

Gender and Employment in Local Labour Markets

Addressing Women's Poverty: Local Labour Market Initiatives

Executive Summary

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Key findings

- Women are more likely than men to live in poverty in the UK. Poverty remains a persistent feature of some local labour markets, despite recent policy changes. This study, undertaken in six areas of high socio-economic disadvantage, provides an insight into labour markets where there has been considerable regeneration investment.
- Women's poverty in the six localities is reflected in the high level of workless households with dependent children, and in high rates of limiting long term illness and poor health. Women were less likely to be in employment than in the surrounding districts/counties, and represented two-thirds of all those in the 6 localities who were in receipt of Income Support.
- Between 1991 and 2001, a period of considerable job growth, women's economic inactivity rates in some wards increased, against the national trend. This indicates local labour markets which continue to function poorly.
- In the six localities, low income was not confined to those who were unemployed or economically inactive. Women were more concentrated in unskilled and semi-skilled jobs than in other areas. They were also more likely to work closer to home, in jobs that were often fitted around domestic responsibilities. Many in work in these areas feel economically isolated and vulnerable to the risk of low wages and insecure work.
- Employment rates for ethnic minority women were lower in these areas. The six localities included Pakistani, Bangladeshi and Black African women actively seeking work but suffering from particularly high rates of unemployment, dispelling the myth that many women in these communities do not want paid work.
- There is a complex picture of 'distance' from the labour market. A serious qualifications deficit has arisen in some areas, with very low qualification levels running through several generations. But in areas of high deprivation qualifications do not guarantee employment, as fewer women with qualifications in these areas were in paid employment.
- In poor households, where women are highly dependent on their own low income or on the low income of a partner, levels of self-esteem and long term aspiration can be low. This study shows that participation in the labour market is an aim that many women have, but that it is not just an economic decision. Household pressures, including care responsibilities and lack of local services, are also important.
- Training initiatives had often been successful in engaging local women in courses, but the potential for progression from training to employment was limited. Services providing support into employment were often fragmented, and our review of local policies showed that the gender dimension was missing from local labour market and economic regeneration strategies.
- Local authorities and other service providers could do more to address some of the inequalities highlighted in the research, and to understand key differences between women of different ages, ethnicities and with different caring responsibilities.
- Further work is needed with local employers, to address recruitment practices, job flexibility, hours, pay structures and in-house training for women wishing to enter the labour market and to progress within it.

Background

The factors causing persistent poverty are difficult to disentangle, but we know that low income is linked to other forms of deprivation and may affect several generations. This study highlights some of the key employment challenges in areas of high deprivation nationally: low qualifications, uneven participation in full-time and part-time employment, and high unemployment and economic inactivity rates for women.

In order to understand the employment position of women and the effectiveness of labour market initiatives in deprived areas we sought to:

- Explore the nature and extent of women's poverty and economic disadvantage.
- Develop an evidence base about the relationship between poverty, gender and local labour markets.
- Examine relevant area-based public and private sector initiatives and their impact on women's labour market opportunity.
- Assess local service provision and identify the service needs of women living on low incomes.
- Make recommendations of relevance to local authorities and their partners, including Local Strategic Partnerships, and to regional and national policy makers.

Six of the local authority partners in the *Gender and Employment in Local Labour Markets (GELLM)* research programme chose to take part in this study¹. They were:

- **Birmingham City Council**
- **East Staffordshire Borough Council**
- **Newcastle City Council**
- **Somerset County Council**
- **The London Borough of Southwark**
- **West Sussex County Council**

To explore the research questions we analysed official statistical data - primarily from the 2001 Census - to identify some of the key indicators of local labour market disadvantage and neighbourhood characteristics. We undertook a documentary analysis of regeneration reports and held 88 interviews with local organisations in the six areas. In the 14 focus groups, attended by 133 women (44% of whom were in paid work), we explored questions about their experiences of work and unemployment, opportunities and barriers to paid employment, and aspirations for themselves and their families.

¹ The detailed material on each locality is presented in the five Locality Reports of this study (Escott et al 2006a-e).

Unequal benefits of employment growth

Wider changes in the labour market, the broader context of growth and decline in local and regional economies, the structure of job opportunities, and wage levels are all important in understanding some of the pressures experienced in deprived areas.

During the period 1991-2002 (in England), the total number of jobs rose by 19%. Women gained two-thirds of these jobs, but patterns of employment growth were variable. In four of our six localities, job growth for women and men exceeded the national rate. In two of our areas, Birmingham and Newcastle, there was a small net loss of female full-time jobs, and lower increases in part-time jobs than nationally.

Key features over this period were a significant fall in the share of women's employment in manufacturing, and important increases in employment in distribution, hotels and restaurants, in public administration, education and health, and in banking and finance.

This analysis of six localities provides an opportunity to identify three sets of local labour market circumstances, each requiring somewhat different policy interventions.

First, **close proximity to major job growth** offers no guarantee that women's poverty will decline. If the only accessible employment opportunities for women living in deprived areas are concentrated in low paying sectors and occupations, then the findings of this study show that concentrations of deprivation are likely to persist, even in areas where the local economy is strong and there is a diverse range of industrial sectors and occupations, with job opportunities at all levels.

Second, the study shows that there are particular labour market problems for women in more **rural and coastal localities** in the south of England. This study shows that there are structural economic weaknesses where many of the major employers are in sectors, including tourism, agriculture, and care, offering low paid and seasonal work. Many of these jobs do not provide a sufficiently viable option for women living in the most deprived wards.

Thirdly, major cities which have experienced population and employment loss include large communities which have not recovered from **major, long-term job loss in local traditional industries**. New jobs have been created in Birmingham and Newcastle, but many residents,

including well qualified women in these areas, are often excluded from them. The challenge for these areas is to increase public and private investment to improve local services and stimulate local employment rates.

Women's poverty is linked to occupational segregation and the gender pay gap. A number of suggestions about how to promote higher quality employment, which offers a 'living wage' for entry level jobs, flexible practices negotiated with employees, and job opportunities designed to ensure that there are progression routes and opportunities for career development, emerged from the study. Our analysis suggests that inward investment approaches should be geared to higher quality employment. Occupational areas which are currently experiencing skills shortages, and sectors likely to expand in the future, need to be explored at the local level.

There is a strong desire to work among many women living in disadvantaged neighbourhoods, and in some areas employment services and initiatives are there to support them. But better support does not necessarily translate into higher employment rates for women. In addition to restricted employment opportunities, the tax and benefit system created disincentives to enter employment, especially where it was low paid.

Labour market engagement

The research revealed a fairly consistent picture of the constraints affecting women's access to employment. The issues raised in our qualitative research can be divided into, first, those relevant to **demand for labour** and the role of employers and, secondly, **labour supply** as experienced by women living in the six localities. Skills shortages were reported in the six localities, but women in the focus groups did not feel that there were many suitable job opportunities in their area to work flexibly or in well paid part-time work. Public and private investment had attracted employers, but many women and local agencies were frustrated by the emphasis on low quality and entry level employment.

Investment in school and adult education has had positive outcomes in the six localities. Younger women tend to be better qualified than previous generations. Some women felt that a narrow view of skills meant those without qualifications or relatively recent experience would never find employment. The cost and availability of care for children of all ages was a problem for women in the six areas.

A range of education and training services providing a series of stepping stones and options was suggested. More community resources and easier access to adult education, colleges and university centres, ideally located in their areas, were clear proposals from the focus groups.

The low incomes of lone parents, traced to low rates of economic activity, are a particular concern of Government, which has sought to enable lone parents to work by supporting them through childcare and employment guidance. This study suggests that guidance should reflect a greater understanding of lone parents at different stages of their life. We also found unmet needs among women who live with a partner who may be in low paid work or unemployed.

Regeneration investment has assisted in developing the community infrastructure and the physical aspects in the study areas, but the economic and employment improvements are less obvious. New jobs will not necessarily go to local people, unless there are more coherent and locally relevant economic strategies which link up labour demand with labour supply.

It is unclear how many women have benefited from investment in these localities because data, and systems used in evaluating the impact of schemes, were not gender sensitive. However the most effective support (pre-employment preparation, mentoring schemes and funding for childcare) was relatively small scale. Sure Start and the Family Centre models, located in residential areas where services are combined, were highlighted as particularly effective for women with children. Further assistance needs to be provided to those women who do not have children or whose children have grown up.

Public sector organisations, all of which have a responsibility to promote equal opportunities, are the largest employers in many localities. To take this further, approaches which use local data, new approaches to in-work skills and training, and job re-design which results in genuine flexible working and part-time opportunities are required. This model is also one which has been trialled by private sector retailers in areas of high deprivation and needs to become more commonplace in delivering local regeneration schemes.

Key policy messages

Broader economic policies are starting to consider gender differences, but the distinctions between women and men at the local level remain largely unexplored in policy making.

Longer term, strategic approaches are required, which appreciate the distinctions between men and women, and between women of different ages and ethnicities. Strategies encouraging more women to gain paid employment need to understand the nature and scale of women's non-participation and their 'distance' from labour market opportunities. These problems are also a key challenge for the economy. In coming decades, local employers will need to access the experience and skills of women living in these areas, and to retain staff and fill job opportunities. These neighbourhoods need more concentrated support to improve education and skills levels, and investment in services which enable them to access jobs and improve employment potential.

The study shows that in all 6 localities demand for employment needs to be strengthened by promoting existing jobs in the area and by economic investment which targets employment for those often excluded from qualifying for jobs in the open labour market. Further simplification and greater flexibility in the tax and benefits system were central concerns for local organisations crucial, and women argued for an easier transition from unemployment to paid work.

The skills and employment agenda must be better integrated with regeneration and equalities policies. Work to convince employers that job sharing and other flexible modes of employment are mutually beneficial will be facilitated for public bodies through the provisions of the *Equality Act 2006*. The wider benefits for private sector employers could also be promoted through local regional and local agencies.

This study found that locality is a very important factor for women. Those without access to affordable and efficient public services, including transport, felt excluded from opportunities available in the wider labour market. Listening to the experiences of women could help inform the Government's developing *Sustainable Communities* programme.

About the GELLM project

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The national partners supporting the GELLM research programme are the Equal Opportunities Commission and the TUC. The project's 12 local authority partners are: Birmingham City Council, the London Borough of Camden, East Staffordshire Borough Council, Leicester City Council, Newcastle City Council, Sandwell Metropolitan Borough Council, Somerset County Council, the London Borough of Southwark, Thurrock Council, Trafford Metropolitan Borough Council, Wakefield Metropolitan District Council and West Sussex County Council. The North East Coalition of Employers has also provided financial resources via Newcastle City Council. The team is grateful for the support of these agencies, without which the project could not have been developed. The GELLM project engaged Professor Damian Grimshaw, Professor Ed Fieldhouse (both of Manchester University) and Professor Irene Hardill (Nottingham Trent University), as external academic advisers to the project team, and thanks them for their valuable advice and support.

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Copies of the full report

Addressing Women's Poverty: Local Labour Market Initiatives - Synthesis Report

can be obtained from www.shu.ac.uk/research/csi or Ian Chesters, Centre for Social Inclusion, Sheffield Hallam University, Howard Street, Sheffield, S1 1WB 0114 225 5555

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