



Women in Recession: Making Gender Equality a Priority for Economic Recovery

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1. Introduction

It is clear from current evidence that the recent economic downturn has impacted differently on men and women and that this is explained by their different positions in the UK labour market. Overall, conclusions about whether men or women bear the brunt of the economic downturn are based largely on employment data, redundancy rates and sectoral differences and depend greatly on the timeframe selected. This ‘better or worse?’ approach to gender differences with respect to the impact of recession can only tell us about where we are, and not where we want to go in terms of gender equality in the Scottish labour market. Any specific action taken by the Scottish Government and relevant state agencies, aimed at mitigating the effects of the recession and supporting economic recovery should be designed and delivered in accordance with an overall equality mainstreaming agenda. Furthermore, the business case for gender equality in the workplace is well documented (see for example Thomson 2007), leading to possible competitive advantage in term of improved corporate performance and a more efficient use of human resources. Thus companies that are able to maintain a long-term focus with respect to gender equality, and in particular equal pay, can gain a significant advantage over their competitors. This briefing paper argues that the current economic climate, dominated by recession and subsequent recovery programmes, provides a valuable opportunity to improve the position of women in the Scottish labour market with respect to occupational segregation and a narrowing of the gender pay gap.

2. Male and Female Employment

Much of the current evidence of the impact of the recent economic downturn on men and women has concentrated on job losses and other changes in employment levels at a UK or GB level. For example, Department for Work and Pensions (DWP) research using the Labour Force Survey indicates that in the

12 months leading up to the first quarter of 2009, both male and female employment rates were adversely affected (DWP 2009). However, male employment fell by 1.7% while the fall in female employment was smaller at 0.8% (Ibid). In the same period, the DWP found that redundancies more than doubled for both sexes – for men to 15.1 per thousand and to 8.3 per thousand for women. Similarly, ONS data (2009 cited in Hogarth et al 2009) found that for the first three months of 2009, the female working age employment rate fell by 0.7% compared with a drop of 0.9% for male employment. However, their research showed that in the first quarter of 2009, redundancy rates for women showed an increase of 1.7 per thousand compared to 0.5 per thousand men being made redundant in the same period (Hogarth et al 2009). The TUC has also considered redundancy and employment rates based largely on ONS data and showed that from January to September 2008, female redundancy rates for women increased by 2.3% which was almost double the rate of increases in male redundancies (1.2%) in the same period (TUC 2009).

Research that relies on employment data and/or redundancy rates is of value. However, in terms of developing an understanding of the causes and consequences of gender differentiated impacts, used exclusively it is limiting. Furthermore, much of it depends on the timeframe of analysis and does not account for the different starting points of men and women. In developing a more comprehensive account of the gendered impact of recession, it is necessary to consider the inequalities that underpin women's employment with respect to men. Fawcett Society commentary (Rake 2009) argues that there are a number of factors that mean that women could be less likely to withstand the impact of recession; they are more likely to live in poverty, have fewer assets and are more likely to be the 'managers' of household budgets. This is reflected in qualitative research undertaken by the Government Equalities Office that indicates that women are more likely to be concerned than men about the effects of downturn on themselves and their families (GEO 2009). Furthermore, Rake's analysis indicates that the reliance on simple quantitative measures of unemployment and redundancy do not adequately reflect women's experience of recession as they are less likely to register as unemployed and are more likely to change jobs more regularly than men (Rake 2009). Similarly, Hogarth et al (2009) explain the observed gender difference in redundancy rates in terms of women's time out of the labour market for caring and childbearing as well as the fact that they are over-represented as temporary workers and therefore less eligible for redundancy benefits.

If recovery packages are to be designed, delivered and evaluated with reference to equality mainstreaming, as well as taking full advantage of the economic and

business benefits associated with gender equality in the labour market it is essential that the range of measures act in challenging existing inequalities such as occupational segregation.

Occupational segregation, where men and women are concentrated in occupations traditionally associated with their gender such as men in construction and women in childcare, also underpins explanations of unequal job losses between men and women. Men are more likely to be employed in sectors that are cyclical (i.e. demand for these jobs are more dependent on the business cycle) such as construction and manufacturing. Therefore the loss of more male jobs than female jobs can be explained by the sectors in which men and women work. For instance the first round impacts of the recession have been felt more acutely in male-dominated industries within the private sector, such as manufacturing and construction, as opposed to the female dominated service sector (see for example Scottish Government 2010). This leads to the conclusion that men have been harder hit by the impact of recession. However, the forthcoming public sector spending cuts required to fund the strategy of supporting the financial sector through the recession will impact on public sector employees. Given that women currently represent over two thirds of the total workforce in Scottish local government, they could be more vulnerable as the second round of impacts hit.

The immediate and most obvious consequences of public spending cuts will relate to pay and jobs, thus exacerbating the current situation in Scottish Local Authorities with regard to the financial pressures associated with meeting equal pay obligations. Thus, whilst the immediate impact of the recession related directly to male jobs, the wider impact, in terms of recession and recovery, relates to both male and female employment.

3. Discussion

Given the wide-ranging labour market impacts of both recession and subsequent recovery packages it is crucial that policy responses are designed to shield both men and women from the impact of the economic downturn. Furthermore recovery packages should be viewed as an opportunity to develop measure intended to address exiting gender based inequalities associated with the Scottish labour market. This will further enhance the ability of Scottish based business to realise the benefits of gender equality in their respective workforces during a period dominated by fiscal constraint. The impact of the economic recession and the nature of the recovery package means public spending will be hit hard. Furthermore, the evidence to date indicates that the scope and nature of the

recovery programme in Scotland has been characterised by measures targeted at the construction and manufacturing sectors through wage and training subsidies and (see for example Scottish Government 2010). Whilst such measures will improve labour market opportunities in these sectors thus promoting economic recovery there is no evidence that existing gender based occupational segregation will be addressed, outwith existing, projectised initiatives currently being delivered by some stakeholders. Indeed, without significant and robust action to mitigate this effect, it may actively reinforce the occupational segregation that underpins Scotland's gender pay gap, the closing of which is key in the overall economic recovery process.

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