

# Social Quality and the Policy Domain of Employment National Report: United Kingdom

Loughborough University

By Dr. M. Threlfall and M. Fitchett

*Loughborough, 29 April 2002*

## 1. General UK

The employment rate/ratio for the whole population of the EU in 1999 was 62%. (Statistics in Focus, 5/2000). The Stockholm summit agreed a target of 67% for men and women together and 57% for women.

In the UK, the employment ratio in 2000 was 79.4% for men, 69.5% for women, making an overall rate/ratio, 74.7%. (source: DEFRA , Headline Indicators, Proportion of people in work).

## 2. Employment relations

### 2.1 Type of contract

#### *Temporary/fixed-term contracts*

Only 6.7% of UK employees have a temporary/fixed-term contract, compared with an EU 15 average of 13.4% and a Spanish figure of 32%. And given that it is not usual to have fixed-term contracts in the UK, the figures probably include consultancy contracts (high skill), or maternity leave replacements or: summer jobs (low skilled). Therefore the quality of the indicator is mixed for the UK. It is also probable that contracts that start as indefinite, do actually come to an end within a short time (<1yr), because terminating an open-ended contract incurs few penalties for the employer (e.g. one week's pay).

#### *Agency temping*

The term temporary work is associated in the UK with 'temping' through an agency (for people looking for a day, a week, a month's work, while they find a proper job).

The proportion of men temping rose in the 1990s from 9% in 1994 to 17% in 2000. In Spring 1994, 0.6 million men 2000, were in temporary jobs. By 2000, this was 0.8 million male employees, an increase of 33% in one year.

Waiver of rights for temporary/fixed-term workers (waiving the right to claim for unfair dismissal if the contract were not renewed) were abolished from 25 October 1999 (see consolidated Employment Relations Act, 2001).

#### *Are such contracts involuntary?*

According to *Employment in Europe, ch.4* (p69), the authors show figures for involuntary temp contract in EU and UK (see photocopy), indicating that they have fallen to about 30% of temporary contracts, ie less than 1 in 3 employees and the 4<sup>th</sup> lowest in the EU.

## 2.2 Length of service/job tenure

*Comment: A rise in length of service is taken as an indicator of security in a job, a fall, as showing less security. But aggregates are not good indicators of insecurity as an average of 12 years in a job cannot literally be classed as 'insecure'.*

### *Rising proportions of short tenure?*

On p. 72 of *Employment in Europe*, we find a table relating to job tenure, a comparison of 1995 with 2000. On the face of it, about three-quarters of employees have been in their jobs for over two years – an indication of some security. But the trend shows a small fall in the length of service: in 1995, 76.7% of employees had been in the job for over 2 years (EU-15), but by 2000, this was only 73.5%. However, the fall in this measure of length of service is not as great as might be expected from the amount of media concern about 'insecurity'. Maybe we only feel less secure?

A different measure of length of service for the UK, shows a rising proportion of employees have not yet acquired a length of service that illustrates 'security', i.e. they have worked for less than a year. However this proportion, under 1 in 5, remained stable in the late 1990s.

### *Length of service - UK*

*Table 1: Proportion of male full timers who started their current job in the previous 12 months*

1973	1983	1989	1993	1996	1997	1998	1999	2000
16%	12%	16%	12%	16%	17%	18%	17%	17%

Source: Labour Force Survey

Furthermore, the aggregate figures are higher, suggesting that women are more at risk of being in a job for less than a year: – 20% in 2000, 1 in 5.

Table 2: Length of service of employees, at Spring each year.

	1986	1991	1996	2000
Less than 3 months	5%	5%	5%	5%
3-6 months	4%	4%	5%	5%
6-12 months	9%	10%	9%	10%
12 -24 months	11%	13%	12%	13%
24 -60 months	20%	24%	19%	21%
60-120 months	21%	16%	21%	15%
120-240 months	20%	19%	19%	20%
240 months +	9%	9%	11%	11%
All employees (=100%) (millions)	21%	22%	22%	24%

Source: Labour force Survey, ONS.

#### *Job mobility?*

In 1986, unemployment was twice as high as in 2000, but the proportion of people who had been in their job for more than one year was virtually the same. This could indicate greater mobility or job creation.

Disaggregated, job tenure had fallen for men and women without dependent children, but risen among women with children. In other words, employees without children move jobs more frequently, while mothers stay on. And the largest fall has been for men aged 50+, from 15 years 3 months in 1975 to 13 years 8 months in 1995, a reflection of redundancies of older workers in traditional industries and other types of shrinkage.

Long term, there has not been a rise in 'insecurity' for men, as the proportion of male full timers who had started their job in the last 12 months was the same now as in.

### **2.3 Entrance to unemployment: flow figures**

Information on transitions out of temporary work into unemployment to be well below average in the UK. However transitions into inactivity are above the EU average (Employment in Europe chapter 4, table 100, p.70)

#### *Unemployment by duration, 10/2001.*

56% of all unemployed have been so for less than 6 months, according to The Labour Force Survey 2000. This is evidently a low figure, reflecting the fact that after 6 months, unemployed persons are due to move into a training programme such as New Deal, Work Based Learning for Adults. On the other hand, the Government's Employment Action Plan points out (p.8) that of those becoming unemployed, 61% leave the register within 3 months and a further 18% do so within 6 months.

#### *Individual difficulties of leaving unemployment*

A different approach attempts to capture individuals' patterns of economic activity over time, and suggests that of those continuously unemployed throughout a year, 72% would suffer from unemployment the following year. The chances of being unemployed during a year are as high as 60% for those who have experienced unemployment the preceding year. In other words, unemployment tends to stick to a person.

But the UK actually compares well with other countries. The source, *Dynamic Measures of Economic Activity and Unemployment: patterns and transitions over time*. (17/1999), table 7, shows the UK with 49% of such cases, the lowest in the EU, and in comparison with 76% in France, the highest. This concept does have implications for social cohesion, in that it suggests that every Member State runs the risk of finding itself with an "underclass" subject to continuing exclusion from the Labour Market.

## **2.4 Employment Protection Legislation**

The 'study of studies' in this regard (OECD 1999) show the UK as being out on a limb in comparison with other EU countries, with far less job protection than any other, though a little more than the USA, taking into account a whole range of indicators.

## **2.5 Accidents at work**

It seems that work is becoming safer in the EU - a drop of 13.1% in the incident rate, but agriculture, the wood industry and land transport are becoming more dangerous. There was a marked decrease in accidents in the hotel and financial/real estate/business industries.

The incidence rate of fatal accidents was highest in small businesses (1 to 9 employees). These, one might speculate, would be the ones least likely to take precautions, as not having the resources to appoint a full time Safety Officer.

In terms of standardised incident rates per 100,000 persons in employment, the UK record appears good 1550 in 1996, with 2.1 fatal accidents, compared with, say Germany, at 5098 and 4.1 respectively, though this good record may simply reflect the reporting rate, only 42% in the UK as against 100%. All member-states who derive data from declarations made to authorities other than the insurance system, such as labour inspectorates, have a <50% reporting rate, and all these MS have much lower standardised incidence rates. [From Stats in focus, 4/2000, accidents at work, 1996.]

So do the figures reflect the seriousness of the incidents or the reporting procedures? It appears that some accidents are simply not regarded as worth reporting to the labour inspectorate, whereas most countries where the insurance system plays a role, whether public or private, obtain 100% reporting rates. In addition, only accidents leading to more than 3 days' absence are included, and these would vary according to national cultures about going sick, and particularly according to whether a worker will be paid or not, as many UK building workers are registered as self-employed and would not be paid). Therefore, this important quality indicator suffers from a serious drawback for comparative purposes.

#### *By age*

The least accident prone category of worker a female aged between 25 and 55 years old, working in finance or a hotel, and in a fairly large establishment with between 50 and 250 employees.

## **2.6 Number of days training**

51% of employees work for employers who provide training, but it is unevenly distributed by skill level. Among highly educated employees, 68% get trained, and among those in the service sector, 57%. Only 34% of the low-skilled (who arguably need it most) work for firms that provide training. (Employment in Europe p72). According to the *Third European Survey on Working Conditions* of 2000, almost 75% of all those employed learned new things in their current job, and a third actually benefited from training provided by their company which lasted on average 4.4 days per employee per year.

*Table 3: Employers provision of training in the UK (England only), 1999*

England: employers reporting an increase in skill needs	62%
England: employers with a training plan	32%
England: employers with a training budget	25%
England: employers providing off-the-job training in last 12 mths	34%
England: employers involved w. NVQ/SVQ in last 12 mths	21%
England: employers involved w other Govt-supported training for young people in last 12 mths	2%
England: employers involved w. Modern Apprenticeships, last 12 mths	4%
England: employers involved w. National Traineeship in last 12 mths	2%

*Source: Learning and Training at Work, 1999, IFF Research Limited for the DfES*

### 3. Working time

#### 3.1 Average hours (f/t , p/t)

Full time average hours per week: 40.4 (41.2 for males, 39.0 for females) [Stats in focus, 10/2001]. At the same time, according to the 1999 Social Trends Dataset, men's hours of full time work range from 39 per week in Belgium to 42 in Greece and 45 in the UK. Women's hours range from 36 in Italy to 41 in the UK. But figures do differ according to source :

*Table 4: Average weekly hours*

<b>June – July 2001</b>	<b>Women</b>	<b>Men</b>
Average weekly hours worked	26.6	32.9
Average weekly hrs in FT job	-	38.1
Part time workers average hours	15.8	15.4
Average hours in second jobs	9.0	10.4
Total weekly hours worked: millions	335.3	590.8

*Source: Labour Force Survey*

Employees with children: 33% (3,981,000) of men in UK with dependent children worked 50+ hours per week.

*Comment: Clearly, men in the UK work the longest hours : Englishmen are the workaholics of Europe. They do so even if they have children, or perhaps because they have children.*

In the UK, the Employment Service defines part-time as 29 hours or less, 30 hours+ as full time, at least for Job Seeker's Allowance purposes. Back in the 1940s, the standard working week was 48 hours, so evidently, the hours of "full" and "part" jobs are socially constructed.

In Stats in Focus, 10/2001: 18% of people with jobs said they worked part-time, and 80% of part timers were women. This 18% is the proportion of respondents who said they worked "part time", using a self-definition of "part time" rather than an agency or government definition, counting up hours and defining "part time" and "full time". This can be a problem as there are country variations f 'official' definitions of 'PT'.

Stats in focus, 10/2001: 46% of unemployed people had been looking for work for over a year in the EU (12% in Iceland and 10% in Norway). The following comparison for the UK may be useful:



Table 5: Duration of unemployment, Spring 2000

<b>United Kingdom</b>								%
	Under 3 months	3-6 months	6-12 months	12-24 months	24-36 months	36 months+		100
<b>Males</b>								
16-19	48	21	18	9				100
20-29	37	21	14	14	6	8		100
30-39	26	19	13	15	5	21		100
40-49	29	16	14	15		20		100
50-64	24	15	15	16	6	24		100
All 16+	33	19	15	14	5	15		100
<b>Females</b>								
16-19	52	23	17					100
20-29	53	19	15	7				100
30-39	41	17	18	12				100
40-49	36	23	16	12				100
50-59	34	17	18					100
All, 16+	44	20	17	10	4	5		100

Source: Labour force Survey, ONS.

This table shows that duration of unemployment is an "age" thing, and also a "gender" thing from which it is the men who suffer.

### 3.2 Satisfaction with working hours

In 1998, the Workplace Employee Relations Survey asked employees in Great Britain how satisfied they were with their jobs.

Table 6: Job satisfaction

	work content	working time	working conditions	job	security	hours	earnings
low	6,7%	9,3%	8,4%	7,7%	14,2%	12,0%	19,3%
medium	34,6%	36,2%	39,3%	41,4%	36,2%	43,2%	54,0%
high	58,7%	54,5%	52,3%	50,9%	49,6%	44,8%	26,7%

This shows that dissatisfaction is not the main characteristic of the UK workforce. Nonetheless, one could say that about half of employees are dissatisfied with important conditions other than pay (on the understanding that few can ever be satisfied with their pay). Job security features quite highly here. The table below shows that as much as a quarter of male FT employees are dissatisfied with their job. It is FT employees who are more dissatisfied than PT ones.

Table 7: Job satisfaction (gender and fulltime/ part-time)

	Males		Females		All employees
	Fulltime	Part time	Fulltime	Part time	
Very satisfied	7%	10%	7%	9%	7%
Satisfied	42%	50%	49%	54%	47%
Neither	28%	26%	28%	25%	27%
Dissatisfied	20%	12%	14%	10%	16%
Very dissatisfied	4%	1%	2%	2%	3%

Satisfaction is complicated to interpret, as it is not clear what precisely is being measured. Especially with regard to hours, if part time, one suspects that satisfaction will vary according to whether the part time work is chosen or enforced. Employment in Europe 2001 reports that 40% of temps and involuntary part timers are very dissatisfied with hours, job security and earnings. With regard to voluntary part timers, 77% were satisfied with their hours, 73% working time, 65% work content and conditions. Part timers in Germany, Austria, France and the UK were happier than the ones in Greece and Italy.

## 4. Income security

### 4.1 Average wage

£422 per week, based on UK 2000 New Earnings Survey

#### *Number of low wagers*

[source: *Low wage employees in EU countries, 11/2000* , data for 1996.]

Across the EU, 15% of employees are on "low wages", that is to say, their monthly wage is less than 60% of their countries' median. In the UK, this proportion rises to 21%.

The incidence of part time work is 11% in the EU, but is 17% in the UK ( this means less than 30 hours per week, more common in the UK and Netherlands than in other countries)

The proportion on "low remuneration" is 9% in the EU, and 9% in the UK.

*Comment: This shows that there are 2 components of low pay: that which is due to low hourly rates of pay, which can be, and is, dealt with by Minimum Wage levels; and that which is due to small numbers of hours, which could be argued to be due to disparities of rights between full timers and part timers or to the fact that part-time work is offered in lower-paying sectors. It could be tackled by employment legislation to equalise rights, but is largely a matter of sectoral work organisation, and less amenable to Government action. Remuneration rates depend on marketable skills, but hours depend on many factors (see table 2, p3.)*

That the highest concentrations of low wage jobs are in less skilled jobs, which are occupied by women, young people, those with lower educational levels, and newcomers to the labour market, is hardly surprising. The Labour Market is precisely that - a Market - and those who have nothing to sell cannot command any kind of price for their product, their Labour Time.

What this report does not mention is the actual work being done by low wagers. In the UK, the Low Pay Unit has a list of the "usual suspects", certain business sectors which always pay badly:- catering, restaurants, bars, textile sweat shops etc.

*Comment re Social Quality : Perhaps the time has come to change the statistical focus from the characteristics of the low paid to why certain businesses offer low rates of pay, in order to verify propositions such as:*

*1. Businesses which pay low wages are labour intensive, low-value added ones. This would appear to justify paying low wages ; but of course it may not be the case.*

2. Such businesses are managed by less educated people or those with poorer communication skills who do not know how to get the best out of their employees, therefore low wages compensate for inefficiencies and lower productivity arising from poor management.

#### 4.2 Minimum wage schemes

[source, 'Minimum wages in the EU 2001', *Stats in focus*, 2/2001.]

This report includes the following table, showing that the level of the minimum wage scheme in the UK is comparable to France and the fourth highest in the EU.

Table 8: Monthly minimum wages, January 2001

	Euros
Portugal	390
Greece	458
Spain	506
Ireland	983
United States	1010
United Kingdom	1062
France	1083
Belgium	1118
Netherlands	1154
Luxembourg	1259

The latest comparable data available on gross earnings relates to 1999. The NMW represents between 34% and 57% of the average gross earnings of an employee. It is received by 6.9% of workers in the UK, compared to 17% of workers in Luxembourg, 7.5% in Portugal, 2.6% in Spain, 2.2% in the Netherlands. In the UK, about 1.7million employees earned it or less.

October 2001 in the UK, the adult rate was raised to £4.10 per hour, equivalent to 40% of male median earnings; and affected 1.3 million workers; constituting about 5.4% of workers. (UK Low pay Unit, Minimum Wage fact sheet). Not mentioned in this report, because not existing at the time it was produced, is the impact of Working Families Tax Credit, the other arm of the Government's anti-poverty strategy, of making work pay. (see my report "Low Pay and Income Security").

### **4.3 Poverty rates regarding age and gender**

[source: *'Social Exclusion', States in focus, 1/2000*]:

Firstly, this report refers to data gathered in 1995, and much has happened since then in the UK, e.g., introduction of the minimum wage. The proportion of the UK population on low income was quite high (20%), as compared with the EU average, (18%). The Gini-coefficient, indicating income distribution disparity, was 33 in the UK, as against an average of 31 in the EU

*Gender:* Poverty is everywhere a gendered phenomenon; women are more likely to be poor than men. It is also an age thing: poverty is rifest among the under 16s, more so than anywhere else; and among the 65+ age group (Senior citizens or Old Age Pensioners);. 1-person households among this group of seniors are more likely to be poor.

The incidence of poverty among single parents in the UK is well above EU average. Throughout the EU, the extent to which the retired, the unemployed and the inactive are over- represented among the low income group shows just how far income is tied to work, and even more so in the UK than in any other Member State.

It is also clear that income, activity status and means available are tied not only to work, but to skills levels: "there are more low-skilled persons in the low-income group, and within that group, relatively more are unemployed or inactive than in work".

[Source: Income Poverty in the EU: Children, gender and poverty gaps, 12/2000. Data for 1996.]

In 1996, 21% of all children in the EU lived in a low-income household, specifically. 16.9 million persons below the age of 18 living in 7.9 million low income households across 14 Member States. In addition, 23 % of these children lived in single parent households. The relative poverty risk was highest in Luxembourg, Ireland and the UK. Otherwise, UK seemed not out of line with the EU 13.

### **4.4 Value of transfers (pensions)**

[Source: Social protection: expenditure on pensions, 9/2001]

This reports the growth of expenditure on pensions of various types between 1990 and 1998. Total expenditure on pensions was equivalent to 12.6% of GDP in the EU. There are wide gap between countries: 4.1% in Ireland to 14.7% in Italy. The UK is quite in line with this trend, but it should be noted that the figures can as easily reflect growth in GDP as increases in expenditure (as in Ireland).

One of the reasons for the variations between countries is the proportion of the population aged 50 to 59 not economically active. For example, in Ireland and Austria, more than 40% of the 50 to 59 age group is inactive, compared with an EU average of 35.6% in 1998. In Sweden the figure is less than 15%. This suggests to me that Ireland and Austria might have a problem, in that they are not making use of a fine resource - the skills, experience and knowledge of the 50+ age group.

*Table 9: Activity rates of 45-64 year olds in the EU 1995-2000, (% working population)*

	1995	1996	1997	1998	1999	2000
<b>45-49</b>	79.9	80.3	80.9	81.2	81.9	82.2
<b>50-54</b>	72.4	72.4	72.9	73.5	74.1	74.8
<b>55-59</b>	53.6	54.4	55.2	55.6	56.1	56.8
<b>60-64</b>	22.8	23	23.5	23.2	23.7	24.1
<b>55-64</b>	38.9	39.4	40.1	40	40.3	40.6

#### **4.5 Reasons of inactivity (by carers)**

##### *4.5.1 Mothers' reasons for not doing paid work*

Main reason given is because they enjoy spending time with their children (68%); or believe it is better for children, (66%). But 46% say suitable childcare is too costly, and 39 % say they cannot find work with suitable hours, 34 % say they cannot find the sort of childcare they want. 29% say they need retraining. [source: UK Cabinet Office]

##### *4.5.2 Specific national information for*

###### *Informal/black/second economy*

The best source may be the Commission's report on the black economy [which I have no access]. The UK had more black economy than was popular knowledge at the time, but I cannot remember the figures. This is a complex area and would need an expert to judge. Anecdotal evidence from the London area suggest that the black economy has been extending, particularly among "tourists" from poorer countries who come to earn money in the UK, as well as "students" from poorer countries who enrol to learn English and are allowed to work PT a certain amount of hours but in fact work as many hours as they like. Also asylum-seekers, the numbers of which have risen enormously.

Even among those with a right to work, such as young people from Spain and Italy where unemployment is high, many are offered “cash in hand” for their work, even if they work FT and live in the UK for years, especially in the catering and hospitality sectors.

*Unfair dismissal compensation*

There used to be an upper limit or ceiling of £11,000 sterling. This was removed about 5 years ago. Since then Employment Tribunals have ruled in different ways according to individual cases.

Employment protection legislation in the UK is among the least strict of all the OECD countries, according to numerous criteria (OECD 1999).

*Active labour market policy*

This is an area of extensive activity on the part of the labour government. The best-known scheme is the “New Deal”. Evaluations of the new deal have tended to be positive, but not entirely so and expert research would be needed to say more. Active labour market policy of this type, involving training, also help to explain the fall in unemployment rates for the under-25s in the UK because the scheme of ‘training’ (non-technical skills) that all under 25s go on means that they are no longer counted as unemployed, as they are not “available to start work within 1 or 2 weeks” (ILO definition).

Another active labour market policy in the UK is the childcare allowance of £100 for single mothers which is supposed to help them take a (part-time?) job.

## 5. Forms of care leave

### 5.1 Introductory Comment

The situation in the UK has changed considerably in recent years. It used to be the case that, under the 1992 Social Security Act, mothers were entitled to take maternity "absence" after the end of maternity leave. This entitlement was dependent on having been employed, with the same employer, for 2 years. It was not paid, and therefore, take up levels were likely to be low. This statutory provision was supplemented by employer-financed collective agreements which added extra pay and leave arrangements in some sectors.

The situation was considered (Lohkamp-Himmighofen & Dienel, Reconciliation Policies from a Comparative Perspective) to be "liberal-labour market" orientation model, as opposed to, for example, the "woman-friendly" Scandinavian one. Assumptions about gender-role segregation have remained unquestioned in the sense that men have no statutory paternity leave. Mothers were supposed to stay at home as home-makers, and work was a secondary activity in PT work for the hours that fitted around their care duties (e.g. School hours). This was certainly so up to the 1990s.

The Labour Government's general attitude to questions of employment legislation is apparent from the Green Paper "Work and Parents: Competitiveness and Choice". Chapter six, "Encouraging flexible businesses" sets out what help might be given to businesses to make the most out of employees' desire to work more flexible hours. It considers options on flexible-hours working, making parental leave more flexible in terms of periods, days and hours, and developing childcare as a business.

The Prime Minister launched a Work-Life Balance campaign in March 2000, aiming to improve employers' awareness and take-up of policies which benefit their businesses and help employees achieve a better balance in their lives. The field of activity covers part-time working, working from home, job-share, term-time working.

The Government believes that flexible working means a negotiation between employers and employees about their needs to determine a pattern of hours that helps them both. It does not mean employers have to accommodate all demands to work certain patterns of hours and days if the job cannot be done that way. But nor should traditional managers' perceptions predominate, for instance, that a job can only be done from 9 am to 5 pm, nor that an employee needs to be in the office at all hours.



The Government takes a pragmatic approach to the problem. It will legislate when necessary, as it did when it implemented the European Directive on equal treatment for part-time workers, but it prefers to encourage employers to adopt best practice voluntarily. It will make information and advice easily available, for instance via the Internet; it will use such programmes as Investors In People to create and promote a 'kite mark', in order to create a code on flexible working that employers can sign up to. It will launch advertising and publicity campaigns to spread information about the help available; it will set an example, as the NHS (health service), DfES (Ministry for Education & Science) and DTI (Ministry for Trade and Industry) all try to do.

But the Government will legislate only when it has to, and it will leave remedies in the form of a complaint to the Employment Tribunals.

Ultimately, there is an underlying belief in the UK that employment practices are for employers and employees to negotiate, and that a 'bottom-up' strategy will work best by engaging both sides in a voluntary approach. However, cynics will point to the rise of statutory legislation as proof that, in an era with a strong focus on rights, the voluntary approach has failed employees and given 'bad' employers too much power in comparison to the employee.

## 5.2 Maternity leave

Rationale: laid out in the Government Green paper "Work and Parents: Competitiveness and Choice".

- Keeping women's skills and knowledge in the economy, and maintaining their attachment to the labour market.
- Maximising the contribution that working parents are able to make to their employers.
- Safeguarding the health and welfare of mother and child before and after birth.
- Improving the quality of family life.
- "thinking small first" in the design of solutions, to simplify systems so that everyone understands their rights and responsibilities.

Statutory rights include:

- Ordinary Maternity leave of 18 weeks, (to be increased to 26 weeks in 2003) up to 29 weeks.
- Additional maternity leave to run after the birth of the baby;
- right to return to the same job when you go back to work, or to a suitable job if that is not practicable; and
- the right not to suffer unfair treatment (detriment), and not to be dismissed or selected for redundancy on grounds related to maternity.

Statutory Maternity Pay [SMP] is 90% of salary for the first 6 weeks, £62.20 per week for the next 12 weeks, to be increased to £100 in 2003 and to 26 weeks, paid by the employer. (source: <http://www.tiger.gov.uk>). Maternity allowance is paid by the Benefits Agency to those women who cannot get SMP, but have a certain level of earnings while demonstrating an attachment to the labour market.

The Green Paper claims that around 305,000 women receive SMP each year.

### **5.3 Paternity leave**

(Source: Partial Regulatory Impact Assessment: Paid paternity and Adoption Leave).

Since 1999, fathers, whether natural or adoptive have had a right to parental leave, but not a statutory right to paid paternity leave. There is now a right for employees to take 1 or 2 weeks paid paternity leave around the birth of a child, or placement of a child newly placed for adoption. This leave must be taken in a single block within the first 8 weeks of a child's birth or placement.

From 2003, Statutory Paternity Pay will be paid at the rate of £100 per week, or 90% of the employee's average weekly earning, whichever is the lower.

The Assessment estimates that there are 450,000 employed fathers each year who will be eligible for paternity leave, that most fathers who are able to take time off, do in fact do so, and that the average time off is 7 to 8 days, and that possibly half of employed fathers are provided with some paid paternity leave. The cost to the Exchequer in 2003/4 is estimated to rise to some £63 million.

### **5.4 Parental leave, adoption and sick relative**

These come under the heading of "dependents". On completion of one year's service with the employer, a total of 13 weeks leave can be taken up to the child's fifth birthday. Fathers are also entitled to this leave. (source: <http://www.tiger.gov.uk>)

The new right to time off for dependants came into effect from 15 December 1999.

The following notes come from DTI's 'Frequently Asked Questions' website.

This is a new right, not previously recognised in law, allowing employees to take a reasonable amount of time off work to deal with unexpected or sudden emergencies, and to be protected against unfair dismissal or victimisation. It applies to most employees, but not to the self-employed. It does not apply

to members of the police service, nor to masters or crew members engaged in share fishing paid solely by a share of the catch. Employees are entitled to this right from Day One of their employment.

The right enables employees to take action which is necessary:

- If a dependant falls ill, or has been injured or assaulted;
- When a dependant is having a baby;
- To make longer term arrangements for a dependant who is ill or injured;
- To deal with the death of a dependant;
- To deal with an unexpected disruption or breakdown of care arrangements for a dependant;
- To deal with an unexpected incident involving the employee's child during school hours.

A dependant is the husband, wife, partner, child or parent of the employee, someone who lives in the same household as the employee, or someone who reasonably relies on the employee for assistance. The legislation does not specify the amount of time off which it is reasonable that an employee should allow, nor does it place a limit on the number of times an employee can be absent from work under this right.

If an employee feels that they have been unfairly treated under this legislation, they can complain to an employment tribunal.

*Comment: All in all, considerable advances have been made since 1997, but the approach has still been a liberal, labour market orientation, in which provision is something to be negotiated, within a framework of rules laid down by Government. For example, in contrast with the Danish model, there is no mention of "study leave" in the government legislation, but it is something for employers and employees to negotiate. (Anecdotal evidence : when an employee wanted to study for an MA at Loughborough University in 1997, he was only able to do so by taking his annual leave at the rate of one day per week and working a 4 day week in order to study. The manager's view was that this was acceptable as long as he "got all his work done").*

## 6. Questions

### 6.1 Inclusion in labour market

[source, *Educational Attainment levels in Europe in the 1990s - some key figures*, 7.2001.]

This report notes that the general trend throughout the EU towards remaining in education is the result of a structural phenomenon which is leading to ever higher levels of educational and training attainment. In 1999, of EU citizens aged 50-64, only 47.9% had completed upper secondary education, whereas among 25 to 29 year olds, 71.4% had done so. Table 3 of this source shows the percentage of 18 to 24 year olds not in education and low skilled.

The following table relating to England from a different source may provide a fuller picture:

*Table 10. Population by working age: by highest qualification, Spring 2000.*

	Degree or equiv.	Higher education	GCE A-level or equiv.	GCSE A-C or equiv.	Other	No qualifications
England	15.3	8	23.5	22.9	14.6	15.7

Table refers to males aged 16-64 and females aged 16-59

Degree = first degree, higher degree, NVQ level 5 or equivalent

Higher below degree = NVQ level4, BTEC, HNC/HND, professional nursing and teaching qualifications

A-Level includes recognised trade apprenticeship

The European comparative report says that higher education graduates are better equipped to guard against unemployment. Unskilled or low skilled people are twice as likely as skilled to be unemployed. In Denmark, Portugal and Sweden, the gap seems to be narrowing, but in Belgium, Germany, France and Austria, it appears to be widening. Could this become the source of social tension, between the well educated and the rest? It seems as if the unskilled and the low educated will find entrance to the labour market increasingly difficult.