

Response to call for evidence on *Work, Wages and Wellbeing in the Scottish Labour Market*

1. Introduction

The Glasgow Centre for Population Health (GCPH) welcomes the opportunity to respond to this inquiry.

We have set out our response below against the suggested headings, with some additional points following. Our submission primarily draws on specific GCPH research findings and data from GCPH work programmes. Data, unless separately referenced, is drawn from the Understanding Glasgow web resource (www.understandingglasgow.com). We note and support other responses which have drawn together the evidence in the area of work and health more generally, in particular the NHS Health Scotland response.

2. What makes a job ‘good’ or ‘bad’?

The components of good work are comprehensively describedⁱ in Fair Society Healthy Lives (the Marmot Review):

- Freedom from job precariousness e.g. lack of job stability or high risk of job loss.
- Enabling workers to have control over work and placing appropriate demands without doing harm.
- Providing fair conditions (e.g. earnings reflecting productivity) and opportunities for skills training, learning and promotion prospects.
- Preventing social isolation and any form of discrimination and violence.
- Enabling participation in decision-making and collective bargaining and guaranteeing justice in case of conflicts.
- Aiming to reconcile work-life demands (e.g. childcare) that reduce the cumulative burden of multiple social roles.
- Attempting to reintegrate sick and disabled people into full employment.
- Meeting basic psychological needs e.g. self-esteem, sense of belonging and meaningfulness.

GCPH findings have both supported and illustrated these:

- A 2015 study of the Third Sector workforce in Glasgowⁱⁱ identified several components of ‘good’ work which were valued by employees, including flexibility, teamwork, support, autonomy, influence, and a relatively high level of security. The majority of employees that took part in this study felt that their pay and conditions adequately reflected the effort they put in at work. The majority (80%) of organisations were paying the Living Wage.
- Negative aspects included job precariousness and workload. ‘Permanent’ jobs were often linked to time-limited funding within the context of public sector budget cuts. A small number of workers reported passing a ‘tipping point’ of demoralisation and depletion. This illustrates the fact that the quality of work can be related to overall features of a sector or organisation as well as individual jobs.
- Research with lone parentsⁱⁱⁱ highlights the challenge of balancing work with other family responsibilities, including barriers to seeking and taking up work, restricted options and choice, lack of control and difficulties in sustaining work.

- Lone parents described the *social and psychological benefits* that paid work could offer, such as encouraging a good work ethic in their children, providing respite from caring, offering personal independence, as well as opportunities to spend time with other adults.
- Low pay was a key issue. After housing costs, 17% of children with a lone parent working full time were in poverty, rising to 31% with the parent working part time.
- The Right Here Right Now pilot study, aimed at capturing real time lived experience of people in Glasgow, asked a small number of community researchers about quality of work in summer 2015. They highlighted that good jobs are well paid, satisfying and enjoyable. Other features included being valued at work, having a sense of job security and having opportunities to develop skills. Positive workplace conditions were important, such as having good bosses and management, as well as a friendly working environment.

Lone parents

I actually was working, but I had to give up my job because they changed my shift to six in the morning... when I first started they gave me the school hours, and then because I wasn't contracted to that they basically said I had to leave the job, but they found me a night shift, so I was starting work at 10 at night and not getting in till 5 in the morning, then I had to sit up till 8, get the weans [children] ready, take them out, then they were at school and nursery, sleep, so that was the night shift. And then I had to change back to my contracted hours which was legally six in the morning, and I couldn't do that so I had to leave.

Lone parent, age 33, two children aged seven and five.

Everybody wants that 10 till 2, that's why there's no shifts at that time... if a job comes up, how many parents are going to go for that job.

Lone parent, age 40, two children aged seven and six

I'd like her [daughter] to see me working, I think it would just instil a good work ethic in her when she's older as well, looking back, that her mum did work and not just stayed on the social.

Lone parent, age 32, one child aged five.

Right Here Right Now Community Researchers

Somewhere people recognise your abilities and encourage advancement, respect your views pay a decent salary and acknowledge your input.

Hours to suit people's lifestyle and a decent hourly wage with yearly wage increases to tie in line with the cost of everyday living i.e. food, electricity, gas etc.

3. Have jobs become better or worse since 2008?

The picture is not consistent across different sectors and professions, highlighting a risk of increasing inequality in pay and conditions. However there are a number of indicators of change in the labour market which suggests that some of the characteristics of poor work are increasing. Many of these are set out in the 2013 GCPH report *The rise of in-work poverty and the changing nature of poverty and work*^{iv}. Issues include:

- The overall availability of jobs has an impact on choice and ability to secure a good job: between 2008 and 2013 there was a drop in the number of job vacancies for Jobseeker's Allowance (JSA)

claimants: in 2008, for every ten JSA claimants across Glasgow and the Clyde Valley there were 6.2 job vacancies, dropping to 2.9 vacancies in 2013.

- The rate of underemployment increased rapidly in Scotland from 2008 to 2012, peaking at one in ten of the working population. In Glasgow, the rate was higher than the Scottish rate after the recession, rising to 12.2% in 2012, but declining again to 8.9% in 2013, just below the Scottish average rate of 9.6%.
- In-work poverty has become a more significant factor in overall poverty rates. Specifically, in-work poverty changed from representing just over a third (37%) of total relative poverty in 1999/2000 to almost half (48%) in 2010/2011. In other words, by the end of this reporting period, in Scotland, of all individuals living in relative poverty after housing costs, almost half were living in a household where at least one person was working.
- There have been additional financial pressures in the period since 2008 particularly in Local Government and the Third Sector, with rising demand for services, restructuring and funding reductions impacting on individual job security and ability to manage workloads.
- There have been significant changes to the welfare system, including specific job-seeking conditions which can act as a 'push' into poor or unsustainable work and reduced support for skills development and further education.
- Around half (45) of the community researchers we asked through the Right Here Right Now pilot perceived work quality to have got worse. They suggested that low pay, fewer job benefits, zero hour contracts and a lack of training opportunities had contributed to a decline in the quality of jobs available.

"Many of my friends and colleagues, fellow art graduates and now practising artists, can no longer get jobs that enable them to pursue their careers. They end up in minimum wage service jobs."
Right Here Right Now Community Researcher

4. What effect might low quality/low pay jobs have on the economy?

There are both direct and indirect effects including:

- The effect of low pay on spending.
- Rising income inequality: the Scottish Government's Economic Strategy notes the growing international understanding that inequality is bad for economic growth.
- Lack of support for progression, use of skills and training / development leading to unused potential and restricting development of a skilled workforce to support growth in the economy.
- The impact on mental and physical health, which may result in reduced economic participation and service costs.
- The long-term effects of low pay on child poverty and outcomes and attainment of future generations. Over half of children in poverty live in a household where at least one adult is in work.

5. Health impacts of low quality jobs

The Rise of in work poverty report concludes that "the implications for population health and wellbeing of [changes to the labour market] are generally negative. The detrimental impact of low quality, precarious and insecure work on mental health and wellbeing is especially concerning"^{iv}.

Specific issues include:

- Low pay is now a major contributor to poverty for individuals and households, including households with children. The effects of poverty on health are well documented.
- Unpredictability of income leading to challenges in affording basic requirements for healthy living such as food and heating, including food bank referrals associated with chronic low pay and fluctuating income.
- Stress associated with uncertainty of hours and income, precariousness of employment and cycling of work and unemployment.
- Loss of the benefits associated with 'good' work including self-esteem, sense of purpose, pride in work and supportive environments.
- The risk of low pay and cycle of low and no pay is particularly high for those with work-limiting health conditions^v.

We would also wish to highlight the very positive effects on health of 'good jobs'. For example, the GoWell programme which has been investigating the impact of regeneration on health over a ten-year period has noted that change in employment status (from not working to working) has the biggest impact on health outcomes^{vi}.

6. Additional issues

Low pay and poor quality work affect some groups more than others. The Joseph Rowntree Foundation has shown that the groups more likely to be in low pay or moving between low pay and no pay include women, lone parents, some minority ethnic groups, young people, people without qualifications and people with disabilities^{vii}. These are sizeable groups who are at risk of multiple disadvantage and this is likely to have a knock-on impact on other householders.

The interaction with the welfare system is critical. Individuals experience fluctuations and variations of unemployment, employment, poverty and welfare support which requires a flexible and responsive system. Work programme support for those on Jobseeker's Allowance also has a critical role to play in supporting people into better quality, sustainable jobs. Lone parents reflected that the conditionality associated with Jobseeker's Allowance could act as an unhealthy 'push' resulting in them applying for unsuitable jobs and accepting the first offer without considering if it was sustainable or reconcilable with childcare.

7. What can the Scottish Government and public policy-makers do to improve job quality in Scotland?

There are a number of approaches which could be considered in order to address work quality and associated factors.

- Embed a stronger focus on health and wellbeing across economic, regeneration and social protection policies, particularly in advance of the Smith Commission proposal to devolve 14.6% of all benefits, of which the majority have a strong health-related component.
- Ensure that employability approaches support entry to high quality jobs and focus on sustaining employment and skills development and progression; build on past learning from employability programmes that achieved positive outcomes, such as the New Futures Fund for ex-offenders and substance users and the Working for Families Fund that targeted lone parents.
- Review opportunities for wider coverage of high quality and affordable childcare for those seeking work and those in work. There are specific challenges around pre- and after-school care, and school holidays.

- Ensure that actions are targeted towards the specific barriers facing those groups at particular risk of low pay and job insecurity.
- Prioritise extension of the Living Wage, particularly among women, to address health inequalities and support efforts to reduce the income ratio between the highest and lowest paid employees. Work with sectors where low pay is known to be an issue.
- Improve Third Sector job quality by assessing the short- and medium-term impact of funding decisions on the workforce, considering co-designing new approaches to competitive tendering and addressing occupational health gaps.
- Encourage new supportive links between health and social care partnerships, early years, employability services and the Third Sector which recognise the interconnected and complex issues facing households. For example, child poverty, poor parental health, economic inactivity, alongside family members churning between a retrenching welfare system and insecure, low paid work.
- Ensure that job quality is an explicit aim of economic strategy, as well as numbers of jobs. Consider targeting support, incentives and apprenticeship schemes towards sectors and organisations which offer opportunities for high quality work and progression.
- Start early: educational attainment and skills development within schools are key to shaping future work choices and options.
- Learn from new approaches being tested elsewhere, such as the proposed study in Gothenburg, Sweden, to explore if reducing the working week can lead to reduced sickness, improved health, more jobs and higher productivity^{viii}; or, plans in the Dutch city of Utrecht to test out a Citizens' Income as an alternative model of welfare provision^{ix}.

GCPH
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- ⁱ 'Fair Society Healthy Lives'. The Marmot Review. London: UCL Institute of Health Equity; 2010. Available at: <http://www.instituteofhealthequity.org/projects/fair-society-healthy-lives-the-marmot-review>
- ⁱⁱ Rocket Science. The changing nature of work in the third sector in Glasgow. Glasgow: GCPH; 2015. Available at: http://www.gcph.co.uk/publications/554_the_changing_nature_of_work_in_the_third_sector_in_glasgow
- ⁱⁱⁱ Glasgow Centre for Population Health. Briefing paper 46: The barriers and opportunities facing lone parents moving into paid work. Glasgow: GCPH; 2014. Available at: http://www.gcph.co.uk/publications/535_bp_46_barriers_and_opportunities_facing_lone_parents_moving_into_paid_work
- ^{iv} Harkins C, Egan J. The rise of in-work poverty and the changing nature of poverty and work in Scotland: what are the implications for population health? Glasgow: GCPH; 2013. Available at: http://www.gcph.co.uk/publications/456_the_rise_of_in-work_poverty?&&aq=harkins
- ^v Joseph Rowntree Foundation. The low pay, no-pay cycle. <https://www.jrf.org.uk/report/low-pay-no-pay-cycle>
- ^{vi} GoWell. www.gowellonline.co.uk
- ^{vii} Joseph Rowntree Foundation. Future of the UK labour market. <https://www.jrf.org.uk/report/future-uk-labour-market>
- ^{viii} The Independent. Sweden to trial six-hour public sector workday. <http://www.independent.co.uk/news/world/europe/sweden-to-trial-six-hour-public-sector-workday-9248009.html> (April 2014)
- ^{ix} The Guardian. The giving city: Utrecht plans 'basic income' experiment. <http://www.theguardian.com/cities/2015/jul/10/the-giving-city-utrecht-plans-basic-income-experiment> (July 2015)