

Conceptual note No.8

Work

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Introduction

Recent Governments have argued that the best way for households to reduce their risks of poverty or social exclusion is through paid work. They have used a ‘sticks and carrots’ approach to promote this through labour market ‘activation’ policies – also known as ‘workfare’. On the one hand, Governments have tried to ensure that people who move into paid work are financially better off, by introducing a minimum wage and new forms of benefit (tax credits) for those in lower paid jobs. On the other hand, they have reduced levels of welfare benefits for those not in work and increased sanctions to compel them to search for work or to take up training opportunities.

At the same time, the number and types of job available have changed. Especially for those with fewer skills or qualifications, employment has become more precarious with a reduction in full-time, permanent jobs and a worsening of the terms and conditions of employment.¹ Those in low paid employment are receiving a falling share of the wealth generated in the UK economy while working longer and more irregular hours. These trends are having a particular impact on younger people. A key aim for the Poverty and Social Exclusion (PSE) study is to understand how much paid work reduces poverty risks or promotes social inclusion, particularly for those in lower paid occupations.

This emphasis on paid work within policy also obscures the enormous economic and social value provided by those undertaking various forms of unpaid work – in their homes, for family and friends, or in the wider community. A great many people depend on this unpaid help for daily living. Those providing unpaid labour may derive some of the benefits of paid work through social contact and sense of purpose but it also absorbs their time and energy. The PSE study aims to measure some of the impacts of unpaid work, both for those providing the labour and for those benefitting from it.

What do we mean by ‘work’?

The term ‘work’ refers to both paid and unpaid activities. For most people, paid work is work carried out as an employee of a private- or public-sector organisation. A growing minority are ‘self-employed’, at both the top and the bottom of the income scale. Paid work is very unevenly distributed. For example, most part-time employment is undertaken by women, and some households have two or more earners while others have none.

Unpaid work is also unevenly distributed. Some people work unpaid in roles that might normally be paid – within a family business, for example – or in roles that are required to be undertaken as a condition of benefit receipt. More usually, we think of unpaid work in two ways. First it includes work performed within one's own household or for family or friends. That includes the routine housework faced by all individuals, the work involved in raising children, or the work caring for others in your own household or outside it. Second, it includes a wide range of activities generally labelled voluntary work.

Who does work?

When we think about work, we tend to think about the roles played by 'working age' adults, both in paid work and in unpaid caring roles, but children and those above the official 'retirement age' provide a growing amount of paid and unpaid labour.

Many children undertake paid work at some stage in their childhood. For households with lower incomes, the money which they bring in can make a significant difference to overstretched budgets. Children can also play important roles as unpaid carers.

For older people, the idea of a fixed 'retirement age' is gradually disappearing. Some need to work longer to secure an adequate pension while others choose to do so for the wider benefits provided by work, supported by legislation against age discrimination. Many of those who have retired from paid employment also provide an enormous amount of unpaid care. Around a quarter of the 6 million carers in Britain are retired and around a quarter of families rely on unpaid childcare provided by grandparents.

Why look at work?

Work is important for the PSE study for a variety of reasons. Most obviously, paid work generates an income which should reduce current risks of poverty as well as risks of poverty in future, notably in retirement. Work – paid and unpaid – can also provide a wider range of personal benefits. Potentially, it offers social contact and expanded social networks, which are valuable in themselves but also a potential resource. It can provide a sense of identity or purpose in life, and be associated with mental health.

Of course, the impacts of paid and unpaid work may also be negative. Work can be a source of stress, and can expose individuals to a range of other health and safety risks. The time demands of work may affect 'work-life balance', reducing time for other activities, potentially leading to isolation from family and friends. Low-paid work not only has fewer material benefits, it also tends to have more of these negative impacts.

Measuring paid work

Paid work has many aspects or dimensions which might be measured. The most obvious is whether individuals have paid work or not – their employment status – and how much they have – full- or part-time, or hours of work. The hours people work affect their access to tax credits and benefits, and one aim of the PSE study is to influence policies that use rules based on hours of work to include or exclude people from sources of income and employment support schemes.

We are obviously interested in the material benefits of work, so levels of pay are important as are other material benefits such as pensions contributions, or disbenefits such as costs through commuting time or expense. Beyond the snapshot provided by current employment

status, it is useful to have a picture of individuals' employment history in recent years if we want to understand their current risks of being in poverty.

The employed differ not just in the amount of paid work they do and levels of pay, but also in terms of the quality of the jobs they have to do or the conditions in which they work. In earlier studies of poverty, Peter Townsend attempted to assess the quality of paid work through the concept of 'work deprivation'.ⁱⁱ This captured the demands of the work itself, as well as job security, physical amenities and material rewards other than earnings. More recently, studies have used slightly broader approaches, including some or all of the following: the nature of the job – the skills required and the intrinsic rewards; the working conditions; the intensity of the work; the degree of autonomy or control; the requirements for 'flexible' working or the security of contracts; the social as well as the physical environment or health and safety; and the opportunities for development or progression.

Paid work in the PSE

The PSE restricts questions on paid work to adults under the age of 80 for reasons of efficiency as well as relevance. We do not try to measure paid work done by children, partly because of constraints in survey duration and partly because there is detailed information already in the Family Resources Survey (FRS).ⁱⁱⁱ

Current employment status, hours of work and occupation are collected in the FRS survey. The PSE survey updates this where there have been changes. Changes in individual and household income are also noted, and explanations for changes sought, many of which relate to changes in employment. There is also a question in the PSE survey on time spent travelling to work each day to pick up commuting costs.

The PSE collects data on employment history in two ways. First, the amount of employment over the previous 12 months is gathered. This allows us to produce a measure of 'work intensity' which is comparable to that used by the EU as one of its core indicators of poverty.^{iv} Second, we ask a question on experience of unemployment over the previous five years which gives a longer term perspective on labour market disadvantage.

On employment quality, we ask people to rate their main job in terms of the following aspects: intrinsic value; job security; work intensity; control; flexibility; physical environment; social environmental; anti-social hours; and overall satisfaction. We also ask about sense of progression in employment over the last five years.

Several other questions in the survey touch on paid work including: whether people have suffered a workplace illness or injury; and whether they have recently lost or left a job, or started a new job.

Measuring unpaid work

Assessing the extent of unpaid work is clearly important for providing a complete picture of living standards. It is central to debates about gender equality, in particular. Some very detailed methods exist for recording time use although it is not feasible to use these given the much broader focus for this survey. There are limitations with shorter questions seeking estimates of typical time use patterns but they appear most suited to our purposes.

In comparison with paid work, relatively little attention has been paid to the conditions under which unpaid work is conducted. We are not aware of comparable schemes for assessing quality in unpaid work. The focus has remained on the more basic issue of capturing levels of unpaid work.

Unpaid work in the PSE

The PSE includes a group of questions which try to capture the amount of time spent on a variety of unpaid work activities. As one part of a much larger survey, the approach is inevitably quite basic. Short questions ask for estimates of time spent on: voluntary work or charitable activity; caring for people with needs arising from long-term health problems, disability or old age; and child care. Separately, there is a question on time spent on cooking and housework. We have not included measures of the quality of unpaid work.

In addition, the FRS has a detailed set of questions which cover both giving and receiving care by all members of the household. In the FRS, as in our PSE question, this is restricted to needs arising from long-term health problems, disability or old age. Nevertheless it enables us to examine the impacts on recipients of unpaid care as well as the impacts on those providing the labour.

Other sections of the PSE look at volunteering in more detail, covering the nature of voluntary or political activities undertaken.

ⁱ Standing, G. (2011) *The Precariat: The New Dangerous Class*. London: Bloomsbury.

ⁱⁱ Townsend, P. (1979) *Poverty in the UK: a survey of household resources and living standards*. Harmondsworth: Allen Lane.

ⁱⁱⁱ The PSE Survey is being conducted as a follow-up to the FRS Survey 2010/11. We will be able to link information given by respondents to the PSE back to their responses to the FRS, six to 12 months earlier.

^{iv} European Commission (2010) *Europe 2020: a European strategy for smart, sustainable and inclusive growth*. COM(2010) 2020 final. Brussels: EC.