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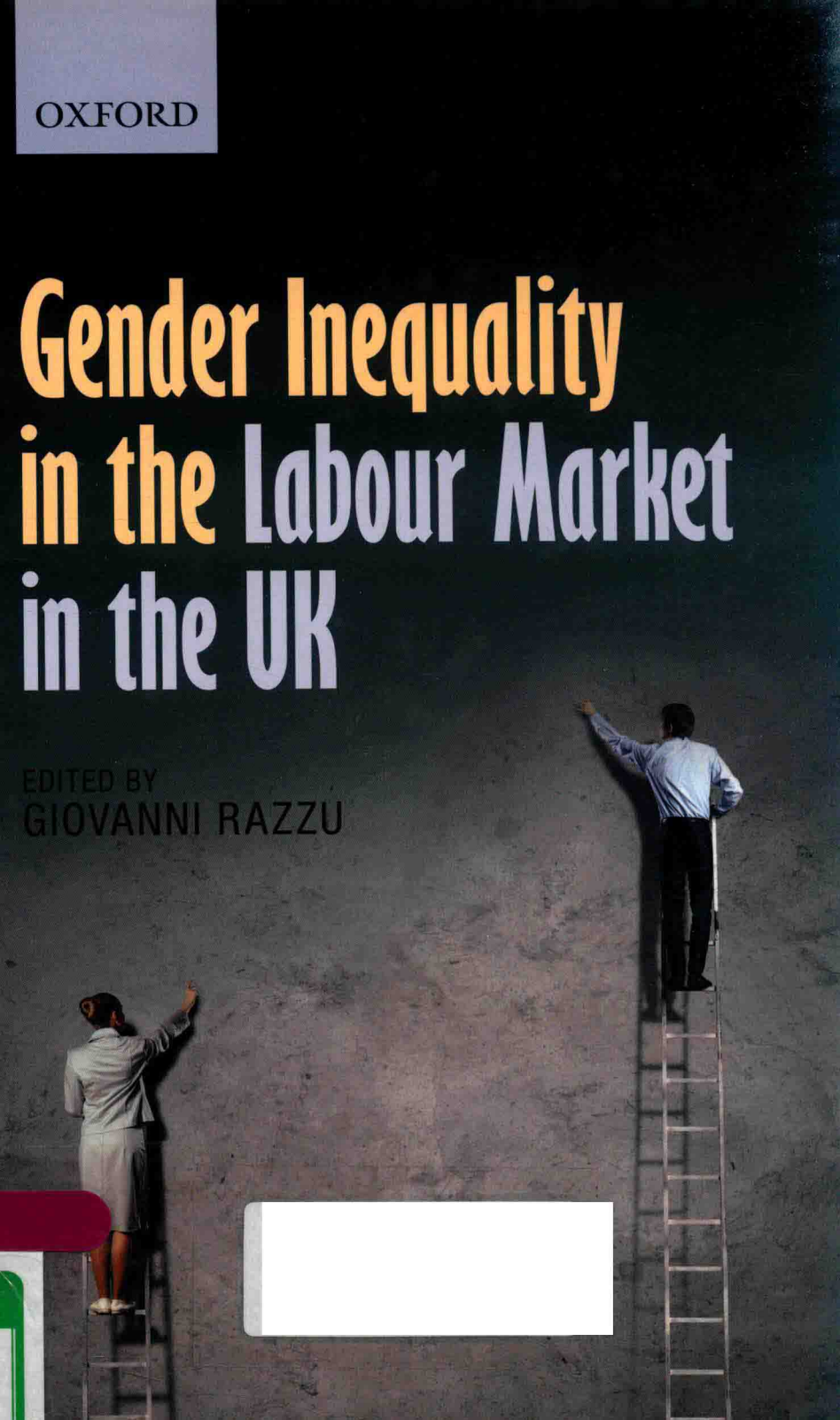
# Gender Inequality in the Labour Market in the UK

EDITED BY
GIOVANNI RAZZU



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# Preface

The analysis of gender inequality in labour market outcomes has received substantial and growing attention from academics of various disciplines over time. The distinct literatures have explored, often from differing perspectives and methodological approaches, the various forms of inequality women experience in the labour market. Alongside this growing literature, the continued increasing participation of women in paid work, and the consequent issues and challenges this poses, has resulted in a substantial rise in policy makers' interest. This has manifested itself in many areas of policy, including taxation and benefits, health, caring, and also provision of other services such as 'early years', school, and higher education.

This increased academic and policy interest has also been a reflection of the changing position of women in society and the labour market in particular, certainly in the UK but also in many other developed countries. Educational attainment gaps have not only narrowed over recent decades but girls' education—including higher education—has overtaken that of boys. The participation rate of women in paid work in the UK has increased steadily over the last half a century (although this rate has slowed in the last two decades), at the same time as participation for working age men has seen a sustained fall.

However, the labour market outcomes of women, both the jobs they do and the pay they receive, often do not reflect their personal qualification levels, at least relative to men, nor their improvement in recent years. There remain gender differences in pay that cannot be explained by educational attainment or

other relevant factors, a sign perhaps that the labour market is failing to make the best use of women's talents. The reasons for this inefficiency can be complex and numerous. For example, the very distribution of where women and men work in the economy, both in terms of sectors and occupations, may not only lead to gender inequality directly, but is also inexorably linked to the subject choices boys and girls make at school. Gender stereotyping of jobs and work leads to specific educational choices by boys and girls, which might act to reinforce those stereotypes. These reasons also include inequality within the household, and the constraints and barriers that a very unequal distribution of labour in household production generates on women's likelihood of participating in paid work. Moreover, the way the gendered distribution of household production, or unpaid work, relates to women's detachment from the labour market might further amplify gender inequalities.

Within this broad context, the book's aim is to defragment this vast evidence base, by drawing attention to and concentrating on the key issues: the facts and explanatory factors on gender inequality in the labour market. In doing this, there is no strong disciplinary prior nor a single methodological approach. The reader might find that economics perhaps prevails; if this is the case, I do not think it is so to a large extent: approaches that have been developed in other disciplines, such as sociology, are prominent, for instance, in the assessment and understanding of gender segregation. Moreover, the book does not reflect one specific theoretical position on gender inequality, partly because it is the product of various contributors all having their backgrounds. Perhaps the only clear position that emerges from the book as a whole, and which I feel it is honest to point out, is that gender inequality in the labour market is a product of many factors, including in particular the gendered dimension of many parts of our society—and, specifically in this context those that relate directly and indirectly to the labour market: very rarely can the labour market inequality of women be explained by genuine choice while the evidence indicates it is a result of the

wider context and circumstances, of 'a structured system of institutions and norms in which gender plays a very important part' as put clearly by the authors in Chapter 3.

The book aims to achieve those objectives by describing, within a systematic framework, the most relevant issues that impact on the extent of gender inequality in the labour market. The framework is very simple, which I hope will help the communication of the key messages of the book: five 'explanatory' chapters are preceded by an introductory chapter that describes the significant facts and introduces the main data and evidence on key labour market outcomes: employment, unemployment, inactivity, pay. The basic evidence represents the starting point for looking at the macroeconomic picture, in particular what happened—and typically happens—to women's relative position during economic recessions and business cycles. The macro picture is then followed by a series of chapters that look in detail at the evidence on the various issues that explain the disadvantaged position of women in the labour market, following a kind of life cycle and, therefore, starting with what happens at critical points during the latest years of schooling, higher education, and the transition from education to the labour market; continuing with the determinants of the gender pay gap and an assessment of occupational segregation to describe the jobs where women are most likely to work compared to men and the resulting differences in pay, and concluding with the differences in household production that have become the focus of an important and interesting research agenda as a result of the collection of time use data.

In Chapter 1 I provide the wider context for the subsequent analyses. First, I present the basic facts on gender inequality in the labour market for the following outcomes: educational attainment and subject choice (which will provide the basis of Chapter 4 on the transition from education to the labour market); employment and inactivity (which will then be explored more substantially in Chapter 2 on business cycles and gender employment gaps); pay (which will provide context to the full

assessment of the gender pay gap in Chapter 3), the economic sectors, and the most likely occupations of women and men (which will provide the basis of the analysis of the dimensions of occupational segmentation in Chapter 5); and the division of labour within the household (which is explored in more detail in Chapter 6). In addition, and in order to provide the reader with a fuller contextual framework, I present these facts both in a historical perspective, showing trends over time, and in an international perspective, in order to indicate how the UK compares with other countries in terms of those key labour market outcomes. The chapter also contains a brief account of the main social trends that have impacted on the position of women in the labour market, including demographic and fertility trends, the expansion of the welfare state, and the educational participation of women, coupled with structural changes to the labour market. I also briefly describe the main attitudinal changes to the role of women in the labour market and provide an account of the legislative context and how it developed over time.

In Chapter 2, we present novel evidence on the macroeconomic context: we assess the relationship between gender employment rate gaps and business cycles. Do business cycles—namely deviations from trend in GDP—have a differential impact on the employment rates of men and women? Although the literature on business cycles is extensive, very little has been done on the gender dimension of business cycles. In addition, the way this wider macroeconomic context informs our understanding of gender inequality in the labour market becomes even more relevant once we look at the reasons why business cycles are not gender neutral, which is also considered in the last section of Chapter 2. In fact, we look at whether the jobs men and women tend to do—the sectors and the occupations they tend to be employed in—can explain why changes in GDP are typically associated with different impacts on male and female employment rates.

In Chapter 3, Wendy Olsen, Vanessa Gash, Hein Heuvelman, and Pierre Walthery further explore the evidence on gender

pay gaps. They employ decomposition analysis to assess both the drivers of the gender pay gap and how these have changed over time. The chapter draws attention to part-time work and to women's job downgrading when they return to employment after childbirth, factors which are also discussed in Chapter 6 on the assessment of the division of labour within the household. The analysis reported in Chapter 3 rightly emphasizes the large size of the gender residual in the decomposition analysis, thereby showing the extent to which a large part of the variation in wage levels is not explained by any of the many factors (more than 20 variables) controlled for in the analysis. The chapter clearly explains how it is better to think of the residual as a property of a gendered society.

In Chapter 4, Sarah Morgan and Helen Carrier look in detail at the journey girls and boys have taken from the time they complete compulsory school to their entry into the labour market, paying particular attention to the subject choices both genders tend to make during that journey from school to higher education. They look at the evidence on the way and extent to which gender segmentation in specific subject areas, throughout the broader education system, influences the range of occupations available to women and their future earnings potential. It is striking how, despite the considerable improvements in educational achievement and the gains in the labour market—also described in Chapter 1—there continues to be substantial gender segmentation in subject choice, which becomes more pronounced as young women progress beyond compulsory education and impacts on the options available for the transition to first occupations and future career options.

In Chapter 5, Bob Blackburn, Jennifer Jarman, and Girts Racko offer and in-depth assessment of occupational gender segregation. They introduce and describe the two dimensions of occupational segregation—vertical and horizontal segregation—and the extent to which they contribute to overall gender occupational segregation. The horizontal dimension does not capture gender inequality: men and women could work

in different occupations but this could not result in any inequality. Inequality is entailed only in the vertical dimension, which tends to be negatively related to overall segregation. The authors apply their approach using both pay inequality and social stratification, the latter measured by CAMSIS, which can be thought of as a measure of occupational status or class. The distinction between the two dimensions, and their application to pay and CAMSIS, offer a more helpful understanding of gender occupational segregation in Britain.

Finally, in Chapter 6, Man Yee Kan presents evidence on the impact that the division of labour within the household has on the labour market outcomes of women, specifically the changes in employment status and wages. Two key questions addressed by the chapter are the extent to which the gender wage gap is related to the division of labour within the household and how the time spent on household work, and the changes in the balance between unpaid household and paid market work after the birth of a child, affects women's labour market outcomes: does the housework time of women and men impact on women's likelihood of remaining active in the labour market after childbirth? Is the gender wage gap also a consequence of the unequal division of domestic labour between men and women? In this respect, this analysis not only places the division of labour within the household as a key element in explaining gender inequality in the labour market, but also complements the assessment of the factors of the gender pay gap presented in Chapter 3: it provides some further explanation to the large residuals found there and the systemic structural causation of gender inequality in the labour market.

# List of Abbreviations

| | |
|---|---|
| ASHE | Annual Survey of Hours and Earnings |
| BERR | Department for Business, Enterprise and Regulatory Reform |
| BHPS | British Household Panel Survey |
| BIS | Department for Business Innovation and Skills |
| CAMSIS | Cambridge Social Interaction and Stratification Scale |
| DCLG | Department for Communities and Local Government |
| DFE | Department for Education |
| DFES | Department for Education and Science |
| DIUS | Department for Innovation, Universities and Skills (2007–9) |
| DWP | Department for Work and Pensions |
| EOC | Equal Opportunities Commission |
| EHRC | Equality and Human Rights Commission |
| EPPI | Evidence for Policy and Practice Information |
| EU | European Union |
| EU-15 | Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom (pre 1 May 2004). |
| EU-27 | EU15 + Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia |
| GDP | gross domestic product |
| GEO | Government Equalities Office |

| | |
|---|---|
| GESR | Government Economic and Social Research team |
| HEFCE | Higher Education Funding Agency for England |
| HEIPR | Higher Education Initial Participation Rates |
| HESA | Higher Education Statistics Agency |
| ICSED | international standard classification of education |
| ID | Index of Dissimilarity |
| IDPM | Institute for Development Policy and Management |
| IP | Karmel and MacLachlan index |
| ISCO | International Standard Classification of Occupations |
| ISER | Institute for Social and Economic Research (University of Essex) |
| ISSP | International Social Survey Programme |
| JQC | Joint Qualification Council |
| LFS | Labour Force Survey |
| MM | Marginal Matching measure |
| NEET | not in education, training, or employment |
| OECD | Organization for Economic Co-operation and Development |
| ONS | Office for National Statistics |
| PISA | Programme for International Student Assessment (OECD) |
| PPSIS | Faculty of Social and Political Sciences (University of Cambridge) |
| SR | Sex Ratio |
| TIMSS | Trends in International Mathematics and Science Study |
| TFR | total fertility rate |
| UK | United Kingdom |
| UKCES | UK Commission for Employment and Skills |
| WBL | work-based learning |
| WWII | World War II |

# Notes on Contributors

**Robert M. Blackburn** is Honorary Professor at Stirling University and Emeritus Reader in Sociology and Fellow of Clare College, Cambridge University. He was the original Director of the Social Science Research Group and now serves as Treasurer. He is an Academician of the Academy of Social Sciences, and serves on the Academy Council. He has served on the Executive Committee of the British Sociological Association, and on the Editorial Board of Work, Employment and Society. He graduated in maths and philosophy at Sidney Sussex College, Cambridge, and received a PhD in social science at Liverpool University. At Liverpool he taught sociology, research methods, and social philosophy before moving to Cambridge as Head of Sociological Research in the Department of Applied Economics and subsequently joining the Faculty of Social and Political Sciences (now PPSIS). He was Distinguished Visiting Professor at the University of Alberta, and taught a graduate course on the work of his research group at Getulio Vargas, Sao Paolo. He has written extensively on social inequality, particularly social stratification, gender and ethnicity, and on work.

**Helen Carrier** is Head of Strategy at the Department for Culture, Media and Sports. At the time of writing, she was Chief Economist and head of the Strategic Analysis and International Unit in the Government Equalities Office (GEO). During this time she has worked extensively on women and the labour market. The analytical function of the GEO seeks to firmly embed evidence in policy making and takes a forward looking approach on challenges and opportunities to the new equalities agenda. Helen chairs the Government Economic and Social Research (GESR) team cross-Whitehall analytical group on social mobility which is currently focusing on social mobility and the labour market. Prior to joining GEO, Helen worked in the Department for Business, Enterprise and Regulatory Reform (BERR), Cabinet Office and Ministry of Justice covering the challenges of better regulation, performance, evaluation, and business modelling. She has a PhD covering 'The Impact of Inward Investors on Indigenous Suppliers in the UK'. Helen has extensive private sector experience in the UK and overseas.

**Vanessa Gash** is Senior Lecturer in the Department of Sociology at City University London, which she joined in 2013. Before then she worked at both the Department of Sociology and the Department of Social Statistics in the

University of Manchester. Her research interests are in comparative labour market research, with a particular emphasis on the employment conditions and market outcomes of atypical workers, female market integration, and welfare regimes. She uses a wide variety of data in her research, both cross-national comparative data such as the European Social Survey, as well as longitudinal data such as the Understanding Society data. She has been working in this area for some time now, having worked on the topic for two years during her time at the Economic and Social Research Institute, Dublin (1998–2000) at Oxford University where she obtained a DPhil in Sociology (2000–2004), and during her time as a Fellow at the Max Planck Institute for Human Development in Berlin (2004–6).

**Hein Heuvelman** is a PhD Student at Cathil Marsh Centre for Census and Survey Research, University of Manchester. His research investigates the social determinants of ethnic inequalities in mental health in Great Britain and the United States, with a more specific aim of examining the measurement characteristics screening instruments for psychotic symptoms applied in the context of cross-cultural population-based research. During the course of his doctoral research Hein has been involved in epidemiological research on perinatal risk factors for schizophrenia-spectrum disorder in later life at the Karolinska department of public health sciences in Stockholm using data from the Swedish national register.

**Jennifer Jarman** has taught sociology on three continents. She is now working at one of Canada's leading universities for aboriginal research and education, Lakehead University, and so faces daily challenges and questions about the consequences of Canada's history of both ethnic and gender segregation in labour markets and education systems. Prior to this she taught for six years at the Department of Sociology at one of Asia's top universities, the National University of Singapore, and ten years at the Department of Sociology and Social Anthropology, Dalhousie University, on Canada's east coast. She started her career as a Senior Research Associate at the University of Cambridge, where she had also completed her doctorate. She has been an executive Member of the Canadian Sociology Association and has been an editorial board member of the journals, *Capital and Class*, and the *Asian Journal of Social Sciences* as well as contributing to numerous workshops and conference sessions for most of the world's major sociological associations. For the past 20 years, Jennifer Jarman has worked on a programme of research based at the Social and Political Sciences Department, Cambridge University under the leadership of Dr Robert M. Blackburn. This programme of research has been assessing the gendering of labour markets nationally and internationally. Work from these projects has been published in journals including *Sociology, Work, Employment and Society*, and the *British Journal of Sociology*.

**Man Yee Ken** is a Research Councils UK Fellow at the Department of Sociology and a Research Fellow at St Hugh's College, University of Oxford. She is affiliated to the Centre for Time Use Research at Oxford University. Her research

interests are social stratification and inequalities, family, marriage, fertility, divorce, gender equality issues, the interactions between the household and the labour market, and empirical and methodological topics in time use research. Previously, she worked at the Institute for Social and Economic Research (ISER), University of Essex. She has also been a Visiting Scholar at ISER and the Centre for Applied Social and Economic Research at the Hong Kong University of Science and Technology

**Sarah Morgan** is head of the research and analytical team in the Government Equalities Office (GEO). She has been based in the GEO since its inception, where she has worked in both policy and research roles, always with a focus on gender equality—including violence against women, greater engagement with Government, or participation in the labour market. As a social researcher in the Department for Communities and Local Government (DCLG), her work focused on equality and diversity in local government, as well as greater citizen engagement. Prior to joining the civil service, Sarah was deputy director of the Irish Studies Centre, University of North London, engaged in research, consultancy, and publishing on the contemporary Irish diaspora in Britain. Her PhD examines 'The Contemporary Racialization of the Irish in Britain'.

**Wendy Olsen** is a Senior Lecturer in Socio-Economic research at the University of Manchester. She works both for the Institute for Development Policy and Management (IDPM) and in the Discipline of Social Statistics. She has previously taught sociology, development economics, and research methodology. She teaches statistics and PhD research methodology as well as computerized qualitative data analysis, the comparative method, the case study method, and topics in political economy (e.g. child labour in India). Her research focuses on the sociology of economic life. She has interests in methodology cutting across the whole range from quantitatively based to qualitative research and discourse analysis. She specializes in the study of economic institutions from sociological and moral economy vantage points. Her research has included case studies of Indian and UK labour markets, the credit market involvement of the poor in India, and other topics in economic sociology.

**Girts Racko** is an Assistant Professor at the Warwick Business School (WBS), University of Warwick. Prior to joining WBS, Girts worked as a Research Associate at the Judge Business School and Sociology department of Cambridge University. He received a PhD in Sociology from Cambridge University. His research interests include occupational gender segregation, the institutional study of organizations, and the normative implications of rationalization. His research has been published in the *European Sociological Review, Sociology, Work, Employment, and Society, Critical Sociology*, and the *Journal of Health Organization and Management.*

**Giovanni Razzu** is Professor of Economics of Public Policy at the University of Reading. Before joining the University, he was a Government Economist in

various departments, including the Office of the Deputy Prime Minister, Cabinet Office, and Government Equalities Office (GEO). He has been lead analyst for the independent Equalities Review, which produced the report 'Fairness and Freedom' and launched a new Equality Measurement Framework based on the capabilities approach. He has also been acting chief economist in GEO from its establishment until 2008 and has led the Secretariat to the National Equality Panel from 2008 to 2010, which produced the influential 'An Anatomy of Economic Inequality in the UK'. He is now the UK representative on the Expert Group of the European Institute for Gender Equality.

**Carl Singleton** is currently working towards a PhD in Economics at the University of Edinburgh, and is a Scottish Graduate Programme in Economics teaching assistant. He has also worked as an economist in the UK Civil Service at the Department for Work and Pensions (DWP) and the Government Equalities Office (GEO).

**Pierre Walthery** is a Research Associate at the Cathie March Centre for Census and Survey Research, University of Manchester. His substantive interests are in economic sociology with a focus on gender and spatial inequalities. He is currently working on the impact evaluation of area-based policy Interventions on health-related inequalities. Other previous work include regional differences in the employment trajectories of mothers of young children in the UK, work-life balance satisfaction in member states of the EU, and reversible working-time provisions. He is a specialist latent variable modelling of cross-sectional and longitudinal data, including structural equation, latent growth, and latent class analysis.

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