

Women, work and wages in the UK

Understanding the position of women in the UK labour market and the need for an effective policy response

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Introduction

The labour market position of women has been generally improving, with higher employment rates and increases in earnings. However, on these measures, women still fare worse in the jobs market: the formal employment rate for women is lower and female weekly earnings are still less than 70% of male weekly earnings. There continue to be significant barriers to women's entry into the workforce, and most importantly, into high paid, secure, quality jobs.

This report assembles some of the key trends on earnings and employment for women in order to assess how much progress has been made and to what extent women are becoming more or less disadvantaged. It considers some of the longstanding challenges facing women in the labour market against the headline indicators of employment rates and pay, as well as some of those areas that have been the subject of much labour market discourse in the UK since the financial crash of 2008 - such as underemployment and insecurity of employment.¹

The data analysis set out in this report has been carried out by New Policy Institute (NPI) and is based upon a scoping out of key labour market trends and challenges conducted by Oxfam. The data analysis undertaken as a result provides a detailed overview of the current position of women in the UK labour market. We recognise that there are further areas of data exploration that are relevant to labour market policy debates but that did not fall within the parameters of this project.

The report reflects on the findings of Oxfam's Decent Work Research Project in Scotland. This participatory research project involved over 1500 low paid employees exploring the question: *What does decent work mean to you?* Further participatory and qualitative research will need to be undertaken and sit next to data analysis projects such as that which is presented here but the analysis presented in this report allows us to discuss an emerging policy agenda aimed at improving the position of those women who are towards the bottom of the labour market.

In respect of an emerging policy agenda, this report sets out the different policy areas and responses that, if brought together within a clear strategy at central government level aimed at improving the position of women, has the potential to significantly improve labour market outcomes for women and also to address poverty, social mobility and living standards. This report provides a foundation for future work that aims to understand the position of women in the UK labour market and explore how policy and practice can improve it.

Overview and summary

In recent years UK labour market trends have resulted in the emergence of two strikingly different narratives.

The first, focussing on headline employment indicators of unemployment and employment rates, tells a positive story. The expected negative impact of the 2008/09 recession on these measures was not as great as at first feared or as great as previous recessionsⁱⁱ and the UK has enjoyed significant employment growth in recent years.

The second narrative involves a more detailed analysis of labour market data and suggests a much more complex and challenging picture.ⁱⁱⁱ The rise of in-work poverty, prevalence of low pay, the increase in the use of zero-hours contracts and evidence that the significant rise in self-employment masks insecurity of income are all causes for concern. These concerns can be seen as the culmination of the long-term effect of globalisation and of UK economic policy exacerbated by the impact of the financial crash.

This report explores these issues from a gender perspective. There is a clear case for focussing on women's employment as a means of addressing poverty and living standards. Women's poverty matters because of the effect it has on women themselves but also on their wider family. Women's and children's poverty is inextricably linked and in low income families, it is often women who act as managers of family finances, shielding their children from the worst effects of poverty.^{iv} Just as the increase in female employment from the late 1960s and in the years up to the financial crash of 2008 helped boost living standards, future improvements in the position of women in the jobs market, particularly towards the bottom of the labour market, will have a significant effect on future living standards in the UK.^v Addressing gender inequalities at work would also reap wide economic benefits. The gender pay gap has a significant impact on the UK economy, contributing to the loss of between £15 and £23 billion of GDP every year.^{vi}

Key findings from this project underline considerable inequalities that remain:

- Working-age female employment rates have risen by 6 percentage points to 69% since 1995, and weekly earnings growth has been stronger for women than men, but the formal employment rate for women remains lower and female weekly earnings are still less than 70% of male weekly earnings.
- Women are more likely to be low paid than men, with low pay rates of 25% for employee women compared to 15% for men. There are 3.1 million low paid women: 62% of all low paid employees.

- Women with low or no qualifications have much lower employment levels than equivalent men.
- The employment rate for mothers in couples is 20 percentage points lower than for fathers; single mothers also have a lower rate than single fathers.
- There has been a growth in self-employment for women, now up to one in ten working women. A majority of these (54%) are part-time, in contrast to 13% of self-employed men.
- Over half of workers on zero-hours contracts are female – 350,000 women or 2.7% of the female workforce.

These findings suggest that longstanding challenges in respect of female pay and employment rates remain. Progress in these areas is too slow. Some of the recent negative developments in the labour market disproportionately affect women and therefore there is a strong case for a more gender focussed labour market policy.

There is an emerging UK government agenda on which we can build to develop a clear strategy for improving the position of women in the labour market. For example, policy in the areas of childcare, apprenticeships and gender pay gap reporting has the potential to be improved so that a clear gender focussed strategy can be developed by central government. Policy areas that should form the basis of a gender focussed strategy include:

- Pay
- Skills and progression, including apprenticeships
- Women and caring responsibilities; including childcare and maternity and parental leave
- Employment support
- Social security (including a focus on boosting work incentives)
- Greater employee involvement in the running of organisations
- Workers' rights and protections, and
- Broader job design that promotes 'decent work'.

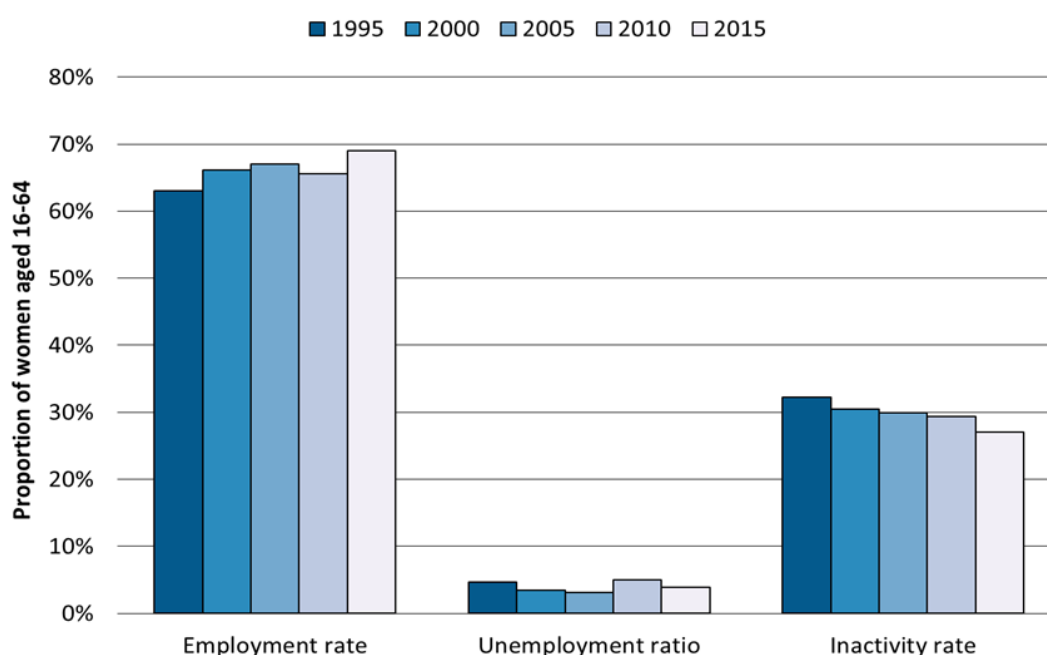
Alongside a focus on Westminster government policy interventions, opportunities are emerging to improve policy and practice through a focus on policy interventions at a devolved level and through the adoption of decent work practices by employers. Whilst this report primarily focusses on Westminster level policy responses, it is important that devolved governments in Wales and Scotland and the emerging sub regional governments in different parts of England embed a gender focused

approach in their economic development strategies and wider policy approaches relevant to the labour market and anti-poverty strategies. Similarly, employers can work with employees, trade unions and others to consider how best to improve terms and conditions for paid workers low. A focus on boosting pay, increasing opportunities for progression and offering greater job security in traditionally low paying sectors could have a marked impact on the experience of women in the jobs market.

The employment rate and average earnings for women

This section looks at statistics which sum up the average position of women in the labour market and how this has changed over the last number of years. In 2015, 69% of women were employed and the average weekly earnings for women were £325, well below the male figure of £470.

Figure 1: The labour market status of women over time

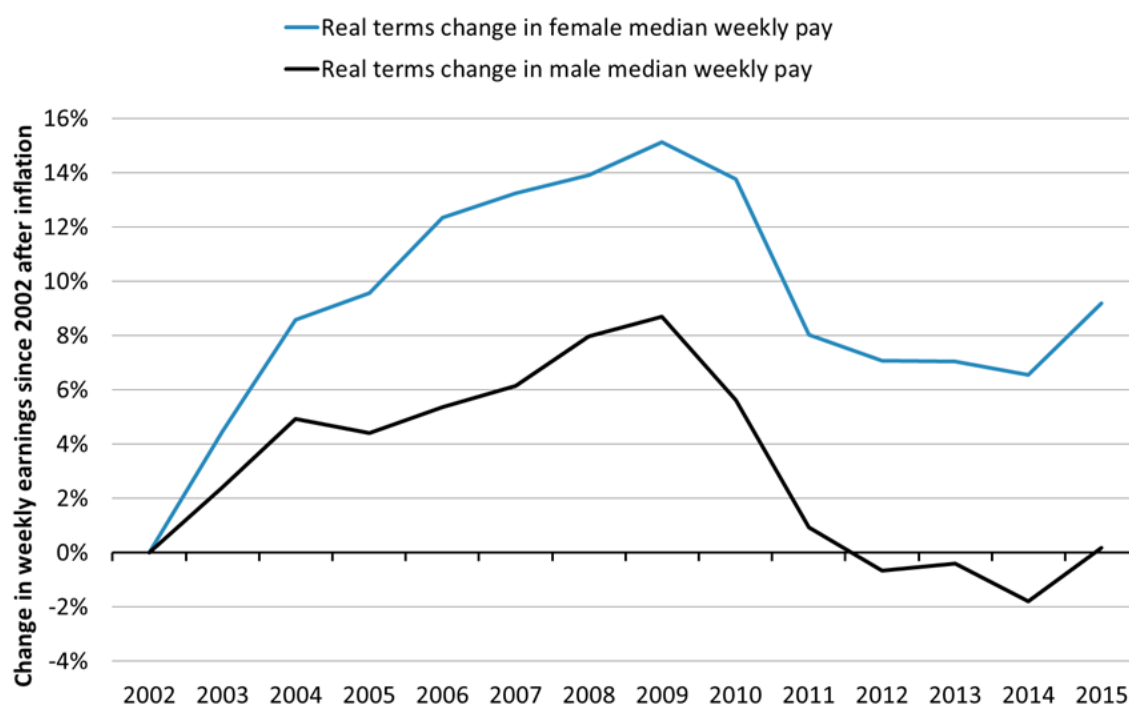


Source: Labour Market Statistics, ONS.

Female participation in the labour market has been rising over the last 20 years, and indeed for a longer time period not covered by the graph. Figure 1 shows that the employment rate for working-age women has risen from 63% in 1995 to 69% in 2015. This has nearly all been as a result of a falling inactivity rate, which has declined from 32% to 27%.

There was a slight blip between 2005 and 2010 for the otherwise increasing employment rate as a result of recession: this was mostly reflected in the unemployment ratio increasing from 3% to 5% rather than a rise in economic inactivity.

Figure 2: Change in median female and male earnings relative to 2002



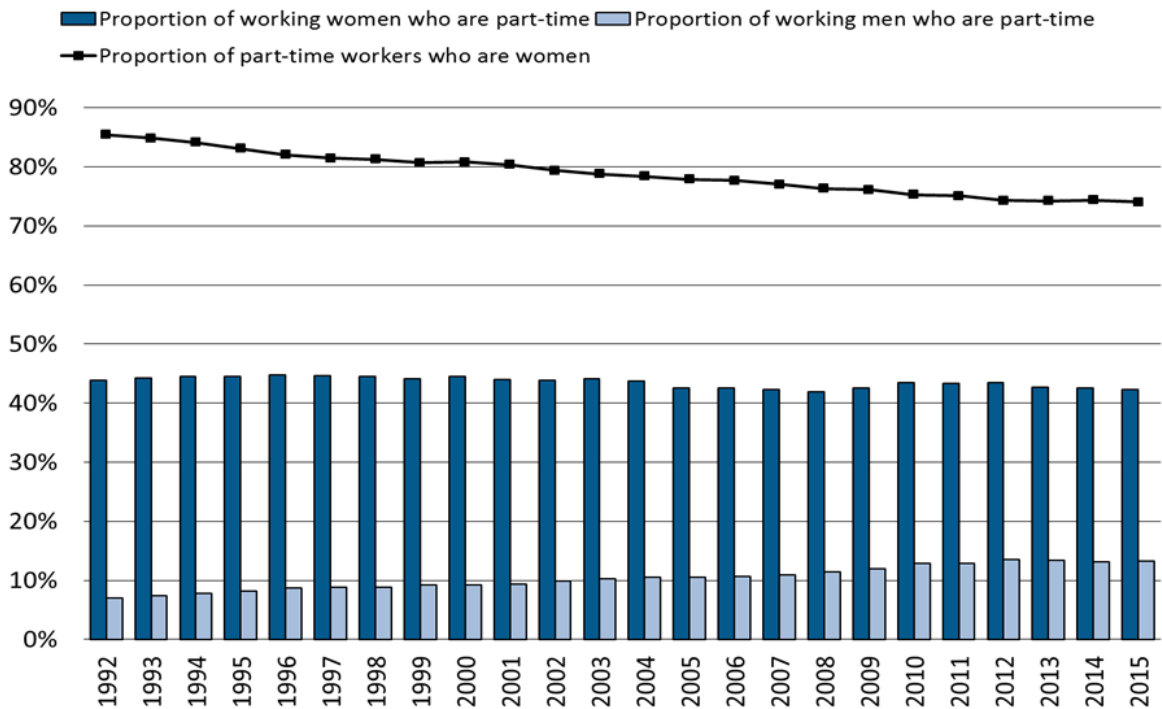
Source: Annual Survey of Hours and Earnings via NOMIS; Consumer Price Inflation, ONS. The inflation measure used is the Consumer Price Index.

Figure 2 looks at how weekly earnings for women and men, excluding overtime and after inflation, have changed year by year since 2002. The figures are compared with 2002: female weekly pay is 9% higher in 2015, whereas male weekly pay is almost exactly the same. This still represents strong falls from the pre-recession peak: in 2009, female pay was 15% higher than in 2002 and male pay was around 9% higher.

While the female weekly pay performance has been stronger, female weekly pay is still much lower: £325 per week compared with £470 for men. This gap has been narrowing, and partly reflects that women are more likely to work part-time than men.

Part-time work

Figure 3: Trends in part-time working



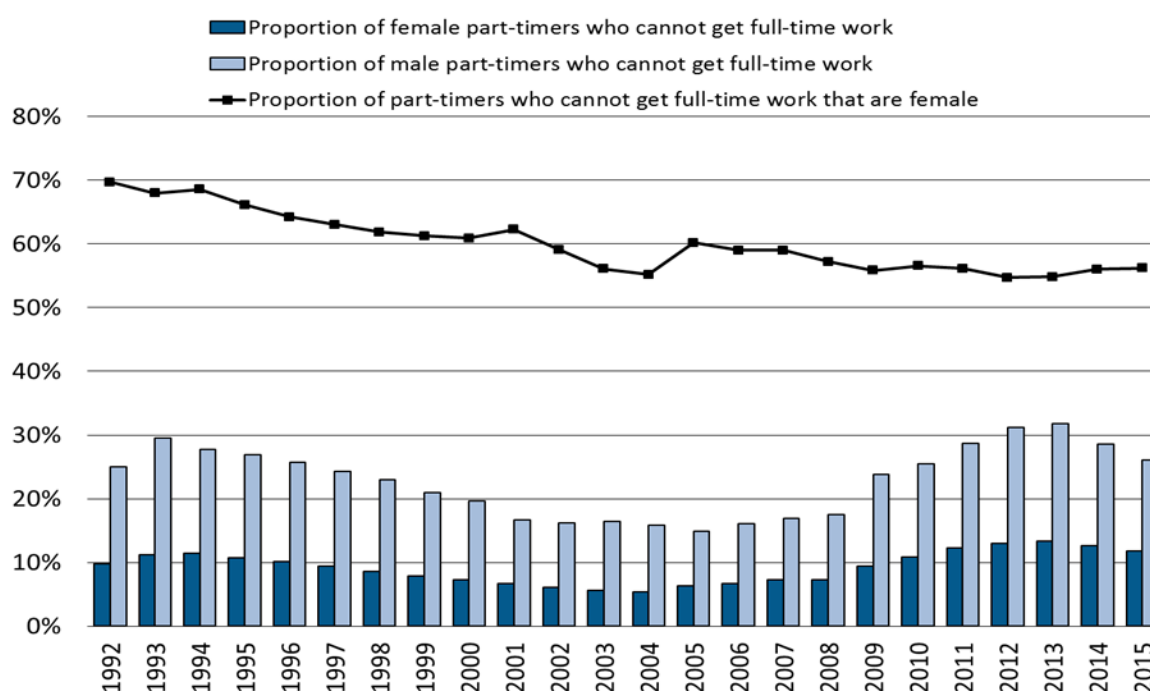
Source: Labour Market Statistics, ONS. The data is for the UK.

This graph shows the major trends in part-time working since the early 1990s. The bars indicate the proportion of men and women that work part-time, whereas the line indicates the proportion of part-time workers that are women.

The proportion of the female workforce that is part-time has stayed fairly constant over this period at between 42-44%. Part-time working has become more common for men, rising steadily across the period from 7% in the early 1990s to around 13% in 2015. As a consequence, this means that the part-time workforce is becoming less female: it was previously around 85% female, but was 74% female in 2015. However, part-time work is still overwhelmingly carried out by women.

Figure 4 considers those who are working part-time because they are unable to find full-time work. Again, the bars show the proportion of either male or female part-timers who are unable to find full-time work and then the proportion of part-timers unable to find full-time work that are female. We are interested in this indicator as a measure of underemployment, i.e. people not working as much as they would like to.

Figure 4: Part-time working involuntarily



Source: Labour Market Statistics, ONS. The data is for the UK.

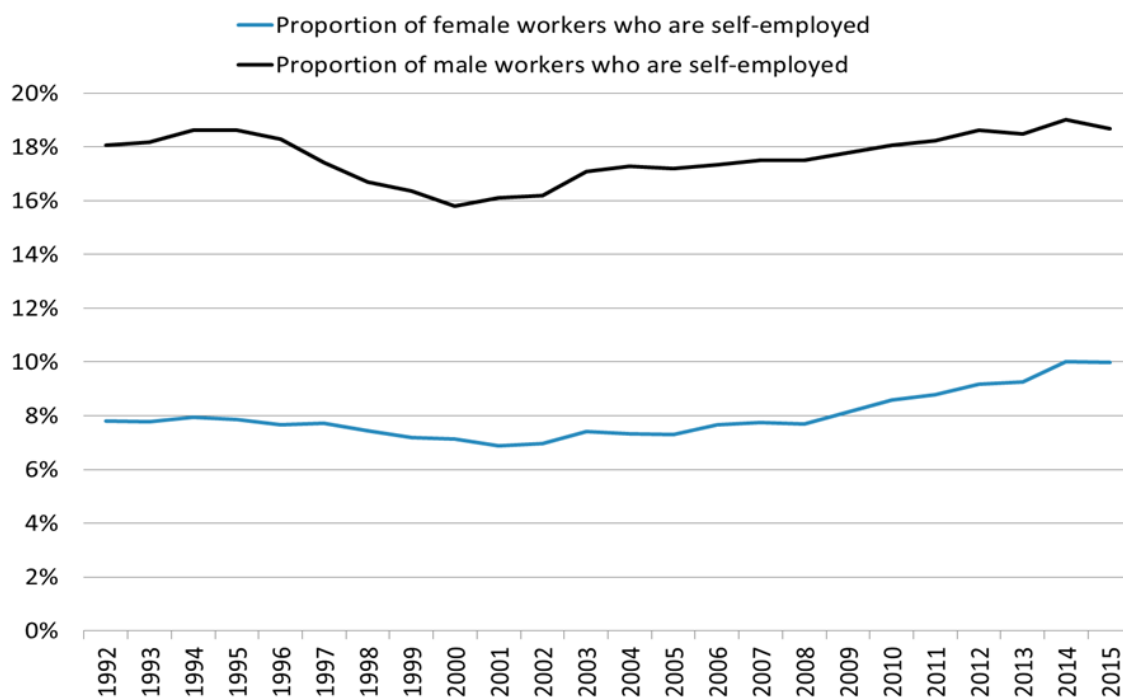
The graph has several key points. The first is that a larger proportion of male part-timers are unable to find full-time work: 26% in 2015, compared to 12% for women. However, the proportion in this situation is much larger for both sexes when compared with before the recession. In 2007, for example, it was 17% of male part-timers and 7% of female part-timers who were unable to find full-time work, though the proportion has fallen for both since this measure peaked in 2013.

One consequence of the growing proportion of men working part-time is that this measure of underemployment has become less female dominated: previously 70% of underemployed part-time workers were women, now the figure is around 56%. This does, however, mean that women still make up the majority of those working part-time as a result of being unable to find full-time work.

Another aspect with a gender dimension is those working part-time as a result of sickness or illness: 59% of this group were female in 2015, equivalent to 2% of all female part-time workers.

Self-employment

Figure 5: The rise of female self-employment



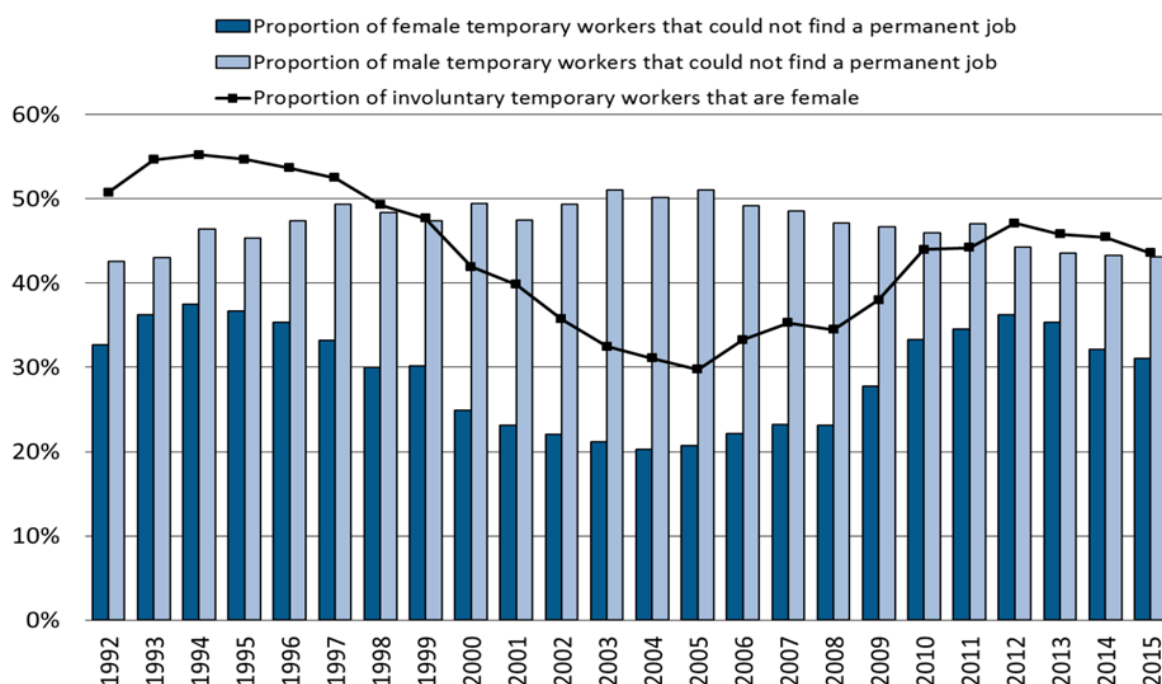
Source: Labour Market Statistics, ONS. The data is for the UK.

Men are more likely to be self-employed than women, with 19% of men working for themselves compared to one in ten women. Both have seen significant increases since the early 2000s, the low point for self-employment in this time series. In 2000, 7% of female workers were self-employed along with 16% of male workers, meaning three percentage point increases for both men and women in this type of work as a share of the total.

However, female modes of working as self-employed are quite different than for men: over half of women working for themselves are doing so part-time (54%), compared to a minority of men (13%).

Insecure work

Figure 6: Temporary Contracts



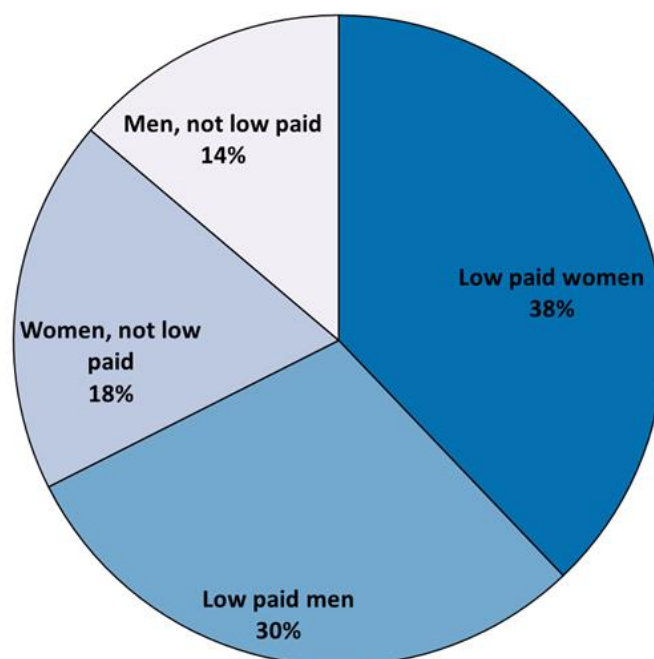
Source: Labour Market Statistics, ONS. The data is for the UK.

7% of working women are employed on a temporary contract, equivalent to some 870,000 women. This is largely the same as for men, with 7% of the male workforce or 810,000 workers. Temporary working had been more common amongst women during the 1990s.

Figure 6 shows the proportion of temporary workers that cannot find permanent work by gender, and the gender composition of this group. The first thing to note is that male temporary workers are much more likely to want but not get permanent work: 43% in 2015 compared to 31% for women. This gap was particularly large in the early 2000s: for example, in 2003 half of male temporary workers wanted but were unable to get permanent work, compared to just over 20% of female temporary workers. However, the proportion of female temporary workers who wanted a temporary contract rose quite sharply: from 23% in 2007 to 36% in 2012, though it has since fallen away to 31%.

44% of involuntary temporary workers were women in 2015: 270,000 women compared to 350,000 men. Women had been a majority of this group in the 1990s when temporary working was more common for women than men, though the figure had dropped to 30% by 2005 before rising again during the recession. In general, men are more likely to report wanting a permanent position if employed temporarily.

Figure 7: Zero hours contracts



Source: Labour Force Survey, using the April-June and October-December quarters for 2014 and 2015.

On average in 2014 and 2015, 270,000 men and 350,000 women reported being on a zero-hours contract: a 56-44 split towards women. 2% of male workers are employed on a zero-hours contract compared to 2.7% of female workers.

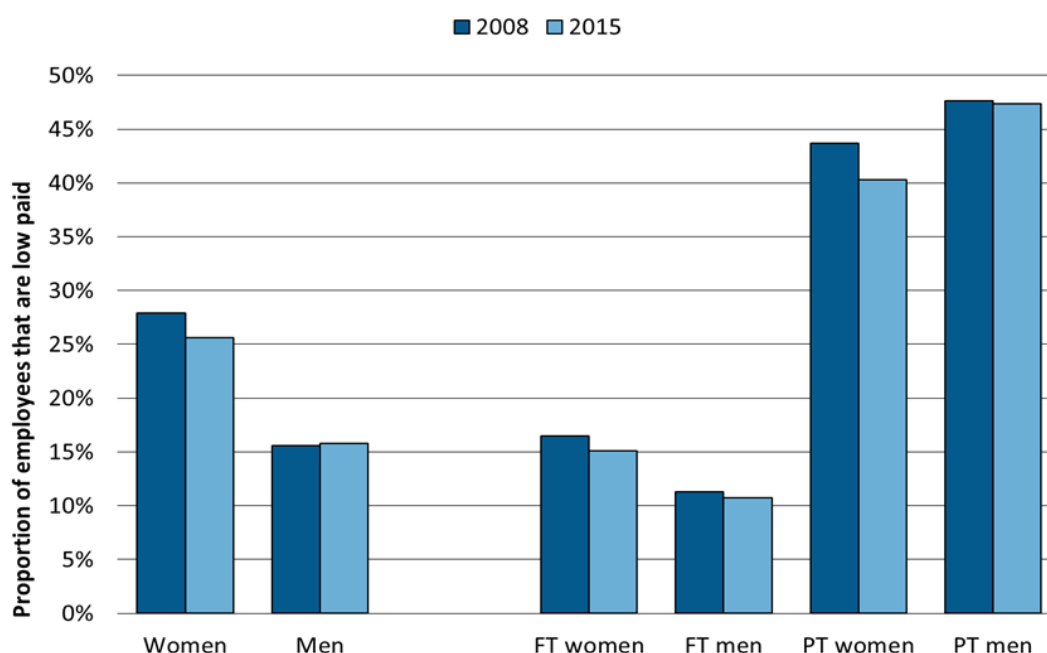
Figure 7 shows breaks down workers on zero-hours contracts by sex and whether they are paid above or below two-thirds of the GB median hourly pay rate. A majority – 68% - of those on zero-hours contracts are low paid. Low paid women make up nearly two-fifths of all of those on zero-hours contracts. The low pay dimension does not vary by gender: 67% of women on zero-hours contracts and 68% of men on them are low paid.

Low pay and the earnings distribution

This section looks at inequalities in pay between men and women. Women are more likely to be low paid. Women are also generally paid less per hour across the earning distribution.

Low pay

Figure 8: Proportion of male and female employees that are low paid



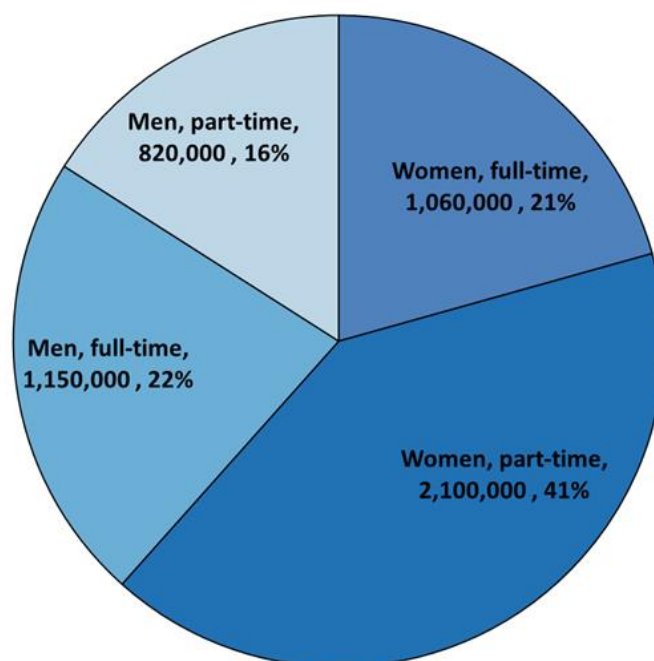
Source: Annual Survey of Hours and Earnings via NOMIS, ONS.

Women are more likely than men to be low paid. Low pay here is defined as earning less than two-thirds of the Great Britain median hourly wage rate excluding bonuses: a value of £7.87 in 2015. The low pay rate for women on this measure was 25% in 2015, compared to 15% for men. However, since 2008 and the recession, the proportion of women who are low paid has declined from 28%, whereas there has been almost no change for men.

Women are more likely to be low paid than men if they work full-time, with 15% below the hourly threshold compared to 11% for men. Women who work part-time, on the other hand, are less likely to be low paid than part-time men at 40% compared to 47%. The low pay rate for both full-time and part-time female employees has fallen. The biggest differences in low pay are not between men and women (though of course these are significant), but instead between full-time and part-time work.

Figure 8 looks at the composition of the low paid population. There were around 5.1 million low paid employees in 2015: 62%, or 3.2 million of them, were women. Four in ten low paid employees are women working part-time.

Figure 9: Low paid employees by gender and hours worked



Source: Annual Survey of Hours and Earnings via NOMIS, ONS.

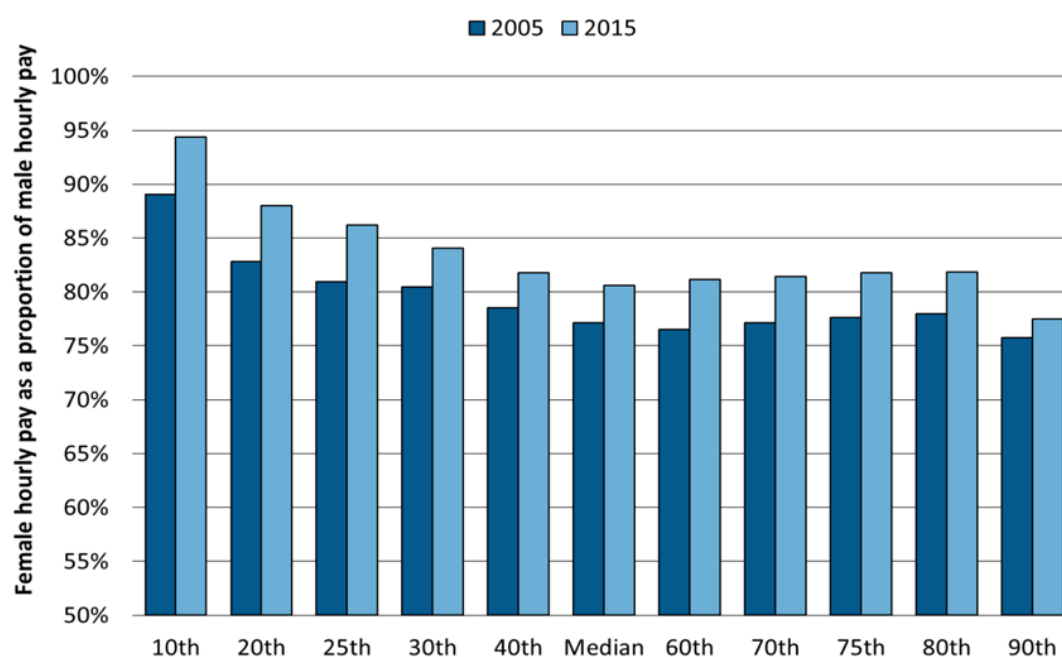
Figure 9 shows that women working part-time are slightly less likely to be low paid than men. The groups are very different in size: 43% of employee women work part-time, compared to 14% of men.

Another dimension of interest is the persistence of low pay. Data on this problem is not easily available, though a Resolution Foundation study did consider gender in this regard^{vii}. They found that 33% of low paid women in 2012 had been stuck in low pay over the previous decade, compared to 21% of men.

Gender pay gaps

The previous section focused on low pay among women over time and compared to men. This section considers the rest of the pay distribution, where women are also disadvantaged.

Figure 10: Female hourly earnings as a proportion of male hourly earnings across the distribution



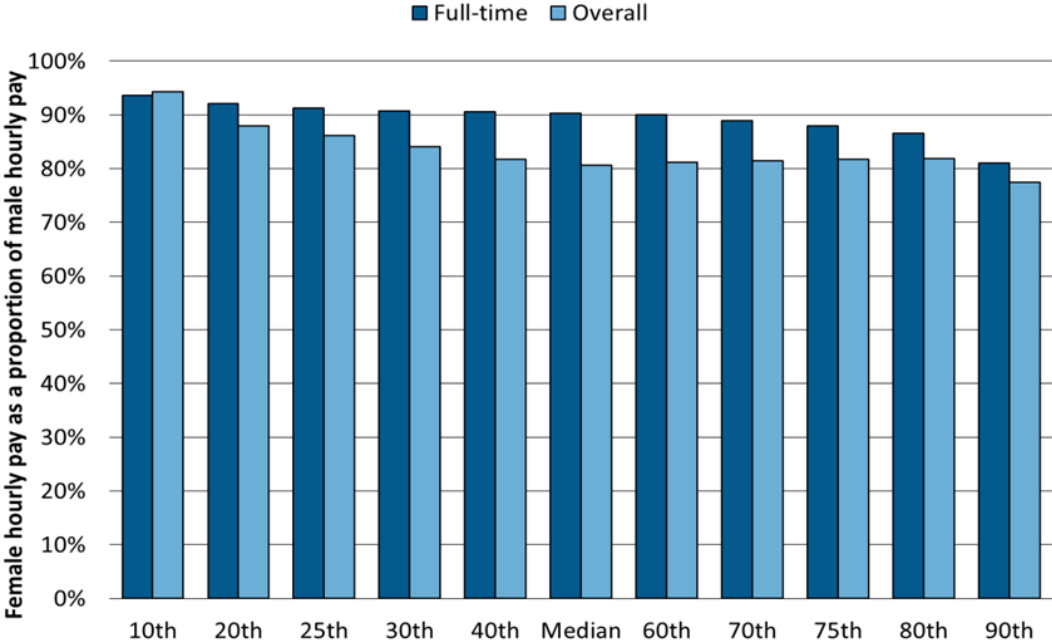
Source: Annual Survey of Hours and Earnings via NOMIS, ONS. Note the Y-axis is truncated to allow easier examination of the trends.

Figure 10 shows female pay as a proportion of male across the earnings distribution. The median female employee has an hourly pay rate of 80% of the male hourly pay rate. However, this pay gap has narrowed when compared with ten years before, when the female average was 77% of the male figure. Compared with 2005, the pay gap has narrowed more at the bottom of the distribution. At the 10th, 20th and 25th percentiles, the female pay rate rose by around five percentage points as a proportion of the male pay rate. At the median and higher areas of the earnings distribution, the increase was around three or four percentage points when compared to male earnings.

The pay gap is narrowest towards the bottom of the earnings distribution, and tends to widen as pay increases. For example, at the 10th percentile in 2015, the female hourly pay rate is nearly 95% of the male 10th percentile whereas at the 90th percentile it is only 77% of the male figure. The similarity at the bottom is likely due to the common influence of the minimum wage.

The previous section noted that women are more likely to do part-time work, which also tends to pay less. An alternative perspective is to see whether how big the gap is for women working in full-time jobs, as in figure 7.

Figure 11: Female hourly pay as a proportion of male hourly pay overall and for full-time work only



Source: Annual Survey of Hours and Earnings via NOMIS, ONS. Note the Y-axis is truncated to allow easier examination of the trends.

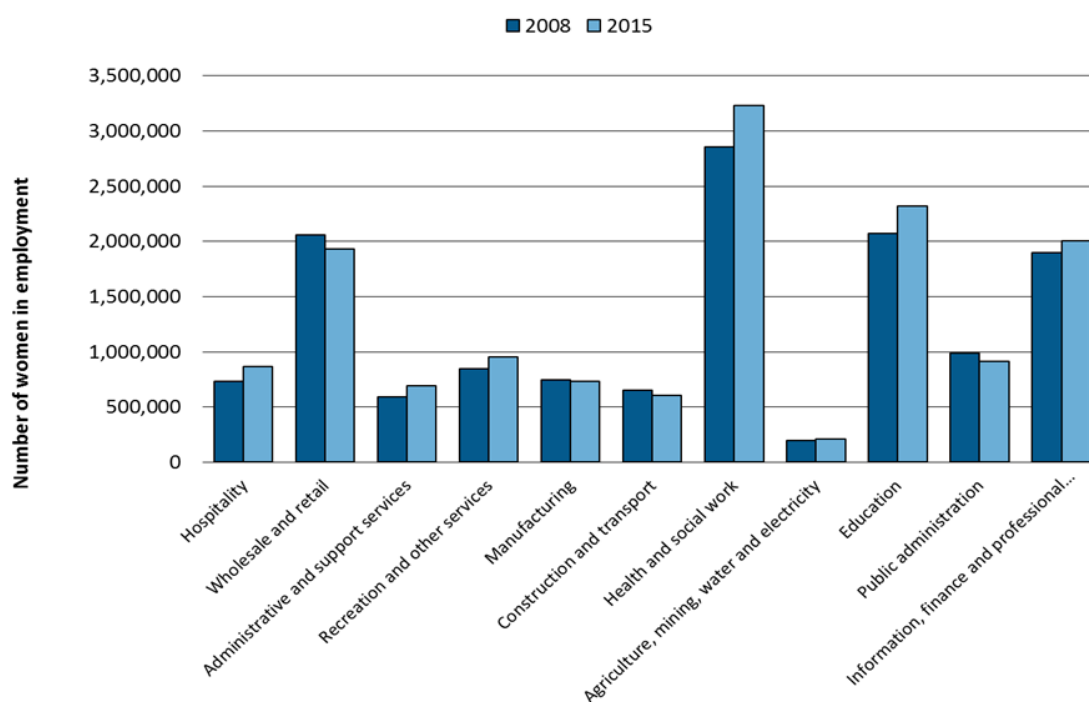
This graph suggests that part of the gender pay gap does not disappear once controlling for part-time work. The pay gap does narrow when looking only at full-time work, with full-time women earnings 90% of the male median rather than 80%. However, this gap still grows towards the top of the earnings distribution, with women at the 90th percentile paid four-fifths of the equivalent male rate.

The greatest differences in the distribution between overall and full-time employment are in the middle. This is likely because there is a common influence at the bottom – the national minimum wage, and at the top, there is very little part-time employment.

Types of work

This section looks at the types of work that women do in terms of the number of hours worked, the sectors they work in, and on dimensions of insecurity.

Figure 12: Sectors of the economy where women work



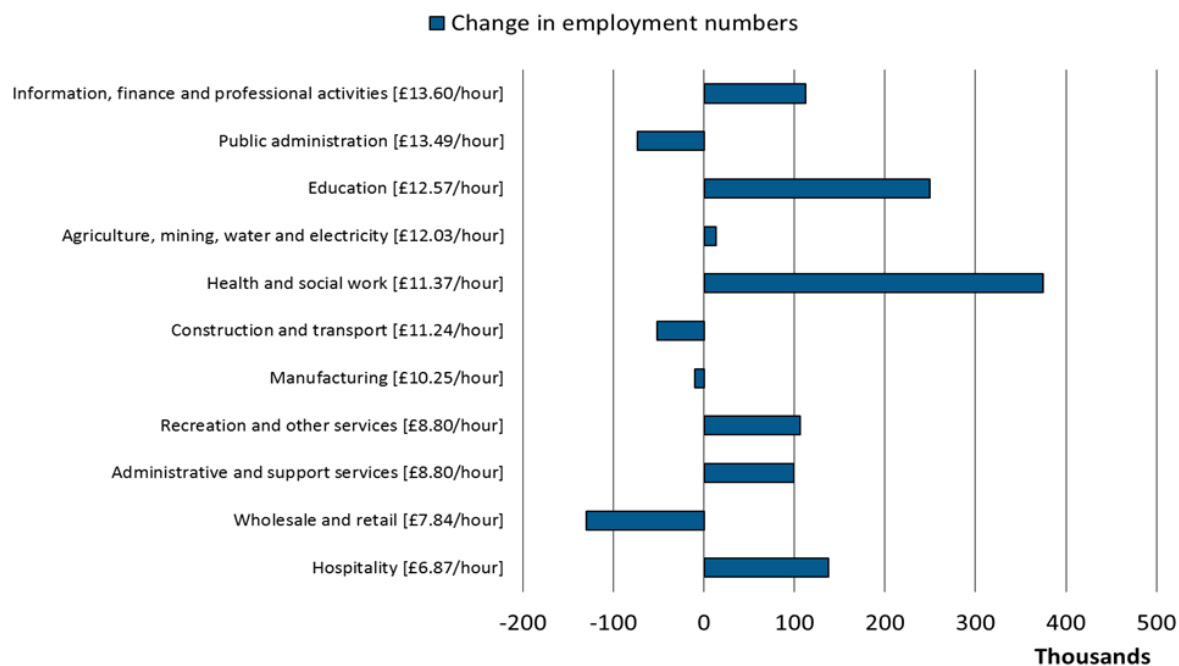
Source: Labour Market Statistics, ONS. The data is for the UK

Figure 12 shows the number of women in employment in a series of industrial sectors in 2008 and in 2015. In 2008, there were 13.7 million women in employment. This rose to 14.6 million by 2015. The most important sectors for female employment are health and social work (3.2 million workers) and education (2.3 million workers). 'White collar' work such as information and professional services is also a large sector, with 2 million workers, as is wholesale and retail work at just under 2 million.

Between 2008 and 2015, health and social work (including care) grew the most of any sector, with an additional 370,000 women in employment. Education also grew substantially at 250,000 extra women in employment, with smaller increases for white collar services, hospitality, administrative and support services and recreation. 130,000 fewer women were working in wholesale and retail in 2015 than in 2008, and around 70,000 fewer were working in public administration.

Figure 13 looks at the changes in these industrial employment totals ranked by the median female pay rate of the industry.

Figure 13: Change in employment sectors by female median pay rate

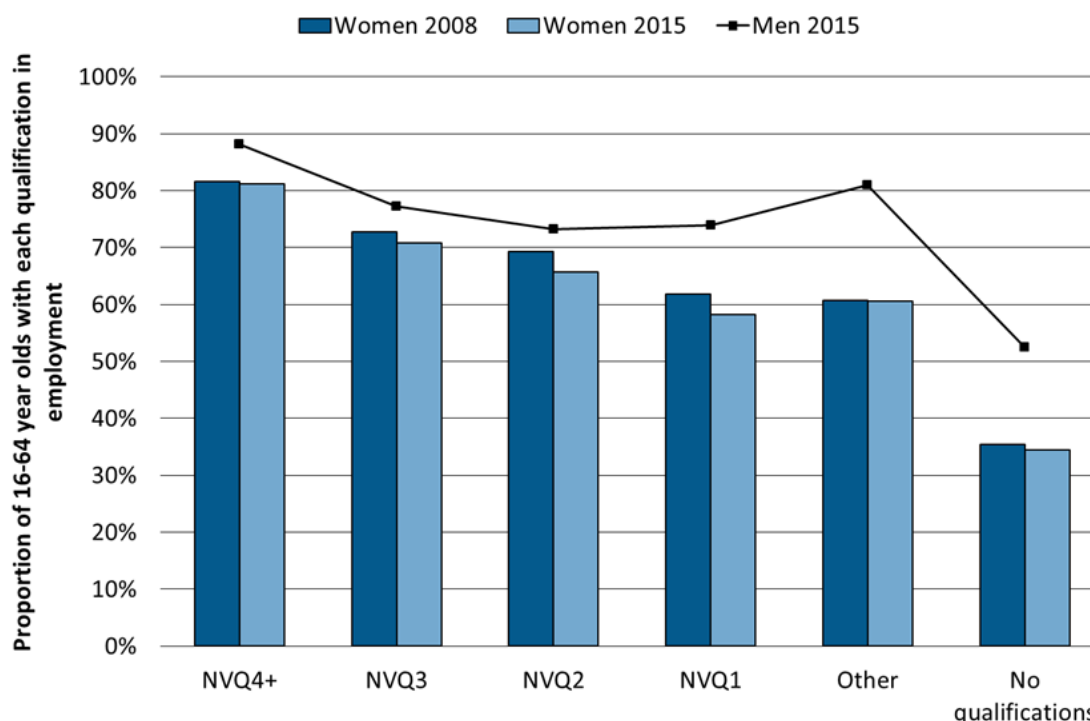


Source: Annual Survey of Hours and Earnings; Labour Market Statistics, ONS. The data is for the UK.

There has been strong employment growth in relatively high paying sectors for women (education, health and social work) and weaker growth in some low paying sectors, such as hospitality, and administrative and support services. This is consistent with the generally improving pay position found in the first section of this report.

Employment and qualifications

Figure 14: Employment rate of men and women by highest level of qualification



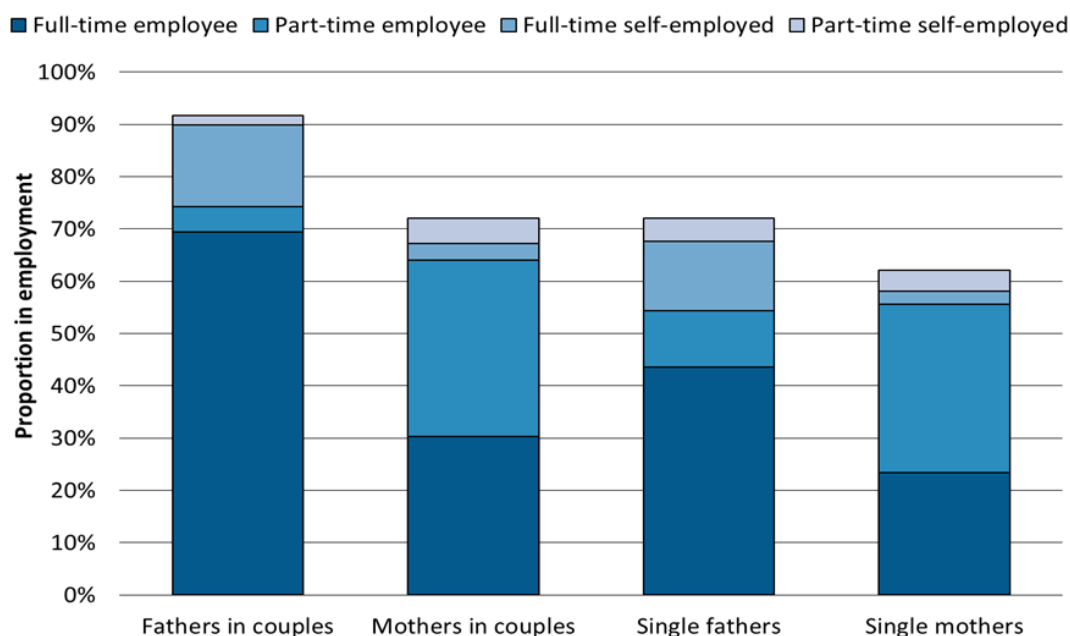
Source: Annual Population Survey via NOMIS.

Figure 14 shows the employment rate for women by qualification in 2008 and 2015, and the employment rate for men in 2015. There have been slight falls in the employment rates for women with NVQ1 (equivalent to GCSEs grade D-G) to NVQ3 (A-level equivalents) as their highest qualification, and no change for other groups. But the greater differences exist between women and men in 2015. The employment rate gap between men and women tends to be larger at lower levels of qualifications. For those with NVQ2 to NVQ4+, men have an employment rate that is six or seven percentage points higher. For NVQ1, it is 16 percentage points; for other qualifications it is 20 percentage points, and for those with no qualifications, it is 18 percentage points. Women with lower levels of qualifications tend to have much worse employment outcomes.

Employment and earnings for parents

This section looks at employment and pay for parents, in order to assess the level of disadvantage between mothers and fathers.

Figure 15: Parental employment rates



Source: Labour Force Survey, ONS. The data is for 2015.

There are around 14 million working-age parents in Britain, the vast majority live with a partner (12 million). Among the 2.2 million single parents, over 90% (2.0 million) were women. The graph above shows how employment rates among parents varies by sex but by whether they are a single parent or live with a partner.

At 92%, fathers in couples have by far the highest employment rate of all parents. The vast majority are in full-time work (only 7% of fathers in couples work part-time).

The employment rate among mothers in couples, at 72%, is the same as single fathers. But the type of work is very different between these two groups. Among mothers in couples more than half of those who work are part-time compared to a small minority of working single fathers (39% of women in couples work part-time compared to 15% of single fathers).

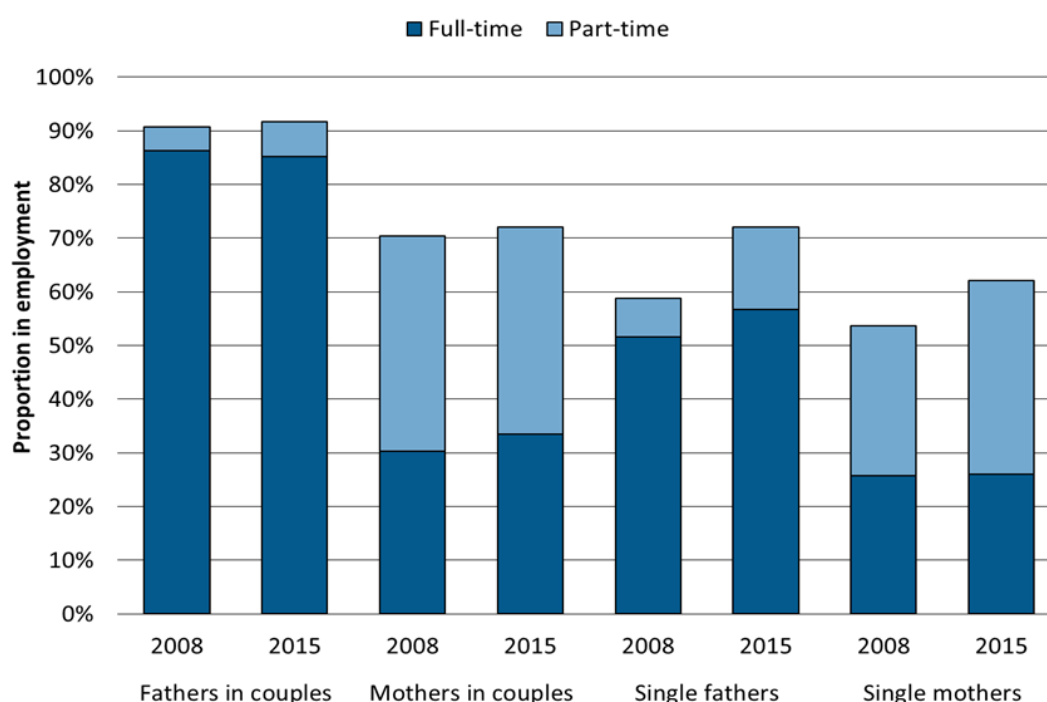
Single mothers have the lowest employment rate among parents at 62%. Like women in couples, more than half of those who work do so part-time (26% worked full-time and 36% worked part-time).

Single mothers and fathers have a lower employment rate than their counterparts in couples but there is little difference in the hours worked. Meanwhile single mothers

and those in couples have a lower employment rate than their male counterparts and are more likely to be working part-time.

Another key difference between fathers and mothers is self-employment. Only 8% of mothers in couples and 6% of single mothers are self-employed, half the proportion among fathers (17% and 18% respectively). In fact a higher the proportion of single mothers are employees than single fathers (56% compared to 54%); the overall employment rate for single fathers is higher due to self-employment.

Figure 16: Change in parental employment rates



Source: Labour Force Survey, ONS.

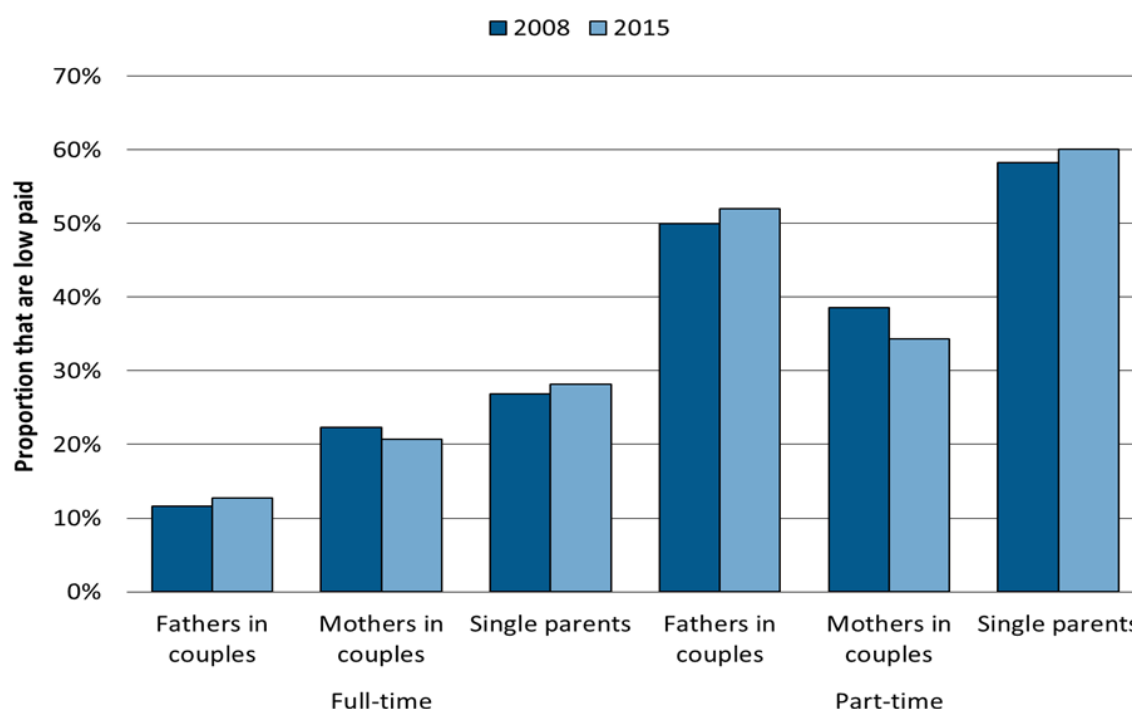
The next graph looks at how this changed between 2008 and 2015. Compared to 2008, the employment rate for fathers and mothers in couples was slightly higher in 2015. For men the increase was in part-time work, whilst for mothers the increase was in full-time work. So the gender gap between couple parents in full- and part-time work is slightly smaller than it was.

There has been a much more noticeable increase in the employment rate among single mothers and fathers, up by 8 and 13 percentage points respectively¹. Among single fathers the increase in employment was in full- and part-time work, whilst among single mothers all of the increase was in part-time work.

¹ However, the small number of single fathers means that some of this change may be down to natural fluctuations in the survey data

Overall then, between 2008 and 2015 mothers in couples saw a small increase in full-time employment and single mothers saw a large increase in part-time employment.

Figure 17: Proportion of employees with children who are low paid



Source: Labour Force Survey, ONS.

Figure 17 shows the proportion employee parents that are low paid. Among that working-full time, the highest rate of low pay is for single parents at 28%, more than double the rate for fathers in couples at 13%. A fifth of mothers in couples working full-time were low paid (21%).

Regardless of sex, low pay among parents is much more common among those working-part time. More than half of fathers in couples working part-time are low paid (52%), more than the proportion for mothers in couples (34%) but single parents still have the highest rate of low pay (at 60%).

Despite the high levels of low pay among fathers in couples working part-time their overall rate of low pay is 15% as very few work part-time. Nonetheless there are more low paid fathers in couples (705,000) than single parents (570,000). But the largest group of low paid parents are mothers in couples at 1.1 million. Of the 2.3 million parents that are low paid in Britain, 69% are mothers (1.6 million).

Compared with 2008, has been little change in the level of low pay across all parental and work arrangements, so the differences that exist today are very similar

to 2008. The most notable change has been a fall in the proportion of low paid mothers in couples working part-time, which in 2015 was 4 percentage points lower than in 2008 (when it was 39%).

Policy discussion

In light of the findings set out in this report there is a strong case for a more gender focussed employment strategy. This would involve policy giving greater attention to the position of women in low paying jobs. There is an emerging UK government agenda on which we can build to develop a clear strategy for improving the position of women in the labour market. For example, policy in the areas of childcare and gender pay gap reporting has the potential to be improved so that they have a greater impact of labour market gender inequalities.

Additionally there are a number of existing policy areas that could more explicitly have a gender approach, such as apprenticeships and social security reform. Incorporating policy in these areas into a wider gender focussed employment strategy that explicitly aims to reduce the proportion of women in low paid jobs, close the gender pay gap, improve job security and increase opportunities for women to progress in work would help address poverty and inequality and boost living standards.

The following sets out discussion in a range of relevant policy areas.

Pay

The gender pay gap remains stubborn and persistent. Tackling low pay can significantly reduce the gender pay gap and the introduction of the £7.20 National Living Wage is estimated to speed up reducing the gender pay gap by up to one fifth.^{viii} Widespread adoption of the voluntary Living Wage would speed up this reduction^{ix} and would result in other benefits such as a reduction in the social security bill^x and increased productivity and staff retention.^{xi} Central and devolved governments can lead the way through adoption of the voluntary Living Wages and ensuring this is fed into procurement contracts. Additionally, particular focus needs to be given to boosting pay in sectors that have traditionally been low paid and have predominantly employed women.

Mandatory Gender Pay Gap reporting

The government has recently decided to enact provisions first brought in through the Equality Act 2010, which will require all large companies (with at least 250 employees) to report their overall mean and median gender pay gap. Companies will not have to make their first report until April 2018 (and then every April thereafter).

The government will also require companies that pay bonuses to publish their mean bonus payments paid to men and women, and they will be drawn up by government into league tables for each sector. The whole policy will be reviewed after five years to decide its efficacy.

This policy is a step forward but could go further. Extending the duty to companies employing 50 people would ensure a much larger proportion of employers (and therefore employees) come under the auspices of the duty. Given that most people work in SMEs, this policy could then be reviewed and extended to include all employers in the UK.

Skills and progression

Too many employees are 'stuck in low-pay' without a means to progress into higher paid jobs.^{xii} Progression paths in low paid sectors are limited and/or offer shallow increases in pay for disproportionate increases in responsibility. In particular, low paying sectors that employ large numbers of women (such as the retail, childcare and social care sectors) need to provide opportunities for progression to staff if we are to boost living standards and tackle in-work poverty.

Government incentives for businesses to invest and train their staff could help improve progression. These training opportunities need to be made widely available to staff and in particular, more part-time employees, who are typically low paid^{xiii} and women.^{xiv} Women are particularly less likely to escape low pay than men. In part due to caring responsibilities that requires time out of work and/or the flexibilities of part-time work^{xv}. Training should enable women to update skills when re-entering the labour market and equip workers with the skills to progress regardless of their labour market status. Training opportunities should emphasise transferable skills to ensure employees can better utilise skills within other sectors. This would also act to address the productivity challenges facing the UK economy which the skills gap contributes to.^{xvi}

The social security system should also encourage and enable people to increase their pay and skills to become more resilient against poverty long-term. As part of

this, redesigning Universal Credit so that it incentivises people to up skill by accessing training and educational opportunities would support more sustainable progression in the jobs market.

Apprenticeships

An important part of skilling and training the workforce to promote progression out of low pay and filling skill gaps are apprenticeships. Yet, male apprentices get paid 21% more an hour than women.^{xvii}

Apprenticeships are heavily gendered with men dominating typically high pay industries, for example 4% of engineering apprentices are women. Government should work towards 50:50 representation quotas in apprenticeships. Young Women's Trust have suggested that this will involve providing improved and continued career advice for women over the age of 18, making language for apprenticeships more gender neutral and where possible lowering entry requirements.^{xviii}

Most crucially, apprenticeships should be made more flexible and accessible to women. More part-time apprenticeship opportunities should be available to enable women to balance caring responsibilities. Current schemes that reduce living costs and offer child care for apprentices^{xix} should be extended to make apprenticeships more financially viable and practical for women with caring responsibilities.

The Apprenticeships Levy:

Government has pledged to create three million new apprenticeships by 2020, paid for by a levy on large companies, which they can then recoup by taking on apprenticeships. The levy therefore incentivises large employers to be involved in training, and could be a huge opportunity to support women out of poverty. However, there is currently no explicit government strategy to ensure that more women take on apprenticeships, nor that the gendered nature of too many of them is avoided.

Women and caring responsibilities

It is vital that parents, particularly mothers, have a genuine choice about how they best balance working and caring responsibilities. At present, the lack of flexibility in the jobs market and barriers such as high childcare costs means that they don't have a genuine choice. Caring responsibilities are a major barrier for women when entering and/or progressing within work.^{xx} Until supportive child and social care structures are established women will continue to carry out a disproportionate

amount of unpaid care and be disadvantaged in the labour market as a result. The maternal pay penalty is particularly marked in the UK. A gender focussed employment strategy should aim to close the maternal pay gap and improve parental leave and childcare support so that mothers are better able to keep in touch with the jobs market when their children are of pre-school age.

Childcare

As it stands free childcare state provision is complex and often fails to provide parents with the flexible childcare support they need, particular in deprived areas. In theory the extension to 30 free hours of childcare for 3 and 4 year olds, with additional support for low income parents of 2 year olds, moves England (different policies are operated in the rest of the UK) towards a system that should better support parents who are in low paid work. However, without funding that reflects the cost of high quality flexible childcare, current shortcomings within the childcare sector; such as poor quality and limited flexibility in deprived areas, will only be exacerbated with the roll out of this policy.^{xxi} Adequate funding is vital is the roll-out of free hours childcare is to be successful. Additionally, government should consider how best to develop and target support for childcare so that the UK childcare system in the UK is among the best across developed nations in respect of affordability, quality and accessibility.^{xxii}

Caring responsibilities

Government policy should reflect and foster changing attitudes towards caring responsibilities. Increasingly parents want to share childcare responsibilities^{xxiii}, but current Shared Parental Leave (SPL) take up does not reflect this.^{xxiv} To reduce the financial considerations households make when deciding to reduce hours, maternity, paternity and SPL could pay at equal rates in the first instance. Currently maternity is paid at 90% of earnings, capped at the median income. Alongside this, extending paternity from two weeks to four and introducing a non-transferable aspect to SPL to encourage take up by fathers, could help increase the sharing of parental responsibilities within couples.

On the face of it the UK operates a relatively generous system of maternity leave support compared to many developed nations. However, policy could go much further, both in terms of offering more weeks maternity leave at full-time pay and by introducing paid parental leave. At present parents have a legal right to unpaid parental leave for parents of children under 18. A system of paid parental leave for parents of child aged between one and two would move the UK nearer to the model operated in Sweden where 480 days of paid parental leave are provided.

These changes should come alongside commitments to invest in a social care infrastructure that supports carers into work and provide carers with the flexibility to uphold a work life balance. This infrastructure would support families who are taking on the caring of older or disabled family members. Effective investment would allow carers to reduce the time spent out of work and subsequently the cost this has on progression and wages. It would also contribute to investing in a highly feminised sector to improve the quality of staff through progression routes with integrated pay increases.

Social security – making work pay

Efforts to boost pay and improve terms and conditions for women in the labour market must work in conjunction with a social security system that provides strong work incentives and ensures that those in low paying jobs (as well as those not in work) have a sufficient income to be free from poverty. Whilst we do not go into the policy detail here, there are clear principles that Universal Credit needs to adhere to and policy areas that need to be addressed if it is to be successful.

Cuts to Universal Credit mean that, when it is fully rolled out, it won't have the positive impact on work incentives that was originally intended^{xxv}. Whilst Universal Credit significantly reduces the number of people facing very weak incentives to move into or increase earnings in work, it will weaken work incentives for single parents and is less generous than the tax credit system. The decision not to include a second earners disregard in Universal Credit means that many second earners in couples, predominantly women, will lack clear incentives to move into work.

Government policy in this area could be much more ambitious. A lower withdrawal rate, or 'taper', in Universal Credit, a second earners disregard and measures that ensure it meets the needs of those in self-employment could all help address in-work poverty and ensure people keep more of their earnings. Supporting those in self-employment is particularly important from a gender point of view, as illustrated in this report, given the rise in women classed as self-employed and because self-employed women are much more likely to be part-time.

Rebalancing power relationships within organisations

Rebalancing power relationships within the workplace and strengthening the democratic voice on employers could play an important role in improving terms and conditions for low paid workers^{xxvi}. Sectors that have traditionally employed women in low paying roles are among the least unionised^{xxvii} and the trend over recent decades has been towards less worker involvement in the running of companies.

IPPR have suggested legislation that requires companies with over 100 employees to set up a 'work-life' forum, which fosters a collaborative work place^{xxviii}. This would ensure workplaces without an established Trade Union, or workforce partnership programmes, provide space for employees to voice their concerns and needs. Such a space should act as a means to strengthen communication links between employees and management in order to negotiate pay structures, sick pay arrangements and resolve fair pay disputes.

As it stands the introduction of employment tribunal fees will inhibit efforts to rebalance power relations between labour and capital. There has been a 70% drop in those claiming for non-payment of National Minimum Wage and an 85% drop in those pursuing the claims of non-payment of wages or holiday pay. What is more, women are increasingly less likely to pursue cases of sexual discrimination and pregnancy discrimination.^{xxix} If the bargaining powers and employee democracy are to be realised then access to tribunal needs to be affordable and accessible to all.

Job security and rights at work

Relative to EU countries, the UK provides a low floor of statutory employment rights with limited employer-union bargaining in the private sector. There is a strong reliance on employers to do the 'right thing' such as adopting the voluntary Living Wage, provide job security and topping up statutory rights to maternity pay.

There is limited protection for those working in zero hour's contracts and part-time jobs with rights in respect of maternity pay, statutory sick pay and flexible working limited. Protections for those in temporary jobs are also limited with many rights, such as the right to claim unfair dismissal and the right to redundancy compensation, requiring a minimum period of service.

Existing protections and provisions need to be extended so that all employees, and not just full-time permanent employees, receive the same rights and protections in work. Given that many of the workers' rights that do exist in the UK come from EU legislation, it is vital that the withdrawal of the UK from the EU acts as an opportunity to reinforce and improve worker's rights rather than remove or weaken them.

Job design – delivering decent work

The term 'discouraged workers' describes those who are not looking for work because they face real challenges in finding decent quality work. Many women are 'discouraged workers' and many of these women have turned to self-employment which, whilst being a means of securing a good income and decent work for some, can often result in low income and insecurity of income.^{xxx} Changes to welfare

system in recent years have also increased workers being coerced into work that is not suitable in the long-term. As we have discussed in this report, when women do manage to access employment, there is much evidence that too many get trapped into poor quality, low wage jobs.

Business sectors should look towards remodelling job designs that would incorporate business objectives together ensuring with the wellbeing of staff. Providing incremental paths of progression that offers training and increased pay levels should come alongside flexible working options that allow low paid workers to progress and strike a work life balance. This is particularly important in those low paying sectors that predominantly employ women. Remodelling job design should also involve moving away from zero hours contracts and involve the greater utilisation of permanent contracts offering a set number of hours each week.^{xxxii}

Jobs need to offer incremental progression steps together with pay increases. Businesses that have adapted their working models to professionalise their workforce through training and career development plans have seen the quality of their employee output rise, turnover rates fall and have gained a competitive advantage in their sector as a result.^{xxxiii} Government can play a role by leading the way in the adoption of positive job designs that improve terms and conditions for staff and by incentivising the adoption of such practices by employers in the private sector.

Women are also limited by the lack of well-paid flexible jobs and are more likely to adapt their working life around caring responsibility, which often limits their ability to train and progress as a result. Women are more likely to be overqualified for the job that they do. Given part-time work is a considerable contributor towards the gender pay gap^{xxxiii} widening training opportunities to part-time workers should be supplemented by the increased opportunities for part-time work within high paid jobs. As such, all jobs should offer the option to go part-time and/or allow for a job share, unless there is an acceptable reason not to do so. Furthermore, collaboration between Job Centre Plus and Businesses could help create more flexible and part-time jobs. Through this job registers like TimeWise^{xxxiv} could be expanded to offer more flexible job opportunities and become more accessible.

Concluding remarks

This report has given consideration to some of the major trends in pay and employment for women, with some additional analysis on parental responsibilities. The overall picture is that women face a range of disadvantages. Women are more likely to be low paid and have lower pay across the distribution. Other research has indicated that women are less likely to progress out of low pay.

As women are more likely to work part-time, they also make up a majority of those working part-time but wish to work full-time, even though a higher proportion of male part-timers desire this. A higher proportion of women work on zero-hours contracts and make up the majority of those working in this manner. There is also a parenthood penalty for women in employment, both in couples and for lone parents.

Some of these indicators, such as low pay rates, have been improving over time. This does not mean however that they will continue to do so unassisted. One necessary component of this is continuing the monitoring of these trends and what is driving them. In many cases the statistics are already there. However, there are some areas where this is not the case, such as longitudinal pay analysis and more detailed spatial analysis where the availability of more data would better inform policy. Given the devolved nature of power in the UK and focus on economic development at a city region level further gender analysis should include detailed spatial analysis of the UK labour market.

The report allows us to understand the position of women active towards the bottom of the UK labour market at a UK level and consider the areas that should be a focus of central government policy. A multi-dimensional policy response, sitting underneath a clear gender focused employment strategy, would reduce gender inequalities, the subsequent pay gap and contribute to efforts to improve the opportunities and lives of those who experience poverty in the UK.

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- ⁱⁱⁱ See for example discussion in: Gregg, Paul. and Wadsworth, Jonathan. "The labour market in winter." (2011).
- ^{iv} Lister, Ruth. "Women's and Children's Poverty: Making the links." (2005).
- ^v Plunkett, J. "The Missing Million: The potential for female employment to raise living standards in low to middle income Britain." *London: Resolution Foundation* (2011).
- ^{vi} Fawcett Society Response to the Business, Innovation and Skills Committee Inquiry into Women in the Workplace <http://www.fawcettsociety.org.uk/wp-content/uploads/2013/03/Fawcett-submission-Inquiry-into-Women-in-the-Workplace-FINAL.pdf>
- ^{vii} Hurrell, Alex. "Starting out or getting stuck? An analysis of who gets trapped in low-paid work—and who escapes." *London: Resolution Foundation* (2013).
- ^{viii} D'Arcy, Conor, Adam Corlett, and Laura Gardiner. "Higher ground: who gains from the National Living Wage." *Resolution Foundation, September* (2015).
- ^{ix} Fawcett, The Changing Labour Market 2 (2014)
- ^x See for example: Citizens UK, *Taxpayers Subsidise Big Business by an Estimated £11 billion a Year* (2015) <http://www.citizensuk.org/taxpayer>
- ^{xi} Coulson, Andrea, and James Bonner. "Living Wage Employers: evidence of UK Business Cases." (2015).
- ^{xii} See: <https://www.jrf.org.uk/work/low-pay>
- ^{xiii} See: <http://www.smf.co.uk/wp-content/uploads/2014/06/Publication-Making-Progress-Boosting-the-skills-and-wage-prospects-of-the-low-paid.pdf>
- ^{xiv} See: <http://www.resolutionfoundation.org/publications/low-pay-britain-2016/>
- ^{xv} Hurrell, Alex. "Starting out or getting stuck." *An analysis of who gets trapped in low paid work and who escapes, Resolution Foundation: London, UK*(2013).
- ^{xvi} Wright, Jonny, and Paul Sissons. "The Skills dilemma: Skills under-utilisation and low-wage work." *Bottom Ten Million Research Paper* (2012).
- ^{xvii} See: <http://www.youngwomenstrust.org/apprenticeshipcampaign>
- ^{xviii} YWT found women are less likely to apply for a role without fulfilling the criteria, where as males don't. There is no evidence to suggest those without GCSE's lower the quality of an apprentice.
- ^{xix} YWT found that in some parts of the country Job Centre Plus provide travel cards for reduce travel for the first 3 months of an apprenticeship.
- ^{xx} Women are four times more likely to give up work due to caring responsibilities: Women and Equalities Committee Gender Pay Gap Second Report of Session 2015-16
- ^{xxi} House of Commons Committee of Public Accounts Entitlement to free early years education and childcare Fourth Report of Session 2016–17
- ^{xxii} Pascal, Chris, et al. "A comparison of international childcare systems." Department for Education, Centre for Research in Early Childhood Research Report (2013).
- ^{xxiii} Women and Equalities Committee Gender Pay Gap Second Report of Session 2015-16,
- ^{xxiv} Women and Equalities Committee Gender Pay Gap Second Report of Session 2015-16, the take up of SPL of those entitled is 2-8%
- ^{xxv} Resolution Foundation. "Universal Challenge – making a success of Universal Credit" (2016)
- ^{xxvi} Lawrence, Matthew, and C. McNeill. "Fair Shares: Shifting the balance of power in the workplace to boost productivity and pay." IPPR. http://www.ippr.org/files/publications/pdf/Fair-shares_May2014.pdf (2014).
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- ^{xxviii} Lawrence, Matthew, and C. McNeill. "Fair Shares: Shifting the balance of power in the workplace to boost productivity and pay." IPPR. http://www.ippr.org/files/publications/pdf/Fair-shares_May2014.pdf (2014).
- ^{xxix} For further information see: <https://www.tuc.org.uk>
- ^{xxx} For data see: <https://cy.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/lfm3>
- ^{xxxi} See for example: Anderton, Emily, and Stephen Bevan. "Constrained Work." *Job enrichment and employee engagement in low-wage, low-skill jobs* (2014).
- ^{xxxii} See: <https://www.jrf.org.uk/work/low-pay>
- ^{xxxiii} The gender pay gap stands at 19.2%, whilst the full time gender pay gap stands at 9.2%: Women and Equalities Committee Gender Pay Gap Second Report of Session 2015-16
- ^{xxxiv} TimeWise is an initiative that seeks to advertise jobs that offer flexibility like part-time and job share options.