What differentiates the Great Recession from previous recessions in the early 1980s and 1990s is that the impact on unemployment has been much less severe despite the fact that the loss in output was much greater. In part this can be explained by changes in work practices, in particular, greater use of part-time contracts and consequently a significant rise in the level of underemployment. The ILO uses a broad definition of underemployment as ‘all those who worked or had a job during the reference week but were willing and able to work more adequately’ (ILO 2014). This definition measures underemployment not just in terms of hours worked but also in terms of skills for example, graduates working in low skilled employment. Most often, underemployment refers to time related underemployment, where an individual would prefer to be working more hours than they actually do. This is also known as involuntary underemployment. Involuntary underemployment has negative outcomes for individual income and material wellbeing and has long been identified as a gendered phenomenon. Women are more prone to be underemployed than men, mainly due to difficulties in combining caring responsibilities with paid work. In the aftermath of the great recession the evidence in Scotland indicates that women continue to be more likely to be underemployed, particularly where they are self-employed but that men are also increasingly vulnerable to underemployment.

In Scotland between 2007 to 2013 the decrease in full-time employment disproportionately impacted upon men much more than women, with men accounting for 4 in 5 full-time jobs lost (-76,700) (ONS 2014a). Both male and female part-time employment in Scotland rose over the same period. Statistics show that in Scotland part-time employment increased by 47,300 over the period 2007 to 2013, of which 60% was accounted for by growth in male part-time jobs (28,300). The proportion of men working part-time as a result of the great recession increased from 10% in 2007 to 13% in 2013. The number of women part-time workers since 2007 has also increased from 489,200 (41%) to 508,200 (43%). This trend indicates that workers are either reducing their hours in current employment or are underemployed because they cannot find full-time work. The increase in levels and proportions of part-time employment for men since the recession has been more severe than for women.

Underemployment in Scotland: Part-time work

Figure 1 indicates that involuntary part-time employment in Scotland (‘could not find a full time job’) has doubled since the start of the recession while voluntary (‘did not want a full time job’) has remained at roughly the same levels. Evidence for the UK suggests that more women than men are involuntarily in part-time work (TUC 2012, IPPR 2012). Although there is currently no publicly available data to confirm the gendered picture in Scotland at this time, recent analysis undertaken by the Scottish Government indicates that increases in part-time employment over the last year have been driven by increases in those who could not find a full-time job (Scottish Government 2014).

In 2013 the overall underemployment rate for Scotland was 9.6%. This amounts to 234,100 individuals who would like to work longer hours, at their current rate, given the opportunity (Scottish Government 2014).

As mentioned earlier underemployment can also refer to people working in ‘inadequate employment situations’ (ILO 2014) which could mean they are unsatisfied in their current employment because they are not making full use of their occupational skills. There is evidence that women in the UK are working below their current skills levels in an attempt to manage the balance between paid and unpaid work (Equal Opportunities Commission 2005, Perrons 2009). This is reinforced by the lack of part-time and/or flexible jobs available at senior management level which may, at least partly, explain female under-representation at the top of organisational hierarchies. Again, there is no Scottish data available to describe the situation in Scotland as the Labour Force Survey currently does not gather information of skills-related underemployment.

Figure 1: Reasons for Part-time Employment, Scotland, 2007 to 2013.

Figure 2: Underemployment levels by gender and work patterns, Scotland, 2007 to 2013.
Underemployment in Scotland: Self-employment

A National Statistics report published in 2012 also suggests that the self-employed are more likely than the employed to classify themselves as underemployed (ONS, 2012). Of the one million increase in underemployment in the UK since 2008, 20% are self-employed, experiencing the sharpest rise in underemployment during the great recession. Over the period 2008 to 2013 self-employment in Scotland increased by 17,000, of which ¾ was accounted for by women, rising from 81,000 to 94,000 self-employed (ONS 2014b). In 2013 women accounted for a third of all of the self-employed in Scotland (ibid). Whilst the increase in self-employment can be seen as evidence of a more dynamic and entrepreneurial economy, it also needs to be recognised that people may enter self-employment not through choice but rather necessity. A recent report by the Chartered Institute for Personnel and Development (CIPD) exploring the rise in self-employment in the UK suggests that the increase in self-employment, which has occurred since the great recession, has attracted a different type of person, in terms of gender, hours of work, occupation and sector of employment (Philpott, 2012). Women account for around 60% of the net increase in self-employment since the start of the great recession and nearly 90% of the additional self-employed work less than 30 hours per week. Sectors not traditionally associated with self-employment such as education, information and communications, financial services and social security have experienced the biggest increases (ibid).

Discussion

In the UK, more women are involuntarily in part-time work compared with men and women make up more than half of the increase in self-employment. Evidence suggests that the increase in self-employment, which may be seen as an indicator of economic recovery, has occurred due to a lack of employment opportunities rather than as a result of an increase in entrepreneurialism. Furthermore, the ‘choice’ to work part time or to become self-employed is often seen as a choice that women make in order to balance paid work with caring responsibilities, and is therefore ‘voluntary’. However, this is a choice that is often made under conditions of constraint such as inability to find suitable, affordable childcare. Scotland has the second most expensive childcare in Europe (Children in Scotland 2011) and even part-time childcare costs more than the average mortgage (Family and Childcare Trust 2014). It could be argued that the true extent of women’s involuntary underemployment is therefore underestimated that is if childcare was more flexible and/or more affordable, women may in fact wish to increase their hours of work. Policies to address the ‘underemployment crisis’ (TUC 2012) must recognise that patterns of participation in the labour market are different for men and women and that women’s ‘choices’ are often dependent upon other factors with respect to their roles and responsibilities in the household.

Similarly, it remains to be seen whether the increases in underemployment that have occurred in the wake of the great recession will become a permanent feature of Scotland’s labour market. If changes in working patterns such as the increase in part-time work, underemployment associated with self-employment and the recent rise in precarious zero-hours contracts (STUC 2014) remain the norm, the economic security of many of Scotland’s female workers could be at risk.
WiSE

The Women in Scotland’s Economy (WiSE) Research Centre at Glasgow Caledonian University aims to promote and make visible women’s contribution to Scotland’s economy through high quality research, consultancy and knowledge transfer activities. Our work is of interest to everyone with an interest in women’s position in, and contribution to, Scotland’s economy including academics, policy makers, equality practitioners, the business community and gender equality activists.

This is the sixth in a series of WiSE Briefing.
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3. How Modern is the Modern Apprenticeship in Scotland?
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5. The Economic Case for Investing in High-Quality Childcare and Early Years Education

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