

WELFARE REFORM COMMITTEE

THE FUTURE DELIVERY OF SOCIAL SECURITY IN SCOTLAND

WRITTEN SUBMISSION FROM CLOSE THE GAP

1.0 Introduction

Close the Gap is a partnership initiative working in Scotland on women's participation in the labour market. Close the Gap works with employers, employees and policymakers to encourage and enable action to address women's inequality at work.

Existing employment support programmes do not address the barriers that prevent or restrict women's labour market participation. The devolution of powers on employability support therefore provide an opportunity for meaningful change that will benefit women, and we welcome the opportunity to submit evidence to the Committee's inquiry.

In considering the design of new employability services in Scotland, it is critical that the Committee takes a gendered approach. A gender impact assessment of the proposed delivery model, and programmes, must be undertaken to ensure that there is no differential impact on women who will be accessing services.

2.0 The Work Programme

2.1 Occupational segregation

The design of the Work Programme does not consider gendered occupational segregation when pairing jobseekers with mandatory work activity. Occupational segregation is one of the main causes of the gender pay gap, and is evident across the labour market. Stereotypical attitudes and assumptions about women's and men's capabilities in relation to paid and unpaid work results in the concentration of women in undervalued, low-paid jobs. This substantially diminishes women's earnings over their lifetime, and also reduces the pool of skilled workers available in local area labour markets.

Generic skills and employability programmes that do not consider occupational segregation are very likely to replicate gendered patterns of skills acquisition and employment which results in the clustering of women into low-paid, female-dominated jobs such as cleaning, caring and retail. This will entrench occupational segregation, and widen the gender pay gap. Occupational segregation impacts on women's pay and progression opportunities, and it restricts the choices available to them. Occupational segregation also functions as a drag on economic growth as women's skills are not being effectively utilised.

Programmes that provide gender-sensitive support to women are very likely to have an effect on women's economic activity. Employability support must also be tailored to take account of different groups of women such as disabled and refugee women, unpaid carers, and former carers. Examples of targeted initiatives to provide employment support to women include the former Women onto Work, which has now closed, and the Refugee Women's Strategy Group which has done specific employability work targeted at refugee women¹.

The process of reshaping the devolved Work Programme must therefore consider the complexities of women's lives, and address the gendered barriers that they face in entering paid employment. Women are more likely to have caring responsibilities for children, sick people, older people and disabled people, and therefore need flexibility in their employment so that they can balance work with their caring and family commitments.

Women's skills and experiences of the labour market must also be considered. After having children, or having to take time out of the labour market to care, many women find it difficult to find quality, flexible employment. Flexible working is less available in senior positions, and part-time work is predominantly found in low-paid, undervalued jobs such as caring, retail and administration, in which women dominate. While female educational attainment is consistently better, 57% of all women in employment are employed in medium to low or low-skilled occupations, compared with 37% of men², women are more likely to be under-employed than men. This means that many women are working below their skill level, as they are unable to secure the appropriate level of work they require to accommodate their other responsibilities. The Work Programme automatically channels skilled and experienced women into low-paid, female-dominated jobs. Employment support can help to address women's under-employment, and can work to ensure that women's skills are being effectively utilised, and that they are contributing to a high skill economy.

2.2 Women's caring responsibilities

New Income Support rules require single mothers to take part in work-focused interviews when their youngest child is one year old, and women with children as young as three or four can be required to undertake mandatory work activity. Recipients of JSA can be referred to Jobcentre Plus staff to complete unpaid placements of four weeks of up to 30 hours a week. Those who do not comply face sanctions.³

¹ Scottish Refugee Council (2014) *One Step Closer*
http://www.scottishrefugeecouncil.org.uk/assets/0000/9251/One_Step_Closer_FINAL.pdf

² Scottish Government (2015) *Maximising Economic Opportunities for Women*

³ Engender (2015) *A Widening Gap: Women and welfare reform*

Current provision of childcare is entirely insufficient to meet the needs of all women who are categorised as 'economically inactive'. This means that not all women are able to meet the requirements of the programme, and will therefore be subject to sanction.

Safeguards which are currently set down in regulation aim to ensure that work availability requirements placed on parent jobseekers reflect their caring responsibilities. However, evidence suggests that these are not always being applied correctly. Under Universal Credit, the parent flexibilities will be significantly reduced, and detailed in guidance as opposed to regulation, further eroding the limited safety net in place.⁴

Assessments must ensure that assumptions, based on gender stereotypes, are not made around women's abilities and preferences. Instead employment support services should proactively address gendered occupational segregation to ensure that women are not automatically funnelled into female-dominated, low-paid jobs.

As women still do the majority of unpaid caring, childcare is one of the most immediate barriers to women's equal labour market participation. Access to good quality, affordable childcare is essential to enable women to work outside the home. There is evidence that, because of other pressures on family budgets, including those caused by 'welfare reform', an increasing number of women are dropping out of the labour market because childcare has become too expensive. A quarter of parents in severe poverty in the UK have given up work and a third have turned down a job mainly because of high childcare costs.⁵ It is therefore essential that in the assessment of employment support is gender-sensitive and considers women's caring responsibilities.

2.3 Payments by results model

Models which incorporate payment by results significantly disadvantage women. Women experience a number of gendered barriers including access to affordable childcare, a lack of flexible working practices, and stereotyping about their abilities and preferences. Women are more likely to leave a job when they are unable to balance work with caring responsibilities. This is particularly the case for lone parents, 91% of whom are women. Evidence from the National Audit Office shows that providers spend less on groups of people with more diverse and complex needs such as women and disabled people. This suggests within the parameters of a payment by results model providers are investing where they can achieve results, and payments,

⁴ The Fawcett Society (2015) *Where's the Benefit? An independent inquiry into women and Jobseeker's Allowance*

⁵ Close the Gap (2012) Briefing on women and work

more easily.⁶ This serves to create further barriers which restrict or prevent women's labour market participation.

2.4 Equality training for providers

It is presently unknown whether the responsibility for employment support delivery will lie in the public, private or third sector. Public authorities are obliged by the public sector equality duty to proactively advance equality and address discrimination, and a public sector delivery agency would be required to address the inequalities women experience in accessing employment support services. A public sector delivery agency can also make considerable impact in relation to the commissioning and monitoring of service contracts it awards to private and third sector providers. Providers should only be awarded contracts if they can provide evidence that they are taking meaningful and substantive action to address occupational segregation, and they ensure that women's caring responsibilities are accommodated.

⁶ Third Sector Employability Forum (2015) *Response to Scottish Government consultation on employability in Scotland*