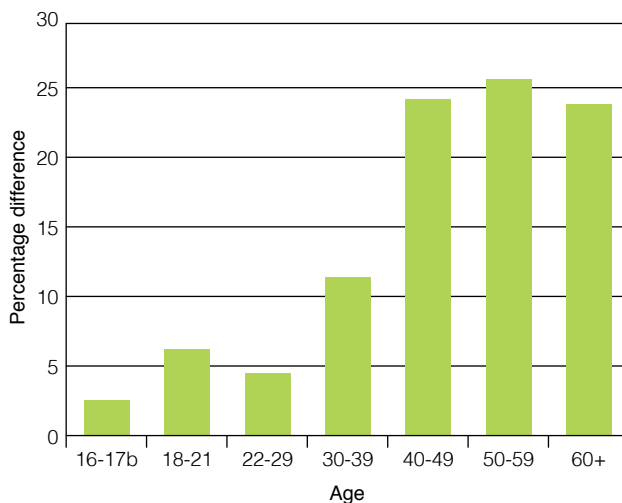
³⁷ ONS, *Annual Survey of Hours and Earnings 2013, Provisional Results (Table 13), December 2013*: <http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/2013-provisional-results/index.html>

³⁸ Higher wages in the public sector are likely, at least in part, linked to higher union density in the public sector

³⁹ *Ibid.*

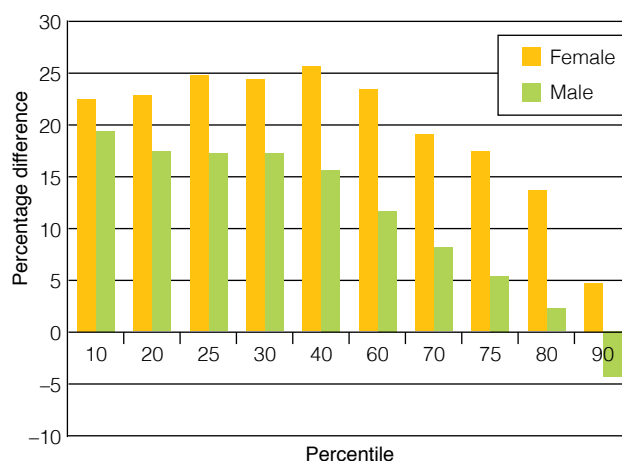
⁴⁰ ONS, *Labour Market Statistics June 2014, EMP13, June 2014*: <http://www.ons.gov.uk/ons/search/index.htm?newquery=EMP13>

Figure 14: Mean gender pay gap in hourly earnings by age



Source: ONS, ASHE Table 6, 2013

Figure 15: Percentage difference in public and private sector weekly earnings by gender



Source: ONS, ASHE, Table 13, 2013

in science, engineering and technology (SET) industries.⁴¹ In certain sectors, this gender imbalance is even starker, with just 6 per cent of professional engineers and 2 per cent of engineering apprentices being women.⁴² Given this persistent occupational segregation, the growth during the recovery of particularly low wage feminised sectors is concerning as it is likely to widen gender inequalities. It is also worth noting that the male-dominated sectors are also those that have benefitted from continued investment during the recession, with physical infrastructure projects in particular receiving a boost.

⁴¹ Women's Budget Group, *The impact on women of the Autumn Financial Statement 2011*, January 2012: <http://wbg.org.uk/pdfs/The-Impact-on-Women-of-the-AFS-2011.pdf>

⁴² The Institute of Engineering and Technology, *Engineering and Technology: Skills & Demand in Industry – Annual Survey 2012*.

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1.5 Conclusion

The recovery has seen levels of economic activity rise significantly in the past twelve months, but there are concerns about the quality of the job growth and, in particular, the implications of this for women. The recovery has been fuelled by private sector jobs and a rise in temporary work, part-time work and self-employment. As many have noted, inflation has been outstripping wage growth leading to a cost of living crisis at a time when more and more workers are finding themselves in increasingly insecure work. What has been less discussed is that this cost of living crisis is deeply gendered with women far more likely to be on low pay, in part-time work or on benefits than their male counterparts. This means that, whilst the changing nature of work is affecting both women and men, women are experiencing a greater undermining of their position in the labour market, as evidenced perhaps most starkly by the growing gender pay gap. The next chapter considers the experiences of a particularly vulnerable group - low paid women - in the recovery.

Chapter 2:

Experiences of low paid women in the recovery

There are estimated to be 5.2 million people earning less than the living wage and 1.3 million earning at or below the minimum wage.^{43 44} In the context of a recovery premised on private sector jobs and growth in many low wage and feminised sectors of the economy, this is a figure that may well rise. The majority of these are women, with 59 per cent of those earning at or below the living wage female.⁴⁵

This section draws on a survey of 1,003 low paid women and in-depth interviews and focus groups with a small sample of low paid women to understand how this particularly vulnerable segment of the labour market is faring in the emerging recovery.^{46 47}

2.1 Pay, conditions and the cost of living

“ My mum and my granny spoke about these things [not having enough food], and my mum would be horrified if she knew we were going back like this.”
Focus group participant, aged 55+, finance

There was an overriding sense from the low paid women in our sample that, despite the emerging recovery, their situation is getting worse. For the older women we interviewed and those in our survey, there was a sense of having come ‘full circle’ – that, after a period of gains, women’s position in the labour market and their standard of living are now going backwards

⁴³ Living Wage Commission, *Work that Pays: The final report of the living wage commission, June 2014*: <http://livingwagecommission.org.uk/living-wage-commission-reveals-blueprint-for-lifting-1m-out-of-low-pay/>

⁴⁴ Low Pay Commission, *The National Minimum Wage Low Pay Commission Report 2014, March 2014*: <https://www.gov.uk/government/publications/national-minimum-wage-low-pay-commission-report-2014>

⁴⁵ *Ibid.*

⁴⁶ The ‘Women on Low Pay’ survey was conducted on behalf of the Fawcett Society by Survation. Fieldwork was conducted via an online panel between 4th and 6th June 2014 with 1,003 respondents. The online panel sampled all women 18+ in the UK earning £7.44 per hour or less, or £1,128 per month or less. For the full sample, in a question where 50 per cent (the worst case scenario as far as the margin of error is concerned) gave a particular answer it is 95 per cent certain that the ‘true’ value will fall within the range of 3.1 per cent from the sample result.

⁴⁷ Interviews and a focus group were conducted with a sample of 11 women between April and June 2014. These were recruited via Fawcett Society social media, partner organisations and online recruitment. The qualitative information is illustrative, but not representative.

again. At its most extreme, as with the focus group participant above, they described circumstances where women did not have enough money for basic living costs, such as food and housing, and in some cases were going without food so that other family members, especially children, could eat.

Overall, 1 in 2 (49 per cent) low paid women in our sample felt worse off than five years ago. Older women (aged 35+), part-time workers and those with children were more likely to say they felt worse off. An even greater proportion – 56 per cent – felt worse off when compared to ten years ago. By far the most commonly cited reason for feeling worse off is the rising cost of groceries and bills, illustrating that this group is feeling the cost of living crisis sharply (see Figure 16). This was followed by ‘less pay’ for 15 per cent of women in the sample. This suggests that for low income women it may not only be a case of their pay being devalued in real terms but also downward pressure on wages, most likely the result of having to accept lower paid roles. It is worth noting that the Joseph Rowntree Foundation’s most recent assessment of the minimum income required for an adequate standard of living found that the price of its basket of essential items had risen by 28 per cent over the past six years, while average wages grew by just 9 per cent and the minimum wage by 14 per cent over the same period.⁴⁸

Low paid women are also a group that, although in work, often rely on benefits to make ends meet. In our sample, 48 per cent were receiving some type of state benefit. Of those, 53 per cent said they would ‘never’ (33 per cent) or ‘rarely’ (20 per cent) be able to meet basic living costs without benefits. Increasing age is also associated with greater reliance on benefits to top up pay. Some 44 per cent of women aged 55 or over said they would ‘never’ be able to meet basic living costs without benefits. The importance of benefits to the women in our sample tallies with recent research that found there are now more working households in poverty than households that are out of work.⁴⁹

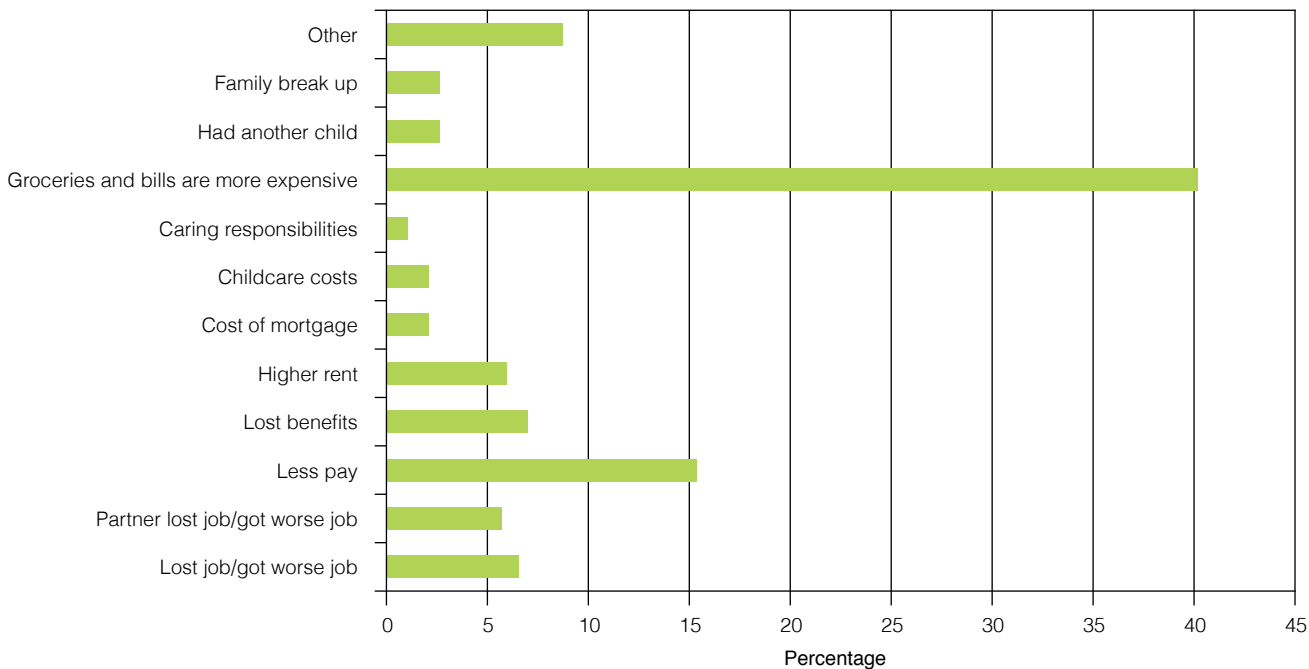
“ Look at the employers paying low pay, it’s topped up by the tax payer with tax credits... we’re supporting these companies”
Focus group participant, age 55+, manufacturing

⁴⁸ A. Davis *et al.* *A Minimum Income Standard for the UK in 2014*, Joseph Rowntree Foundation, June 2014: <http://www.jrf.org.uk/publications/minimum-income-standard-2014>

⁴⁹ T. MacInness, *Monitoring Poverty and Social Exclusion 2013*, Joseph Rowntree Foundation and New Policy Institute, 2013: <http://www.jrf.org.uk/sites/files/jrf/MPSE2013.pdf>

Chapter 2 Experiences of low paid women in the recovery

Figure 16: What is main reason you feel worse off compared to 5 years ago?



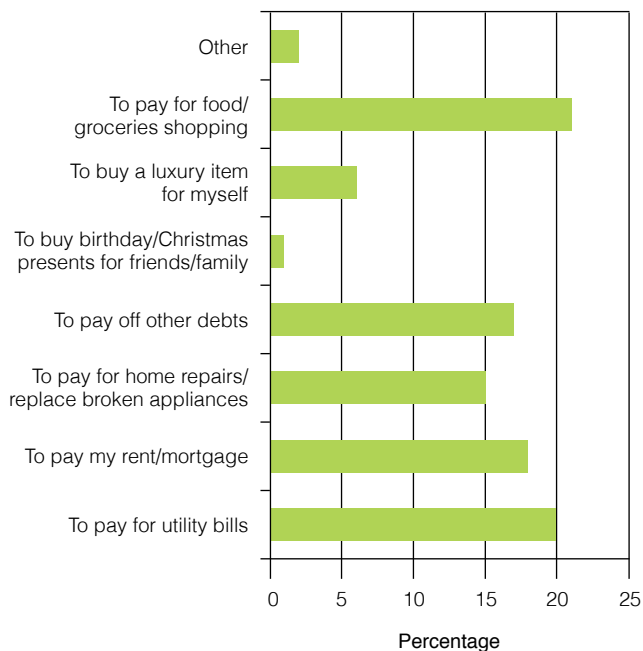
Some women also have to turn to other sources to make ends meet. In our sample, nearly 1 in 10 women had obtained a loan from a pay day lender in the last 12 months. The figure was highest for those with a child under the age of 18, with these women more than twice as likely to have obtained a pay day loan than those without children. The main reason (see Figure 17) given for obtaining a payday loan usually concerned meeting basic living costs. The most common reason was 'to pay for food/groceries shopping' (21 per cent) and this was followed by 'to pay for utility bills' (20 per cent) and 'to pay my rent/mortgage' (18 per cent).

Foodbanks were accessed by a smaller proportion, with 1 in 25 in our sample having received food from a foodbank in the last 12 months. Women with children under 18 were again the most likely to access this type of support – nearly 1 in 12 had accessed a foodbank. The main reasons were benefit delays (14 per cent) and rising housing costs (14 per cent), followed by rising grocery costs and bills (10 per cent), inability to work due to illness (10 per cent) and inadequate pay (10 per cent).

Taken together, these findings show that the cost of living crisis is having significant impacts on the daily lives of low paid women, especially those with children. There are also indications that there will be continued impacts across the life-span. Nearly 3 out of 5 do not contribute to a pension and, for those on the minimum wage in our sample, this rises to 77 per cent.

It is also worth noting that for many of the questions around the cost of living, it was women aged 55 and over that were particularly hard hit alongside women with children under 18. Advancing age, in other words, was associated with increasing hardship. This was consistent with the qualitative

Figure 17: What is the main reason you got a loan from a pay day lender?



findings from our interviews and focus groups. Many of the older women said that often the younger women in their workplaces are not conscious of their low pay until they have children or move out of the family home. As one of our focus group participants put it: "We have a lot of young women coming in who think they get paid well, and yes, if you live at home it's not a bad wage, but if you have a family it is hard."

2.2 Under-employment: not realising the true value of women’s skills and qualifications

“ I’ve got 2 degrees [and have applied for countless jobs, but I haven’t got any others since I arrived here from India] whenever I’ve asked for feedback they just say ‘someone else has better capabilities.’”

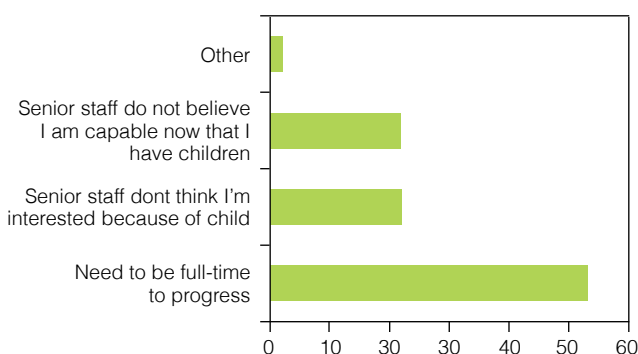
Focus group participant, age 40-49, retail

“ Definitely feel overqualified. Have an MSc from Poland but can only clean here.”

Interviewee, 26–40, carehome cleaner

The ONS figures in the previous chapter suggested that, despite the recovery, levels of under-employment – as measured by the number working part-time as they could not find full-time work - remain high. Our survey also uncovered widespread under-employment where women were working below their qualification or skill level. Some 22 per cent of the women in our sample – all of whom earn less than £7.44 per hour, or £1,128 per month – had degree level qualifications. When asked about the suitability of their skills and qualifications for their current job, 37 per cent of the total sample described themselves as ‘overqualified and overskilled’. Interestingly, this figure did not vary significantly between those with and without children – that is, under-employment is not solely a product of taking on childcare responsibilities. In fact, by far the most significant reason given for being overqualified was that there were ‘no appropriate jobs available’ (41 per cent). This suggests that the quality of jobs is a significant issue limiting the ability of women to realise the full value and potential of their skills and qualifications. Childcare responsibilities are also a limiting factor – 36 per cent of those with children under 18 described ‘caring for children’ as the main reason for being in a job for which they are overqualified – but by no means the only barrier. Even for this group of women with children under 18 the lack of appropriate jobs was still cited as the main reason by 33 per cent.

Figure 18: What do you feel is the primary reason for your opportunities for promotion being worse after maternity leave?



A similar pattern is evident in respect of opportunities for progression at their current work. More than 1 in 3 of the surveyed women (36 per cent) disagreed with the statement that ‘there are opportunities for me to progress at work’. The most commonly cited reason for this again was that there are ‘no appropriate jobs available’, with 65 per cent giving this as the main reason. For those with children under the age of 18, childcare responsibilities were cited as the main reason by 18.8 per cent in the panel – in this case, a distant second to ‘no appropriate jobs available’ which was cited by 58.7 per cent as the main reason.

2.3 Maternity discrimination, flexible working and work-family balance

“ I’ve started noticing that when women get to management, as soon as they have kids they get pushed back down to Band 2 [check out, stacking shelves]... As a woman and a mother it’s really hard with the hours and shift patterns they demand of you – particularly moving around the country if you’re a manager.”

Focus group participant, age 40-49, retail

Childcare responsibilities may not be the sole explanation for women’s under-employment in our sample but it remains highly significant. This appears to be the case particularly for those with young children under the age of 5. For this group, maternity discrimination, including demotion and limited opportunities for progression, were a significant issue. This is important to note as often maternity discrimination is perceived as, and talked about, as a problem primarily faced by professional women.

In our sample, 1 in 10 of the low paid women who had returned from maternity leave recently (in the last 5 years) had been given a more junior role. For 40 per cent of those in a more junior role, this was either because their role had been made redundant (10 per cent) or given to someone else against their wishes (30 per cent). Fawcett is concerned that, with the introduction of employment tribunal fees in July 2013, low paid women in particular may be denied access to justice to tackle instances of maternity discrimination. Early figures showing that since the introduction of fees the number of sex discrimination cases has fallen sharply – by 58 per cent when comparing Q4 2012–13 to Q4 2013–14 – suggest that this is a very real concern.⁵⁰

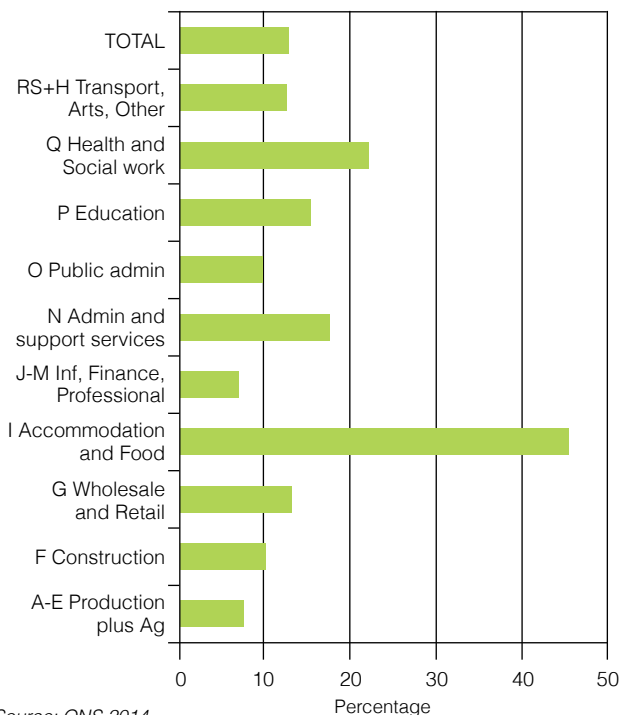
Opportunities for promotion were also felt to be affected by having children. Nearly 1 in 4 (23 per cent) of those recently returning from maternity leave felt that their opportunities for promotion were now worse. By far the biggest obstacle (see Figure 18) was the perceived

⁵⁰ Ministry of Justice, *Tribunal Statistics Quarterly: January to March 2014, June 2014*: <https://www.gov.uk/government/publications/tribunal-statistics-quarterly-january-to-march-2014>

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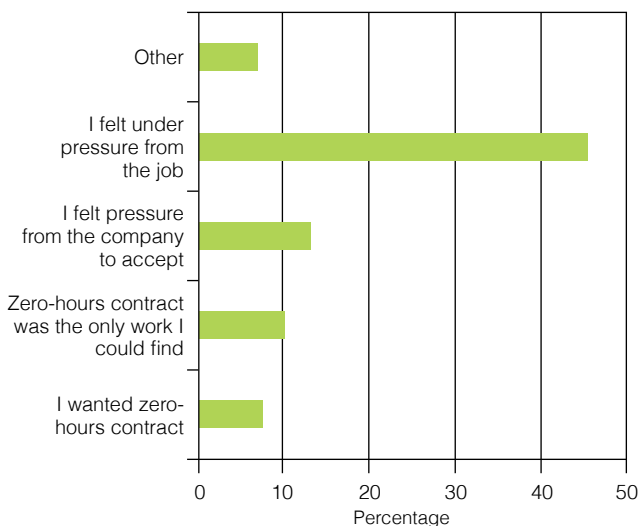
need to be full-time to progress (53 per cent). This points again to the importance of ensuring that part-time working and flexible arrangements, such as job-shares, are encouraged at all levels in organisations. Concerning, however, is also that 1 in 5 of those who felt their opportunities were worse put this down to senior staff either believing that they would no longer be interested in promotion (22 per cent) or capable (22 per cent). This was even more marked for women over 35, with nearly 1 in 3 attributing lessened opportunities to senior staff not believing they are capable.

Figure 19: Proportion of businesses, by industry, using non-guaranteed hours contracts (NGHCs)



Source: ONS 2014

Figure 20: If on a zero-hours contract, which of these best describes your situation?



On a positive note, the majority of flexible working requests were approved. 319 women in our sample had requested flexible working and 81.5 per cent had their request approved. Most (82.8 per cent) either felt they were treated the same or more positively after their request, but 17.2 per cent felt senior staff treated them less positively. Given the extended rights to request flexible working which came into force in June 2014, these are important findings that highlight the continued need for initiatives that promote a positive attitude to flexible working amongst employers.

2.4 Zero-hours contracts: flexibility for women?

The rise of so-called “zero hours” contracts has received much attention recently as a form of employment that provides flexibility for employers at the expense of security for workers. The ONS estimates that 583,000 workers, or approximately 2 per cent of the workforce, were on such contracts in the quarter from October to December 2013.⁵¹ This represents a two-fold rise on the same quarter the previous year. However, the ONS suggests that, while there has undoubtedly been an increase, some of this may also reflect more workers identifying as zero-hours workers due to the heightened media coverage. According to the ONS, these types of contracts are most prevalent in the accommodation and food sectors and health and social work. Given these are feminised sectors, it is not surprising that workers on zero-hours contracts are more likely to be female, in full-time education and part-time. The ONS, in its analysis, suggests that ‘these patterns may partly reflect the groups most likely to find the flexibility of “zero-hours contracts” an advantage’.⁵²

In our sample, just over 1 in 8 identified as being on a zero-hours contract.⁵³ For London, that figure rose to nearly 1 in 3. It is noteworthy that the incidence was almost exactly the same among low paid women in the public sector (13.9 per cent) and the private sector (13.8 per cent). Contrary to the ONS commentary, the majority of women in our sample did not exercise a positive choice for this type of contract, but were compelled to accept it either as it was the only work available (39.6 per cent) or due to pressure from the company (17.3 per cent) or Job Centre (7.9 per cent) (see Figure 20).

⁵¹ ONS, *Analysis of Employee Contracts that Do Not Guarantee a Minimum Number of Hours, April 2014*: <http://www.ons.gov.uk/ons/rel/lmac/contracts-with-no-guaranteed-hours/zero-hours-contracts/art-zero-hours.html#tab-conclusions>

⁵² *Ibid.*

⁵³ For the purposes of the survey, this was defined as follows: ‘A “zero hours” contract requires the worker to be available for work whenever required by the employer, even when there is no guarantee that any work will be provided to them’

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“ At the moment there’s a lot of talk about zero hours contract [and people are saying that students and parents like them because they’re flexible] but, no, it’s bad employers. For students, when you need time off to study good employers will give you study leave. When you’re a mother, employers could give you flexible working conditions...”

Focus group participant, aged 55+, finance

The unpredictability is a concern. Some 28 per cent receive less than they would like – a particular concern, given these are already women on a low hourly wage. There was also fear attached to refusing an offer of a shift/hours, with 16.5 per cent saying they feel they ‘might not be offered any future work at all’ and 44.6 per cent saying concerned that they ‘would be less likely to be offered another shift/hours’. As a result, for many women these types of contracts can be a route into financial hardship and insecurity

2.5 Feeling secure at work: speaking out, harassment and bullying

Feeling secure at work was a concern not just for the low paid women on zero-hours contracts, but was an issue for women across our sample. While most (72.9 per cent) felt that their job would still exist in two years, there was a substantial minority that was concerned for their job security if they spoke out about pay and conditions (22.8 per cent) or took sick leave. More than 2 out of 5 women in our sample went to work the last time they felt ‘unwell to a point where I didn’t feel I could work’. Of those, 12 per cent cited being ‘worried about losing job’ as the main reason and a further 14.7 per cent gave ‘worried about what boss will think/do’ as the main reason.

In the interviews and focus group, there were also numerous examples of women not taking action over breaches of employment rights due to fear for their jobs. Several instances of breaches of the working time directive were, for example, raised. However, as one interviewee – a cleaner in her 30s put it – “these rights are not worth the paper they are written on without a way to make them happen”.

Enforcement of existing employment rights for low paid workers must, therefore, sit as a priority alongside extending legislation. This may take a number of avenues, from more regulatory intervention to stronger union or civil society presence. Of those in our sample who said they felt they could take action if rights were breached, 30.0 per cent said they would seek support from a union, 29.3 per cent from an internal arbitration/support service provided by their employer, and 26.2 per cent from a helpline.

A final aspect to feeling secure at work is freedom from bullying and harassment. A substantial, and concerning, minority in our sample had experienced bullying in their current workplace. 1 in 5 said they had felt bullied by senior staff in their current workplace, while 1 in 8 felt bullied by colleagues.

2.6 Conclusion

Low paid women are a segment of the labour market that is likely to grow if the current trend for a recovery led by growth in part-time, temporary work in low-wage and feminised sectors of the economy continues. The snapshot of low paid women’s experiences has identified a number of areas for action, both from government and employers, which are set out in the next chapter, if the recovery is to delivery for this segment.

Chapter 3

Summary of Findings and Recommendations

The economic upswing has seen more women become economically active, but the evidence in this report raises questions about the quality of the opportunities that have been created and the implications of continued levels of low pay that still predominantly impact women and their families. The recovery has been fuelled by growth in the private sector and, particularly, by growth in self-employment, part-time working and temporary employment. With much of the growth in low wage sectors and earnings continuing to lag behind the Retail Price Index (RPI), the picture emerging for women is one of increased economic activity but also increased financial hardship, under-employment and increased insecurity. It is also one where, as the survey of low paid women illustrates, there are continued challenges around maternity discrimination and the enforcement of basic employment rights.

While Fawcett welcomes the increased levels of economic activity, we are calling for action to ensure that the recovery delivers for the most vulnerable in the economy – the low paid – and makes progress towards greater gender equality.

To this end, seven priority areas for action have been identified:

- Protecting and lifting the incomes of those on low pay
- Increasing the availability of quality, well-paid and senior part-time roles
- Tackling the widening gender pay gap
- Protecting the employment rights of the lowest paid workers
- Ending the use of zero-hours contracts
- Increasing the availability and quality of childcare
- Changing attitudes to ensure both men and women are responsible for caring

Our key findings and recommendations in each of these areas are set out below.

3.1 Protecting and lifting the incomes of those on low pay

Those on low pay are feeling the cost of living crisis sharply with basic costs rising much faster than wages. Even the planned increase of the National Minimum Wage (NMW) to £6.50 in October 2014 will only restore its value to 2005 levels in real terms.

Fawcett is calling for:

- Up-rating of the NMW in line with RPI inflation

- Introduction of a London weighting to the NMW
- Public sector support of the Living Wage through adoption across Whitehall
- Central government to encourage local councils to adopt the Living Wage
- Extending the reach of the Living Wage to the private sector through procurement by making all public sector contracts conditional on workers being paid at least the Living Wage
- Development and implementation of a national growth strategy that aims to boost growth in middle-income jobs, rather than primarily in low and high-income sectors

3.2 Increasing the availability of quality, well paid and senior part-time roles

Under-employment remains high among women, with part-time opportunities still restricted to a large extent to less senior and lower paid roles.

Fawcett is calling for:

- The public sector to advertise all roles as available on a flexible basis by default, except where there is a clear business case against this
- Assistance for employers to design flexible and quality part-time jobs and job-shares
- Job Centre Plus (JCP) to play a proactive role in encouraging employers to design flexible and quality part-time jobs and the piloting of a job-share register

3.3 Tackling the widening gender pay gap

Last year, the gender pay gap widened again for the first time in five years reaching 19.1 per cent for all employees. The measures set out in (1) and (2) to improve levels of pay, which primarily impact women, and address female under-employment will be key to closing the gender pay gap.

Additionally, Fawcett is calling for:

- Strengthening of the currently voluntary 'Think, Act, Report' scheme by implementation of section 78 of 2010 Equality Act which requires businesses with 250+ employees to carry out mandatory gender pay audits
- Measures to tackle occupational segregation, including funding for initiatives that support women into traditionally male-dominated industries (for example, WISE) and increase uptake of apprenticeships in male-dominated industries

3.4 Protecting the employment rights of the lowest paid workers

The introduction of upfront fees for employment tribunal cases and cuts to legal aid threaten to deny those on low pay access to justice when their rights are breached. Since the introduction of fees in July 2013, the number of sex discrimination cases before the Employment Tribunal has dropped significantly despite evidence, anecdotal and in our survey of low paid women, that suggests maternity discrimination continues to be a significant issue.⁵⁴

Fawcett is calling for:

- Scrapping – or at least reducing to a nominal level – the upfront fees for maternity discrimination and other employment tribunal claims
- Reversing cuts to legal aid to ensure the poorest in society are not priced out of justice
- Funding employment advice services, particularly around maternity discrimination
- Extension of the right to return to the same job for the whole year after maternity leave rather than the first 26 weeks

3.5 End the misuse of zero-hours contracts

Zero-hours contracts have grown substantially in the last 12 months, particularly in low paid and feminised sectors. The majority employed on a zero-hours contract in our sample were not exercising a free choice to be on such a contract, but felt compelled to accept these terms by either a lack of more secure work opportunities, pressure from the employer or pressure from the Job Centre. With no guaranteed hours of work and often exclusivity clauses tying individuals to a single employer, these contracts can lead to financial hardship.

Fawcett is calling for:

- A 'zero-tolerance' approach to zero-hours contracts in the public sector, including for suppliers to the public sector
- Legislation to ban exclusivity clauses in zero-hours contracts

3.6 Increasing the availability and quality of childcare

Childcare responsibilities remain a significant factor limiting women's participation in the labour market. The spiralling cost of childcare has been well-documented and there is evidence of supply issues in a number of local authorities.⁵⁵

Fawcett is calling for:

- Development of a national strategy to deliver high quality, affordable childcare that fits around modern working lives and the appointment of a Cabinet Minister to lead on its implementation
- A shift in the focus from demand-side interventions to supply-side in order to enable greater control over quality and costs

3.7 Work towards changing attitudes that ensure both men and women are responsible for caring responsibilities

Women still do the bulk of unpaid caring work, whether of children or others. As a result, they are far more likely to be working part-time, have lower earnings and to see their career progression slowed. A number of measures are required to recognise the value of caring work and encourage men to take on a more equal share.

Fawcett is calling for:

- Restoration of the real value of statutory maternity and paternity pay and establishment of a process for annual uplifting so that it reaches at least the level of the national minimum wage by 2020
- Introduction of an extended block of 'use it or lose it' paid paternity leave that must be used within the first 12 months

⁵⁴ Fawcett welcomes the programme of research currently being undertaken by the EHRC to investigate the extent and impacts of pregnancy discrimination and looks forward to the publication of its findings. See here for more details of the announcement: <https://www.gov.uk/government/news/1m-million-to-help-tackle-pregnancy-discrimination-in-the-workplace>

⁵⁵ Family and Childcare Trust, *Annual Childcare Costs Survey, June 2014*: <http://www.familyandchildcaretrust.org/childcare-costs-surveys>

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