

Briefing Paper

Women and the economy

January 2015

Key points

1. Women's contribution to the UK economy has grown over the past few decades with record numbers of women now working and setting up in business.
2. Despite this, there remains a disparity between men and women's participation in the labour market which if tackled could have a significant impact on the economy.
3. To maximise women's contribution to the economy action needs to be taken to address a range of barriers that prevent women from participating in the labour market and making full use of their skills.

1. Women's contribution to the economy

- 1.1. Women's contribution to the economy has grown over the past few decades with record numbers of women now in employment.¹
- 1.2. Women led SMEs already add £70 billion to the UK economy² and women are increasingly choosing to set up their own business with 47% of high street outlets launched since 2008 led by women.³
- 1.3. The unpaid work carried out by women is another important contribution with some estimates that if care work was assigned a monetary value it would constitute between 10 and 39 per cent of GDP.⁴

2. Maximising women's contribution to the economy

- 2.1. While women's involvement in the labour market has increased they continue to be under represented in the workplace and tend to work in lower paid lower skilled jobs that are often below their qualification level.

¹Office for National Statistics (2014) via The Guardian

<http://www.theguardian.com/business/2014/feb/19/unemployment-continues-to-fall-jobless-rate>

²Women's Business Council (2013) 'Maximising women's contribution to the economy'

³Federation of Small Businesses via BBC <http://www.bbc.co.uk/news/uk-26171982>

⁴Institute of Development Studies <http://www.ids.ac.uk/news/who-cares-unpaid-care-work-poverty-and-women-s-human-rights>

- 2.2. Recent reports have suggested that by “equalising the labour force participation of men and women the UK could increase GDP per capita growth by 0.5 percentage points with potential gains of 10% of GDP by 2030.”⁵
- 2.3. To achieve this, action needs to be taken to address a range of barriers that women encounter when considering entering the workplace or setting up in business.

3. Tackling the barriers

3.1. Employment

- 3.1.1. Women are much more likely to work in part time roles which are associated with a higher risk of low pay.⁶
- 3.1.2. Under employment is an increasing issue with evidence to show that there are 1.3 million women who want to work more hours but are unable to.⁷
- 3.1.3. Women also experience a skills squeeze. While they are more highly qualified and more likely to receive in-work training than men they continue to work in lower skilled jobs and receive lower pay.⁸
- 3.1.4. Exploring modern working practices that enable women to better balance work and caring responsibilities will help more women to access full time employment.
- 3.1.5. This should be accompanied by action to tackle persistent low pay and the perception that part time work is less valuable.

3.2. Occupational Segregation – horizontal

- 3.2.1. Women continue to be concentrated into a small number of occupations and industries with persistent gender stereotypes about what constitutes ‘men’s work’ and ‘women’s work’ playing an important role in sustaining this segregation.⁹
- 3.2.2. The sectors that women tend to work in are those where pay is low and there is little chance of progression which further limits the contribution that they can make to the economy.
- 3.2.3. Working with educators and careers support providers to ensure that girls are encouraged to consider non-traditional career and study options can help to raise aspirations; open pathways to better paid and more secure employment and reduce poverty in the long term.¹⁰

3.3. Occupational Segregation – vertical

- 3.3.1. Women remain under-represented in leadership positions across all sectors of the labour market accounting for just 22.8% of FTSE 100 Board

⁵ Women’s Business Council (2013) ‘Maximising women’s contribution to the economy’ <http://womensbusinesscouncil.dcms.gov.uk/introduction/>

⁶ Chwarae Teg (2013) ‘Women and Work’ Briefing Paper

⁷ Women’s Business Council (2013) ‘Maximising women’s contribution to the economy’

⁸ Chwarae Teg (2013) ‘A Woman’s Place’ http://chwaraeteg.com/downloads/Summary_Report.pdf

⁹ Chwarae Teg (2013) ‘Occupational Segregation’ Briefing paper

¹⁰ Chwarae Teg;s Fair Foundations programme is working to tackle gender stereotyping at the foundation phase. More information can be found here: <http://www.fairfoundations.co.uk/>

members in the UK¹¹, 4% of Chief Executives of the top 100 businesses in Wales¹² and 31% of board members of major Welsh Government sponsored bodies.¹³

- 3.3.2. Encouraging employers to implement modern working practices, making them aware of the business benefits of a diverse workforce and ensuring that women have relatable role models and can access mentoring and sponsorship schemes will help to redress the balance at the top.

3.4. Care

- 3.4.1. Despite some progress women continue to be seen as carers first and earners second which means child and elder care remains a significant barrier when considering entering or progressing in the workplace.
- 3.4.2. Investigating new models of child and elder care, such as social enterprise and co-operatives, and ensuring that child care provision is driven by meeting both the parent's economic needs and the children's educational needs will help to support families to balance work and care.

3.5. Enterprise

- 3.5.1. Despite some improvement, women in the UK are still half as likely as men to set up their own business and face a range of gender specific barriers such as lack of finance, lack of childcare and lack of confidence.
- 3.5.2. Providing tailored business support and mentoring schemes will have a significant impact on business start-up rates among women.
- 3.5.3. Requiring gender disaggregated data to better track any imbalances in service delivery will also help to address the gender start-up gap.

Conclusion

It is clear that women's contribution to the economy has increased over the past few decades with record numbers of women in employment and growing numbers setting up their own business.

While this is to be celebrated there remains a difference between the number of men and women that are able to fully participate in the labour market. If action is taken to address the barriers outlined above women will be better able to enter and progress in the workplace benefitting themselves, their families and the wider economy.

¹¹ House of Lords Library Note (2014)

¹² EHRC (2014) "Who runs Wales? 2014 A lost decade – no change"

¹³ Ibid