

## SUBMISSION FROM NORTH AYRSHIRE COUNCIL

### **Work, wages and wellbeing in the Scottish labour market**

The Economy, Energy and Tourism Committee has launched an inquiry into work, wages and wellbeing in the Scottish labour market.

#### **Written response from North Ayrshire Council**

##### **1. What makes a job 'good' or 'bad'?**

We believe there are 3 main aspects which make jobs "good" or "bad"

**Security** – people need to feel security i.e. that if they perform well they will have a job next week, month, or year.

People also need security in terms of certainty over what hours of work they will do. Flexible contracts can have benefits for many but too often at the low wage end of the market, they are one-sided arrangements, whereby all the benefits of flexible hours lie with employers.

**Opportunities for progression** – many people can accept a job that is not their ideal, if they see that through hard work and achievement they can progress to a better opportunity.

**Equity** – people need to believe and experience a sense of fairness. The issue is not in pay rates on their own – it's the gap between well paid and low paid that is the issue – and how it relates to the cost of services and goods.

##### **2. Have jobs become better or worse since 2008?**

This is a very difficult aspect to measure and assess. There is no doubt that financial pressures on employers in the private and public sector can often result in additional pressures being put on employees. However people will experience this differently and perceive it differently. For some, flexible and mobile working may be a positive, for others a strain. Feedback suggests that for many, jobs have become worse; however it is an inconsistent picture. At the bottom end of the market in the private sector, the use of zero hours contracts seems to have increased and as such people feel less secure.

##### **3. What effect might low quality/low pay jobs have on the economy?**

Productivity is a key concern for the UK and Scottish economies. Low wage economies are often characterised by low productivity. Low productivity = low growth and low wages – it's a vicious circle. It has been clear over the past 30 years that the UK cannot compete on cost alone – it is difficult to see how a low wage economy will support the types of businesses and sectors in which the UK performs well and has competitive advantage.

##### **4. What the health impacts of low quality jobs might be**

There is a body of evidence to suggest low quality jobs can have a range of negative health benefits. Lower income groups suffer more from poor health due to a range of environmental and behavioural factors. Lack of job security and satisfaction at work has obvious impacts on mental health and the evidence suggests that poor mental health will also manifest in physical conditions.

## **5. What can the Scottish Government and public policy makers do to improve job quality in Scotland**

The Scottish Government and public policy makers can improve job quality in Scotland by taking a sectoral and geographic focus. Poor job quality is not an issue for all. It tends to be experienced more in certain areas of the country and in certain sectors of the economy. Working with sectors to understand the drivers of job quality and how these can be influenced will be vital. Additional support is required for those areas with a high reliance on low value sectors which are characterised by poor quality jobs. Raising skill levels and subsequently productivity in these areas should be a priority. We need to support business to move up the value chain, through investment.