



## **Response to the Scottish Government consultation *Creating a Fairer Scotland: Employability Support***

**October 2015**

### **1.0 Introduction**

Close the Gap is a partnership initiative working in Scotland on women's participation in the labour market. Partners include Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, Equality and Human Rights Commission, and Scottish Trades Union Congress. The breadth of the partnership recognises that the women's unequal labour market participation is an economic issue as well as an equality issue, and that addressing gender inequalities in work would return aggregate gains to the UK economy.

Close the Gap works with employers, employees and policymakers to encourage and enable action to address women's inequality in the labour market. Women are among those furthest from the labour market, and face a range of gendered barriers to entering employment. Current employability 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 respond to this consultation.

In considering the design of new employability services in Scotland, it is critical that Scottish Government 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 employment support services.

## 2.0 Consultation questions

### Q3. What are the strengths and weaknesses of existing employment support programmes and delivery mechanisms in Scotland?

#### a) Occupational segregation

A major weakness of existing employability programmes is that they do not consider 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 likely to replicate gendered patterns of skills acquisition and employment, which sees women clustered into 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 also restricts the choices available to them. Occupational segregation is also a drag on economic growth as many women are working below their skill level.

Employability 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 now no longer exists, and the Refugee Women's Strategy Group who have done specific work targeted at refugee women.

#### b) Lone parents

A further significant weakness in current provision of employment support is that 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.<sup>1</sup>

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 will be 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.<sup>2</sup>

**Q5. What are the key improvements you would make to existing employment support services in Scotland to ensure more people secure better work?**

Key improvements to existing services would be to consider the complexities of women's lives, and address the gendered barriers that they face in entering paid employment. Employment support services must consider that women are more likely to have caring responsibilities for children, sick people, older people and disabled people. Women therefore need flexibility in their employment so that they can balance work with their caring and family commitments.

Programmes must consider women's skills and experiences. After having children, or having to take time out of the labour market to care, many women find it difficult to find quality employment available on a flexible basis. 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. As a result 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. Employment support services can help to address women's under-

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<sup>1</sup> Engender (2015) *A Widening Gap: Women and welfare reform*

<sup>2</sup> The Fawcett Society (2015) *Where's the Benefit? An independent inquiry into women and Jobseeker's Allowance*

employment, and can work to ensure that women's skills are being effectively utilised.

**Q6. How best can we assess the employment support needs of an individual and then ensure the support they receive is aligned with their requirement?**

Women face specific gendered barriers, and these must be considered when assessing their needs. Caring responsibilities mean that women often need to work flexibly. 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.<sup>3</sup> It is therefore essential that in the assessment of employment support is gender-sensitive and considers women's caring responsibilities.

**Q13. Who should be the contracting authority for devolved employment support provision?**

We wholly agree that the contracting process must be transparent and effective. We would be in favour of Skills Development Scotland having responsibility for the contract management of employment support, as it would ensure accountability.

Close the Gap sits on the equality advisory group of Skills Development Scotland, and most recently we have been working closely with the organisation on how it can address the acute occupational segregation in the Modern Apprenticeship programme, as identified in the *Developing the Young Workforce* final report. Our experience has been that Skills Development Scotland has become proactive in engaging with the equality organisations to

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<sup>3</sup> Close the Gap (2012) Briefing on women and work

develop work to address existing inequalities in the programme. We would hope that it would also be proactive in ensuring that employment support services are gender-sensitive, and that women are able to benefit from tailored programmes which take account of their needs.

**Q14. Which client groups would most benefit from future employment support in Scotland and why?**

There is great potential for women to benefit from future employment support which is designed to consider the barriers they face in entering and participating in the labour market. Women are concentrated in lower skilled, low-paid and are more likely to be under-employed than men. 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 men<sup>4</sup>. Developing employment support programmes which contribute towards the reduction of occupational segregation will enable women using the service to reach their full potential.

**Q15. What should our ambitions be for these client groups?**

The Scottish Government has already set out its ambitions for women in *Maximising Economic Opportunities for Women* and the *Programme for Government 2015-16*. In the latter, the Government has committed to:

*“Pursue an inclusive labour market by reducing barriers to employment to help women...to overcome structural challenges to their participation in work.”<sup>5</sup>*

We agree that the new powers over social security will provide the opportunity to develop policies and services which address gender inequality, and urge that the gendered barriers that women face are considered in the design of employment support.

**Q17. What are the advantages, or disadvantages, of payment by results within employment support?**

Women are being failed by the current employment support programmes. 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

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<sup>4</sup> Scottish Government (2015) *Maximising Economic Opportunities for Women*

<sup>5</sup> Scottish Government (2015) *Programme for Government 2015-16*

when they are unable to balance work with caring responsibilities. This is particularly the case for lone parents, the 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, more easily.<sup>6</sup> This serves to create further barriers which restrict or prevent women's labour market participation.

**Q18. What are the advantages, or disadvantages, of payment for progression within employment support?**

Women experience barriers to progression, and are significantly under-represented in management and supervisory roles across the labour market. A model of payment for progression disadvantages women, as they are less likely to progress within individual workplaces. As described in above in Q17, there is evidence to suggest that a payment for progression model results in providers investing where they can achieve results, and therefore payments. In other words, in men rather than women, as they are more likely to progress in the workplace. This model will therefore create a further barrier to women's progression, entrench vertical occupational segregation, and widen the gender pay gap.

**3.0 Other comments**

Scottish Government has provided funding to Engender to work with women's organisations to inform the Fairer Scotland consultation process. Close the Gap is working with Engender to deliver a qualitative research project which aims to elicit the views of women in Scotland who have accessed employment support services. Due to unforeseen circumstances, the focus group for this work had to be postponed as will not take place until the end of October 2015. This means that we have been unable to include the findings of the research in this response.

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