

## Appendix 13: Women's participation in the labour market (See Article 11)

In November 2011 the Government established an entrepreneurs mentoring scheme to support those wanting to set up their own business, especially women. They are also providing £2m from 2012-2015 to five Local Enterprise Partnerships to support women to set up or grow their business.<sup>1</sup> A New Enterprise Allowance has also been introduced to allow those who have been unemployed for more than six months to set up their own businesses.<sup>2</sup>

Female-led businesses contribute more than £130bn to the British economy<sup>3</sup> but more needs to be done to increase the number of female entrepreneurs and small businesses led by women. Women make up 46% of the working economy of the UK, but constitute only 29% of the self-employed<sup>4</sup> and low-income women are unlikely to be the ones benefiting from tax giveaways such as the 50% tax relief on business start-ups.<sup>5</sup>

The UK would be better off by £15-23bn per year if the skills and talents of women who are currently out of work were fully used.<sup>6</sup> If women started businesses at the same rate as men there would be an additional 150,000 start-ups a year, and if female entrepreneurship reached the same levels as the United States it would contribute an extra £42bn to the economy.<sup>7</sup> With women facing the brunt of job losses the ability to start a business is crucial for many women to maintain their financial independence but only 27% of businesses in the UK are majority owned by women.<sup>8</sup> Research shows that companies where women are most strongly

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<sup>1</sup> Government Equalities Office (2010) *The Equality Strategy – Building a Fairer Britain*. GEO: London <http://www.homeoffice.gov.uk/publications/equalities/equality-strategy-publications/equality-strategy/equality-strategy?view=Binary>

<sup>2</sup> Government Equalities Office (2010) *The Equality Strategy – Building a Fairer Britain*. GEO: London <http://www.homeoffice.gov.uk/publications/equalities/equality-strategy-publications/equality-strategy/equality-strategy?view=Binary>

<sup>3</sup> Women's Budget Group (2012) *The Impact on Women of the Autumn Financial Statement 2011*. WBG: London <http://wbg.org.uk/pdfs/The-Impact-on-Women-of-the-AFS-2011.pdf>

<sup>4</sup> Federation of Small Businesses (2011) *Female Entrepreneurship: Creating growth and dispelling myths* <http://www.fsb.org.uk/policy/images/2011%2004%20female%20entrepreneurship%20one%20page%20briefing.pdf>

<sup>5</sup> Women's Budget Group (2012) *The Impact on Women of the Autumn Financial Statement 2011*. WBG: London <http://wbg.org.uk/pdfs/The-Impact-on-Women-of-the-AFS-2011.pdf>

<sup>6</sup> Home Office (2012) 'Women's Business Council seeks to tap women's potential', *Women's Engagement Newsletter from the Ministers for Women*, Summer 2012 <http://www.homeoffice.gov.uk/publications/equalities/womens-equality/womens-newsletter/newsletter-summer-2012?view=Binary>

<sup>7</sup> Home Office (2012) 'Women's Business Council seeks to tap women's potential', *Women's Engagement Newsletter from the Ministers for Women*, Summer 2012 <http://www.homeoffice.gov.uk/publications/equalities/womens-equality/womens-newsletter/newsletter-summer-2012?view=Binary>

<sup>8</sup> McRobie, H. (2012) 'Don't bank on gender equality from the UK high street', *Open Democracy*, 22<sup>nd</sup> June 2012 <http://www.opendemocracy.net/5050/heather-mcrobie/don%E2%80%99t-bank-on-gender-equality-from-uk-high-street>

represented are also the companies that perform best financially<sup>9</sup> as it improves business performance and increases levels of corporate social responsibility<sup>10</sup> – so it is clear that women should be encouraged and supported into these roles. UN Women have called for private companies to embrace their Women’s Empowerment Principles<sup>11</sup> to advance equal opportunities and women’s leadership in the private sector.<sup>12</sup> We would like to see this happening with businesses in the UK.

### **Recommendations:**

- **Structural and attitudinal barriers to women need to be addressed if the UK is to succeed in the global marketplace**
- **Impose a 40% quota for women on corporate boards as in Norway and possibly Wales**

### **Women’s employment in the public sector**

Women are experiencing a greater impact from the cuts in public services, not only as users of these services, (See Article 13) but also as providers of these services. Nearly 40% of women’s jobs nationally are in the public sector (compared to 11% of men)<sup>13</sup> – in some regions this increases to as much as 50%,<sup>14</sup> and 65% of public sector jobs are done by women.<sup>15</sup> In the three months before June 2011, 21,000 women lost their jobs compared to 18,000 men.<sup>16</sup> Women’s employment in the North East, for example, fell by 5.09% between December 2007 and April 2011<sup>17</sup> and women account for 76% of the drop in the number of employees in local councils in the South East. The impact of the public sector pay freeze and cuts to hours will be compounded by the fact that women already tend to work fewer hours and for lower wages than men.

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<sup>9</sup> European Commission (2010) ‘More women in top jobs key to economic growth, says EU report’, Employment, Social Affairs and Inclusion News, 25<sup>th</sup> March 2010

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=742&furtherNews=yes>

<sup>10</sup> Equality and Human Rights Commission (2011) *Sex and Power 2011*. EHRC: London

<http://www.equalityhumanrights.com/key-projects/sexandpower/>

<sup>11</sup> UN Women (2009) *Women’s Empowerment Principles: Equality means business*. United Nations Global Compact

[http://www.unglobalcompact.org/Issues/human\\_rights/equality\\_means\\_business.html](http://www.unglobalcompact.org/Issues/human_rights/equality_means_business.html)

<sup>12</sup> Bachelet, M. (2012) *The Time is Now: A letter to UN partners from UN Women Executive Director Michelle Bachelet*. March 2012 [http://www.unwomen.org/wp-content/uploads/2012/03/EN-UNW-LetterToPartners\\_2012-REV\\_3-9-12.pdf](http://www.unwomen.org/wp-content/uploads/2012/03/EN-UNW-LetterToPartners_2012-REV_3-9-12.pdf)

<sup>13</sup> Stephenson, M. (2011) ‘Coventry at work: Cuts ‘to hit women harder’’, *BBC News Business*, 3<sup>rd</sup> July 2011 <http://www.bbc.co.uk/news/business-13902842>

<sup>14</sup> Trades Union Congress (2010) *The gender impact of the cuts*. TUC: London

<http://tinyurl.com/6j7ry7b>

<sup>15</sup> Stephenson, M. (2011) ‘Coventry at work: Cuts ‘to hit women harder’’, *BBC News Business*, 3<sup>rd</sup> July 2011 <http://www.bbc.co.uk/news/business-13902842>

<sup>16</sup> Office for National Statistics (2012) *Labour Market Statistics, February 2012*

[http://www.ons.gov.uk/ons/dcp171778\\_254579.pdf](http://www.ons.gov.uk/ons/dcp171778_254579.pdf)

<sup>17</sup> Trades Union Congress (2011) ‘Press release: North East women the worst affected by recession and government cuts in Great Britain’, TUC website, 15<sup>th</sup> August 2011

<http://www.tuc.org.uk/economy/tuc-19915-f0.cfm>

Case study:<sup>18</sup>

Jane Benham is a staff nurse in Taunton working three nights a week in acute care of the elderly.

*“For what I do – the clinical skills, the years of experience – I don’t think I’m getting paid enough. It has become more stressful because of the litigation side of it. That’s why there’s so much paperwork. I’m slightly oldschool – I worry that the patient gets lost in all of these paperticking exercises and I prefer to be with the patient rather than filling in forms.”*

As a result of budget cuts, public sector employers are cutting posts in order to keep within their tightened budgets. Between the start of 2010 and the first quarter of 2011, public sector employment fell by 143,000.<sup>19</sup>

- 50,000 jobs in the NHS are likely to be cut.<sup>20</sup>
- 34,000 jobs in the police, including 16,000 front-line staff are likely to be cut by 2014/15.
- 88,000 jobs in local government were lost in 2010.
- 12,000 jobs are at risk in primary schools, according to head teachers.<sup>21</sup>

There is also a significant difference between women’s pay in the private sector and the public sector. Analysis carried out by the Trades Union Congress (TUC) using Office for National Statistics (ONS) data<sup>22</sup> explored pay for women in the public and private sector and found that:

- Over half of all women (56%) earned less than £300 in the private sector compared to just over a third (35%) in the public sector.
- Over three quarters of women working part-time in the private sector (77%) earned less than £200 compared to less than half (47%) in the public sector.
- Low-paid jobs are far more prevalent in the private than public sectors, with 17% of full-time workers earning less than £300 in the private sector, compared to only 6% of public sector workers.

The TUC also found the public sector has been responsible for the vast majority of net female jobs growth (84%) over the past decade.<sup>23</sup> It was the growth of statutory care services that enabled many women to enter paid employment – unsurprisingly, it was often women who were recruited into jobs providing such services. Moreover, public sector employment practices became more

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<sup>18</sup> From interview in UNISON (2012) ‘Making Ends Meet’, *U Magazine*, Autumn 2012

<http://www.unison.org.uk/acrobat/U2012-3.pdf>

<sup>19</sup> Stephenson, M. (2011) *TUC Women and the Cuts Toolkit: How to carry out a human rights and equality impact assessment of the spending cuts on women*. TUC: London

<http://www.tuc.org.uk/equality/tuc-20286-f0.cfm>

<sup>20</sup> False Economy (2011) ‘Exclusive: 50,000 NHS job losses uncovered by False Economy’, *False Economy blog*, 23<sup>rd</sup> February 2011 <http://falseeconomy.org.uk/blog/more-than-50k-nhs-job-losses>

<sup>21</sup> Harrison, A. (2011) ‘School heads warn of more than 12,000 job losses’, *BBC News Education and Family*, 28<sup>th</sup> April 2011 <http://www.bbc.co.uk/news/education-13223035>

<sup>22</sup> Office for National Statistics (2011) *Annual Survey of Hours and Earnings 2011 (ASHE)*. ONS: London <http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/ashe-results-2011/ashe-statistical-bulletin-2011.html>

<sup>23</sup> Trades Union Congress (2011) ‘Press release: Women’s unemployment will rise as public sector job cuts kick in’, *TUC website*, 2<sup>nd</sup> September 2011 <http://www.tuc.org.uk/economy/tuc-19982-f0.cfm>

sensitive to the caring responsibilities of its workforce, and so women remained in such jobs. In comparison, private sector employment tends to be less flexible with respect to caring responsibilities, with a far larger gender pay gap than that in the public sector (24% in the private sector compared to 17% in the public sector).<sup>24</sup>

Case study:<sup>25</sup>

*"In Northumberland 80% of public sector employees are women but all the emphasis concerning unemployment is about men and male employability. Single parents are being forced into work but there are fewer services available to support them, for example, transport and childcare."*

Case study:<sup>26</sup>

Jane Benham is a staff nurse in Taunton working three nights a week in acute care of the elderly.

*"I work nights only as I have to care for my disabled daughter during the day. I totally depend on my annual leave to keep my sanity due to the increasing pressures at work. If there is a reduction in unsocial hours payments, it would mean I would have to increase my hours, which would put me under even more pressure."*

## **Part-time working and temporary contracts**

There are 754,000 women working part-time as they cannot find full-time work – the highest level since comparable records began in 1992.<sup>27</sup> Increasing rates of part-time work amongst women are often seen as unproblematic as there is a presumption that all women with children want to work part-time. However, it is clear from ONS statistics that increasing numbers of women are finding themselves in part-time work, not through choice, but through lack of full-time alternatives.

Women are more likely than men to work part-time, particularly if they have dependent children: 59% of women with dependent children work part-time, compared to 16% of men with dependent children.<sup>28</sup> There are noticeable regional variations, for example, the number of women trapped in involuntary part-time work has more than doubled in Northern Ireland and London since December 2007.<sup>29</sup>

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<sup>24</sup> Calculated using figures from the Office for National Statistics (2012) *Annual Survey of Hours and Earnings, 2012 Provisional Results*. ONS: London <http://www.ons.gov.uk/ons/publications/reference-tables.html?edition=tcm%3A77-280149> See table 13.6a

<sup>25</sup> From North East Women's Network (2012) *Final Report on North East Women's Leadership Project* [http://www.newwomens.net/images/stories/WRC\\_Womens\\_Leadership\\_Project\\_-\\_Final\\_Report.doc.pdf](http://www.newwomens.net/images/stories/WRC_Womens_Leadership_Project_-_Final_Report.doc.pdf)

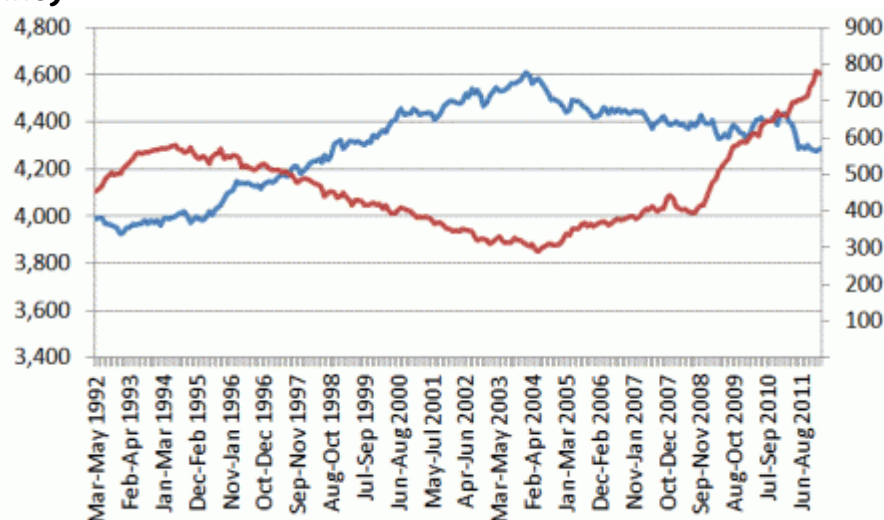
<sup>26</sup> From interview in UNISON (2012) 'Making Ends Meet', *U Magazine*, Autumn 2012 <http://www.unison.org.uk/acrobat/U2012-3.pdf>

<sup>27</sup> The Fawcett Society (2011) *The Impact of Austerity on Women*. Fawcett: London <http://www.fawcettsociety.org.uk/wp-content/uploads/2013/02/The-Impact-of-Austerity-on-Women-19th-March-2012.pdf>

<sup>28</sup> Tipping, S. et al. (2012) *The Fourth Work-Life Balance Employee Survey*. Employment Relations Research Series 122, July 2012, Department for Business, Innovation and Skills [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/32153/12-p151-fourth-work-life-balance-employee-survey.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32153/12-p151-fourth-work-life-balance-employee-survey.pdf) p. 274

<sup>29</sup> From evidence submitted by the Trades Union Congress <http://www.tuc.org.uk/> Accessed: 08/05/13

**Part time women who could not find a full time job (upper line) compared to part time women who did not want a full time job (lower line)<sup>30</sup>**



The impact of part-time work on women’s earnings in the UK and the very limited improvement in the part-time gender pay gap must be recognised. Opportunities for part-time work still tend to be concentrated in low-paid jobs – in 2012 the hourly wage gap between full-time and part-time work was 37%,<sup>31</sup> with women working part-time the most likely to be low-paid. Research has shown that the part-time pay penalty in the UK is particularly large and that a move from full-time to part-time work is associated with downward occupational mobility (which is minimised if a woman stays with the same employer through this transition);<sup>32</sup> and a period of part-time work can have a significant cumulative effect on women’s earnings potential.<sup>33</sup>

With the threshold for receiving tax credits set to change from 16 hours to 24 hours, those stuck involuntarily in part-time work are set to lose out yet again. Furthermore, under Universal Credit, new conditions<sup>34</sup> will be placed on in-work benefits which will mean that employees earning less than £212.80 per week will be obliged to work more hours or face sanctions. (See Article 13)

Women working part-time in the public sector will be particularly badly hit by job losses as part-time jobs in the private sector tend to be less well paid.

<sup>30</sup> From evidence submitted by the Trades Union Congress <http://www.tuc.org.uk/> Accessed: 08/05/13

<sup>31</sup> Office for National Statistics (2013) *Patterns of Pay: Results of the Annual Survey of Hours and Earnings, 1997 to 2012*, February 2013 [http://www.ons.gov.uk/ons/dcp171766\\_300035.pdf](http://www.ons.gov.uk/ons/dcp171766_300035.pdf)

<sup>32</sup> Manning, A. and Petrongolo, B. (2005) *The Part-time Pay Penalty*. Centre for Economic Performance discussion paper No 679 <http://eprints.lse.ac.uk/3661/1/parttimepaypenalty.pdf>

<sup>33</sup> Walby, S. and Olsen, W. (2004) *Modelling gender pay gaps*. Working paper series No. 17, Equal Opportunities Commission <http://www.lancs.ac.uk/fass/sociology/research/publications/papers/walby-modellinggenderpaygapswp17.pdf>

<sup>34</sup> Molyneaux, L. (2012) ‘Workfare: Don’t think a job will mean you’re safe’, False Economy blog, 8<sup>th</sup> March 2012 <http://falseeconomy.org.uk/blog/workfare-dont-think-a-job-will-mean-youre-safe>



Case study:<sup>35</sup>

Stella, a single parent and care worker, lost her permanent job as a housing support worker.

*"My life has not been stable because I cannot find a permanent job. I work whenever it is available. I have to push hard to make sure I have a sensible amount of hours for the week – I have no guaranteed work, it is all ad hoc. The organisation I work for does not commit itself to give me work."*

While official statistics on vulnerable workers do not exist, trade unions report the increasing prevalence of vulnerable and precarious work. Atypical contracts such as 'zero hour' contracts are prevalent in many sectors including retail. Much of the work that is typically deemed to be 'women's work', such as caring, cleaning and catering work is not only low-paid but is often agency work. Increasingly, higher and further education teaching staff are employed on 'sessional' contracts. One report<sup>36</sup> in 2008 noted that *"We make more use of agency workers than other countries – 4.3% of the workforce on any day will work through an agency in the UK, compared to 2.1% in the USA and the Netherlands, 1.3% in Ireland and 0.9% in Germany."*

Case study:<sup>37</sup>

*"I'm struggling because I've had to give up work... the hours they gave me wasn't enough so it's got me into debt... they said I'd have 15 hours a week and they knocked it down to six, which was no good at all."*

## **Home working**

The shortage of formal job opportunities is likely to force many people living in poverty into working informally. Workers in the informal economy lack the labour rights of those working formally, meaning that they are vulnerable to exploitation, including being paid below the National Minimum Wage. Working informally also limits routes for progression, since experience gained outside of formal employment cannot necessarily be presented when applying for jobs. The introduction of Universal Credit will help to reduce the benefit traps that force many people into informal work, but with work incentives under the new system being lower than originally envisaged due to public spending cuts, and with economic stagnation meaning a reduction in employment generation in the formal economy, there will still be many who are forced into informal work.<sup>38</sup>

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<sup>35</sup> Oxfam (2012) *The Perfect Storm: Economic stagnation, the rising cost of living, public spending cuts, and the impact on UK poverty*. Oxfam: Oxford <http://policy-practice.oxfam.org.uk/publications/the-perfect-storm-economic-stagnation-the-rising-cost-of-living-public-spending-228591>

<sup>36</sup> Trades Union Congress (2007) *Hard Work, Hidden Lives: The full report of the Commission on Vulnerable Employment*. TUC: London [http://www.vulnerableworkers.org.uk/files/CoVE\\_full\\_report.pdf](http://www.vulnerableworkers.org.uk/files/CoVE_full_report.pdf)

<sup>37</sup> Woman interviewed for Athwal, B. et al. (2011) *Recession, Poverty and Sustainable Livelihoods in Bradford*. Joseph Rowntree Foundation: London <http://www.jrf.org.uk/sites/files/jrf/poverty-recession-Bradford-full.pdf> p27

<sup>38</sup> Oxfam (2012) *The Perfect Storm: Economic stagnation, the rising cost of living, public spending cuts, and the impact on UK poverty*. Oxfam: Oxford <http://policy-practice.oxfam.org.uk/publications/the-perfect-storm-economic-stagnation-the-rising-cost-of-living-public-spending-228591>

Those in lower-skilled, lower-paid jobs are more reliant on state benefits<sup>39</sup> and women are in the most precarious and vulnerable work.<sup>40</sup> We call upon the Government to reconsider the depth and speed of the expenditure cuts, and to recognize the role of public spending in supporting economic growth and employment creation.

### **Women in top jobs**

Women still do not hold key positions of power in the job sector. The Equality and Human Rights Commission found that more than 5,400 women are 'missing' from Britain's 26,000 most powerful posts.<sup>41</sup> Ambitious and successful women in their 30s-40s have disappeared from the paid workforce or remain trapped in the 'marzipan layer' below senior management, leaving the higher ranks dominated by men.<sup>42</sup> (See Article 7)

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<sup>39</sup> Ward, R. (2011) *Health and equality impacts of well paid parental leave*. Women's Health and Equality Consortium and Maternity Action: London <http://www.whec.org.uk/wordpress/wp-content/uploads/downloads/2011/10/HealthandEqualityImpactsofWellPaidParentalLeave2011.pdf>

<sup>40</sup> Oxfam (2012) *The Perfect Storm: Economic stagnation, the rising cost of living, public spending cuts, and the impact on UK poverty*. Oxfam: Oxford <http://policy-practice.oxfam.org.uk/publications/the-perfect-storm-economic-stagnation-the-rising-cost-of-living-public-spending-228591>

<sup>41</sup> Equality and Human Rights Commission (2011) 'Press release: Sex and Power: 5,400 women missing from top jobs', 17<sup>th</sup> August 2011 <http://www.equalityhumanrights.com/news/2011/august/sex-and-power-5-400-women-missing-from-top-jobs/>

<sup>42</sup> Davies, E. M (2011) *Women on Boards*. Department for Business, Innovation and Skills. <http://www.bis.gov.uk/assets/biscore/business-law/docs/w/11-745-women-on-boards.pdf>