

SUBMISSION FROM THE STUC

Introduction

The STUC is Scotland's Trade Union Centre. Its purpose is to coordinate, develop and articulate the views and policies of the Trade Union Movement in Scotland; reflecting the aspirations of trade unionists as workers and citizens.

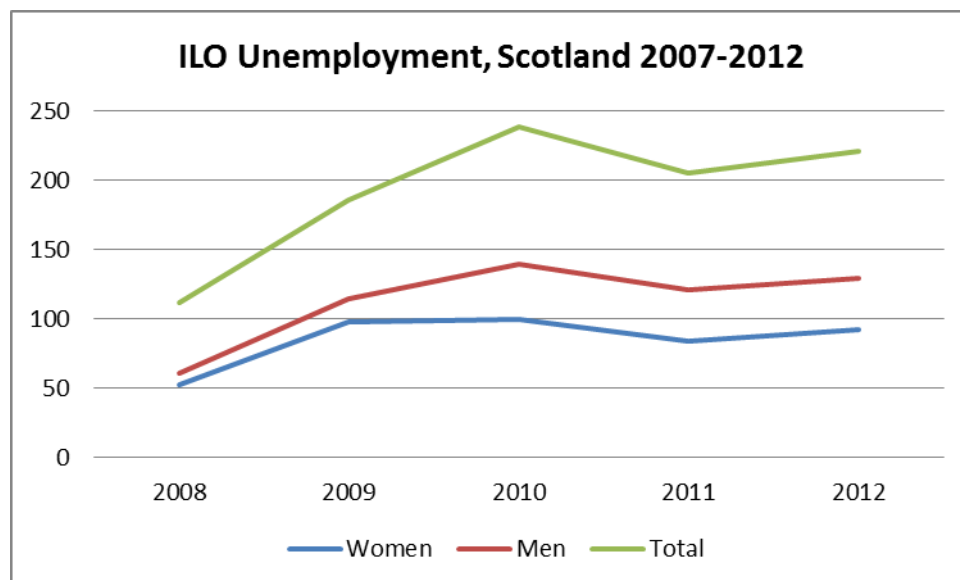
The STUC represents over 632,000 working people and their families throughout Scotland. It speaks for trade union members in and out of work, in the community and in the workplace. Our affiliated organisations have interests in all sectors of the economy. Our representative structures are constructed to take account of the specific views of women members, young members, Black/minority ethnic members, LGBT members, and members with a disability, as well as retired and unemployed workers.

State of the Scottish Economy/Labour market

The draft Scottish Budget 2013-14 is being published at a time of rising economic distress and uncertainty. The headline economic and labour market statistics do not begin to tell the full story of the depth of the challenges facing workers and the unemployed.

ILO unemployment

Between May-July 2008 and May-July 2012, ILO unemployment amongst women in Scotland has increased by 76%; from 52,000 to 92,000. This compares favourably with an increase of ILO unemployment amongst males of 111%; from 62,000 to 129,000.



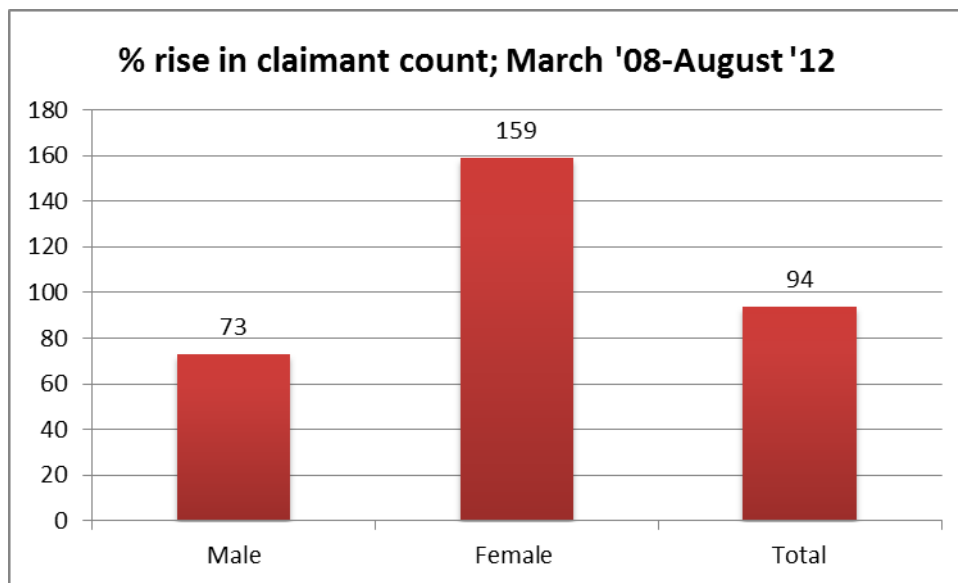
However, the STUC is concerned that 1) these figures do not begin to tell the full story of what is happening in the labour market and 2) hide significant and worrying trends in the Scottish labour market.

Between April 2011-March 2012 and the same period three years earlier, there were:

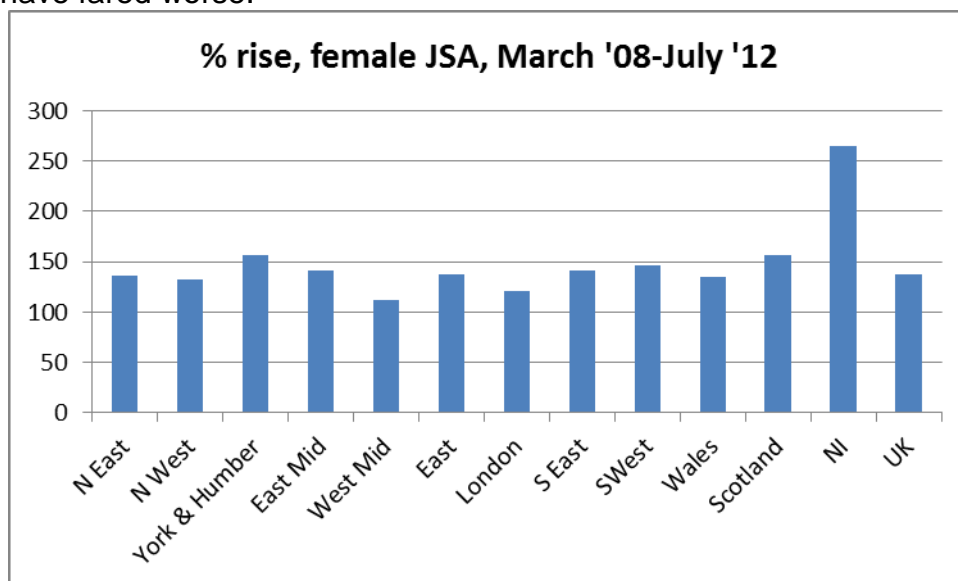
- 53,000 less women in full-time work;
- 26,000 more women were in part-time jobs;
- 33,000 less women were in employee jobs;
- 4,000 more women were in self-employment.

Claimant count

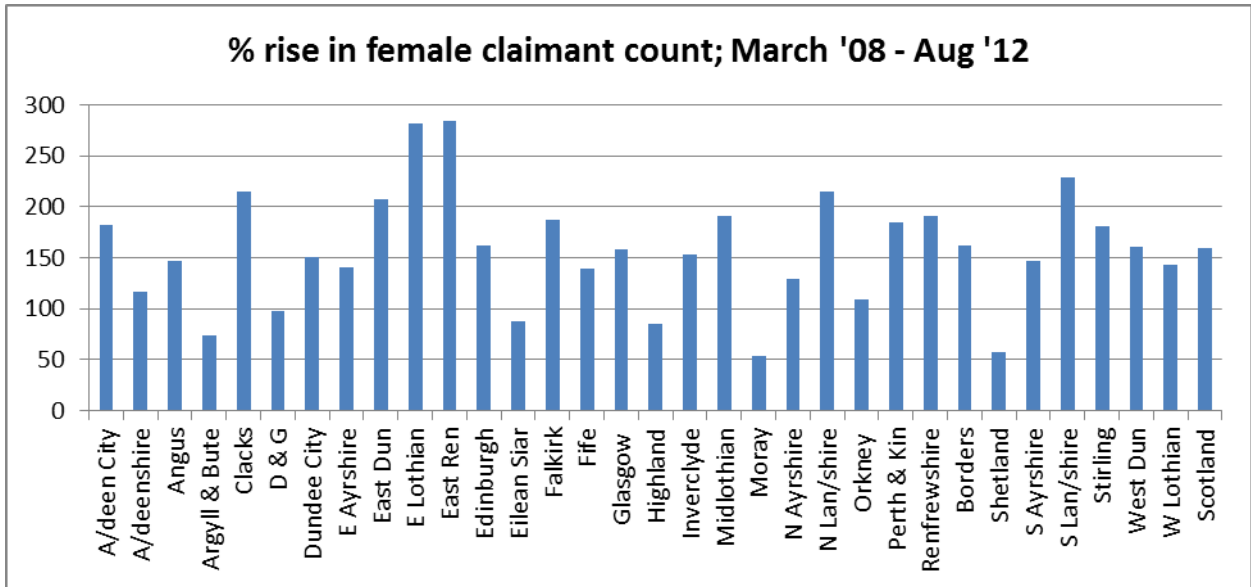
The claimant count statistics also confirm some worrying trends, with the rise in the female level far outstripping the rise in the male level:



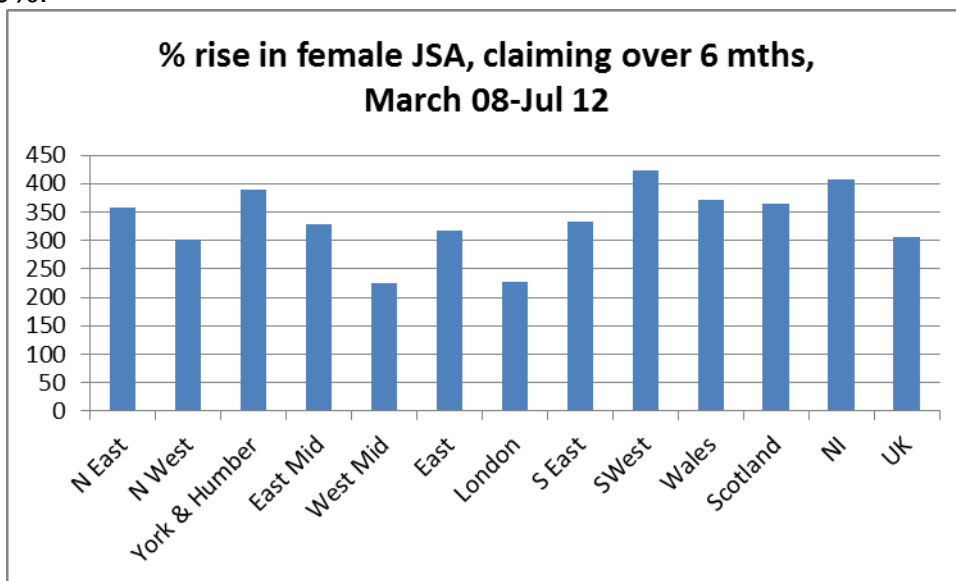
While the rise in Scotland is above the UK average, a number of ONS regions and nations have fared worse:



The difference in performance across Scotland is also worth highlighting:



There has been a hugely significant rise in the number of women claiming JSA for over 6 months: between December 2007 and July 2012 the number increased from 3,845 to 18,810, a rise of 389%. Ten local authority areas have seen increases of over 500%.



Between March 2008 and July 2012, the number of women aged between 18-24 and claiming JSA increased from 6,580 to 14,620; an increase of 122%. Ten local authority areas have seen increases of over 150%.

Underemployment

The number of people unable to work the number of hours they would wish to work has also increased significantly over the last four years; women account for the majority of these workers.



Trends

The STUC is concerned that current trends will disproportionately affect women and other disadvantaged groups in the labour market. For instance,

- *The fall in public sector employment* – the public sector provides comparatively secure and well-paid jobs, often with flexibility to help manage work-life balance. The trend is for these jobs to be lost and replaced with lower paid, much more insecure work in the private sector. Two-thirds of the public sector workforce are women; and,
- *Welfare reform measures* – which are forcing more women onto to less secure, job seeking benefits at a time where there are very few jobs in the labour market.

Macroeconomic powers/limitations of the Scottish Budget

The STUC has consistently argued that current levels of unemployment will be little affected in the short-term unless the UK coalition changes its economic strategy. With unemployment high, output still some 4% below pre-recession levels and some 12% below pre-crisis trend and monetary policy at the limits of its effectiveness, Government spending is required to fill the output gap. Without a short-term targeted stimulus, there is little prospect of a sustainable demand led recovery. The human, social and economic costs (austerity is currently failing on its own terms; the deficit is likely to rise this year) will be significant and with us for decades to come.

In these circumstances the Scottish Budget cannot provide the type of stimulus spending that will bring the Scottish economy out of its current prolonged slump.

Scottish Budget

There are a number of areas where the STUC would like to see research undertaken to ascertain the effect of Scottish Government spend:

- Shifting revenue to capital: the STUC was broadly supportive of this measure in the current year's Budget but argued that it would not be sustainable over a longer period. To the best of our knowledge, no serious work has been undertaken to determine the net economic benefit to Scotland of this measure i.e. have any additional jobs created through higher capital spending more than offset any additional jobs lost due to pressure on revenue budgets? Has this measure placed additional strain on services with positive labour supply effects (standard childcare, breakfast clubs, after school clubs)?
- Similarly, what is the net economic and employment benefits of the council tax freeze? Has any boost to aggregate demand from lower taxation (the STUC has always argued this would be limited given the greater benefit to better off households) more than offset job losses, service cuts and higher charges in local authorities? What has been the labour supply impact of service cuts?
- Are measures consistent with the totality of the performance framework? In presenting his Budget, the Cabinet Secretary referred to the Scottish Government's 'relentless pursuit of economic growth'. But is the action outlined in the Budget Equality Statement sufficient to ensure that this growth is sustainable and fairly distributed, particularly to disadvantaged groups?

These concerns reflect a failure of Government at all levels to readjust their tools of economic analysis post crisis in order to ensure that the economic is developed to be fairer and more democratic, more stable and less prone to systemic crises.

Women's Employment Summit

Despite the STUC's reservations over the potential short-term impact of the Scottish Budget on short-term growth and jobs, we do believe the Scottish Government can exert a profound influence on the future prospects of women and other groups currently disadvantaged in the Scottish labour market.

On 12 September, the STUC and Scottish Government held a joint Women's Employment Summit to identify and act upon the barriers currently constraining women's full participation in the labour market. Discussions are ongoing over how to pursue effective action in areas such barriers to employment, workforce issues, childcare, research and analysis, enterprise and occupational segregation.

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 STUC
 1 October 2012