

**Privatisation and Women's Employment:
Rethinking the 'Public Welfare' / 'Private Market' Division**

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**I declare that this thesis has been completed
by myself and that the work is my own.**

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ABSTRACT OF THESIS (Regulation 3.5.10)

The incomes and employment policies of the Thatcher government are embodied in its privatisation strategy, which unequivocally advocates the application of 'market principles' in public service provision and wage determination. This study is concerned with the issue of wage determination for public sector service employees, a large proportion of whom are women working part-time; and engages in current social stratification debates concerning the structuring of inequality, which largely focus on the efficacy of labour market processes and explanations. Through a critical analysis of the processes structuring women's 'economic position', the study contributes to the social stratification literature by advancing arguments regarding 'non-market' conceptualisations of the processes structuring the distribution of social resources.

The marked growth in public sector employment during the post-war period in Britain has been associated with significant increases in women's labour force participation. Given the importance of the public service sector as a source of women's expanding employment opportunities, women in particular are susceptible to the consequences of reductions in public spending and in the scope and content of social welfare services. The government's privatisation policies are thus a significant cause for concern in reference to women's employment in Britain.

The privatisation programme, which incorporates policies to contract-out public services, de-nationalise public industries, and 'liberalise' legislative controls, and is designed to 're-establish' the primacy of 'market' principles in the distribution of resources, is closely allied to assumptions underlying orthodox economic theory. Privatisation policies have been marshalled, however, in relation to circumstances where market distinctions are most problematic. Market-based explanations fail to coherently account for public service sector employment and the growth of 'social wages'; they are also unable to adequately explain gender differences in earnings and the general pattern of low pay. Women's employment in the public sector juxtaposes the artificial division of domestic and paid labour, and 'public welfare' and 'private market' forms of resource distribution, underlining the contrived nature of the separation of 'economic' (productive) and 'social' (non-productive or reproductive) processes. Conventional 'malestream' analyses focusing on 'economic man' have been criticised for their treatment of women, and there are clear parallels to the manner in which public welfare services are analytically treated: as 'social' categories both are construed to be peripheral and are therefore marginalised.

Conservative policies to 'roll back' welfare state activities have been widely criticised as turning the tide against the 'welfare state.' It is argued here, however, that privatisation policies represent one end of a *continuum* in a series of attempts to locate the explanation for wage determination in terms of market efficiency and productivity, and more specifically, low pay with inefficiency and low productivity. While it is recognised that the government's initiative to curtail certain public sector activities is deleterious, in order to successfully counter the mobilization of privatisation policies designed to effect such a curtailment, it is important to understand the manner in which legitimacy for these policies has been appropriated. While the 'crisis in welfare' is generally perceived to reflect the collapse of consensus regarding the 'mixed-economy of market' and 'state' welfare assumed by pioneers of the welfare state, it is argued here that the 'welfare crisis' is rooted not in the *collapse* of consensus, but in the consensus rationale that state activities constitute intervention in 'market' operations. Both free-market theorists and leftists share similar analytical understandings of the relations between politics and the 'market economy'; both positions assume that improvements in social welfare through government action constitute 'interference' with the 'logic of the market.' It is this pervasive assumption which has hitherto constrained welfare state developments and which continues to debilitate the left's capacity to successfully counter the privatisation agenda.

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Introduction

The incomes and employment policies of the Conservative government in Britain are embodied in its privatisation strategy. Privatisation policies have been pursued on the premise that processes of wage determination are to be explained in terms of market efficiency and productivity, and more specifically, low pay with inefficiency and low productivity. The present research focuses on the perceived problem of wage determination for public sector service employees, a large proportion of whom are women working on a part-time basis. Criticisms and developments within social stratification debates concerning the structuring of inequality focus on the efficacy of labour market processes and explanations. The aim of this research is to contribute to debates which critically examine the dualism in stratification theory as reflected in the division of 'economic' and 'social' relations in explanations of resource allocation, wage determination and the structuring of inequality¹. The economic/social divide is variously expressed in the dichotomies of: man/woman; capitalism/patriarchy; class/status; paid labour/domestic labour; production/consumption; market/welfare state. The underlying principles and consequences of the analytic separation of 'the market' and 'the welfare state' as systems of resource allocation and wage determination provide the primary focus in this analysis.

In considering the impact that privatisation policies have had on women's employment in Britain, the research presented here attempts to demonstrate the conceptual and evidential problems in theoretical analyses which assume the separation of 'economic' and 'social' aspects in the structuring of social life. The study of gender and employment, in particular women's employment in the public sector, is instructive in challenging the way in which economic explanations assume social processes and issues to be peripheral, thus restricting the relevance of the field of social inquiry to a limited set of circumstances.

¹ Cf. Stewart *et al.*, 1980, 1985; Goldthorpe 1978, 1980, 1985; Holmwood and Stewart 1983; Siltanen and Stanworth 1984; Prandy 1986; Acker 1989

Conceptualisations of the autonomy of the 'economic', however, do not simply underpin normative economic theory but also conventional approaches in stratification research. This limits and distorts our understandings of social experiences. This also has important consequences for social policy practice, as reflected in the advancement of neo-conservative agendas throughout many western industrialised countries.

The distinction between market and non-market (ie. welfare state) systems of resource distribution necessarily involves a consideration of explanations of the structuring of employment and the relationship between employment (paid labour) and the family (domestic labour). The dichotomy between the spheres of production and reproduction, between paid and unpaid labour, has been extensively debated and challenged within the feminist literature. The need for a reconceptualisation of the relationship between women's position in the 'private sphere' of the family and in the 'public sphere' of employment has been spurred, in particular, by substantial increases in the participation of married women with young children. Issues of gender and gender inequality are thus central to the analysis; the question of the relationship between these apparent separate spheres has not, however, been resolved.

As Stacey (1981) argues in 'The Division of Labour Revisited...', while feminist scholarship has ensured that the analysis of reproduction is addressed, the deficiencies of theories of production and reproduction stem not from the fact that one process is analysed and the other is not, but from the fact that they are not analysed as parts of a single process. Similarly, Acker suggests that a conceptual transformation is required: 'Instead of positing analytically independent structures and then looking for linkages between them, it starts from the assumption that social relations are constituted through processes in which the linkages are inbuilt' (1989: 239). The need for a transformation of social theory, such that it might account fully for the range of social relations, is acknowledged within much feminist work but holds less potency elsewhere. Despite the fact that feminist research has considered the problem of dualist conceptualisations in explaining structures of inequality,

the issue of the division of 'social' and 'economic' relations has not been explicitly addressed but remains largely embedded within debates about the adequacy of the distinction between systems of production and reproduction, or capitalism and patriarchy. As I have indicated above, however, the distinction between production and reproduction is one expression of an underlying conceptual dualism; that is, the separation of 'social' and 'economic' processes. Thus, the research presented here will specifically address the issue of the separation of 'economic' processes from apparently additional 'social' influences in explanations of the structuring of inequality. As Stewart *et al* argue (1985: 243), the contradiction between 'economic' and 'social' influences constitutes 'an increasingly acute explanatory crisis' that cannot be ignored.

Privatisation policies, pursued by a government whose self-declared intent is to 'roll back the frontiers of the welfare state', have been widely criticised as turning the tide against the 'welfare state'. In exploring themes and concepts running through policy statements and documents relating to employment and wage policies over the post-war period, the main argument presented in Chapter 1 is that there are important lines of continuity in social policies pursued by successive governments - Conservative and Labour alike - which calls into question the perceived novelty of the neo-conservative agenda. In arguing that the privatisation strategy represents the culmination of, rather than digression from, post-war public sector wage policies, it is suggested that privatisation denotes the most categorical statement and extension of successive policy developments promoting the salience of so-called 'market' principles in the structuring and distribution of employment and wages.

While recognising the deleterious consequences of the Thatcher government's attempt to reduce the scope and content of certain public sector activities, it is important to understand the way in which legitimacy for these policies has been appropriated. This is important, above all, in order to successfully counter their mobilization. In Chapter 2, it is argued that the presumed validity of 'market' criteria, such as efficiency and productivity objectives

pursued through privatisation policies, has been cultivated as a result of the power given to 'economic', as against 'social' explanations, rather than emanating from any intrinsic 'economic logic'. In critiquing conventional economic and social theory, it is suggested that the residual conceptualisation of social categories and prevailing obeisance to 'economic laws' is deeply flawed. This fundamental weakness is evidenced in the failure of market explanations to coherently account for the structure of employment and wages, in particular, employment and pay in the public sector. It is, nevertheless, on the basis of erroneous assumptions about the relationship between economic and socio-political forces which has informed and seriously constrained social policy and welfare state developments.

Gender divisions in employment and earnings further highlights the failure of market explanations. Chapter 3 provides an overview of trends in women's labour force participation examining, in particular, patterns of employment and pay in the public and private sectors over the post-war period. The growth in public sector employment over this period has been very closely associated with the increased participation of women, especially married women, in the labour force. The growing numbers of women in public service employment brings into focus, in a very powerful way, the fundamental significance of 'non-market' influences. Though labour market segmentation theory has evolved out of the recognition that market 'imperfections' exist and feminist analyses have employed its basic concepts in an attempt to explain gender inequalities, the primary question addressed in this chapter is whether segmentation theories adequately contend with the centrality of social processes.

One of the principal aims of *Privatisation and Women's Employment* is to explore the relationship of the workers' social circumstances and their employment situations, in order to further our understanding of the social nature of stratification arrangements. Given the economic axioms explicitly marshalled toward justification of the privatisation strategy, assessing the impact of privatisation policies on women's employment in the public sector

provides a unique opportunity to explore the commensurability of 'economic' and 'social' explanations.

The National Health Service (NHS) has served as a precedent in the Thatcher government's privatisation drive, with clear directives emerging in 1983 instructing health authorities to contract-out certain ancillary services. For this reason, the present research focuses on developments within NHS ancillary - specifically domestic ancillary - employment and service provision. The contracting-out of ancillary health services, however, has not proceeded as smoothly in the direction intended and implied by the term 'privatisation'. Chapter 4 traces the form and progress of the privatisation strategy affecting NHS ancillary service provision in England and Scotland. The analysis developed in the current work is primarily based on information relating to domestic ancillary service provision and employment in two NHS general hospitals in a Scottish health board. In response to pressures to privatise their services, this health board has pursued the introduction of 'efficiency initiatives', primarily in the form of incentive bonus payment schemes. The research examines the impact of efficiency initiatives on domestic ancillary working conditions, service provision and working patterns generally, and provides an analysis of the relationship of the workers' social circumstances (including domestic responsibilities) and their employment situations.

As a consequence of the government's privatisation policies, the analysis suggests that domestic employment is being restructured. The employment restructuring is manifested by the increased reliance on part-time work and is also reflected in radical changes in the profile of the workforce. The repercussions of the process, in which employment opportunities are significantly altered, on the profile of the workforce itself rather than simply on job conditions, is one which has not been adequately addressed in other studies. In providing a focus which captures changes in the profile of the workforce, as well as employment opportunities and conditions, the research attempts to demonstrate the centrality of social processes in employment and wage structuring. The research presented

in Chapters 5 and 6 undermines conventional conceptions of the relationship between wages and employment, which generally assume that wages are 'economically' determined and largely, if not exclusively, reflect 'job-market' criteria. Further, while gender appears to be a salient factor in the distribution of jobs at the aggregate level - domestic ancillary workers are almost entirely female - the female workforce itself is highly differentiated. There are, then, important variations in the social circumstances of female workers which structure their employment experiences. The research thus provides an occasion to investigate divisions within, and not just across, the category 'gender'.

Low pay, measured in terms of an individual's position within a national earnings league, is concentrated among particular groups within the general population. Women, young people, older manual workers and ethnic minorities are all more heavily represented at the bottom of the earnings hierarchy. Chapter 6 examines the nature and extent of low pay among domestic ancillary workers, and considers the likely impact of a national minimum wage in improving their low paid position and providing a socially acceptable living standard. It is suggested that minimum wage debates highlight the problematic nature of the separation of 'economic' and 'social' factors in explanations of resource distribution and processes maintaining inequalities.

1. The Policy Continuum: From Public Provision to Privatisation

Introduction

The privatisation programme heralded by the present Conservative government is premised explicitly upon neoclassical economic theory, and ascribes paramount importance to the belief in 'market forces' distributing resources, that is, wages, jobs, goods and services. It is argued that by introducing 'market competition', privatisation will make public industries and services more efficient, providing better 'value for money' by removing wasteful employment practices (*cf.* Kay *et al* 1986; Beesley and Littlechild 1986; Moore M.P. 1986; Minford 1987; Barry 1987; Ascher 1987). Privatisation is an umbrella term encompassing an array of policies designed, in the government's view, to 're-establish' the primacy of so-called 'market' principles in the provision of public services. These policies are at the heart of controversies concerning the distribution of resources.

The policy to privatise public industries and services is, in effect, both an employment and wage policy: the intention is to govern not simply the general type of service provision but also the method of wage determination itself. In this chapter, I will be arguing that the privatisation strategy is the culmination of, rather than a digression from, post-war policies in the public sector concerning wage determination. In arguing that privatisation represents the culmination of public sector wage policies in the post-war period, I am suggesting that privatisation denotes the most categorical statement and extension of successive policy developments promoting the salience of so-called 'market' principles in the determination of wages. It is my contention, furthermore, that the legitimacy of and increasing emphasis given to 'market' criteria such as efficiency and productivity, in the name of 'economic necessity', has been cultivated as a result of the power given to economic, as against social, explanations, rather than emanating from any intrinsic 'economic' logic.

Throughout the post-war period, the question of public sector pay has been central to the growing concern about the increasing size and, more importantly, the growing cost of maintaining the public sector. The prevailing presumption is that public expenditure, affording essentially 'unproductive' services, is a drain on the national economy, threatening economic growth. Wages are regarded as the largest element in escalating public expenditure costs. There are, however, problems in measuring government activity and public expenditure. Measures of public sector size are relatively arbitrary in two ways - in relation to public sector accounting practices and in relation to welfare costs specifically. Criticisms of public service provision in fact mobilise a stereotypical conception of 'the welfare state' which conveniently disregards the broad range of welfare benefits provided and the equally diverse recipients of these benefits.

The nature of the social divisions of welfare (Titmuss 1958; Sinfield 1986) and the interplay between fiscal, economic and social policies reflect these entrenched and, in my view, incorrect assumptions about the relation between 'socio-political' and 'economic' processes. The attempted subsumption of social processes under the centrality of market-commodity production stems from the separation of 'economic' processes from apparently additional 'social' influences. This conceptual framework has important implications for understandings of the distribution and allocation of resources. In the next chapter, I will develop my critique of the underlying conceptually contrived economic/social divide. I turn now, however, to consider the privatisation strategy and its relationship to post-war public sector wage policies generally.

Public Sector Wage Policy Developments

The debate about public sector pay has invariably been set in relation to private sector pay. The controversy centres on the relative rates of growth of average earnings in the two sectors and the apparent divergence of average pay levels. The controversy, though arguably heightened since the early 1970's, has always been a pressing issue. There has

been a dual concern underlying the endeavour to clarify the principles determining pay in the public sector : firstly, to specify the ostensibly economic relationship between the so-called 'productive' and 'non-productive' or 'market' and 'non-market' areas of employment, in order to aid the formulation of government employment policy; and secondly, to ensure that public sector employees are not poorly paid in relation to other workers, apparently a socio-political objective, deriving in part from the former problem.

Public expenditure, defined generally as the 'dispensation by the state on non-market criteria of economic resources which it has acquired from firms and households' (Heald 1983:10), is used to measure the size of the public sector, usually by comparison with the national income aggregate, Gross Domestic Product (GDP). It is not the purpose here to discuss in detail the various public expenditure/national income ratios which, by all accounts, record an expanding share of national income involving the state. Nonetheless, it is important to restate the standard cautionary warnings, typically ignored, that there are problems in measuring government activity and public expenditure and therefore, the fact that measures of public sector size are relatively arbitrary. In the protracted political debate about the size of the public sector, such measures have, nevertheless, been extensively employed, and have themselves contributed to an escalation of concern over what appears to be the steady encroachment of the public sector on the rest of the economy.

Government policies regarding public sector wages have taken various forms over the post-war period. Essentially, there have been five institutional approaches: incomes policies, fiscal policies, arbitration and enquiry, cash limits on public expenditure, and privatisation. Successive enquiries concerning the pay and conditions of employment for public service workers in the civil service, local government and the NHS, beginning with the Tomlin Commission in 1929 and ending with the Clegg Commission in 1980, have accorded priority to the principle of pay comparability. The principle that 'fair market rates' should be paid to public service workers stemmed from two rather conflicting concerns. One major concern was the need to recruit and retain sufficient staff in the public sector. The other

concern, from the point of view of the Treasury, was that a broad comparison of wages provided by the generality of outside employers established, as near as could be, a surrogate commercial 'market' basis for wage determination in the public sector. A 'market price' was argued to be necessary in order to provide some defence against criticisms (from both employees and 'taxpayers'/private sector employers) about public sector wage levels and public expenditure costs in general.

I would argue that the development of incomes policies, cash limits and privatisation has demonstrated a progression toward tighter controls designed to constrain public expenditure with particular pressure on wages. Incomes policies designed to control the rate of growth in wages are the most obvious and familiar form of government wage intervention and were widely used in the years 1948-1979. The operation of pay comparability exercises as the basis of remunerating public service workers was often modified or deferred on the grounds of national incomes policies. From the mid-1970's, incomes policies were accompanied by the use of cash limits on public expenditure which, since 1981, have been employed more extensively and stringently. Cash limits, intended to restrict the cash requirements for the public sector as a whole, do so to a large extent by limiting wage costs. The assumptions underlying cash limits include provisions for projected pay movements and thus reflect an implicit government policy on pay. The privatisation programme in the 1980's, which incorporates policies to contract-out public services, denationalise public industries and 'liberalise' legislative controls, is both a wage and employment policy, intended to introduce to the public sector a 'market allocation' of wages and services, thereby restricting wages.

In the remaining sections of this chapter I shall focus on issues of pay comparability, primarily in the context of NHS ancillary pay bargaining developments, and the general progression of government policies regarding public sector wages.

Public Sector Pay and the Comparison Principle

The notion that public sector pay should be settled by means of comparison with pay for similar jobs 'outside' can be traced back to the nineteenth century. The suggestion emanated from Parliament for use as a guiding principle for its administrators in the payment of government employees. However, it was through the action of trade unions that the principle became firmly established (Clegg Report No.9:1980).

Trade unions took their lead from the original 'fair wages' resolution passed by the House of Commons in 1891. This resolution brought into the legislature protection for workers hired on government contracts : that their wages should be not less than the 'going rate for the job'. Government manual workers pressed for similar wage protection, which was granted in 1919. In 1924 the Prime Minister made a statement to the effect that the Government should 'pay rates of wages and observe hours of labour not less favourable than those commonly recognised by employers and trade societies (or in the absence of such recognised wages and hours, those which in practice prevail among good employers) in the trade in the district where the work is carried out' (Hansard: May 1924:col.1570).

The Treasury has had a general policy on wages and salaries in government employment since the Tomlin Royal Commission on the Civil Service (1929-31). The adopted 'Tomlin Formula' rests on the observation that :

'Where the employer is a private individual the terms of employment can be settled directly between the two parties to the contract. In substance the position is the same in large commercial companies...Moreover in many cases the test of profit or loss gives some guidance to the staff costs which can be afforded.

In the case of public employment not only is the test of profit or loss normally absent, but as between the Crown as employer and the individual civil servant the chain of responsibility is longer...(Paragraph 298).

The essence of the 'Tomlin Formula' is expressed in the following quote taken from the Minutes of Evidence given by the Joint Consultative Committee to the Commission:

'...the basis of remuneration in the Civil Service should be such as is sufficient to recruit men appropriate to the particular duties and retain them in the Service without losing their keenness or efficiency' (1931:729).

The concern, to protect 'public' (taxpayers/private employers) and market interests in wage bargains, is explicitly acknowledged in the Chancellor of the Exchequer's budget statement in 1941 and the White Paper on Price Stabilisation and Industrial Policy :

'...the maintenance of wages and employees' remuneration at a reasonable level should be achieved as far as possible by improvement in the efficiency of production by the joint efforts of employers and work people' (Ministry of Labour Gazette August 1941:154).

This paper remained the governing document on the subject throughout the war. Grounds for the upward adjustment of wages were permitted only where there was improved efficiency and production, or in cases of comparatively low paid grades of workers.

In 1948, the Labour government published its Statement on Personal Incomes, Costs and Prices (cmd. 7321). This placed an even greater emphasis on economic criteria, suggesting that the only acceptable occasions for increases in wages were cases where the distribution of labour would otherwise be adversely affected; i.e., in 'undermanned' industries. The Trades Union Congress (TUC) accepted this policy in full, on the condition that other exceptions, such as the needs of those 'below a reasonable standard of subsistence' and of safeguarding differentials, were allowed.

This resulted in a wage freeze and roughly coincided with the nationalisation of the health service. Nonetheless, Clegg and Chester (1957) suggest that a qualified Tomlin formula was the conscious policy used in the NHS because although the government's policy acted as a brake on pay awards, many increases were granted. In particular, the frequent recourse to the use of arbitration to settle pay awards in the first six years of the health service's existence is noted; (arbitrators tended to apply the Tomlin formula in settling claims.). As Clegg and Chester indicate, it takes two sides to make a case for arbitration and yet, management (government) continued to permit arbitration when the results more frequently supported staff claims.

'By following the decisions made on remuneration in 'comparable employments', they (the government) can avoid the charge that they are embarrassing the private employer by taking the lead at the expense of increased taxation... Thus by renouncing a good deal of their control over what they pay, governments can erect a political defence... This was the accepted doctrine of those who became responsible for dealing with wages and salaries in the Health Service' (1957:97).

Moreover, prior to nationalisation, the 'Hetherington Committee', appointed during the war to recommend minimum rates of wages and conditions of employment for domestic workers in hospitals, explicitly considered rates of wages settled by agreement in comparable employments as a basis for their recommendations.

The use of comparisons with outside employment for pay determination was also recommended by the Priestley Commission in 1955. This Commission on the Civil Service was appointed, among other things, to consider whether any changes were desirable in the principles governing pay. The view of the commission was that the ultimate objective was 'an efficient civil service, fairly remunerated' (1955:15). The commission, however, voiced its disagreement with several major principles held by the Tomlin commission.

'We believe the State is under a categorical obligation to remunerate its employees fairly, and that any statement of end which does not explicitly recognise this is not adequate : It may be held that if rates of pay are such as to recruit and retain an efficient staff they must be fair or even that this is what is meant by fair. We do not agree... We believe that it is true in a general way that if rates of pay for the Civil Service are what we should call fair they will probably, over a period of time and in most cases, enable the service to recruit and retain an efficient staff... The converse of this cannot, however, be logically inferred. The proposition that the Civil Service is recruiting and retaining an efficient staff does not necessarily prove the proposition that the rates of pay are fair. That the analysis of 'fairness' in terms solely of recruitment and retention is not supported by the facts seems to us clear...' (1955:paragraph 90).

The Priestley commission supported its contention that the fairness of the wage determined has little to do with the distribution of labour, on the grounds that :

1. Financial considerations are not always the principal incentive attracting recruits;
2. Wastage is not a good indicator of the fairness or unfairness of rates of pay;
3. It is dangerous to assume that because civil servants appear to be carrying out their duties 'efficiently' , they are being paid 'fairly';

4. The 'law of the market' plays an ever decreasing role in the conduct of wage and salary negotiations.

Though strongly arguing for increased government intervention and responsibility the commission did not, however, believe it to be the duty of governments to take a lead on matters relating to principles of pay determination.

'...narrowing or widening of variations in living standards must raise social and, as we think in the last analysis, political considerations. The question of salary 'differentials', so very much before the public eye, is an example, since it is directly bound up with the pattern of income distribution, which is essentially a political question. We are satisfied that it is right and proper, and it is implicit in the principle of fair comparison, that the civil service pay structure should reflect such changes as take place in the outside world. If, however, changes were proposed in the Civil Service with the intention of giving a lead on such matters to the country as a whole in order to further a political or social objective, civil service pay negotiations would become involved with political issues and the non-political character of the Service might well be impaired' (1955:26).

Consequently, the commission abdicated responsibility (of itself and of governments) from the task of protecting wages where the pay and conditions of service of outside comparators were themselves poor. In essence the Commission reiterated the received wisdom that government involvement in pay negotiations to establish a *higher* floor to wages constitutes interference.

'How far wage and salary rates in the country at large are 'right' absolutely and relatively, and how far trade union organisation should be improved or modified, are issues that are beyond our terms of reference. But we are satisfied that to pay the civil servant more than his outside counterpart on the ground that the latter is paid inadequately would be unfair to the outside counterpart who as a taxpayer has to bear a proportion of the cost of the civil servant's salary' (1955:27).

The Treasury reaffirmed its belief in this principle before the Royal Commission on the Civil Service ('Priestley') in 1954.

'...if a civil servant can be seen to be getting, as near as may be, what citizens of similar attainments are getting for doing similar work in the country at large, that is a situation which will surely be commended as fair by the civil servant himself, by his outside analogue, and by the taxpayer who foots the bill...Finally, there is the essential point that the Service must be able to recruit its fair share of the available talent in all classes. From this point of view, the rates currently offered for similar work by outside employers are of paramount importance' (Memoranda of Evidence submitted by the Treasury: November 1954).

In according priority to the Tomlin principle, the Treasury further stipulated that 'fair market rates' should be paid, which in practice meant that comparison was with the current rates paid by the generality of outside employers.

The Priestley Commission, nevertheless, encourages the government to be a 'good employer' in the sense that it should be among those who offer the highest rates of remuneration (above the median, but below the highest quartile of average earnings). Moreover, a 'good employer' is argued to provide stability and continuity of employment with structures for consultation between staff and employers (1955:39-45). Thus, for a period of twenty-five years, the conscious policy on wages and salaries in government employment was that of using the principle of broad general comparisons with outside analogues in order to 'recruit and retain' staff. From the point of view of the Treasury, this established, as near as could be, a surrogate commercial 'market' basis to the procedure, which in turn provided a sound defence against any possible criticisms from its employees or from private employers as 'taxpayers'.

Expenditure Constraints

The appointment of the Guillebaud Committee of Enquiry into the Cost of the NHS, which was given the task of finding measures to effect the 'most effective control and efficient use of such Exchequer funds as may be made available' (1956:1), arose because the expansion of the NHS in the 1950's fuelled heightened concern about the public cost of the service.

Given that approximately 70% of NHS expenditure has been in respect of wage and salary payments, and other public services involve similar amounts, governments have focused on these 'costs' and have relied on the use of various wage policies to try and curb their growth. The development of incomes policies, cash limits and privatisation over the post-war period has demonstrated a progression toward tighter controls designed to constrain

public expenditure. The common rationale for incomes policies, cash limits and privatisation alike is the prevailing presumption that public expenditure, affording essentially 'unproductive' services, is a drain on the national economy, threatening economic growth. It is the nature of public services in particular which is argued to create the problem of allocating resources (which includes wages, jobs and services) because demands are not restrained by a 'market price'. This has been most explicitly addressed and politicised by the Thatcher government, but has in fact informed and constrained government employment and wage policies throughout the post-war period.

From 1948 to 1980, incomes policies (and latterly, cash limits) observed through the collective bargaining structure, through direct determination of pay settlements, or by restricting health authority budgets, punctuated the operation of pay comparability systems. During this period, certain exceptional increases above the ceilings set by incomes policies and cash limits were allowed. In particular, the following 'special cases' were not always subject to the ceilings laid down: certain 'essential differentials' (comparator occupations and internal relativities); labour shortages; low paid categories of workers ; and increased productivity. Current privatisation initiatives, intended to dramatically reduce public sector wage costs and public expenditure on public services generally, has accompanied the stricter application of cash limits and the abandonment of *formalised systems* of pay comparability exercises such as existed for the civil service.

Throughout this period, then, an incomes policy, whether implicitly or explicitly employed, has been in operation. The issue, therefore, is not whether there is a policy; rather, the task is one of understanding what informs the policy adopted. A continuity in thought has informed concerns regarding the cost of 'non-market' employment and the apparent consequent need for expenditure constraint, especially given the growth of the public sector, throughout the post-war period.

'The nation's *economic welfare* depends largely upon our ability to make and sell the exports necessary to buy the imports we need to feed our

people and keep our industry going. Our costs of production are of vital importance and they depend to a considerable extent on the amount which industry has to pay in profits, salaries and wages' (1948:para 1;*emphasis added*).

Thus began the first incomes policy of the post-war period. Warning of the ever-present dangers of inflation, the policy declared that there should be no further general increase in levels of individual money incomes without a corresponding increase in the volume of production. A year previously, the *Interim Report* of the Cost of Living Advisory Committee (1947) suspended the existing cost-of-living index, proposing in its stead a retail price index. The adoption of an interim index and the subsequent retail price index stemmed in part from the out-dated basis of the official cost-of-living index figure. However, as the *Interim Report* indicates, the desired revision was not simply a result of the fact that the index was out of date, but the fact the whole conception of a 'cost-of-living' index had come to be perceived as inappropriate and misleading. The adoption of the index based on retail prices rather than costs or standards of living facilitated the desired distancing of the index from an explicit wage index, a policy clearly in line with the anti-wage inflation concerns of the government at that time.

In the 1956 White Paper, *The Economic Implications of Full Employment*, the government underlined the 'obvious social evil' of continually rising prices, the most important factor being productivity concerns - that is, wages and productivity levels. The 'social unfairness' of the 'spiral of rising incomes and prices' was ardently criticised. The objective, to achieve full employment without inflation was, nonetheless, bound by the view that levels of income depend on the balance of supply and demand.

'The Government of this country does not attempt to tell the people what income each one of them ought to be receiving at any given moment. Wages are fixed by free negotiation...But the satisfactory operation of this whole system depends upon everyone involved being fully aware of the issues at stake, and upon their acceptance of the full duties of citizenship which this realisation places upon them' (1956:para 31).

The ordained solution was that of self-restraint and increased productivity.

In 1958, the government took steps to distance itself (and conciliation and arbitration bodies appointed to operate on its behalf) even further from directly determining wages and conditions of employment. The dissolution of the Industrial Disputes Tribunal in 1959 followed the breakdown of tripartite discussions between the Trades Union Congress, the Employers Confederation and the Government regarding the future of compulsory arbitration. For almost 20 years, compulsory arbitration had been in force, embodied in various Statutory Rules and Orders under the auspices of general defence regulations. Compulsory arbitration entailed legislative machinery to settle disputes regarding fresh applications for improved terms and conditions of employment in addition to settling issues about whether or not an 'agreed' principle was being applied. Though compulsory arbitration was abandoned, section 8 of the Terms and Conditions of Employment Act 1959 provided legislation which, on the basis of *voluntary* agreements between both sides of industry, gave statutory rights to representatives of employees and employers to invoke the '*agreed*' or *established terms and conditions of employment*, adjudicated by the Industrial Court. Thus, even though the vast majority of cases previously presided over by the National Arbitration and National Industrial Tribunals related to fundamental disagreements about the *actual substance* of the terms and conditions of employment (Ministry of Labour 1961:144), remaining legislation only pertained to the less contentious task of settling issues about whether a particular employer (or employee) was falling short of 'agreed' terms and conditions.

The *Economic Survey* of 1962 indicates that one of the main factors contributing to poor national productivity performance at that time was the

'...growth in employment during the past two years...of workers (for example immigrants, school workers and women, including many working part-time) who have gone largely into the service industries, where output is difficult to measure, or whose contribution to production is for various reasons bound to be limited' (1962:para 43).

However, the incomes policy announced in the Government's White Paper in April 1965 represented a major challenge to the general consensus regarding the use of comparisons.

'If wages and salaries per head are to keep in step with the long-term rate of increase in national productivity, less weight will have to be given to... comparisons with levels and trends of incomes in other employment' (cmd. 2639: paragraphs 12-13).

For more than a decade following, the operation of systems of 'fair comparison' were suspended during periods of statutory incomes policies (1966-69; 1972-74; 1975-78). The National Board for Prices and Incomes, established in April 1965 to 'investigate particular cases of prices and incomes behaviour and to advise on the behaviour of prices, wages and salaries in relation to the national interest as set down by the Government', was appointed to implement the incomes policy.

In its first General Report (No. 19 1966), the NBPI argued that its investigations endeavoured to put forward concrete suggestions for increased productivity, providing the only avenue for increasing incomes that would not lead to increased prices and inflation. From the mid 1960's, the productivity exception to incomes ceilings was worked far harder than any other exception. The 'doctrine of comparisons' was argued to be inflationary. Moreover, the wage structure was criticised on the grounds that it provided both an inefficient and insecure method of payment. The proposed introduction of incentive productivity increments together with the consolidation of basic wages, to reflect the minimum number of hours likely to be worked, was argued to alleviate the wasteful use of capital and labour typical of the British system (Report 19 1966: 13; Report 23 1966: 17).

In a similar vein, the Incomes Policy of 1969 notes that '[S]ince the war, governments have needed to find a new approach, breaking the hitherto link between expansion and inflation' (1969:para 1). This statement suggests that the special problems with pay in the public sector, specifically, the difficulty in measuring output and making a direct link between efficiency and pay, result from the fact that a 'market price' cannot normally be assigned to the value of labour's output, 'thus removing one of the major factors which bear on pay in other sectors of the economy' (1969: para 93).

Productivity agreements and incomes policies proceeded to develop in tandem in the ensuing battle to halt wage inflation. Trade union acceptance of productivity agreements facilitated their growth; their introduction gave more control to local level trade union officials to increase wages above the levels set by central government. Similarly, productivity bargaining arrangements were tolerated and often encouraged by government, affording them the defence that wage increases reflected ostensibly 'market' criteria of improved productivity and efficiency.

Nevertheless, throughout the 1970's, many public service workers went on strike against imposed incomes policies which, on several occasions, seriously hampered productivity agreements and comparability systems of pay determination. Despite the introduction of the Employment Protection Act 1975, the Trade Union and Labour Relations Act 1974 and 1976, the Health and Safety at Work Act 1974 and legislation against sex and race discrimination, giving new rights to workers and local union activists, job security was becoming a major issue for public service workers. From 1976, following the International Monetary Fund's directives that the British Government drastically cut its Public Sector Borrowing Requirement, public expenditure cuts were effected by a new system of budgetary controls taking the form of cash limits. Consequently, containing the growth of public expenditure (and wage increases) was pursued not only through the use of incomes policies, but also cash limits.

'In planning total public expenditure, the Government have to ensure that the resources taken by the public sector are sensibly related to the total resources available in the economy as a whole' (Cash Limits on Public Expenditure 1976: para 1).

Public service workers and trade union activists increasingly opposed the imposition of such cash limits as the value of their wages declined. This culminated in the so-called 'winter of discontent' (1978/79), which evidenced many national strikes by public service workers and led to the appointment of the 'Clegg Commission' (Standing Commission on Pay Comparability 1979).

The Clegg commission was established to report on the possibility of re-establishing acceptable bases of comparison for the determination of pay and conditions of service for particular groups of workers referred to it by government. In March 1979 the commission began with an 'urgent remit' to inquire into the pay of various groups of workers, including NHS ancillary staffs.

In its selection of 'comparators', the Clegg commission decided to 'follow the spirit of the principles' laid down by the Priestley commission (1953-55). Thus, the organisations selected were to be 'good employers', that is to say, not the ones who necessarily paid the highest wages, but rather, those who offered 'stability and continuity of employment'. The Clegg commission drew further guidance from the Priestley commission, substantiating the viewpoint that :

'the doctrine of fair wages, as we have always held...has been the doctrine not that wages outside were in the main fair, but that it was fair to pay to Crown servants something which was, by and large, the same sort of thing as they would get in other employment' (Priestley 1955: 7).

In discussing the role of 'comparability', it is clear from Clegg's analysis that a great deal of the oscillation of policy and confusion about the advantages and disadvantages of comparability centres on the question of the applicability of the so-called 'laws of the market' to public service employment.

'A common argument of its (comparability) opponents is that public sector pay should be set by the interplay of supply and demand. However, pay in the public services cannot be automatically determined by supply and demand...One highly relevant type of information is what other employers are paying for the same or 'comparable' jobs; and that is the information which we have sought to find... There are of course other indicators of the state of the labour market besides pay for comparable jobs, such as the percentage unemployed in the occupation concerned, the level of unfilled vacancies and the rate of wastage' (Cmnd 7995 1980: 32).

The state of the labour market and efficiency criterion are said to be central to comparability exercises and pay settlements. Nonetheless, it is argued that it is not possible for independent assessors to specify *precise levels* of wages and salaries. Rather, the decision to fix pay (within the limits specified by the independent assessors) is one for management

to make, bearing in mind the efficiency standards of, and the state of the labour market as it affects, their workforce (1980: 34).

The best of the 'fair comparison' arguments put forward in this ongoing debate concerning the principles determining the pay and conditions of service in the public sector, then, establishes that the government should act as the 'leading follower' of 'good employers' operating in the labour market (Priestley 1955; Clegg 1979). Opposition to proposals that the government act in any way other than as an exemplary follower of market employers, is based on the belief that it would be inappropriate for any government to initiate a reform of pay determination (effecting 'social outcomes') where such an alteration is not evidenced in the 'wider economy'. That is to say, government reform measures should merely mirror or ratify so-called 'economic' change within society (Tomlin 1930; Priestley 1955; Clegg 1979).

Since 1981, Public Expenditure Surveys (which form the basis for government decisions about public expenditure finance) have been conducted in terms of cash rather than 'volume' expenditure. This cash planning is a further extension of the general principle of cash limits introduced, in the mid-1970's, as a means of controlling cash spending. The purpose is 'to decide first what can and should be afforded, then to set expenditure plans for individual programmes consistently with that decision' (1984:para 25).

Again it is argued, but more forcefully, that it is the nature of public services which creates the problem of allocating resources because demands are not restrained by the 'price mechanism'. Public pay and pensions, said to account for about one third of public expenditure, or 13% of GDP, are criticised further for having a far heavier effect on public services such as law and order (73%), education (62%), health and personal social services (56%) and defence (37%) (1984:para 43).

'Wherever it is possible and sensible to do so, the government is seeking to transfer the provision of services into the market sector. In other areas it may be possible to use charges as a more direct way of testing demand, even within the public sector. There may, too, be a case for hypothecating

revenues to individual expenditure programmes, particularly in the social field, in order to bring home the costs' (1984:para 26).

The implied 'oversupply' of public services in this statement should be noted. The policy to privatise, particularly in the form of contracting-out, is also attractive to the government, in terms of its anticipated impact on the role of trade unions. The government's desire is to weaken the strength of the trade unions - to reduce trade union membership and alter collective pay bargaining structures. Privatisation is pursued on the grounds that public sector trade unions have flagrantly flouted the 'disciplines of the market' in relation to wage determination and employment conditions. Public sector trade unions are considered to have been a bad influence on private sector trade unions and are implicated in the 'excessive' wage demands of trade union workers generally and the costs of the public sector in particular.

Until the early 1980's, the principle of pay comparability has existed alongside, though sometimes in abeyance to, incomes policies which, at best, have been intended to permit wage increases in line with improvements in the 'efficiency of production'. Though the incoming Thatcher government did partially honour the recommendations of the Clegg Commission on pay comparability in the NHS, the Commission was disbanded in 1980. In 1981, the Government suspended the pay research procedures in the civil service and withdrew from the existing civil service pay agreement. Following the report of the Megaw Inquiry into civil service pay in 1982, the Civil Service Pay Review Unit, which had developed the pay comparability system operating over the post-war period in the civil service, was also dismantled.

The government, perceiving that pay comparison was not an *alternative* to a 'market approach', but was a *part* of that approach (cmnd 8590 1982: para 110), nonetheless criticised the assumption that 'fair comparison' would *adequately* reflect 'market' rates of pay. Essentially the Government believed that the range of comparator employers was too selective, raising pay levels in the civil service above their 'true market value', and that civil servants were further privileged by underrated benefits, such as job security. Thus

privatisation, particularly policies tendering public sector services to private contractors (contracting-out) pursued since 1983, has become another, though more direct, form of comparability exercise in which 'fair market rates' represent the *lowest* wages provided by the range of outside employers.

Collective Pay Bargaining In the National Health Service

For the National Health Service, the application of the comparison principle has meant that health service workers' pay reflected pay settlements obtained in other public authorities, primarily in local authorities. These, in turn, reflected settlements obtained in private industry. Concomitantly, health service workers waited primarily on the action of other public authorities, who in their turn waited for the outcome of negotiations in private industry. This 'delayed reaction' approach to settling pay claims in the public sector, and in the health service in particular, has in the past been a major source of contention, widely criticised as contributing to the prevalence of low pay in these areas of employment.

World War II brought about direct government involvement in health service provision to ensure sufficient levels of staffing and service provision. Through its actions, the government cut across the existing pattern of service provision and collective bargaining. The pre-war pattern of collective bargaining, reflecting hospital ownership, left workers in voluntary hospitals with virtually no collective bargaining provision, though there were strong professional associations. In local hospitals, domestic, manual, clerical and administrative employees were only partially covered by locally negotiated agreements. On the other hand, workers in mental hospitals and institutions had been organised by various unions since 1910 (Clegg and Chester 1957).

Having initially relied on voluntary agreements, in 1941 the government began to strengthen its involvement in hospital administration and finance. Various committees were established to investigate particular services and the pay and conditions of employment required to ensure adequate service provision. The government also began to fix salary

and wage rates and local authorities and voluntary hospitals became accustomed to the practice of wage-rate fixing. Moreover, from 1940, trade unions had the power to force an unwilling employer to arbitration under the Conditions of Employment and National Arbitration Order. Initially this procedure was introduced for the war period, but in 1951, it was given a more permanent shape in the Industrial Disputes Order (Clegg and Chester 1957: 11-12).

It was in this context that in 1945 the Voluntary National Joint Council for Staff of Hospitals and Allied Institutions in England and Wales, the 'Mowbray Committee', was formed to cover all hospitals (except mental hospitals which already had a single national wage structure). The Committee settled national minimum rates and imitated local authority (Whitley) machinery by establishing provincial councils to deal with local disputes and fix higher rates. The two sides of each council consisted of employers' representatives (British Hospitals Association, Local Authority Associations, London County Council) and workers' representatives (National Union Of Public Employees and Confederation of Health Service Employees). By the end of the war, collective bargaining was extended to almost all clerical, administrative, technical and professional staff, due not simply to direct government intervention, but also to war-time pressures more generally.

The 1944 White Paper issued by the coalition government, accepting Beveridge's proposals for a 'comprehensive national health service', entailed plans for a radical reorganisation of hospital finance and administration, with extensive centralised control. The NHS Act 1946 and the NHS (Scotland) Act 1947 established that hospitals should be transferred to public ownership.

Regional Hospital Boards were established to undertake the general administration of regions on behalf of the Minister of Health (in England and Wales) and the Secretary of State for Scotland. Hospital Management Committees were established to carry out the day-to-day management of particular hospitals. Under these provisions, the majority of

hospital employees were employed by the various Regional Hospital Boards, working under the instruction of Management Committees, with their wages and salaries borne by the Treasury. A very similar structure exists today.

The scheme for the incoming General Whitley Council and its Functional Councils was influenced by the structure of the existing councils and committees operating in the health service during the war-time period. These, in turn, were modelled on those operating in local authorities and the Civil Service. The Whitley System (or 'Whitleyism'), a product of the Whitley Committee established in 1917, provided a structure in which collective bargaining was formally conducted by staff and management representatives in Whitley Councils. The terms of reference of the Whitley Committee were to consider ways of securing permanent improvements in industrial relations. The first of its reports, published in 1917, called for the formation of an organisational body for each industry, made up of representatives of both employers and employees, to consider all matters affecting the progress and well-being of the trade, from the point of view of those engaged in it. Fundamental to its recommendations were the conditions that employers recognise trade unions at all levels, and that agreements be voluntary.

In the construction of the NHS Whitley System, the General Council, a central joint body covering the whole of the service, was responsible for decisions on 'conditions of service other than remuneration...of general application'. The General Council also had the task of completing the Whitley System by settling arbitration procedures and the constitution of local and regional bodies. The Functional Councils, separate negotiating bodies for the main groups of staff, were responsible for the political and technical difficulties of determining the remuneration and conditions of every employee. Even though two health services were created under separate acts (for England and Wales and, Scotland respectively), the writ of the General and Functional Councils operated in England, Wales and Scotland alike.

Presently, the General Whitley Council covers the entire NHS for general terms and conditions of employment¹. The 'Mowbray Committee' of 1945 became the Whitley Ancillary Staffs Council (ASC), with very little change. Three of the four unions representing the staff of the ASC had operated Provincial Councils in the local authority Whitley System and under the 'Voluntary National Joint Council for Staff of Hospitals and Allied Institutions' (Mowbray Committee). The ASC inherited a simple wage structure from the Mowbray Committee which originated from that applied to local authority manual workers. Two national minimum rates were fixed : one for men and one for women; and there were 7 groups into which the different grades were placed. Provincial Councils under the Mowbray Committee settled 'plus rates' paid to all employees (generally different rates for men and women) within its area. Juveniles were paid a proportion of the adult rate, according to age².

The government is directly represented on the management sides of Whitley Councils by officials from the Health Departments. This fact, together with the statutory powers provided the government in the NHS Act 1946, NHS (Scotland) Act 1947, and the NHS Act 1977,

¹ Its management comprises 15 members appointed by the Secretary of State, and its staff 29 members nominated by the functional Whitley Councils. Apart from the General Whitley Council, there are 7 other functional councils : Administrative and Clerical (including Ambulance Officers); Ambulancemen; Ancillary Staffs; Community Dental Service Staff; Medical and Hospital Dental Staff; Scientific and Professional Staffs; Professional and Technical 'B' Staffs. The Whitley System encompasses almost a million employees, represented by 43 union and staff organisations.

²This structure was then further simplified by the new ASC : provincial rates were abolished and replaced by national urban and rural rates with a special rate for London; and new national minimum rates for men and women were created, replacing the variations created by the system of 'plus rating'. The present 18 group grading structure operates weekly pay rates based on specific job titles and descriptions (rather than sex). Group six and above tend to be supervisory grades. There is an enormous concentration of women in grades (pay groups) 1 and 2, most are domestics and most work part time. Men's jobs are concentrated in grades 3 and 4, particularly in the job of portering.

At the end of 1953, the ASC covered approximately 239,000 workers: just under 184,000 (77%) were whole-timers and just over 55,000 (23%) were part-timers. About 72,000 (39%) of the whole-timers were males but only 3,000 (5.5%) of the part-timers were male (op.cit.:32). At present, there are approximately 280,000 ancillary workers : 173,600 (62%) work full-time and 106,400 (38%) work part-time. Of those who work part-time, 103,208 (97%) are women and 187,600 (67%) of the total ancillary workforce are women (ASC Trade Union Side, 1986).

gives the government great power over those who administer the health services. This legislation grants the Secretary of State for Social Services and the Secretary of State for Scotland the power to issue directives and regulations to health authorities and to fix rates and terms of pay and conditions for all NHS employees. In practice, these powers are used to establish the national agreements reached by the general and functional Whitley Councils or other bargaining forums. Nevertheless, the government has the means to influence NHS pay settlements independently of either voluntary or statutory incomes policies.

Where no agreement is reached by the management and staff representatives, the matter is generally referred to conciliation or arbitration. However, the government does have the power to veto pay awards, and to refuse to allow third party arbitration over its right of veto. Moreover, on several occasions it has used these powers to directly determine NHS pay negotiations in order to enforce principal aspects of an incomes policy (Dimmock:1982:329).

The NHS is funded almost entirely by national taxation and from the outset, successive governments have sought to exercise a large measure of control to contain both labour costs and general expenditure. This sense of overriding concern with expenditure costs began within the first two years of the formation of the NHS, when annual expenditure estimates were heavily overspent. During the first four financial years, the only means of financing wage increases was out of sums allotted to employing authorities for other purposes, or by means of supplementary estimates. The Treasury, however, was reluctant to allow supplementary estimates (Clegg and Chester 1957: 111-112). The importance of the perceived overspending by the health service from its inception should not be understated. The health service was and remains perhaps the most potent emblem of the welfare state. As such, its apparent overspending immediately following its inception has had a far reaching impact on general perceptions about the costs of welfare state public service provision.

The cost of NHS expenditure came under heavy 'public' criticism in its first few years, furthering cautious scrutiny on the part of management and government. The Guillebaud Committee was appointed in 1953 to 'review the present and prospective cost of the National Health Service...to advise how, in view of the burdens on the Exchequer, a rising charge upon it can be avoided while providing for the maintenance of an adequate service...' (1956:1).

The 'Committee of Enquiry Into the Cost of the NHS' (Guillebaud) commissioned a statistical analysis of expenditure on the NHS in England and Wales during the period 1948 - 1954. This memorandum, prepared by Abel-Smith and Titmuss, indicated that the widespread belief that there had been an increase of vast proportions in both money costs and real costs was ill-founded. Their study suggested that after the first year, the NHS in fact absorbed a decreasing proportion of the country's resources (measured as a % of GNP). Also, in terms of 1948/9 prices, more than 60% of the increase in expenditure was attributable to higher prices and wages rather than to an increase in the volume of real resources (materials and 'manpower').

Informing the trend of public opinion and parliamentary debate about costs were the government's Appropriation Accounts which, as the study illustrated, were unreliable and inaccurate. Not only did the Accounts fail to provide a useful measure of costs, they also presented an inadequate measure of secular trends. From the beginning, the prevailing costs of medical care were shown to be grossly under-estimated, due in part to the scarcity of data before the 1948 nationalisation and to the use of unrealistic concepts of cost (1956: 1-2).

A different and particular concept of cost was adopted in the study by Abel-Smith and Titmuss.: 'cost' consisted of expenses arising from current consumption of resources (goods and services) that could have benefited the community in alternative uses, The transfer of

money without any use of goods and services was excluded from the definition of cost, as were costs inherited from the past (1956: 11).

The overall conclusion of the study was that wages and salaries, and drugs and medical goods, dominated the upward changes in costs. At the same time, demographic changes were said to be sufficient to account for the increase in the cost of the NHS to public funds between 1949/50 and 1953/4.

'Allowing for the fact that some part of the total increase was accounted for by the use of additional labour who were unlikely to have found employment elsewhere (married women, part-time workers, Irish and other overseas workers specially recruited) it would seem that the net diversion of resources to the NHS between 1949/50 and 1953/54 was relatively negligible. It is also relevant that this small diversion of resources took place during a period when the population of England and Wales increased by about 800,000 ' (Abel-Smith and Titmuss 1956: 66).

Summary

McCarthy (1979) notes that he is unable to discern any single or overriding principle for pay determination in the NHS, although the principle of 'fair comparison' with outside work is said to have predominated. However, as outlined above, the application and acceptability of the comparison principle was modified over the period from the mid-1960's to the late 1970's. This was in part due to the impact of incomes policies. But it also coincided with a growing recognition that the existence of low pay among government employees warranted some form of mitigation (Prices and Incomes White papers; NBPI). Instead of the comparison principle, which is an 'implicit' 'market' principle, the more 'explicit' 'market' principle of directly linking pay to performance, or productivity bargaining, was introduced.

For more than a decade, low pay was explicitly associated with a problem of low productivity and inefficiency, a general criticism levelled at the structure of British earnings. In part, the trend linking pay to productivity and incentive agreements represented an attempt to consolidate basic wages at a higher rate. It was intended that this would entail a move away from the prevailing insecure method of remuneration, which relied on the extensive use of overtime to boost wage packets to an acceptable level (NBPI). The explicit

assumption that low pay is a problem of workers' low productivity, however, is precisely that employed in neoclassical labour market economic theory.

From the outset, the NBPI was committed to recommendations focused on productivity and efficiency improvements as a means of improving pay. According to the NBPI, the root cause of the problem of low pay was low productivity. The NBPI did, however, hold that the relationship between prices and wages was not automatic, and that security of income was essential. It therefore believed that government had a leading role to play by providing greater security of earnings, thus setting an example for outside industry. Nonetheless, the fundamental tenet brought to each investigation was that the only method of increasing incomes that would not lead to increases in prices, would be to improve productivity and job performance. The Board investigated numerous trades, industries and services throughout its lifetime (1965-1971). After it was disbanded, various bodies with similar terms of reference were established and government prices and incomes policies continued to stress that the only means of combatting low pay in a period of recession was through improved job productivity.

The institution of the Clegg Commission in 1979 was a concession to public sector employees and unions, in an attempt to quell the lengthy spate of industrial relations aggravations. Once again, the adopted principle for the determination of pay and conditions of service of public employees returned to comparison with 'outside' work in productive, trading and private industries. Therefore, whether the principle for pay determination for public sector employees was that of 'fair comparison' or linking pay to work performance, the assumption has been that, in both the private and public sectors, a market determination of wages in some form must prevail. The persistent refusal of such commissions and of governments to contemplate any alternative coherent wage policy which establishes a floor to incomes rather than a ceiling, stems from their reluctance to see this as anything other than an incursion into what is, ostensibly, a field of 'free contract' between individuals and

organisations. The doctrine of 'comparable occupations' and of 'non-intervention' go hand in hand.

Since 1980, the application of 'market' principles in public service provision and wage settlements has been unequivocally advocated. Pay comparability machinery has been disbanded. In the initial wake of privatisation policies, productivity bargaining has flourished as public authorities have expanded work study measurement operations to try and achieve 'efficiency savings' as their budgets are cut. 'Efficiency' exercises have continued to proliferate as public authorities attempt to reduce their operating costs in order to retain services in the public sector. Rather than pay incentives, however, the 'bargain' offered public sector workers is that the service *might* remain in public hands, with job security and conditions of employment thereby afforded greater protection than otherwise might be obtained in the private sector.

As this summary of post-war wage and employment policy developments illustrates, the obsession with public expenditure over the post-war period has become progressively intensified, reflected in the increasing severity of measures adopted to curtail public expenditure growth. Wage recusance is the primary factor implicated in the undesired cost increase. I would suggest that this overriding concern, to prevent wage inflation, rests on inadequate assumptions about wage determination and erroneous notions of public sector accounting. In the following chapter, I consider these assumptions in greater detail.

2. Wages and Market Performance: The Case of the Public Sector

Introduction

In the previous chapter, it was argued that privatisation is *one* (albeit determined) example of various government policies pursued throughout the post-war period concerning wages in the public sector that promotes 'market forces' in allocating resources (wages, jobs etc.). It was also suggested that the legitimacy of and increasing emphasis given to criteria such as efficiency and productivity in the name of 'economic necessity' have been cultivated as a result of the power given to economic, as against social explanations, rather than emanating from any intrinsic 'economic' logic.

In the present chapter, this critique of the underlying economic/social divide will be developed: the separation of economic and social processes apparently legitimates 'market' explanations of the allocation of resources (resource allocation is, purportedly, an *essentially* economic phenomenon). But in fact, the consequence of invoking social categories in explanations of the structuring of employment and resource distribution, fundamentally challenges the perceived residual status of social factors. Briefly the argument is that conventional stratification theories and theories of wage determination present explanations of processes as primarily 'economic' and residually 'social'. The use of residual categories in theoretical explanations, however, undermines and renders untenable the analytical system which employs such categories (Goldthorpe 1978; Stewart *et al.* 1985; Prandy 1986). This argument will be elaborated by examining in more detail the relations of these arguments to wage determination in the public sector.

Central to both the class theory of stratification and orthodox economic theory is the concept of the (private) 'market' as a mechanism for the distribution of occupations and earnings. A

large body of evidence, however, points to the inherently imperfect nature of 'labour markets', suggesting that as most of the preconditions for the efficient workings of the 'market' are non-existent, they are unable to perform the efficient allocation that economic theory requires of them¹.

Political and social research concerning the privatisation of public services, though often highly critical of the government's philosophical and economic beliefs, nevertheless has perpetuated and ultimately reinforced these beliefs by failing to challenge fully the principles underlying the privatisation agenda. The privatisation debate is premised upon the assumption that 'the logic of the market' provides a salient description of the overall process occurring. I suggest that this needs to be reconsidered and an alternative conception established to further our practical and analytical understanding of the processes observed.

I do not question that the alterations to employment and service provision witnessed exacerbate forms of inequality. However, it is suggested that the restructuring occurring in the wake of privatisation policies, though heralded (by supporters and critics) as resulting from the introduction of 'disciplines of the market' to public services, cannot be straightforwardly attributed to the operation of 'market processes'. Thus, the observed diversification is not one of 'privatisation' in the sense in which it is widely used and intended, as increasing the role of 'market forces'.

As Block has argued (1986:177-181), both free-market theorists and leftists share similar analytical understandings of the tension between politics and the 'logic of the market economy'. Both positions assume that improvements in social welfare through government action constitutes interference with the 'logic of the market' or the exigencies of accumulation. This in turn rests on the assumption that the 'market economy' is

¹ cf. Doeringer and Piore 1971; Piore 1973, 1978; Edwards Reich and Gordon 1973; Cain 1976; Phellps Brown 1977; Rubery 1978; Rubery and Wilkinson 1981; Wilkinson 1981; Craig *et al.* 1980, 1981, 1982.

autonomous, obeying a single logic. Thus government policies represent superstructures on top of an economic base and are perceived to either ameliorate or obstruct 'market forces'. When referring to 'market forces', then, I am primarily using the term in the sense that it is employed as an economic rationale for processes of resource distribution and exchange in society; that is, as an economic function, the 'market' is assumed to have an internal logic of its own which governs allocative processes.

In arguing that the privatisation strategy is coextensive with post-war public sector wage policies, what I wish to emphasise is the persistent underlying presumption that a market determination of wages operates in the private sector and that public sector forms of resource distribution are not simply different, but essentially aberrant. It is this rationale which has seriously constrained all forms of public sector resource distribution and has been a critical factor shaping the perceived 'crisis in welfare'. This crisis, signalled over the past decade or so by the collapse of consensus regarding the 'mixed-economy' of 'market' and 'state' welfare assumed by pioneers of the 'welfare state' (Mishra 1984), could be argued to have been endemic². Accordingly, I would suggest that a better perspective and account of the current welfare crisis or 'rolling back of the welfare state', in which valued services and citizenship rights are being seriously eroded, should be provided. The Keynes-Beveridge rationale for state intervention pandered to the notion of the 'economic

² I wish to briefly elaborate this proposition as it is important to distinguish it from the (predominantly functionalist-marxist) arguments that welfare is functional for capitalism or similarly, that state welfare developments have and can merely serve to partially compensate individuals against the full impact of market/capitalist forces (cf. O'Connor 1973; George and Wilding 1976; Gough 1979; Taylor-Gooby and Dale 1981). These arguments deny processes of social change and transformation of any real solidity and thus can only present an impoverished strategy for progress. In contrast to such arguments, the point I wish to stress is that, to a large degree, problems of welfare are borne out of the restrictive conceptual parameters determining this debate. Problems of understanding and explaining social processes are, then, an integral part of 'material' experiences/events. A more promising line of argument is that welfare 'increases the need for more sharply focused social criticism' (Wilensky 1975: 110).

logic of the market' and, whether as a force to be mitigated or elevated, this logic is, I would suggest, entirely misleading³.

The future of welfare, a question central to issues of citizenship and the universality of social rights in contemporary society, is necessarily linked to controversies concerning the distribution of income and resources. This debate, which has focused on the role of the public sector, involves distinctions between apparently alternative forms of income, that is, income from individual 'civil rights' (participation in the economy) and income from 'social rights' (Marshall 1964:72). As Friedland and Sanders (1986) argue, the pressure to hold down 'social' wages and cut back welfare state provision generally, is rooted in the presumption that different logics govern the allocation of 'private' and 'social' wages. Public sector employment is doubly implicated in this given, that the public sector serves both as a source of employment and a form of welfare provision.

Welfare issues, particularly those of public as opposed to private sector service provision, thus highlight the problematic nature of the division of economic and social processes - a common feature of theories addressing the distribution of resources. The assumed dichotomy, the separation of economic and social factors, is a contrived one, imposing serious limitations on our understanding of social processes and fostering unconvincing explanations of inequality⁴.

³ Despite his pioneering work conceptualising citizenship and the right to welfare as consisting of legal through to social and even moral rights, Marshall too perceives the role of welfare to be that of modifying the operations of 'economic market processes' (1981: 107).

⁴ The economic/social divide apparently underlined by welfare developments is rooted in the convention which maintains an axiomatic separation of conceptions of 'natural' and 'social' phenomena. As Stewart et. al. argue (1980), the dissolution of this distinction is necessary to facilitate a more adequate understanding of human activity. Such distinctions are, however, both diverse and deep-seated. This is an area which I hope to develop in later work.

'Economic' Rationales for Wage Determination.

The theory of wages rests on the alleged 'economic proof' that in normal circumstances the market is in equilibrium, and in this state, workers will be paid a wage equal to their marginal productivity. The market is said to adjust the wage structure to reflect efficiency differences between workers. All else being equal, the skills acquired by individuals investing and reinvesting in themselves through education and training (a process referred to by the term 'human capital'), is argued to establish a direct correspondence between the product market valuation of the goods and services produced by workers (the price of commodities) and individual wages (the price of labour). Thus it is assumed that wage differentials are determined by differences in worker characteristics. If, in equilibrium, wages are below what is socially acceptable, they nevertheless reflect the low productivity of the workers concerned.

Over the post-war period, economists' views about the determination of wages have vacillated in relation to the 'Simple Phillips Curve', the 'Expectations Phillips Curve' and 'Keynesian' and 'Institutionalist' views of money wage determination (Artis 1981; Davies 1983; Bleaney 1985). The neoclassical foundations of the Phillips curve model and its successor, the Expectations Phillips curve, seem clear. Originally, the Phillips curve, developed to counter the Keynesian 'revolution' in macroeconomic thinking which since the 1930s had been perceived as a major challenge to neoclassical thinking, seemed to cripple the Keynesian 'wage theorem' view. According to Artis,

'...one reason for its ready acceptance is no doubt that it seemed to fill a missing box in the Keynesian system: it endogenised the money wage to the economy modelled by the system, an intellectually more satisfying achievement (and more appealing to the intellectual imperialism of economics) than the orthogonality implicit in the wage theorem' (1981:8).

The basis for the Phillips curve is the suggested relationship between the rate of change of wages and the level of unemployment, whereby wage changes are said to be inversely related to the level of unemployment - as supply of labour exceeds demand, wages

decrease. According to Davies this construct was very popular during the 1960's, as it apparently explained why price stability was difficult to achieve in a period of full employment. An implicit assumption, that there is a strong relationship between wage changes and price changes, is also evident. The general view expressed in the 'mark-up' model, that prices represent a 'mark-up' over cost with wages counting for the largest element of these costs, informs the Phillips curve. This model suggests that, all else being equal, price stability can be achieved if wages grow at the same rate as labour productivity, and indicates why productivity criteria have featured so strongly in most incomes policies (1983:420-421).

The so-called 'stagflation' of the late 1960's and early 1970's, where high levels of inflation were accompanied by relatively high levels of unemployment, challenged the idea that inflation and unemployment are alternatives (which the Simple Phillips curve suggests). The detection of a marked instability in the Phillips curve led to the revival of Keynesian economics (and support for incomes policies) and the development of the 'augmented/expectations' Phillips curve propounded by monetarists, most notably Friedman (*cf.* Davies 1983; Artis 1981).

The breakdown of the relationship between wages and unemployment as specified in the Simple Phillips curve is supposedly explained by the Expectations Phillips curve, which indicates that the true relationship is between unemployment and *anticipated* real wages, rather than between unemployment and *actual* money wages. A critical factor in this model is conjecture about future price movements. The monetarist analysis suggests that unless productivity increases offset wage increases, wage inflation will ensue: wage increases will lead to price increases, and as prices rise so will price expectations, causing an upward shift in the Phillips curve, increasing inflation still further. To keep inflation under control, the monetarists stipulate a reduction in 'demand' (by limiting the money 'supply') to raise the level of unemployment until it reaches a level at which wage increases are brought back into line with the growth in 'labour productivity'. A period of high unemployment is,

therefore, argued to be a temporary phenomenon. The assumption is that, if left to themselves, the untampered forces of supply and demand in the market would produce full employment - or at least, the 'natural rate of unemployment' (though this rate is not fixed).

To the extent that market imperfections and rigidities (evidential problems with the model) are recognised, they are generally depicted as being created by institutional interference in the market. State legislation is perceived to be the primary form of such institutional interference. The Thatcher government re-emphasises such a 'market' approach to wage determination :

'The 'new' supply side economics provides the rationale for reducing all institutional controls on wage regulation, and for repealing antidiscriminatory pay legislation on the grounds that differences in pay between blacks and whites, men and women, reflect object differences in their productivity...' (Craig *et al* 1982: 10)

Thus, the pressure to abolish wages councils and the rescindment of the fair wages resolution stems from the belief that these provisions keep wages above some 'market clearing level', increasing unemployment⁵. The preference for ('private) 'market-based' activity as opposed to ('public') state-based activity, is premised upon the contention that 'market' mechanisms maximise both economic prosperity (efficiency and productivity) and individual freedom.

An alternative wage determination proposition is put forward by the Keynesian/Institutionalist theories of inflation. The Keynesian view is reflected in a number of different perspectives. This in part stems from the fact that the *General Theory* does not itself provide a model of money wage determination, but implies that wages are determined orthogonally to the economy, that is, outwith the economy. Both Keynesian and Institutional theories of wage determination generally emphasise social and political, rather than economic, forces. In particular, trade unions and issues of 'comparability' are seen as being the primary cause of increasing wages and costs. Within this perspective, it is argued that

⁵ Explanations of 'low pay' are more extensively considered in Chapter 6.

the maintenance of full employment during the post-war period enabled trade unions to successfully push for higher wages, hence increasing inflation, a phenomenon independent of (economic) market forces (Artis 1981; Davies 1983; Flemming 1978).

A more recent critique of orthodox market explanations, developing out of the recognition that there is a lack of convergence between pay and human capital, is the analysis of segmented labour markets. The segmentation thesis consists essentially of two strands: modified market segmentation and dual labour market segmentation. On the one hand, it is argued that gender divisions serve to modify the market, with women being located at the bottom of the market. On the other hand, different markets are said to be produced, explained by the operation of dual labour markets - one 'primary' and the other 'secondary'⁶.

The oscillation of wage determination rationales, characteristic of the post-war period, may be set out as a question of the perceived location of this process in relation to the economy; that is, whether the determination of wages is endogenous or exogenous to the economy. The Phillips curve model, through its various stages of 'refinement', is predicated on the assumption that the determination of wages is endogenous to the economy. So-called socio-political explanations do not generally enter this debate, which uncritically accepts the neoclassical presumption that laws of supply and demand in a market economy determine the price of all commodities, including labour. Yet the failure of these models to explain the behaviour of wages, in particular in relation to issues of gender, generation and ethnicity, which are not adequately accommodated, has led to the search for explanations external to 'the economy'. This search focuses on social and political processes as independent forces either impinging on the essentially autarchic economic processes determining wages or else operating entirely outwith the economy.

⁶ Labour market segmentation theory will be discussed further in Chapter 3.

It is important to recognise that all these perspectives can be aligned in relation to the position taken regarding conceptions of 'social' and 'economic' processes: where the economic and social are not set up as mutually exclusive categories which have no bearing upon one another they are, nonetheless, accorded intrinsic autonomy as systems which have independent status but *may* operate interactively. Thus, for example, wages are argued to be paid to positions on 'economic' grounds; but who gets into the positions is argued to be a different matter and is generally explained in terms of 'social' factors. It is this assumption of the relative independence and coherence of 'economic' versus 'social' categories, informing theories of wage determination and government policies, which is criticised here⁷. The separation of economic and social issues, though difficult to relinquish, entails a form of analysis which inevitably contains contradictions (Stewart *et al* 1980; Holmwood and Stewart 1983; Prandy 1986).

The explanatory failure of, and contradictions inherent in, analyses which assume that social and economic factors act upon wages as different and mutually exclusive orientations, may be further underlined through a consideration of the response to neoclassical economics evidenced by Keynesian and segmentation analyses. One of the main points to be developed in the remaining sections is that explanatory contradictions, arising from the mobilisation of residual categories in explanations of wage inflation, wage determination and employment positions generally, suggest that the analyses concerned are no longer tenable. Given that economic theories of wage determination and resource allocation play such a critical role in interpreting and influencing both conventional stratification theory and public service sector developments, it is important for sociologists to consider the adequacy of these explanatory models.

⁷ Neoclassical advocates of the market as a 'social institution' notwithstanding (Barry 1987), the 'welfare judgement' implied by a 'market' allocation of resources consisting of an equilibrating system of exchange, is that individual private actions *in the market economy* bring about the most beneficial allocation of resources. Thus the institution of the 'market' could only (and at best) be argued to have 'social' *outcomes* but not *entail* social processes.

'Keynesian Economics': A Revolutionary Post-War Orthodoxy?

The idea that Keynes' *General Theory* produced a new revolutionary economics, challenging the neoclassical tradition in a very fundamental way, has been effectively dispelled (Bleaney 1985). As Bleaney argues, Keynes unquestioningly accepted the bulk of orthodox economic assumptions as a basis for further development.

'In sum, the *General Theory* does not present its own distinctive *Weltanschauung*, there is nothing new in its underlying vision of the economic and social order. The great weakness of the 'left Keynesians' is that they have never absorbed the true significance of this point, a further reflection of which is the fact that there could be a Keynesian revolution in Marxian economics...as much as in neoclassical economics' (Bleaney 1985:2).

Nonetheless, the problem of so-called 'short-run' disequilibrium characteristic of the 'real market world', which neoclassical economists have systematically avoided, is addressed by Keynes' analysis. Thus, the remedial concept, 'effective demand', resurrected by Keynes, attempts to explain why actual 'market transactions' fail to operate consistently in terms of the primary (neoclassical) theory. Bleaney suggests that the neoclassical preoccupation with relative price movements as the solution to economic disequilibrium⁸ precluded the concept of 'real effective demand' which Keynes adopted and developed from the early classical tradition (1985:2-17).

The starting point for the concept of 'effective demand' is the acceptance of the neoclassical idea that general equilibrium (and therefore full employment) is a matter of finding the right relative prices. Keynes' intention is to describe transactions 'in the market' which take place at disequilibrium prices - where both 'perfect competition' and complete information are absent. The resultant transaction at disequilibrium prices is argued to reduce the quantity of transactions compared to what would have occurred if general equilibrium had prevailed. The concept of 'effective demand' purportedly describes a situation in which the absence of

⁸ That is, the belief that commodities in excess supply should fall in price relative to those in excess demand, whose price should rise.

equilibrium constrains transactions by reducing the *notional* demands and supplies from their hypothetical level. Hence Keynes' theory allegedly explains why the full employment level implied in the primary theory *fails to be achieved* (Bleaney 1985:18-27).

The notion of 'long-run' equilibrium as the benchmark remains, nonetheless, unchallenged. Bleaney's suggestion that Keynes analysis adequately overcomes the gulf between favoured explanations and social circumstances, which has been the great weakness of neoclassical theory, is thus called into question. On the contrary, the remedial concept, 'effective demand' is a development which does not eliminate explanatory contradictions, but simply shifts them to the contradiction between short-term (social) and long-run (economic) processes. As Holmwood and Stewart (1983) argue in relation to a parallel problem confronting stratification theory, the contradiction between class (economic) and status (social) categories:

'Further attempts to deal with these emerging explanatory failures may have the appearance of the elaboration of theory but...[t]hey take their problems entirely from the preexisting theory and are *determined* by its explanatory deficiencies...[as] they themselves are the embodiment of these problems' (1983:238).

The issue of the conceptual limitations of analytical systems is also addressed by Goldthorpe (1978) in his consideration of the problem of inflation. As he cogently illustrates, economists' analyses of inflation resort to the use of 'residual categories' (which are typically negatively defined) in an attempt to explain why modes of social action fail to conform to the behaviour prescribed by the particular economic analyses concerned. The difficulty, in using such residual categories, as highlighted above and as Goldthorpe suggests, is that their application both undermines and radically departs from the central tenets of the analysis (1978:212). Thus, following Parson's analysis in *The Structure of Social Action* (1937), Goldthorpe argues that:

'...the limits of an analytical system are best indicated by the occurrence of 'residual categories': that is, categories which are introduced to deal with phenomena recognised as relevant to the enquiry in hand...but categories which are at the same time distinguished by their lack of theoretical fit with those that are central to the analytical system in use and 'positively defined' within it' (1978:186).

Returning to the consideration of the Keynesian analysis, then, the problem of 'short-run' dynamics, the 'empirical reality' of disequilibrium which is set against the 'long-run' theoretical principles of equilibrium, is indeed *exposed* but is not resolved by Keynesian analysis. Instead of leading to the development of a new, theoretically integrated basis, failure has prompted the *ad hoc* separation of explanatory principles, in an attempt to explain away the observed countervailing tendencies. The *absence* of the assumed equilibrating economic laws of supply and demand of market-commodity production, is presented as simply a short-run empirical question and not subject to theoretical determination. That is to say, counteracting influences appear to be produced by a process external to the analytical theory as though they are given, rather than acknowledged as an intrinsic explanatory failure generated by the theory itself.

Problems of Explanation - the Poverty of Conventional Theories.

The separation of social and economic categories in conventional stratification and economic theory is presented as necessary, though the intention is to elaborate an integrated theory. This mobilisation of distinct exogenous-social / endogenous-economic components is intended to provide explanations of experience which cannot be accounted for by the other component; nonetheless, the separate explanations contradict each other, giving rise to incoherent principles of income determination. Social categories and explanations are presumed to merely impinge upon established economic accounts. However, under closer scrutiny, the consequence of invoking 'social' categories and explanations is more powerful than simply exerting an influence which modifies, as their utilisation negates 'economic' accounts (Stewart *et al* 1985). As such, the use of these distinctions should signal the occasion to produce an alternative understanding in which explanations of processes, previously identified as primarily 'economic' and residually 'social', are accomplished with categories which encompass the full range of social circumstances. This should facilitate greater theoretical integrity. Instead, the

respecification of traditional wage relationships is contingent, and generally specified counterfactually, as *what-is-not-but-should-be*, rather than what *actually is*.

Given that unintegrable 'short' versus 'long-run' dynamics ('internal' versus 'external') and 'economic' versus 'social' processes are mobilised in these analyses, how is change over time accounted for? Goldthorpe suggests that sociological investigation permits recognition of processes of structural change. Thus, in relation to theories of inflation he argues that:

'...the ambition of any sociological enquiry must be...to investigate how inflation, understood as the monetary expression of distributional conflict, is ultimately grounded not in error, ignorance or unreason on the part of actors involved, in the way that economic analyses are constrained to suggest, but rather in *on-going changes in social structures and processes*' (1978:195).

That is to say, the use of residual categories in theoretical explanations indicates that changes in social processes have occurred, undermining and rendering untenable the analytical system which employs such residual categories. Furthermore, Goldthorpe suggests that approaches to explanations of inflation by sociologists and economists are necessarily competitive, rather than complementary, because of their different evaluations of the capitalist market economy. Indeed, I would emphasise that they are competitive because social theory attempts to develop the 'residual categories' in a way that challenges their residual status. Whereas economists are said to perceive the market economy to be inherently stable (or capable of being stabilised), sociologists are said to view it as inherently unstable. In Goldthorpe's words, the sociological view of the market economy is that it exerts a

'constant destabilizing effect on the society within which it operates, so that it can itself continue to function satisfactorily only to the extent that this effect is offset by exogenous factors: most importantly, by the integrative influence of some basic value consensus in the society, deriving from sources unrelated to the economy...' (1978:194).

Evaluations of the market economy are indeed of central concern and economic and sociological analyses do tend to conceptualise the market economy in the manner described by Goldthorpe. But I consider the underlying conceptual dualism to be highly problematic. More specifically, I do not share Goldthorpe's approval of this particular, albeit

predominant, Parsonian form of sociological theory. It appears to me that Goldthorpe fails to critically appraise social theory as rigorously as he does economic theory.

Contrary to Goldthorpe's suggestion, social theory has simply displaced, not resolved, the problems highlighted by the use of residual categories in economic theory and, moreover, has reinforced a restriction of the relevance of social theory to a limited set of circumstances. Goldthorpe is critical of the position adopted by economists that in the 'long-run' the market economy is stable, as day-to-day social circumstances and 'modes of social action' fail to conform to the behaviour prescribed by economic theory. Economic theory, then, can only try and explain social circumstances through the use of residual categories. Social theory, however, adopts a similar strategy. In portraying the market economy as unstable in the 'long-run' only, because factors exogenous to the economy are said to permit its continued satisfactory functioning in the 'short-run', sociological analyses also fail to take account of processes of social change. Moreover, this form of analysis, which maintains the notion that social factors are 'exogenous', restricts the relevant field of study for social theory to a limited set of circumstances, perpetuating their perceived residual status.

Understandings of social change and transition *are* crucial. As Abrams (1972:18) argues, one of the most important aspects about the sociological emphasis is that it searches for 'tendentious explanations'; that is, it attempts to account for both structure and action over time. That sociological analysis has not been entirely successful in this pursuit, which is highlighted above, is significant. More specifically, sociology has perpetuated the 'objectification' and 'abbreviation' of history (Abrams 1972:26) through its own use of 'conceptual polarities' (and often by not challenging their use in related disciplines). As a result, processes of change are not recognised; indeed, they appear to be impossible to delineate.

The following section extends the discussion about forms of explanation that rely on the use of residual categories in engendering the controversies which beset issues of public sector provision and, in particular, the perceived crisis in welfare.

Issues of Public Sector Provision and Accounting.

Concerns about public sector wage determination and productivity issues reflect problems which are created and sustained by the spurious separation of 'economic' and 'social' processes; in particular, the reluctance to challenge the assumed unassailability of the 'economics' of market and commodity production. The separation of economic and social categories has far reaching policy implications which are reflected in the analysis and design of policies concerning the provision of social services, and wage and employment legislation.

The public sector dilemma is two-fold. On the one hand, it is the apparent lack of a price mechanism allocating resources (including wages) which is problematic. On the other hand, the lower imputed productivity gains in the public service sector (which is argued to be an essentially 'unproductive' or 'non-progressive' sector), further exacerbates the perceived difficulties caused by the absence of a 'market' allocation. Together, these apparent malfunctions have not only generated the pressure to keep wage costs down, but moreover, have operated against the expansion of public service provision and have generally restricted its development, in an insidious way. This is not to say that public service provision has not grown, as obviously it has. However, there has always been a critical tension between the drive to expand and improve welfare services, and escalating concerns regarding the relative costs of public service provision which, more often than not, focuses on wage costs alone (mirroring economic models).

The importance of public sector pay movements in public expenditure is evidenced by structural constraints on public expenditure, produced by historical trends in a phenomenon

known as the 'relative price effect' (Price 1979). As Price argues, the impetus to keep public expenditure costs down, in particular the drive to effect public expenditure cuts by the Conservative Government which came into office in 1979, stems from the tendency for public expenditure to increase in relative cost over time. This *adverse* relative price effect, more contentious in periods of relatively high inflation, is always present and, furthermore, tends to reemerge as a more intractable problem because it has not been recognised as a continuous problem. The root of the problem, according to Price, is the failure to measure public service output properly. He suggests that :

'...whereas pay rises in the 'enterprise' sector (public as well as private) are not fully translated into price changes because of productivity offsets, in the government sector productivity growth is assumed to be zero (in effect it is not measured), so that prices increase as fast as wage and salary rates. This means that the price of the services provided by government employees rises r per cent per annum faster than the price of goods and services provided by the rest of the economy, where r is the rate of productivity growth in the non-government sector' (1979:69).

Hence, as long as pay in the public services tends to move in line with pay in other sectors (and as long as productivity in the economy generally continues to grow), the share of public spending in GDP will appear to increase, the relative price effect being positive, representing a productivity disadvantage to the economy as a whole. The convention which fails to impute productivity gains to government employees, Price argues, also circumscribes measurements of growth in government services: any volume growth in services provided can only occur through increased employment and therefore cost.

Price's argument is that the cyclical suppression of constraints on public spending plans has meant that plans for the volume growth of public spending in these periods have been established on questionable grounds, given that the adverse long-term relative price effect is not explicitly addressed (1979:70). The remedy Price proposes - to avoid the recurrent financial crises of control over public spending caused by this erratic behaviour - is to recognise that :

'public servants will not, in the longer run, accept lower growth of real incomes than their counterparts in the non-government sector purely on the grounds of lower *imputed* productivity gains. Attempts should therefore be made to identify actual or notional productivity gains in the public services and this would at once relieve some of the pressure to expand through

recruitment and would prevent also the unjustified suppression of relative incomes in the government sector. This succeeds in the short term at the cost of disruption later' (1979:75).

That Price regards this remedy as a viable short term solution only, concluding his paper with the suggestion that nevertheless, the problem will reemerge as strongly in the future, indicates that perhaps his account is not an entirely adequate statement or understanding of the problem.

Price's account, on the one hand, argues that if only one could ascribe some productivity gain to public service output, then individuals (governments, taxpayers, consumers) would no longer demand expanded service provision in the form of employing more people. Instead, by imputing 'actual' or 'notional' productivity gains, such persons would realise that the service was improving without any employment increase. The implication is that (at best) without there being any actual change in service provision (notional productivity gains merely credited to its performance), individuals should be placated by the 'fact' that these services are productive and are thus deemed to be expanding, as though their previous assessment of the adequacy of service provision was incorrect. Price further argues that if productivity gains were imputed, then there would also be less pressure to suppress incomes in the government sector, as wages could increase in line with the attributed productivity gains in that sector. Wage increases would, therefore, no longer represent a productivity disadvantage to the economy as a whole.

There is a point to be made that public services are inaccurately classified as 'unproductive' and their contribution to society incorrectly assessed. The remedy is not, however, one of imputing 'notional or actual productivity gains' to the public sector. This is because the root of the problem is not, as Price would have it, simply the failure to measure public service output properly⁹. On the contrary, the classification of public services as 'unproductive'

⁹ Ironically perhaps, Price's suggestions are being applied in the public service sector presently. For example, in the health service, the stricter application of cash limits expressed in terms of cash expenditures rather than volume expenditures (introduced in 1981) has certainly constrained specific expenditure programmes and continues to do so. Also, the 'competitive' tendering programme,

reflects entrenched assumptions about the salience of market-commodity production; it is a conventional reaction, consisting of counterfactual categorisation and explanation of activities which do not conform. The problem of identifying and measuring outputs, although common to all products, especially services (whether public or private) (Brown and Jackson 1986:106), is perceived as a threat to economic stability only when the services involved are not seen to be 'viably' operating on the 'free market'.

Price's analysis is, in fact, modelled on Baumol's (1967) formal examination of the perceived 'problem of unbalanced growth in the economy'; that is, the observed growth of service employment and the persistent cumulative rising costs of producing personal services in the public sector. Baumol argues, quite simply, that there are two types of economic activities, one 'progressive' and the other 'non-progressive': maintaining the output of the non-progressive sector entails cumulative rising relative costs and the absorption of more of the labour force, and a decreasing labour force in the progressive sector, slowing 'economic growth'. (Baumol ignores the fact that 'economic growth' is measured in such a way as to favour the 'progressive' sector.)

'...the place of any particular activity in the classification is not primarily a fortuitous matter determined by the particulars of its history, but rather...it is a manifestation of the activity's technological structure, which determines quite definitely whether the productivity of its labour inputs will grow slowly or rapidly' (1967:416).

It is important to unpack this statement. In doing so, one discovers that the critical 'technological structure' referred to in fact consists of labour's perceived role in the process¹⁰. In the 'progressive' sector, labour is argued to be an instrument merely required for the achievement of the final product, whereas in the 'non-progressive' sector, labour is

euphemistically presented as the opportunity for ancillary services in the NHS to prove 'just how productive and efficient they really are' has brought about the widespread introduction of productivity bargaining in a relatively short period of time as in-house teams attempt to retain the services. The proliferation of 'efficiency excercises' and incentive bonus payment schemes, explicitly linking pay rewards to 'productivity gains', is precisely the 'remedy' prescribed by Price - 'productivity measures' are imputed to services classified as 'unproductive' in order to persuade the public that the services are improving despite expenditure and labour force reductions.

¹⁰ To this end, all non-wage costs are ignored in the analysis - an 'incidental premise' simplifying the mathematical model.

said to be itself the end product (labour services are part, if not all, of the product being produced). In this formulation, a productivity differential exists between the 'progressive' and 'non-progressive' sectors, not because labour in the non-progressive sector is working inefficiently¹¹. Rather, regardless of the most 'efficient' use of labour and technologies, the price of the non-progressive sector will 'rise cumulatively and without limit'.

It is argued that in the progressive sector, unit costs remain constant because improvements in labour productivity are accompanied by equivalent wage rate increases. In the non-progressive sector, alternatively, unit costs rise because wage increases equivalent to that in the progressive sector take place while productivity remains constant, if not actually decreasing. Hence the relative price of non-progressive sector outputs increase compared to those in the progressive sector. Implicit in this analysis is the assumption that the non-progressive sector absorbs an ever increasing proportion of resources (essentially labour), to the detriment of the progressive sector. The employment expansion in the non-progressive sector and the contraction in the progressive sector is argued to occur because the progressive sector experiences cumulative increases in productivity (restricting labour growth), whereas the non-progressive sector simply absorbs more and more labour to maintain its output¹².

There is a certain pathos to Baumol's argument. Despite the argued dangers to economic growth represented by the expanding non-progressive sector (largely identified as public services), Baumol concludes that :

'This is a trend for which no man and no group should be blamed, for there is nothing that can be done to stop it' (1967:423).

¹¹ The model assumes that there is no 'x-inefficiency' in the system, that is, it is assumed that the services are being produced at minimum cost, with no over-staffing - the most efficient technologies being employed.

¹² Fuchs (1968), provides an empirical confirmation of Baumol's thesis.



The argument, however, is tautological and mobilises residual definitions. Baumol's 'proof' consists merely of a restatement of the observed expansion of personal service employment *because* of its *lack* of 'productivity'. As Fraser (1987) notes, services are essentially defined negatively; that is, as activities *not* producing material goods. Once again, we witness the mobilisation of residual categories when observed phenomena fail to conform to the assumed theoretical model. The pattern of expanding service employment should represent a serious challenge to assumptions about labour and market-commodity production, but it is not regarded as such. Instead, it is set up as an ephemeral or superficial aberration, with the theoretical model presumed to be unscathed and intact.

Contrary to Baumol's (1967:416) assertion, the classification of activities as 'progressive' or 'non-progressive' is, in fact, crucially determined by a historical tradition of insufficient responses to explanatory crises generating residual components and contradictions in explanations. Moreover, the deliberate focus on wage-labour costs alone, ignoring all other costs, and the particular concern about services which do not operate on the 'free market' (1967:420-422) underline the persistent and unresolved difficulties posed by the public service sector in the face of obdurate refusals to relinquish the 'economic' market-commodity model of price determination, whether for labour (wages) or other 'commodities'.

Public sector developments have created significant problems for this general framework of understanding, taxing both its ability to explain the 'price of labour' and economic accounting practices. The 'relative price effect', borne out of the contradictions and explanatory failures of economic theory, is not an inevitability; it has, nonetheless, deleterious consequences for welfare developments, constraining public service provision. Its rationale restricts conceptions of 'economic' and 'social' systems, circumscribing forms of organisation. Furthermore, the escalating 'economic' costs implied by the 'relative price effect' find their counterpart in the increasingly rigid policy measures adopted to control the 'problem'. In a sense, the post-war development of incomes policies, cash limits and,

ultimately, privatisation, demonstrates the desperate resolve to try and effect a 'market-based' price mechanism.

Rethinking the 'Public Welfare'/ 'Private Market' Division.

In this chapter I have suggested that the crisis in welfare, linked as it is to issues of wage determination and the distribution of resources more broadly, is a matter not simply of scarce resources combined with philosophical preferences for private enterprise, but one which should be perceived to reflect and to have been exacerbated by, the conceptual framework delineating resource production and distribution in society. Furthermore, I suggest that recourse to notions of a 'market distribution', relies upon a contrived separation of allocative and distributional processes, and is a critical factor in the escalating crisis.

From the point of view of most economists, the position adopted by many social theorists (including factors other than economic ones as part of the explanation) is iconoclastic. However, it is my contention that most sociological arguments are inadequate and should be developed much further to challenge the whole notion of the operation of 'markets'. In summarising attempts to interpret women's employment participation, especially their concentration in social welfare jobs, Rein concludes that,

'The problem of interpretation lies in the twin reluctance of economists to move beyond labour market supply theory and of sociologists to enter this terrain and establish a theory of the sociology of labour markets' (1985:55).

I would go a step further and remark that to the extent that sociologists have erred, it is in doing precisely what Rein wishes them to do - they *have* entered this terrain and attempted to provide market-based sociological explanations. Their reluctance has been to move *beyond* market theory, to establish an alternative theory; I would suggest that an alternative inclusive explanation of social welfare and resource distribution is required. As Stewart *et al.* (1980:106-107) argue, the production of multi-dimensional models of stratification to accommodate antithetical processes is at odds both with the underlying belief that the stratification system operates consistently and attempts to provide a theoretically integrated

model. The intellectual appeal of an *adequate* endogenous account of theory and practice should be upheld.

The tendency to depict public welfare as 'unproductive' and a drain on the 'private market sector' because public sector developments do not conform to 'economic laws' of 'market-commodity production', are all the more arbitrary in light of the forms of welfare provision developed over the post-war period. Criticisms of public service provision mobilise a stereotypical conception of 'the welfare state' which conveniently disregards the broad range of welfare benefits provided by the state for those in secure employment.

'The latent assumptions which commonly underlie these criticisms [of the public sector]...have little relevance while they remain attached to a stereotype of social welfare which represents only the more visible part of the real world of welfare. The social history of our times inevitably becomes, in the process, sadly distorted' (Titmuss 1958:53).

As Sinfield (1986) argues, Titmuss' contribution regarding the 'social division of welfare' remains highly relevant. Titmuss identified three systems of 'social services' - social welfare, fiscal welfare and occupational welfare. The first, 'social welfare' refers to the traditional area of social policy and administration generally understood as 'welfare state' services; Sinfield prefers the term 'public welfare' to emphasise the visible nature of the welfare provision. The second, tax or fiscal welfare, includes tax reliefs and allowances from the government, though these are not included in the public expenditure accounts, despite the fact that they provide 'similar benefits and express similar purpose in the recognition of dependent needs and social welfare' (Titmuss 1958:44). The third, occupational welfare, includes benefits received by an employee through or as a result of employment, including industrial and fringe benefits.

Those who benefit from both fiscal and occupational welfare (the so-called 'welfare state for the rich') are those in secure employment and, especially, well paid employment. Fiscal and occupational welfare are funded by government in the form of 'tax expenditures'. The result is a reduction in tax revenue which not only limits the amount of resources perceived

to be available for 'public welfare' but also may be reflected in lower wages and salaries for some (Sinfield 1986).

Titmuss argues that though the three systems are regarded as distinct and independent systems, perpetuating the stereotypical conception of 'the welfare state', the division is contrived. He suggests that the three systems

'signify that man can no longer be regarded simply as a 'unit of labour power'; they all reflect contemporary opinion that man is not wholly responsible for his dependency, and they all accept obligations for meeting needs of the individual and the family' (Titmuss 1958:3).

I would, however, further develop the framework delineating the social divisions of welfare as it is crucial to the debate about 'market' distribution. The most salient analytical point illustrated by attempts to specify the nature of the social divisions of welfare is precisely that the division between 'economic determinants' and 'social influences/outcomes' is impossible to sustain. All forms of the divisions of social welfare - 'public', 'fiscal' and 'occupational' - constitute public expenditure on welfare, effecting a distribution of resources. The debate about the social divisions of welfare needs to be made absolutely central to the debate about welfare 'efficiency' and 'market' distribution.

It is therefore important to emphasise that typically, the Thatcher government, and governments in the past, have maintained the false distinctions between the various forms of welfare identified by construing both the 'fiscal' and 'occupational' forms of welfare as essentially 'productive' processes, compatible with the operation of 'market forces'. In contrast, 'public' or 'social' welfare is depicted as 'unproductive' and incompatible with the operation of the 'market'. Consequently, the contrived link between productivity and market forces on the one hand, and low productivity (or unproductiveness) with state service provision on the other, is preserved.

This process of distinguishing and undermining the legitimacy of public welfare highlights, I believe, the contradictions inherent in approaches assuming market validity. As Mukherjee cogently points out in respect of state responsibilities:

'Statutory intervention...has been in the interest of re-establishing freer markets. From long usage, a seal of respectability is attached to government intervention in making product and capital markets work in a way approximately resembling text book models' (1974:3).

Sustaining the notion that there is a credible system of 'market distribution', even if its perceived mode of operation falls short of the model described in text books is, I suggest, part of the process which increasingly undermines the legitimacy, not only of 'public' welfare, but also of social welfare in its broadest sense, as it concerns understandings of the production and distribution of resources.

Increasing public and scholarly interest in the interrelationship between the governmental or state sector, the for-profit business sector and the non-governmental non-profit or voluntary sector further underlines the fact that the public/private dichotomy is an inaccurate conceptualisation of social reality (Ostrander 1987). Whether viewed as 'third party government' (Salamon 1987) or 'mediating structures' (Van Til 1987), the longstanding history and growth of 'non-governmental' (welfare) service provision and extensive state financial backing of these services (funded through an array of fiscal policies), in both Britain and the United States, challenges conventional assumptions about the nature of, and responsibility for, social welfare provision. In particular, a redefinition of what constitutes the 'public' sector is needed, rethinking and challenging '[n]otions of 'public' as governmental and 'private' as nongovernmental (and thus outside the realm of accountability)' (Ostrander 1987: 128).

Summary

In proposing that there has been a public sector wage and employment policy continuum bound largely by 'economic' rationales, I have suggested that social theory is centrally implicated in the current crisis in welfare. Controversies concerning welfare reflect problems of understanding regarding processes of resource distribution and allocation. The area of 'labour market' research is an important area of stratification research but has glossed over important theoretical questions. Specifying the mechanisms by which

outcomes are produced is an issue of theoretical capacity. The problems of theories of wage determination, in particular in relation to both the public service sector and those it employs (predominantly women), constitute an explanatory crisis and consist of the attempted *subsumption* of social processes under the centrality of market-commodity production. The contradiction inherent in this separation of 'economic' processes from additional 'social' influences prevents an endogenous and theoretically powerful account of social practice.

3. Wages and Market Performance: The Case of Gender Divisions

Introduction

In seeking to impose a 'market' determination of resource allocation, privatisation policies have been marshalled in relation to circumstances where market distinctions are most problematic. Market-based explanations fail to coherently account for public service sector employment and the growth of 'social wages'; they are also unable to adequately explain gender differences in earnings. The standard classification of the public service sector as 'unproductive' or 'non-progressive', as discussed in Chapter 2, is highly problematic and inadequate; this residual conceptualisation of social welfare services is perpetuated through economic determinism and an embedded (but questionable) obeisance to principles of the 'market economy' by economists, sociologists, social policy analysts and governments alike. The deficiency of this approach, which treats social issues and policies as 'leftover' or peripheral components, becomes all the more glaring when an attempt is made to incorporate women into the analysis. The nature of employment experienced by women - the generally lower levels of return and higher job insecurity - has highlighted the serious limitations of conventional labour market analyses. 'Malestream' analyses focusing on 'economic man', have been criticised for their general disregard and inappropriate treatment of women as 'other' and subsidiary¹. There are, then, clear parallels in the way in which public welfare services and women are analytically treated: as 'social' categories they are construed to be secondary and therefore marginalised. To the extent that the public sector is a litmus test of normative economic understandings of the 'market' as a mechanism for resource distribution in society, women (or gender divisions) in the public sector pose an even greater challenge. Women's employment in the public sector

¹ Cf. O'Brien, 1981; Kenrick, 1981; Delphy 1981; Stacey 1981; Cohen 1982

counterpoints the 'non-market' elements associated with domestic/home influences to the 'non-market' elements associated with a public service. In particular, it is the scale of increase in the participation of married women which underlines the inadequacies of the economic/social divide represented in the paid-/domestic-labour dichotomy.

The growth of public sector service employment over the post-war period has been a significant source of employment growth and, crucially, has been associated with the marked increase in female employment. This trend has been a major impetus in the attempt to redress the exclusion of women from both empirical enquiry and theoretical consideration. It is telling, therefore, as Beechey and Perkins (1987) point out, that analyses of service sector employment have been neglected and are not very well developed theoretically, while concurrently, the state (through its welfare services) is the largest employer of women. The present study attempts to contribute to research which aims to redress this imbalance.

The purpose of this chapter is two-fold: to further explore the issue of the adequacy of market explanations, focusing on the problems which gender divisions present; and to briefly consider gender divisions and secular trends in women's employment and pay, providing, where possible, a comparison of patterns in the public and private sectors. The first part will provide an examination of labour market segmentation theory as it is being employed to explain patterns of gender inequality, followed by an examination of patterns of women's labour force participation and pay in the public and private sectors. The development of labour market segmentation theory has evolved out of the recognition that 'market' criteria are limited; it will be argued, however, that segmentation theories, though unable to demonstrate the explanatory power of 'market' processes, typically remain entrenched within a normative economic frame of reference and thus fail to cope with the centrality of social processes.

Discovering the Limits to Market Distinctions

Since labour markets have been justified in terms of rewarding productivity, forms of employment discrimination including that of unequal returns to women and to men, underline the fact that, at the very least, the 'market' is not a 'free' one and is influenced by many factors. The marginal productivity theory of distribution suggests that the wage structure reflects efficiency differences between workers. All else being equal, the skills acquired by individuals investing and reinvesting in themselves through education and training (a process referred to by the term 'human capital'), is argued to establish a direct correspondence between the product market valuation of the goods and services produced by workers (the price of commodities) and individual wages (the price of labour). Thus it is assumed that wage differentials are determined by differences in worker characteristics, defined in terms of job performance. Differences in pay are said to reflect object differences in workers' performance and productivity. Thus, if in equilibrium wages are below what is socially acceptable, they are argued to nevertheless reflect the low productivity of the workers concerned. Wages, then, are construed to be strictly allocated according to the demands of 'the market'.

A large body of evidence, however, points to the inherently imperfect nature labour market performance, suggesting that as most of the preconditions for the efficient workings of the 'market' are non-existent, they are unable to perform the efficient allocation that economic theory requires of them. In critiquing orthodox economic explanations, the analysis of segmented labour markets has developed out of the recognition that there is a lack of convergence between pay and 'human capital'. Segmentation theory has been motivated by the need to explain a number of phenomena, including the prevalence of low pay and poverty, employment discrimination, the failure of education and training programmes to affect income or occupation in the predicted direction, and the growth of monopolies or 'market imperfections'. For example, gender inequalities in pay have led to attempts to

explain the operation of the market by suggesting that gender divisions either modify or produce different markets.

Labour market segmentation, typically defined as a process of compartmentalisation, has been of particular interest to economists because of its perceived outcome: the differential financial reward to workers of 'equal efficiency', and therefore the misallocation, or inefficient use of, resources.

'Segmentation becomes interesting when it results in the failure of the labour market to treat its participants evenhandedly, in that it accords significantly different opportunities and rewards to otherwise comparable people' (Ryan 1981: 4).

Feminists have been keen to incorporate the basic concepts of segmentation theory in an attempt to explain the process whereby women are isolated from 'primary sources' of employment and receive lower wages. There are essentially two strands of segmentation theory: the basic dual labour market model, which encompasses primary/secondary markets, and modified market segmentation theory, in which groups of workers have restricted access within a single market.

Dual labour market theory suggests that the existence of non-competing groups has important implications for the structure of employment. Barriers to mobility means that there are groups of workers for whom the relationship between pay and labour productivity is not equalised. Therefore, it is argued that employers can hire labour from segments where pay is low relative to labour productivity. Dual labour market theory suggests, furthermore, that the distinction between the primary and secondary sectors is intensified (if not defined) by the characteristics of the workers themselves. Workers with potentially unstable work habits and with weak orientation towards work are argued to be employed in the secondary sector; worker attributes reinforced by the secondary nature of the jobs (Kenrick 1981; Craig *et al* 1982: 77-78).

Modified market segmentation theory, like orthodox economic theory, asserts that a relationship exists between the worker's quality and low pay. The difference between the

two is that whilst the orthodox position locates the productivity and pay level directly with the individual workers, segmented labour market theory recognises both uneven or segmented employment and industrial structures, resulting in high productivity and low productivity jobs (outwith the direct control of the worker). The latter analysis nonetheless deduces 'the supply characteristics of the workers from the demand side structure of the labour market and asserts that low productivity workers will be found in low productivity jobs' (Craig *et al* 1982:88). Moreover, social and sex differentiation of the labour supply is argued to reinforce and develop the segmented labour market structuring.

There are, however, a number of problems with segmentation theories, which reflect practices derived from conventional ('male stream') models of the labour market. It has been suggested that segmentation theories, evolving out of basic dual labour market theory, generally derive supply from demand and thus assert that a relationship exists between the worker's quality (measured in terms of job performance) and low pay². Most analyses which attempt to locate women's work in terms of their occupational segregation and 'secondary position' have not seriously challenged the normative approach of the basic dual labour market model, which suggests that the allocation of workers between sectors operates in terms of the demand for different kinds of worker behaviour or characteristics (Kenrick 1981; Lonsdale, 1985)³. In these analyses, worker characteristics are simply 'read off' job characteristics. Normative labour market theory is not alone in this practice, however. There is an established body of sociological literature which questions the the salience of conventional occupational categories as units of stratification, for the same

² Cf. Kenrick 1981; Craig *et al.*, 1982, 1985; Rubery *et al.*, 1984; Beechy and Perkins 1987; Rubery and Tarling 1989.

³ Notable exceptions are represented by the work of Rubery (1978), Sengenberger (1981) and Hartmann (1979a; 1979b) which have focussed on the 'supply side': the role of male workers and unions in structuring jobs to protect their own interests at the expense of female workers' interests, particularly in the face of rising unemployment. The Cambridge Labour Studies Group also emphasises 'supply side' factors, but augments arguments about the role of collective action and sectionalism¹ in an attempt to further incorporate processes of social reproduction in addition to those of (economic) production (Craig *et al* 1982; Rubery *et al* 1984; Craig *et al* 1985; Rubery and Tarling 1989). In this latter endeavour, the contribution of the Cambridge Group is invaluable.

reason⁴. As Stewart *et al.* (1980:203) argue, the reification of occupations as categories of stratification experience reflects the conflation of characteristics of the job and those of the incumbent, obfuscating 'the relationship between the distribution of occupations in a society, and the processes underlying the distribution of individuals to occupations throughout their working lives'.

Mistaking characteristics of the job for those of the incumbent stems from the tradition in which so-called 'background' characteristics of individuals occupying jobs, that is social criteria, are considered to be peripheral or secondary factors, and therefore not central to the analysis. Age, for example, is typically considered to be one of these 'background' characteristics. In their study of relative pay in the public and private sectors, Elliott and Murphy's (1987) treatment of the category 'age' is standard, but crystallizes the deficiencies of this analytical approach. Elliott and Murphy find that the changing age structure of the labour force accounts for a substantial proportion of the growth in earnings. But they argue that the effects of age have to be 'removed':

'...if we can discover and remove these effects, we can distinguish more precisely what has *really been happening* to relative pay in the public and private sectors over the period. Adjusting the average earnings figures for groups of employees in this way gives us a much clearer picture of what has been happening to the earnings of the individuals who comprise each group.' (1987: 112 emphasis added).

That is, age is not considered to be a central feature of but to have a peripheral and exogenous influence on pay determination. The implication is that age obscures rather than constitutes an integral feature of the forces maintaining wages. Further, the changing age structure and its effects is argued to be an 'empirical question' only. However, the considerable amount of information concerning women's participation in employment suggests that, on the contrary, age and its attendant life-cycle effects are significant factors affecting wages and these are not adequately explained in conventional economic and

⁴ Cf. Stewart *et al.* 1980; Brown 1982; Prandy *et al.* 1982; Holmwood and Stewart 1983; Crompton and Jones 1984; Harris and Morris 1986; Prandy 1986.

sociological theory. Age, then, is not simply an empirical issue but has important ramifications for theoretical analysis.

Importantly, by marginalising social criteria and explanations, conventional 'male-stream' models of the labour market and their derivatives have to resort to the use of negatively or residually defined categories to explain patterns of women's employment. As Kenrick suggests, such analyses rely on the use of negatively defined categories.

'In practice,...since the primary sector is largely staffed by adult (usually white) males, these provide the norm for work behaviour. Secondary-sector worker characteristics then come to be defined negatively as deviating from this norm; their objective characteristics may be discussed but they are not explicitly incorporated into the model' (1981: 169).

Consequently, employment experiences and practices, though the subject of discussion, are not actually incorporated into the models. Women, part-time employment, and public service employment have all been classified as 'non-standard' and marginal to 'the economy'. Thus, in reference to 'secondary labour forces', Goldthorpe asserts:

'What...is distinctive in their case...is their lack of integration specifically into the world of industrial work...For the implication of this is not that they are of limited economic importance but, on the contrary, that they are of functional value to the economic system because of the fact that they *are* highly *disponible* or, in other words, because they stand largely outside, and in fact may not seek strenuously to become involved in, the 'web of rules' which...represents the characteristically modern way of regulating employment relationships. (1985: 144).

The increasing numbers of women in part-time public service employment, however, poses a major problem for conventional explanations of the structure of employment and wages. It is becoming apparent that classification of the large and expanding share of employment secured by women (especially married women with young children) as 'disponible' and marginal, is both descriptively and conceptually inadequate. Empirical evidence suggests that women do not act as a minority flexible reserve (Rubery and Tarling, 1989) to be drawn into employment and disposed of according to the demands of 'capitalist industrial economies'. Further, the implication that women workers have low labour-force attachment and are unreliable (Goldthorpe 1985: 143), is simply not substantiated by patterns of women's employment. Women are working for more of their lifetime than at any time in the

past century and do not appear to change jobs any more often than men. Like Rimmer and Popay (1982), Martin and Roberts (1984) found that women are increasingly returning to work between births and returning to work sooner after child-bearing is finished: the majority of part-time work is over 16 hours and a substantial minority is around 30 hours a week. In their sample, the majority of cases where a worker left her employer was for job-related reasons. The most important reason was to go to a better job.

'...it is clear that the common view that women leave jobs and stop work mainly for domestic reasons is a distortion of a more complex reality.'
(1984:142)

Finally, almost half the women working indicated that they would like further training, which counters the dual labour market theory claim that women have a low interest in training (and consequently lower wages).

As argued in Chapter 3, the use of residual categories, typically employed to explain why modes of social action fail to conform to the behaviour prescribed in economic analyses, both undermines and radically departs from the central tenets of the analytical system. The application of residual categories, then, points to the fundamental limitations of the analytical system and to the need for an alternative inclusive conceptualisation which resonates more fully with social experience.

Arguments for the Operation of Social Factors⁵

Attempts to more fully incorporate processes of social reproduction in analyses of women's position in employment can be found in the work of the Cambridge Labour Studies Group, among others⁶. In arguing for a more radical critique of human capital theory, Craig *et al.* (1982) suggest that the supply of 'good' jobs is independent of the stock of human

⁵ The arguments presented here will be developed and expanded in Chapter 6 which considers in more detail explanations of low pay, and the pattern of low pay among the respondents in the present study.

⁶ Cf. Craig *et al.* 1982; Rubery *et al.* 1984; Craig *et al.* 1985; Hartmann 1985; Siltanen 1986; Beechy and Perkins 1987; Rubery and Tarling 1989.

capabilities, and that there is no positive relationship between pay and the skill content of jobs. Job content is said to become important in determining pay only if it influences the worker's bargaining power. But bargaining power is not depicted as a simple function of job content - disadvantaged workers often have to undertake demanding and skilled work without experiencing an improvement in their 'labour market status' and bargaining position. Economic factors of production are argued to be inadequate in explaining the divergent developments in pay and employment structures. As 'primary' industries do not guarantee 'primary' employment conditions, and the emergence of a 'primary' sector within an industry does not mean that the 'secondary' sector will be eliminated, Craig *et al.* argue that the relationships between industrial structure, collective bargaining institutions and pay levels are not clear-cut, contrary to the predictions of dual labour market models (1982: 60-69). Rather, the institutional regulation of wages, that is, the strength of employer associations and traditions of labour force organisation, the family system, the state welfare system, and the education system are said to determine the social costs of reproduction and hence the 'price of labour' or wages (1982: 94, 73; 1985).

'The forces maintaining wages in the labour market are the acceptable minimum standards of living, which are protected by social convention and worker organisation rather than the working of supply and demand' (1982: 135-136).

In this analysis, the secondary position of women in the workforce (the lower rates of pay and attendant insecure conditions of work obtained) is largely explained in terms of processes of social reproduction, not levels of efficiency. Changes in the differential between men's and women's earnings in the 1970's and 1980's substantiates the argument that women's pay levels are determined by the social and institutional conditions of their labour supply (Rubery and Tarling 1989: 119). That is, in contradiction of the predictions of neoclassical economics, women's earnings remained around 60% of men's until the 1970s, despite increasing demand for their labour. Moreover, there was a considerable increase in women's relative pay after the mid-1970s, which has been sustained, as a result of the Equal Pay Act, the trade union policy of implementing this legislation by raising minimum

wage rates for women to those for men, and by the flat rate incomes policies adopted in the mid-1970's.

The analysis put forward by the Cambridge Group represents an attempt to endogenise social processes within an analysis of labour market functioning. In providing a focus which does not marginalise the conditions under which women supply their labour, the family/work dichotomy is undermined. But to the extent that their analysis aims to integrate segmented labour market theory into a 'more radical economic analysis' where primary and secondary sectors are seen to be 'ideal types' (Rubery and Wilkinson 1981; Craig *et al.* 1982), the form of explanation adopted is multi-causal rather than truly integrated or continuous (Holmwood and Stewart 1983; Stewart *et al.* 1985; Prandy 1986). Nevertheless, though not resolved, the question of the relationship between the sphere of paid employment and of domestic or family responsibilities (economic and social relations) is addressed: the research clearly calls into question the *apparent* 'characteristically modern way of regulating employment relationships' referred to by Goldthorpe.

As Stacey (1981) argues, the deficiencies of theories of 'production' and 'reproduction' stem from the fact that they are not analysed as parts of a single process:

'The problem arises because we lack a conceptual framework, let alone a theory with any explanatory power, which will permit us to analyse paid and unpaid labour in a variety of social institutions and social settings within one notion of the division of labour...which can articulate the home as well as the market place and the state and relate the class order to the gender order; and which can comprehend the nature of the social relations involved not only when people work for others (personal service), but when they do work to others (human service or people work)...The lack of a theory which relates these problems to each other matters not because one particularly hankers after an over-arching theory, but because it is clear, both theoretically and empirically, that relationships exist among these various factors although they have hitherto been dealt with discretely and under different theoretical conceptualisations' (1981: 172).

In considering trends in women's labour force participation, and the case study of domestic ancillary employment in the NHS, the relations of social circumstances (including domestic responsibilities) to employment experiences will be highlighted in the forthcoming chapters.

Secular Trends In Women's Labour Force Participation

Changing demographic characteristics

Significant demographic changes, reflected in longer life expectancy, a more equal sex ratio, younger marriages and higher marriage rates, and small families with fertility confined to a narrow band of years, have affected the lives of women as workers, wives, and mothers. These changes, most prevalent since the second world war, have been accompanied by a vast increase in the number of women entering the labour force, especially married women. As Hakim's study (1979) illustrates, during the period 1901-1971, women's participation in the labour force increased proportionately by 45%. Over the same period, men's participation declined by 4%, mostly after 1961. Much of the increase in the female share of employment is a post-war phenomenon: census data indicates that before 1950, women's share of employment remained around 27-30% but increased by 7% between 1951 and 1971 (Joseph, 1983: 70). Women's share of employment has continued to increase throughout the 1970's and 1980's and in 1986, women accounted for 44.8% of the total workforce (Rubery and Tarling, 1989: 101).

The increasing participation of women in employment has reduced the sex differential in labour force participation. In the first half of this century, 38% of women of working age were in employment; this increased to 43% by 1951 and to 55% by 1971 (Hakim, 1979a: 3). According to OPCS data, by 1979 61% of women of working age had a job (Martin and Roberts, 1984: 1). Evidence from the Women and Employment Survey (WES), conducted in 1981, suggests that while 60% of women in the survey were employed, 69% of women were 'economically active' (1984:19).

In addition to the changing sex composition of the labour force, a number of other important shifts in employment patterns have occurred. The composition of the female labour force itself has undergone a dramatic transformation in terms of the marital status and age profile

of workers. As mentioned, the greatest change is the rate of increase in the participation of married women; according to Hakim's analysis, married women's employment rates increased by 390% over the period 1901-1971 (1979a: 4). Between 1911 and 1971, the participation of married women in the labour force increased from 9.6% (of all married women) to 42.9% (Joseph, 1983: 127); by 1981, married women's activity rates had increased to 55% (Beacham, 1984). At the turn of the century, only 13% of working women were married; in 1971, 65% of working women were married (Hakim, 1979a: 12).

Another striking change in the profile of the workforce is the changing age structure. Three factors - the increasing average age of the population, the delay in entry into the labour force due to longer periods of schooling and training, and the fall in the average age of retirement - have significantly influenced the age composition of the male and female labour forces (Hakim, 1979; Joseph, 1983; Beechey and Perkins, 1987). The activity rates of both younger and older men and women have declined (Joseph, 1983; Dex and Philipson, 1986). The decline in the activity rates of younger men (aged 15-24), occurring until the 1960's, was due to the increasing number of full-time students (Joseph, 1983: 70) and is set against the backdrop of an overall decline in male employment this century. But the more recent decline in the participation of 16-17 year-olds is also the result of increasing youth unemployment and corresponding expansion of youth training schemes (Office of Population Censuses and Surveys, 1983; Beechey and Perkins, 1987). With the spread of early retirement, older men's participation in the labour force has declined substantially: during the period 1951-1983, the proportion of men over 65 in paid employment decreased from 31% to 9% (OP CS, 1983; Walker, 1984-5). Even more striking is the rate of decline in the participation of men aged 60-64 years (pre-'official' retirement age) between 1971 and 1983: during this period, the proportion of men in paid employment was reduced from 83% to 50% (Central Statistical Office, 1986; Beechey and Perkins, 1987: 12). Since the mid-1970s, the activity rate among men aged 55-59 has also begun to drop dramatically. The 9% drop in activity rate recorded between 1975 and 1984 reflects the growing use of

early retirement to downsize the labour force (White , 1981; Walker, 1984-5; Beechey and Perkins, 1987).

Though the participation rate of women over 65 has not fallen as much as that for men, the same influences appear to operate for female and male workers - decreasing the activity rates of those at the extreme ends of the age spectrum. But while the age profile of the male labour force reflects that of the male population more generally, the relationship between the female labour force and population is not as straightforward (Joseph, 1983). The female labour force has 'aged' at a much faster pace over this century than has the general population, due largely to the increasing participation of married women. At the turn of the century, 73% of women of working age were under 35 years; by 1971, only 40% of women of working age were under 35 while the proportion of those aged over 35 had increased two-fold from 27% in 1901 to 60% in 1971 (Hakim, 1979a: 10). Again the trend of female workers participating in the labour force becoming older is largely a post-war phenomenon.

In the early part of this century, the rate of female participation was at its peak (averaging 61%) for women aged 15-24, declining continuously thereafter (1979: 5; Beechey and Perkins, 1987: 14). By the 1960s, however, a bi-modal or two-phase work profile for women had clearly emerged; the trend toward re-entry to the labour force at a more mature age is the result of the increased activity of married women returning to work after their children had reached school age. As a result of this bi-modal pattern of employment, the peak activity rate for women had changed from 15-19 years in 1901 to 45-49 years in 1971 (Hakim, 1979a: 4). Since the early 1970s, not only has the period of absence from the labour force (largely for family formation) become increasingly shorter, but also younger women are more likely to return to work between births. Thus, no longer is the two-phase pattern of employment as pervasive (Dex, 1984; Martin and Roberts, 1984).

Part-time employment

Closely associated with the increased participation of women in the labour force is the striking increase in the number of women working part-time. Information on the number of women working part-time is only available for the post-war period. Further, information prior to 1971 is limited because regularly collected official statistics disregarded service industries in favour of manufacturing industries (in the 1950s, as now, women were largely employed in service industries) (Beechey and Perkins, 1987: 25). Nevertheless, census material (based on household surveys) indicates that there has been a steady increase in the proportion of women working part-time between 1951 and 1981. Joshi and Owen's (1984) analysis of census data suggests that the proportion of women employees working part-time increased from 13% to 42% over this period. According to the 1981 census, more than 90% of part-time workers were female and 87% of these were married; only 9% of part-time workers were male, most of whom were over the age of 60 (Office of Population Censuses and Surveys, 1981). Looked at from a slightly different angle, part-time male workers only accounted for 1.4% of total male employment in 1981 (OECD, 1985).

When women workers began to be mobilized on a large scale during the second world war, part-time work was not initially very popular among employers. By the end of the war, however, part-time work had come to be seen as advantageous for various reasons: absenteeism was greatly reduced because workers had more time to see to their domestic duties outside of working hours; workers had greater stamina over the shorter working day and therefore were said to be more productive; less desirable kinds of work were better performed on a part-time rather than full-time basis (Summerfield, 1984; Beechey and Perkins, 1987). Due to labour shortages after the war, women were encouraged to stay on in employment and throughout the 1950s and 1960s, with the increasing availability of part-time work, more married women began to participate.

In the early post-war expansion era, women were especially encouraged to work in the textile and clothing industries and hospital domestic and laundry services (Summerfield, 1984). In a study conducted in 1957, Klein (1965) found that 31% of all married women worked in domestic occupations, the majority part-time (75%); of all part-time married women workers in the study, 45% worked in domestic occupations. A substantial minority of married women were also employed on a part-time basis in factories, offices (clerical workers) and as shop assistants. Throughout the 1960s, however, there was a substantial growth of part-time employment in manufacturing, extending into 'non-traditional' areas of 'female' employment within manufacturing (Beechey and Perkins, 1984; Rubery and Tarling 1989). Between 1971 and 1981, the number of part-time employees in Britain grew by about one million - from approximately 15% to approximately 20% of total employment. Almost all of these employees were married women (Martin and Roberts, 1984: 15). The major expansion was in the service sector of the economy, with the growth in part-time jobs in the manufacturing sector coming to a halt in 1978 (Beechey and Perkins, 1984: 30). While 82% of male part-time workers and 84% of female part-time workers now work in the service industries (Hurstfield, 1980), these figures can be broken down to show that roughly 13% of all male employees, whereas 71% of all female employees, work in this sector on a part-time basis. That is, though the majority of male and female part-time workers are to be found in the service sector, because a much larger proportion of the female workforce work part-time, women workers are concentrated in service sector jobs.

As Martin and Roberts' analysis of the Women and Employment Survey (WES) illustrates, the presence of children, and in particular, the age of the youngest child, is an important factor affecting the distribution of part-time work and hours worked part-time among women workers. Only 7% of childless women in their sample worked part-time, whereas 75% of women with a youngest child aged 5-10 years worked part-time, 32% of whom worked less than 16 hours per week. The proportion working part-time declines as the age of the youngest child increases. Where the youngest child was 16 or over, the proportion working

part-time had decreased to 58% with only 17% working less than 16 hours per week (1984: 15-17).

After a long and sustained period of growth, the period 1979-1983 witnessed a decline in the overall numbers of women employed. The number of female full-time employees had fluctuated during the 1970s, but the trend from 1980 has been downward. In contrast, the number of part-time jobs rose significantly throughout the 1970s and only decreased over the period 1981-1983. The decline in female employment, occurring in a period of recession when the underlying upward trend in unemployment was quickening, coincided with the Thatcher government's application of monetarist policies specifically aimed at restricting the growth of public expenditure⁷. By 1984, however, the number of women employed, full- and part-time, was rising again while the number of men employed declined slightly (Rubery and Tarling, 1989: 101).

Women's employment and pay in the public and private sectors

The tremendous expansion of the 'Social Welfare Industry' (Rein, 1985) over the post-war period has not been confined to Britain. As Rein notes, the expansion of the health, education and social service sectors in Britain has been equivalent to or much greater than the increases in female participation rates observed in Sweden, the United States, Great Britain and Germany (1985: 44). Social welfare services have thus made a decisive contribution to the inclusion of women in the labour force. As Table 3.1 suggests, welfare service employment is a major component of government or public sector employment and, as a proportion of both total government and welfare state employment, women workers form the clear majority. Britain is second to Sweden in terms of the high proportion of

⁷ A more detailed discussion of the effects of the Conservative government's policies on employment opportunities in the public sector - particularly the health service - can be found in Chapter 5.

women in government and especially welfare service employment, with 75.7% of welfare service workers being female (compared to 82.1% in Sweden).

Table 3.1 Women and welfare service employment in the public sector

		(a)	(b)	(c)
United Kingdom	(1981)	62.5%	77.2%	75.7%
Sweden	(1983)	66.6%	79.1%	82.1%
Germany	(1982)	60.1%	74.2%	59.6%
<u>United States</u>	<u>(1983)</u>	<u>57.1%</u>	<u>71.2%</u>	<u>66.2%</u>

(a) Welfare state employees as a percentage of government employees

(b) Women as a percentage of total government employment

(c) Women as a percentage of welfare state employees

Source: Compiled from data collected by Rein (1985: 44-45)

Given the growing size and importance of the public sector as a source of women's expanding employment opportunities over the post-war period in Britain, the public sector has been increasingly identified as a critical factor in protecting the gains that have been achieved by women. In addition, it is generally perceived that while the public sector may afford lower hourly wages, the total remuneration package received by its employees is superior to that obtained by private sector employees; that is, while wage rates may be lower in the public sector, this is argued to be compensated for by its more generous pension provisions and paid holiday, maternity and sick leave entitlements, among other benefits. The public sector is thus widely regarded as safeguarding women's employment in at least two fundamental ways. The public sector has not only provided a growing source of employment, it has also, arguably, provided employment with superior terms and conditions and greater security.

Table 3.2 Sources of employment change by sector 1971-1984

	Total	All males	All females	Full-time females	Part-time females	Females: WTE ^a
1971-4 ^b						
All sectors	+649	-60	+70	+45	+664	+376
Manufacturing	-181	-195	+14	-102	+116	-44
Other industry ^c	-89	-110	+21	-	+21	+10
Public services ^d	+395	+73	+322	+120	+202	+22
Private services	+522	+170	+352	+27	+325	+189
1974-8 ^e						
All sectors	-24	-264	+239	-28	+267	+105
Manufacturing	-590	-321	-268	-163	-105	-216
Other industry	-116	-124	+8	+8	+1	+8
Public services	+290	+40	+250	+112	+138	+181
Private services	+393	+143	+251	+16	+234	+133
1978-81 ^e						
All sectors	-888	-822	-66	-195	+129	+131
Manufacturing	-1048	-701	-347	-264	-83	-306
Other industry	-135	-162	+27	+18	+9	+22
Public services	-40	-63	22	-35	+57	-6
Private services	+335	+103	+232	+86	+146	+159

1981-4 ^e

All sectors	-540	-580	+40	-1	+41	+20
Manufacturing	-773	-580	-193	-105	-88	-149
Other industry	-252	-244	-8	-10	+3	-9
Public services	-74	-13	-60	+5	-66	-28
Private services	+562	+259	+302	+111	+192	+207

a Whole-time Equivalent - Part-time jobs for women are counted as half a full-time job.

b SIC 1968

c Agriculture, mining and quarrying, construction, gas electricity and water, transport and communications.

d Education, health and public administration. All other services are classified as private services.

e SIC 1980

Source: *Department of Employment Gazette and Historical Supplement* August 1984, April 1985. *Department of Employment Gazette* January 1987 in Rubery and Tarling, 1989: 116.

As Table 3.2 illustrates, public and private services expanded between 1971 and 1974 and again between 1974 and 1978. At the same time, total employment in 'other industry' and manufacturing decreased. From 1978 to 1984, private service employment was the only form of employment to expand. But because the contraction in public services was relatively minor compared to that which occurred in manufacturing and other industries, Rubery and Tarling suggest that public service employment can be considered as a stabilising influence, protecting areas of women's employment (1989: 115). Beechey and Perkins (1987: 33) are correct in cautioning against the practice of assuming that there has been a growth in service sector employment simply because the number of people employed in service industries and occupations has grown. Given that much of this growth reflects an increase in the number of people employed part-time, the service may in fact be declining rather than expanding. Even so, focusing on public and private service employment together over the period 1971-1981 (Table 3.2) the growth in female full-time equivalent (or whole-time equivalent) positions was positive overall and exceeded the growth in male

employment, almost all of which would have been on a full-time basis. For the period 1981-1984, the overall growth in female full-time equivalent employment in the public and private services was again positive, but was less than the growth in male employment. Also, based on their analysis of changes in female part-time employment against changes in female full-time employment and against total male employment for industry class groups, Rubery and Tarling suggest that the growth in part-time employment is more connected to overall growth in an industry than with the substitution of part-timers for full-timers within a declining labour force (1989: 117-118).

More ominously, however, two-thirds of the increase in part-time employment over the period 1971-1981 was in the private sector, concentrated in the service industries, including the distributive trades, banking, insurance and finance, catering and leisure activities (Robinson and Wallace, 1984: 3). Further, as Table 3.2 indicates, while female employment in private services continued to grow between 1981 and 1984, female employment in public services fell absolutely (part- and whole-time equivalent) and fell more than male employment, though there was a very slight increase in the number of full-time female jobs. Rubery and Tarling's analysis suggests that women accounted for 85% of the job loss in the public sector. Also, for the period 1981-84, though the number of women employed in private services increased by 302,000, again almost two-thirds of these jobs were part-time. Consequently, there were only 207,000 more full-time equivalent jobs for women, compared to 259,000 for men in private services.

Given that much of the data concerning pay in the public and private sectors comes from the New Earnings Survey (NES), the general caveat regarding the limitations of this data source for the purpose of analysing movements in women's pay must be reiterated. NES data excludes those whose gross earnings fall below the thresholds for National Insurance and Pay-As-You-Earn (PAYE) contributions. The proportion of female part-time workers with earnings falling below these thresholds, on the part of either the employee or the employer, rose from 18% in 1975 to 33% in 1982 (Robinson and Wallace, 1984: 8). The

NES thus under-represents low paid and many part-time workers, most of whom are women.

Drawing on NES data, Elliott and Murphy (1987) restrict their analysis to full-time employment only. As has been documented, the growth in public and private sector service employment, in particular that occurring throughout the 1970s (when NES data became available), is heavily concentrated in part-time employment. Due to the difficulties in obtaining reliable data on the movement of pay in the public sector relative to that in the private sector, NES data is an important source of information; however, a very major shortcoming is the fact that comparisons of public/private sector pay for women is seriously limited because NES data fails to cover a large section of the female workforce.

Table 3.3 Average weekly earnings of manual workers in the public and private sectors, 1950-75

	Public	Private	Ratio private to public
October	£p	£p	
1950	7.53	7.64	104.0
1955	10.99	11.32	103.0
1960	14.20	14.70	103.5
1965	19.10	10.79	103.6
1970	27.21	28.31	104.0
1975	64.80	59.52	91.9

Source: Dean (1975 and 1977)

As Table 3.3 shows, the average earnings of manual workers in the private sector exceeded those in the public sector over most of the period from 1950 to 1970. Throughout this period, private sector workers received on average 4% more than public sector workers. After 1970, the relative position of the private sector deteriorated substantially with public sector earnings averaging 10% higher than those in the private sector. In recognition of the fact that there are differences in pay levels between different areas of public employment, the distinction is made between three different areas in comparing private and public sector pay movements: central government, local government and public corporations (Elliott and Fallick, 1981; Dean, 1981; Elliott and Murphy, 1987). For similar reasons, the distinction is also made between male and female manual and non-manual employment within each area specified, and within the private sector. Average earnings for both male and female manual workers in the public sector are highest in public corporations and lowest in local government (Elliott and Fallick, 1981: 147). As was indicated in Chapter 1, the principle of pay comparability operating in the public sector over much of the post-war period resulted in time lags for public sector pay settlements - local authorities were in second-last position (the health service being last) in the queueing system. Thus, local authorities had to wait for the outcome of pay negotiations in the public corporations, who in turn waited for pay settlements to be awarded within private industry. Whether for pragmatic reasons or

through omission, the private sector itself is not identified as requiring further breakdown into areas of employment. This is in spite of the fact that a large body of research points to the wide variations in pay that exist between industries as, for example, represented by labour-market segmentation analyses.

The rapid and substantial improvements in pay rates documented for the public sector, compared to the private sector in the first half the 1970s, is widely regarded as resulting from the more militant wage demands of public sector (unionised) workers, especially manual workers. These workers, who had been more severely treated under the incomes policies of 1968 and 1969, argued not only for a restoration of their traditional wage relationship with the private sector, but also for a restoration of their real disposable income. As Table 3.4 indicates, however, since the mid-1970s non-manual earnings in the public sector have deteriorated significantly, with manual earnings beginning to fall in 1981. The relative protection of manual workers' earnings in the public sector and the poor position of non-manual workers is largely attributed to the sharp contraction of the manufacturing sector since the late 1970s, and the adverse affects of the recession on the pay of manual workers in the private sector. In contrast, where the recession was less severe in non-manual areas of private sector employment, earnings were rising while non-manual employees' earnings were deteriorating due to the government's strict application of a new form of cash limit.

It is, then, only relative to private sector earnings that the wages of manual workers in the public sector have been 'competitive'. Further, Table 3.5 shows that male weekly earnings in the public sector, both manual and non-manual, have fared better than have female earnings: relative to the private sector, female manual weekly earnings increased by 12.3% compared 33.7% for male manual earnings; relative to the private sector, female non-manual weekly earnings fell by 35.1% compared to a fall of only 3.8% for male non-manual employees. When changes in average hourly earnings are considered, the ratio of male to female earnings remains largely the same (Elliott and Murphy 1987: 114).

In analysing changes in relative pay in the public and private sectors, Elliott and Murphy (1987) investigated the effects of changes in weekly hours worked, holiday entitlement, the changing age structure of the working population, and the changing occupational composition of employees. Their findings suggest that when all these factors are taken into account, the weekly earnings considered above provide a misleading picture as to 'what is really happening' to relative pay in the public and private sectors. There has been a general reduction in weekly hours worked during the period concerned while holiday entitlements for all groups, apart from non-manual female workers in local government, have risen, especially since 1978. While public sector non-manual workers' holiday entitlements remain superior to those in the private sector, the differential has been eroded (1987: 114-116). The combined effect of the reduction in weekly hours worked and changing holiday entitlements has benefitted manual female employee earnings in the public sector (relative to the private sector employees) most. Male manual employees in the public sector also improved their relative position - marginally - while both male and female non-manual employees in the public sector experienced a deterioration in their relative position, especially the female employees (1987: 113-116).

**Table 3.4 Relative earnings in the public and private sectors, 1970-1984
(1970=100)**

	1976	1981	1984
Manual workers			
Men			
Central government	113.3	117.2	112.4
Local government	112.0	117.0	109.6
Public corporations	110.6	112.4	111.7
Women			
Central government	115.1	106.5	102.2
Local government	109.2	114.5	112.6
Public corporations	95.3	96.9	97.5
Non-manual workers			
Men			
Central government	109.7	101.2	92.5
Local government	110.0	104.3	96.5
Public corporations	110.7	109.3	107.2
Women			
Central government	104.2	91.7	84.5
Local government	99.1	92.2	81.2
Public corporations	105.9	101.4	100.8

Source: New Earnings Survey 1978 onwards Table 1, for 1970-1977
Department of Employment Gazette, vol.85, no.11, p.1340, Table4, in
Elliott and Murphy (1987 p.111).

Table 3.5 Changes in average weekly earnings relative to the private sector over the period, 1970-1984 (per cent)

	Men		Women	
	Manual	Non-manual	Manual	Non-manual
Central government	+12.4	-7.5	+2.2	-15.5
Local government	+9.6	-3.5	+12.6	-18.8
Public corporations	+11.7	+7.2	-2.5	+0.8

Source: Elliott and Murphy (1987: 112)

Over the period 1975-1983, there was a sharp fall in the average age of manual and non-manual employees in the public and private sectors. The decreasing average age was most marked for all employees within central government and the private sector, for manual workers in local government, and for non-manual employees in public corporations. It is argued that the effects of voluntary redundancy and early retirement largely explain the decrease in the average age of the working population observed, concentrating employment rather more into peak earnings years. As a result, a substantial proportion of the rise in earnings that occurred between 1975 and 1983 is argued to be linked to the changing age structure rather than to 'real' improvements in pay. That is, as pay typically increases with age - whether through age-related increments in non-manual employment or through over-time earnings of manual workers which peak during middle-age - the presence of more 'middle-aged' rather than older workers by 1983 is said to have acted as a secular source of earnings growth. Thus, much of the improvement in earnings recorded in the relative pay of public corporations and local government is said to simply reflect the differential changes in the age structure of the workforce in the public and private sectors. Notably, by taking into consideration the effects of the changing age structure, the relative earnings of non-manual women were found to have declined much more substantially than initially recorded, and the relative improvements in the earnings of manual women were found to be much reduced (1987: 119-123). Elliott and Murphy's findings regarding the changes in public sector earnings relative to the private sector suggest that the relative pay of manual and non-manual women in central and local government worsened considerably

over the period 1970-1984, with non-manual women experiencing the worst deterioration in their relative position (see Table 3.6). The overall conclusion is that women in the private sector have fared much better than their public sector counterparts (1987: 125).

Table 3.6 Changes in effective hourly earnings adjusted for changes in the age and occupational composition of the workforce

	Men		Women	
	Manual	Non-manual	Manual	Non-manual
Central government	+20.4	-2.3	-9.0	-14.0
Local government	0.0	-2.0	-6.7	-21.9
Public corporations	-4.4	-0.6	-4.4	-0.2

Source: Elliott and Murphy (1987: 121)

The magnitude of the effects of changing hours worked, changing age, and occupational structures on earnings in the public and private sectors is provided in Table 3.7 below. Table 3.7 also provides a picture of the growth in real earnings, as opposed to the changes in public sector earnings relative to the private sector considered above, over the period 1970-1984, and the effects of the hours/age/occupational changes on the growth in real hourly earnings. From column (a) in Table 3.7, it can be seen that the increases in real weekly earnings have been higher for women than men. Thus, for example, the real earnings of manual women in local government employment rose by 76%, compared to a rise of only 25% for non-manual men in central government employment. From column (e), which records the growth of hourly rates of pay controlling for the hours/age/occupational effects, it can be seen that the increase in the real basic pay of non-manual workers in central and local government employment is less than half of that received by non-manual workers in either the public corporations or the private sector. Female manual workers in all sectors experienced higher increases in real basic pay than did their male counterparts.

Table 3.7 Accounting for the growth in real earnings over the period, 1970-84

		(a)	(b)	(c)	(d)	(e)
<i>Central government</i>						
Manual	men	41.6	-2.2	-11.0	-2.5	+57.3
	women	59.6	-1.0	0.0	-0.1	+60.7
Non-manual	men	25.1	-3.2	-1.8	+3.5	+26.6
	women	41.7	+1.1	+6.0	+2.5	+32.1
<i>Local government</i>						
Manual	men	38.0	-4.5	+4.6	+2.8	+35.1
	women	76.0	-1.3	+6.3	+2.7	+68.3
Non-manual	men	30.3	-3.1	+5.1	-1.3	+29.6
	women	36.1	+2.5	+5.8	+0.7	+27.1
<i>Public corporations</i>						
Manual	men	40.7	-5.4	+13.7	-0.6	+33.0
	women	52.2	-3.3	n/a	+4.3	+51.2
Non-manual	men	44.7	-3.9	-34.4	+0.3	+82.7
	women	68.8	-2.1	+2.5	+2.7	+65.7
<i>Private sector</i>						
Manual	men	26.0	-3.5	+1.4	-3.9	+32.0
	women	56.2	-1.0	-2.6	-5.9	+65.7
Non-manual	men	35.1	-1.8	+1.9	+1.0	+34.0
	women	67.6	+0.1	+2.3	+1.0	+64.2

(a) Real growth in weekly earnings (change in gross weekly earnings over the period April 1970 - April 1984 deflated by the growth in the RPI over the same period).

(b) Of which: changes in hours worked

(c) Of which: age effect

(d) Of which: occupational effect

(e) Residual growth of hourly rates of pay

Source: Elliott and Murphy (1987: 122)

While the 'bottom line' depicted in Table 3.6 would suggest that females in public sector employment have fared poorly compared to female workers in the private sector, I would re-emphasise the fact that Elliott and Murphy's analysis pertains to full-time employment only. As we have seen (Table 3.2), the growth in women's employment since 1970, especially in

the private sector, has been overwhelmingly part-time. Whether the changes observed for full-time earnings are representative of changes occurring for part-time earnings is not clear. In Elliott and Murphy's study, the occupational changes recorded for female employees in the private sector suggest that among non-manual employees, there has been a reduction in the concentration of workers in the lower-paying clerical and related occupations, with movement into the higher-paid general management and professional jobs. Among private sector female manual workers, it is suggested that there has been some growth in the share of semi-skilled and skilled employment, with a reduction in the share of unskilled jobs (1987: 124). This factor was an important one in terms of negatively influencing the relative position of female earnings in the public sector. One question, however, is the extent to which the improvements in occupational position achieved by female full-time workers in the private sector were achieved by their part-time counterparts.

It is conceivable that the concentration of female part-time employment in lower paying jobs is more exaggerated in the private sector. Wages Council Inspectorate records suggest that the incidence of low paid jobs in wages council industries (private sector) has increased substantially since the mid-1960s: the share of low paying establishments visited by the Inspectorate increased from 20% or less in the 1960s to about 35% in 1976, and has since remained at this level. Part-time workers are especially affected by such practices (Rubery and Tarling, 1989: 121).

By industry group, the highest concentration of female workers - and highest concentration of female part-timers - can be found in 'Professional and Scientific Services', 'Distributive Trades', and 'Miscellaneous Services'. Roughly half of the female workforce in 'Professional and Scientific Services' work part-time. This industry recorded an increase of 77% in the proportion of female part-timers over the decade 1961-1971. But the most noticeable increase in the proportion of part-time female employees was in 'Insurance, Banking and Finance', which recorded an increase of about 90% in the proportion of female part-time workers over the same period (Joseph, 1983: 93-94). According to Martin and

Roberts' analysis of the Women and Employment Survey (1984: 24), of the occupational groups which make up the 'Professional and Scientific Services', the two largest are 'Teaching' and 'Nursing, Medical and Social Welfare' professions. Interestingly, as Table 3.8 indicates, the average gross hourly earnings of female part-time non-manual employees in 'Professional and Scientific services' are considerably higher than those in either 'Distribution' or 'Banking, Finance and Insurance': £3.74, compared to £2.35 and £3.21 respectively. Similarly, the average gross hourly earnings of nurses is much higher than those of non-manual female part-time earnings in 'Distribution' or 'Banking, finance and Insurance': £4.32, compared to £2.35 and £3.21 respectively. The 'Teaching' and 'Nursing, Medical and social Welfare' professions (the 'lower professions') are, of course, largely confined to the public sector in Britain. It could be argued, therefore, that by not considering the changing relative earnings of female part-timers in the public and private sectors, Elliott and Murphy's study does not capture significant developments in trends of women's pay over the post-war period, particularly during the last two decades. Importantly, by failing to include the large component of part-time workers in the 'lower professions' found primarily in the public sector, Elliott and Murphy's findings probably over-estimate the relative earnings losses of public sector female employees and over-estimate the apparent relative gains occurring in the private sector.

Table 3.8 Earnings of female part-time employees by sector for (I) manual and (II) non-manual workers and by occupation

By Sector	Average gross	Average weekly	Average gross
<i>(i) Manual workers</i>	<i>weekly earnings</i>	<i>hours</i>	<i>hourly earnings</i>
All industries and services	44.6	18.9	2.39
Vehicles, engineering and metal goods	55.0	22.1	2.53
Food, drink, tobacco manufacture	58.8	22.8	2.60
Retail distribution	45.3	19.4	2.36
Hotels and catering	37.5	17.8	2.18
Education	37.2	15.9	2.32
Hospitals and nursing homes	49.3	21.3	2.32

<i>(ii) Non-manual workers</i>	Average gross	Average weekly	Average gross
	<i>weekly earnings</i>	<i>hours</i>	<i>hourly earnings</i>
All industries and services	61.3	20.0	3.10
Retail distribution	45.1	19.1	2.35
Banking, finance and Insurance	63.7	20.5	3.21
Professional and scientific services	72.4	20.2	3.74

Table 3.8 (cont.)

By occupation	Average gross weekly earnings	Average weekly hours	Average gross hourly earnings
Registered and enrolled nurses	91.0	22.3	4.32
Clearical and related	58.1	20.5	2.88
Sales, shop assistant, shelf-fillers	43.1	18.9	2.28
Packers, assemblers, product inspectin	57.0	23.0	2.52

Note: All figures are for females on adult rates of pay whose pay for the period of the survey was not affected by absence.

Source: *New Earnings Survey*, April 1986, Tables F78-81.

Further, given that male workers in the public sector fared better, on the whole, than their private sector counterparts, the question also arises as to whether the comparison of the differential position of men and women in the public sector, relative to the private sector, is really an appropriate one in this case. That is, it may be incorrect to draw the conclusion that, relative to male and female earnings in the private sector respectively, male earnings in the public sector have been more protected than female public sector earnings, even though the evidence provided in Table 3.6 might suggest this to be the case. The figures presented in Table 3.6 are based on partial information: while the majority of male employees in the public and private sectors work full-time and are thus comparable, a comparison of female public and private sector full-time earnings may be misleading for the reasons outlined. Thus, making an indirect comparison of the changing relative position of male and female earnings within the public or private sector might also be misleading.

4. The National Health Service: A Case Study

Introduction

This chapter provides a more detailed consideration of the pursuit of efficiency in public service provision, specifically in regard to developments within the NHS. In focusing on strategies affecting NHS domestic ancillary employment, both the current policies pursued to further the contracting-out of ancillary services to private contractors, and the actions and implications of the National Board for Prices and Incomes (NBPI), operating two decades ago, will be discussed. Research material gathered on employees in NHS domestic ancillary employment forms the basis for assessing the impact of efficiency initiatives on employment conditions, service provision and working patterns more generally. This research will be presented and developed in the second half of this chapter and in the remaining text.

As suggested in Chapter 2, the observed diversification of service provision in the public sector is not one of 'privatisation' in the sense in which is it widely used and intended - as increasing the role of 'market forces'. This is borne out by the tendering process in the NHS as it has evolved over the past 5 years. In respect of public services, the working definition of privatisation typically adopted implies both the movement of services and/or labour from public ownership and control to the so-called 'private market economy', and the introduction of a process of competitive bargaining, whether for goods or for labour.

Available evidence, however, indicates that this is not happening. Rather, cost-cutting mechanisms, which usually take the form of 'efficiency exercises' and productivity bargaining within the public sector, are proliferating. The introduction of incentive bonus payment schemes for ancillary workers in the health service is a prime example. Their introduction gained momentum from 1979 and expanded, particularly since 1981, as a

consequence of the more extensive and stringent use of cash limits and cash planning to reduce public expenditure. Available Scottish data also suggests that there was an increase in the use of bonus schemes by health boards as a result of the 1983 government instructions to put ancillary services out to 'competitive' tender in order to effect 'efficiency savings' or 'cost improvements', without actually having to contract-out their services.

The purpose and recommendations of the NBPI are highly relevant to the analysis of current developments in ancillary health service employment, particularly in regard to the policy of tendering or contracting-out ancillary services. The central recommendation put forward by the NBPI, that ancillary health services introduce work study methods and schemes that relate pay to 'improvements in efficiency' to improve control over labour costs, though not fully embraced by health service management or unions in the 1970's, has become much more prevalent in the 1980's. Thus the remit and posture of the NBPI regarding ancillary employment over its lifetime (1965-1972) serves both as a useful starting point for considering the history of measures developed to effect 'efficiency savings' in ancillary health services and concomitantly, as a reminder that issues of 'efficiency' and apparent wage recusance are not peculiar to the Thatcher administration. Rather, concerns about 'market' ('productive') versus 'non-market' ('non-productive') forms of employment have been long-standing.

The National Board for Prices and Incomes - In Pursuit of 'Productivity'.

As suggested in Chapter 1, the establishment of the NBPI in the mid-1960's by the Labour Government was a response to conflicting pressures. On the one hand, the government was concerned about inflation and wage increases, particularly in the public sector, which represented the main source of inflation implicated in the weakening national economy; on the other, the 'rediscovery' of poverty and the existence of large numbers of very low paid workers in public services and in NHS ancillary employment in particular, together with increasing union demands for improved pay, placed the government in a difficult position,

particularly in light of the approaching general election. Pay settlements on the basis of comparison were increasingly being criticised as inflationary, wage increases in line with improvements in productivity, on the other hand, were generally more favourably considered.

Established in 1965, the general remit of the NBPI was to investigate particular cases referred to it by the government, to advise on the behaviour of prices, wages and salaries in relation to the 'national interest' as set down by government incomes policies. This applied to both 'private' and 'public' sector industries and services. It was maintained by the NBPI that the only grounds for increasing incomes that would not automatically lead to price increases, were productivity increases. The Board therefore endeavoured to put forward concrete suggestions for increasing productivity to encourage tighter control over labour costs. However, as the case of NHS domestic ancillary employment indicates, the NBPI's infatuation with 'productivity increases' had more to do with measures to reduce costs within the public service sector than with measures to improve the quality of work performance.

From the outset, then, the NBPI was committed to recommendations centring on productivity and efficiency improvements as a means of improving pay. The need to improve payment systems was argued to be critical because of the perceived insecure, but predominantly 'inefficient', means of remunerating employees. That is, it was inferred that the imperfect operation of the labour market contributed to the widely disparate levels of pay existing for the same occupations (an anomaly considered, for example, to contribute to the 'inflationary' wage demands based on 'comparable occupations'). In addition, though the standard hours worked had been steadily declining through legislative intervention over the post-war period, the actual weekly hours worked had declined less - as a result of the widespread use of overtime. Weak managerial control was blamed for the ready acceptance of overtime as a means of raising workers earnings to what was regarded as an acceptable take-home packet, in disregard of the requirements of production. The NBPI argued that shiftwork, to facilitate a more continuous use of capital equipment, together with

the use of payment by results, such as piece work and incentive bonus schemes, were necessary to increase productivity. For those workers who 'produced', the associated 'benefit' would be improved pay.

In 1966, the government referred the question of the principles for the determination of wages and conditions of service of manual ancillary workers in the NHS (among other public services) to the NBPI. The primary reason for this was that a new pay settlement was needed for the period after June 1967, following the expiry of the previously operating wage policy. According to the government, given the policy of playing down comparative methods of negotiating pay settlements and the difficulty of assessing productivity in non-trading services, some clarification of principles and guidance was required (cmnd 3167 1966).

In considering the wages and conditions of service of male and female ancillary workers in the NHS, the NBPI concluded that increases in male weekly earnings over the previous five years were distinctly below those obtained in all industries (cmnd 3230 1967: 9), and that as a whole, NHS ancillary workers represented the largest proportion of lowest paid workers among the industries referred to the NBPI for investigation (1967: 15). Criticising the wage structure as 'unscientific' - lacking any system of job evaluation- the NBPI suggested that the compressed wage structure in the NHS failed to ensure that genuine differences in skill would be properly rewarded. At the same time, however, unnecessary small differentials existed where there were no genuine differences in skill and responsibility. It also argued that the wage compression frustrated the case for the special treatment of groups of low paid workers, as to increase their wages would effectively swamp existing differentials, which likely would precipitate a series of 'leap frog' pay claims (which would precipitate and fuel inflation). Thus in the NHS, where low pay was considered to be a particular problem, a policy of concentrating pay increases on the low paid was rejected as an inflationary device. Similarly, to award a general increase for all workers, to improve the position of the lowest paid workers while safe-guarding differentials, was also rejected as imposing an

'unreasonable burden' on taxpayers and was, in any event, inconsistent with incomes policies.

The NBPI therefore recommended methods of linking pay more closely to the 'efficient utilisation' of labour. The principal recommendations were to improve supervision and standards of labour management, employ work study measurement in a wide range of tasks, and introduce incentive bonus schemes, measured day work, and productivity bargaining to relate earnings to the level of individual performance. Criticisms of the efficiency of the ancillary workforce were based on the assumption that an improved labour market performance was required. The effectiveness of improving the labour market was in turn believed to be dependent upon the motivation of individual workers to seek higher pay, to obtain training, take on more onerous work, and look for better work (cmdnd 4648 1971: 35). That is, in keeping with conventional labour market economics, individual worker characteristics and behaviour was identified as the most important determinant of pay. In particular, individual worker behaviour was used to 'explain' the occurrence of low pay. The NBPI's conclusion was that the root cause of the problem of low pay was low productivity. It suggested, therefore, that by improving the standards of labour utilisation, the standard of pay would be simultaneously raised 'because the standards of work justify it' (cmdnd 3230 1967: 32).

The adopted definition of 'productivity' assigned an increase in output in relation to resources used as improving productivity, or effecting a more efficient use of resources. The concern for improved performance was tied to the notion of greater output at the lowest cost, rather than to improving the quality of work. This was made absolutely clear in the way in which NHS cleaning services were compared to private (Contract Cleaning Trade) services.

In comparing the Contract Cleaning Trade (CCT) and the domestic ancillary services of the NHS, the NBPI concludes that the CCT is more efficient. The evidence used to support this conclusion, however, is wholly inadequate. The NBPI indicates that in the CCT, little is used in the way of formal management techniques such as work measurement and method study.

Nonetheless, the private trade is said to achieve increased efficiency, in part through the use of new materials and equipment manufactured by the larger of the firms concerned, but mainly because the cleaners' performance itself 'appears' to be better; that is, cleaners in the private sector are said to clean at a faster pace, 'albeit at a rather low standard' (cmdnd 4637 1971: 25). Moreover,

'when a customer is concerned with quality as well as price, the selection of a tender may be difficult.' (1971: 8).

However, their survey indicated that this was not a real issue in the private sector because the majority of CCT customers were not particularly concerned with quality, provided they received no complaints from their customers/employees. The Board does note that part of the reason that contract cleaning is cheaper (and in their view, more efficient) is because the costs of the two services are not entirely comparable. Direct cleaning tends to be restricted to smaller building sites, which entails more expense. In addition, the conditions of service obtained by direct (NHS) cleaners is far superior to those of contract cleaners, and a larger proportion are employed full-time, compared to the largely part-time contract cleaning workforce (1971: 24). The Board fails to note the significance of the fact that 80% of the CCT work was in offices, compared to only 3-4% in hospitals. Furthermore, the bulk of NHS cleaning work in hospitals requires greater fastidiousness, patient-related duties and services. Issues of standards of cleanliness are paramount in hospitals, as opposed to office cleaning.

These differences notwithstanding, the NBPI maintains that the CCT is relatively efficient and therefore felt it necessary to suggest mechanisms for introducing work study methods and productivity agreements for NHS ancillary services only. Moreover, it rejects the TUC proposal that the Fair Wages Resolution be amended so that government departments have the power to determine what constitutes a 'fair wage' and to monitor contractors (ie. establish a minimum wage for outside contractors). Agreeing with the government on this matter, the NBPI states that there is no logical reason why work and payment schemes in the CCT should follow public sector systems because the latter are designed to meet

different needs and circumstances (1971: 28). This argument is advanced in spite of the fact that the comparison of NHS and contract cleaning services actually underpins many of the Board's efficiency recommendations for direct cleaning services in the NHS.

Following recommendations by the National Board for Prices and Incomes (cmnd. 3230, 1967), incentive bonus schemes were to be introduced in ancillary health services from 1969 onwards on the basis of a nationally agreed code of requirements established by the Whitley Ancillary Staffs Council (cmnd. 4644, 1971). Despite the NBPI's recommendation that productivity bargaining be introduced, and the government's endorsement of the recommendations, hospital authorities throughout Britain were very slow to implement such schemes. It has to be said that there was much controversy regarding the feasibility of the interim productivity scheme originally recommended, and what form it should take. Consequently, in its second report on NHS ancillary workers' pay and conditions (cmnd 4644 1971), the NBPI proposed a standardised Ancillary Work Efficiency Scheme package. The majority of the pilot studies conducted on the basis of these proposals were shortlived, and this scheme was generally considered to be a failure. Nevertheless, work study methods and productivity bargaining began to be introduced by health authorities, but not on a large scale. They were, however, widely used in ancillary employment in local government authorities and other public service industries.

In 1975, however, the government imposed an embargo on all incentive bonus schemes which lasted for two full years. During this period, work study units were directed to suspend all new work on the design and implementation of bonus schemes. It was argued by the Labour Government then in office that such schemes were inflationary in practice because they were not applied rigorously enough and had been abused by unions and workers as a means of getting around incomes policies.

'Tendering' In the Health Service

Despite the Conservative Government's encouragement and pressure to introduce the use of commercial contractors in the provision of NHS ancillary services, health authorities had been reducing their use of private contractors for cleaning, laundry and catering between 1978 and 1983 (Hansard: 28 November 1984, col. 535W). Consequently, in 1983, the Government released a circular titled 'Competitive Tendering in the Provision of Domestic, Catering and Laundry Services' for the NHS. This document represented the government's fourth attempt to cajole health authorities into putting services up for tender, giving commercial companies the opportunity to quote for specified services.

This circular, however, represented more of a threat to in-house organisations (the established direct/public service management and workforce team) than did previous directives, as a result of two Government decisions. The first of these allowed health authorities to be refunded the VAT paid when a commercial contractor was used, providing a financial incentive to make the use of private contractors more attractive. The second decision, to rescind the House of Common's Fair Wages Resolution (1946), meant that contract companies could undercut nationally agreed Whitley rates of pay and conditions of employment for NHS staff. The Government also requested that health authorities submit a timetable for tendering. A similar circular was issued by the Scottish Home and Health Department (SHHD) in September 1983, and a second in June 1984, to hasten the process in Scotland.

In April 1985, a year after the Government's deadline for health authorities to submit timetables for competitive tendering, of the 190 contracts that had been awarded, 52% had gone to private contractors and 48% had been kept in-house (NUPE, 1985). By September 1986, the number of NHS ancillary contracts remaining in-house had increased substantially to 75% (Public Service Action, September 1986: 11). The running total of contracts awarded between 1983 and March 1988 indicates that 78% of contracts remained

in-house and 22% went to private contractors (Joint NHS Privatisation Research Unit, Contract Summary March 1988). In the first few years following 1983, of all ancillary services, domestic services had been most affected, with up to 68% of domestic contracts going to private companies (NUPE 1985). By early 1988, however, of all cleaning contracts tendered, 73% had remained in-house and only 27% had gone to private contract companies (JPRU March 1988:2).

The timetables for contracting-out are most advanced in South, East and Central England, whereas far fewer authorities have submitted completed timetables for tendering and fewer contracts have been awarded in Wales and particularly Scotland. Health boards in Scotland have been far more reluctant to comply with government tendering instructions, opting instead to pursue 'efficiency savings' with in-house organisations. This lack of 'progress' in successfully tendering and contracting-out ancillary health services in Scotland led to the issue of another government circular in December of 1987, instructing Scottish health boards to carry out a competitive tendering exercise by April 1988 in order to 'test the cost effectiveness' of their domestic and catering services. Up to March 1988, only 24 contracts had actually been put out to tender by Scottish Health Boards, and of these, only 4 had gone to private contractors (JPRU, 1988). Nonetheless, all 14 boards did finally agree to comply with the instructions. This round of tendering is intended to illustrate whether or not the Health Boards can compete with the private sector and to 'encourage' further cost savings. It is expected, nevertheless, that the majority of the services will remain in-house, following the established trend in England.

Most health authorities in England are nearing completion of the first round of tendering (three year contracts are awarded to private contractors). Many health authorities, however, particularly in London, are already re-tendering contracts. The pattern emerging from this second round of tendering indicates that many contracts awarded privately in the first instance have gone back in-house on re-tendering, due in part to rather high contract failure rates. A summary report of all contracts awarded in the NHS up to 1987 shows that one in

five private contracts were failures - the firm's contract has been terminated (the contractor pulled out or were dismissed) because of extremely inadequate performance standards (JPRU, 1987). The re-tendering exercises are also being used by health authorities as a further opportunity to re-examine contract specifications with a view to making additional cuts.

According to the Government, the purpose of contracting-out public services is to instill 'competitive market forces' in order to secure the most 'efficient' provision of services at the lowest cost to the employer and state. It has been argued, both by those critical of the privatisation strategy and by its proponents, that it is the degree of market competition in the tendering process which is decisive. Nonetheless, despite the Government's efforts to ensure that ancillary services fall into private contractors' hands, the Contract Cleaning and Maintenance Association (CCMA) is complaining that they are not winning enough contracts, as the trend to negotiate in-house contracts continues to grow.

Not only is the pattern of contract provision one of public ownership and control, contract cleaning firms have been rapidly merging, destroying any pretext that market competition is the salient mechanism. BET and Hawley Group already hold over 60% of all cleaning contracts awarded to private contractors by local government council refuse collection and street cleansing contracts, 60% of all NHS domestic service contracts which have been awarded to private contractors, and 40% of the civil service cleaning contracts awarded to private contractors (Labour Research September 1986:2; JPRU 1988). The irrelevance of 'market competition' is not restricted to the area of contracting-out, but is also a feature of the sale of national assets. Two companies who have acted for the Government in many of the 'privatisation' sales, merchant bankers Shroders and accountants Touche Ross, have reported that the achievement of market competition through privatisation is no longer the government's objective. Rather, its single objective is to reduce the public sector borrowing requirement (Labour Research October 1986:2).

It is clear, then, that though the tendering exercises are not resulting in a takeover by private contractors, the process itself is being used to effect massive cuts in service provision on the grounds that public services are 'economically inefficient'. Financial cost-cutting measures are primarily directed at labour/wage costs. The downward drive on wages is argued to be a mechanism of market equilibrium and hence 'economic efficiency'. The extent to which these cuts in services and wage costs are translated into overall financial savings for the public sector, however, is debatable. So too is the facile claim by the government that the 'savings' purportedly achieved, are being spent on 'improvements in services to patients'.

Financial costs to the public sector

There are considerable 'hidden' financial costs entailed in the tendering of services which are not included in the cost analysis procedures. These include the administrative costs resulting from the extensive time spent by managers preparing tender specifications and negotiating with staff and unions. Since ancillary work in hospitals is not entirely predictable, a great deal of flexibility is required. Nonetheless, tender specifications disregard the costs of contingencies in ancillary work because such work is deemed to be outside 'routine work'. Where contractors satisfactorily accomplish the standard job specification and take on the 'extra' work involved, this generally results in private contractors charging health authorities for services rendered which were not explicitly included in the original contract specification, again representing a financial cost to health authorities not reflected in the official 'savings' achieved by the contract (Radical Statistics Health Group 1987).

As indicated above, however, many contractors fail to maintain required standards of cleanliness. In these circumstances, the health authority incurs additional costs in providing emergency cover to bring the work up to standard. Where the contractor is eventually dismissed, the health authority has to absorb the further costs of respecifying and retendering the service (PSA 1986). Further under the Wages Act 1986, the health authority

is responsible for all redundancy costs (The Health Service Journal 31.7.86) when a contractor is dismissed. These redundancy costs, moreover, add up to more than the sum total of redundancy payments to the workers themselves. A survey conducted on behalf of Michael Meacher MP found that in 1985, where private contractors had been used, nearly 3,000 workers had been made redundant. The claimed savings for each employee made redundant amounted to £3,400 but the net cost to the public sector through the loss of tax and social security benefits paid was £7,000 (Guardian 11.6.85). If in the end, the health authority decides to return the service in-house, there are considerable costs involved in rebuilding the necessary infrastructure, requiring funds which are not guaranteed to the health authority.

Even by the government's own figures, the 'savings' achieved by tendering ancillary services are called into question. The House of Commons Social Services Committee reported that the £9.4 million savings achieved by 1985 had to be compared to the £27 million cost of the VAT refund by health authorities to contractors (Radical Health Statistics Group 1987). Similarly, the government's claimed 'savings' of £73 million by September 1986 represented 0.8% of the total NHS budget. As private contractors had only won 18% of the tendered contracts at that time, their contribution to the 'savings' amounted to, at best, approximately 0.3% of the budget (Hansard 25.11.86). Thus, rather than achieving savings, the tendering programme has cost the public sector. This conclusion is supported by evidence from the USA. Studies in the US suggest that the shift from managing and providing an in-house service to that of monitoring, supervising, and evaluating a service provided by private contractors, increases rather than reduces public sector administrative costs, contrary to the claim of free marketeers (Schlesinger *et al* 1986).

Resource constraints

Despite the apparent failure of the tendering exercises to achieve real financial savings, all health authorities throughout Britain over the past 9 years have experienced reductions in their operating budgets and have had to introduce major cost-cutting measures. Contrary to

the government claims that it is not cutting health service expenditure but is spending more than ever before, information provided by the Radical Health Statistics Group (1987) suggests otherwise. For example, though the Government's 'input volume' increased by 8.4% during the period 1978/79 - 1984/85, with a further increase of 0.6% in 1985/6, almost half of this growth occurred in the year 1980/1 alone. This largely resulted from the Clegg Commission pay awards, agreed by the Labour Government and honoured by the new Conservative administration, and the shortening of the working week to comply with EEC directives (1987: 38-40). In general, current spending on hospital and community services grew very slowly from 1978/79-1984/85 compared to expenditure on family practitioner services and capital development, and in fact fell in 1984/5 by 0.1% (1987 : 42-44).

Even though there has been an increase in 'input volume' expenditure on the NHS, this does not necessarily translate into resources available for expanding and improving services (let alone maintaining existing levels of service provision). In order to maintain the same level of service provision, NHS resources must grow a certain amount each year to take into account demographic and technological changes. The growth in expenditure on hospital and community services required to keep pace with demographic changes (in particular the aging of the population and the increase in the 'very elderly') amounted to, for example, 4.9% over the period 1978/9-1984/5. During the period 1985/6-1988/9 the required increase amounted to 3.8%. It is generally agreed that in order for the health service to keep up with technological innovations and some changes in priorities for meeting health care needs, resources must also increase by a further 2% per annum (1987: 44-46). When these factors are taken into consideration, then, the government's claim of 'growth' in resources to the NHS is misleading. The health service does not have sufficient funds to maintain existing levels of service given the increasing demands on services created by demographic changes and technological innovation.

In the face of increasing resource constraints, health authorities have primarily looked to 'rationalising' ancillary and other support services in an attempt to keep their overall

expenditure within the cash limits prescribed by the government. This is underlined by the increasing gulf between the wage increases awarded to 'front-line' staff (doctors, dentists, nurses and other professions allied to medicine) and 'support' staff (ancillaries, maintenance staff, technicians, administrative and clerical staff). Over the period 1980/81-1984/5 the average percentage pay increases awarded to 'front-line' staff considerably exceeded those awarded to 'support staff' (1987: 52-54).

In response to financial constraints, productivity bargaining in ancillary health services, particularly the growth of incentive bonus schemes, has flourished. From the information I have been able to collect, coverage of ancillary staff in Scotland, though variable, is high in many of the 12 health boards: for example, the coverage in Lothian is 75%, Fife 50%, and the Borders 100%; another seven boards have a similarly high coverage which has largely been achieved since 1979. It is estimated that approximately 80% of NHS ancillary workers in Scotland are covered by some form of incentive bonus payment system; in England, while there is no central collection of statistics, it is estimated that the coverage nationally is approximately 50% of ancillary workers.

Efficiency Measures and Domestic Ancillary Services in Scotland

In fact the future of incentive bonus schemes is in question, as the pressure on health authorities to tender their ancillary services to private contractors mounts and their spending capabilities are further curtailed. In the face of widespread resistance by Scottish health boards to government instructions that ancillary services be tendered to private contractors, the Scottish Home and Health Department (SHHD) and the Scottish Management Efficiency Group (Scotmeg) have considered various action plans to produce greater savings in an attempt to circumvent the government's instructions.

In domestic services, the pressure is perhaps greatest because labour accounts for almost the entire cost of the service (the relative expenditure on equipment is negligible). The possibilities for reducing costs by intensifying the work (and generally deteriorating the

standards of service provided), thereby reducing wage costs, is greater than could be achieved in other ancillary services which involve much greater infrastructure costs (eg. catering and laundries). Thus all health boards were requested to adopt specified cleaning frequencies produced by the Common Services Agency (CSA) by February 1988, and to report on the implementation of revised rota systems.

As labour accounts for 96.5% of total domestic costs (£50 million), the recommendations were expected to achieve potential annual savings of approximately £6 million. These cleaning frequencies and revised rotas were, in fact, used for many bonus schemes introduced and revamped during 1985-88. Essentially, the revised rotas involve a substantial reduction in weekend work, concentrating the work on week days, providing only skeletal staff coverage and service provision at weekends. This has important consequences for take-home pay: weekend work has, in the past, provided an important source of income for domestic workers due to enhanced pay rates. The recommended rotas, therefore, entail a significant reduction in potential and actual take-home pay. Bonus schemes, where they have been introduced using these cleaning frequencies and rotas, provide payments that, at best, simply equalise the earnings lost by those who experience a loss in weekend work.

'Savings' that are achieved have been largely pursued by the introduction of standard cleaning frequencies and bonus schemes. The trend now, however, is to simply introduce standard frequencies and revised rotas without the 'bonus' payment for workers. Reflecting the increased emphasis on 'efficiency savings', Work Study Teams established in the late 1960's in the health service, responsible for measuring and streamlining work performance, have been re-named 'Management Efficiency Units'. Thus, even though bonus payments themselves may be on their way out, the work study measurement principles underpinning their operation, aimed at 'cost improvements', continue to operate. Moreover, as the tendering programme in England has shown, even though in-house organisations are succeeding in winning the majority of tendered contracts to the detriment of private

contractors, where bonus schemes have existed it is at the expense of bonus payments (and wages generally), even though the work is intensified and workers continue to work above 'bonus' levels.

The discussion in the preceding sections clearly demonstrates that the policy objective to contract-out ancillary services has not been entirely efficacious in terms of removing the majority of these services from the public to the private sector. Increasingly, the tendering exercises have resulted in 'successful' bids by the in-house (NHS) team. Moreover, until the autumn of 1988, most Scottish health boards had resisted instructions to tender their services to private contractors, opting to pursue alternative measures to effect 'efficiency savings'. With the threat of 'competitive tendering' overhanging them, health service management pursued efficiency exercises to make their own services 'more effective', in order to be able to withstand the pressures to contract-out services to private contractors. Short of the Government being removed from office, however, the prospect of compulsory tendering was believed to be inevitable.

The measures typically adopted by health service management to cut service costs have involved work study measurement of ancillary services in order to achieve target savings in both 'supplies' and 'pay' budgets. To give employees a cash incentive to work with the lower staffing levels required and to 'increase their work performance', incentive bonus payment schemes (IBPS) have been more widely introduced. The present research concerns domestic ancillary employment in two general hospitals in the Lothian Health Board where incentive bonus payment schemes had been recently introduced as part of this overall strategy. The chapter now turns to discuss the research design and findings.

Research Design

There were essentially three criteria used in the selection of the two hospitals included in the study: type of hospital (general rather than specialised); size of hospital/unit (in order to be able to select a suitable interview sample; and history of incentive pay bargaining. The

data base in the present study consists of information relating to 204 workers in the two hospitals studied. The information gathered regarding these workers (see below) provided a profile of the entire domestic workforce at Hospital 'A' (N=142) and of domestic workers in the 'surgical unit' at Hospital 'B' (N=62). In addition, interviews were conducted with: health board personnel from the management efficiency unit, finance division, and management in domestic services; personnel from the Scottish Health Management Efficiency Group (MEU); union officials and shop stewards; and a sample of domestic employees (N=76). In total, 92 individuals were interviewed. Access to confidential Work Study Reports was also obtained.

Apart from the interviews with the domestic employees, which were based on a structured interview schedule, the interviews were open-ended. The interview schedule used for domestic employees was not fully completed until initial investigative interviews had been conducted with the domestic services management advisor, management efficiency unit and finance personnel. The information obtained from these interviews regarding health board policies on target savings, efficiency exercises and the operation of incentive bonus payment schemes, informed both the selection of the appropriate hospitals to study and the sections of the interview schedule which pertained to the circumstances of domestic ancillary work and the impact of productivity bargaining (the incentive bonus payment scheme) on work content and employment conditions generally.

Once the interview schedule was completed, the domestic manager at the first hospital selected for the study ('Hospital A') was approached and a copy of the schedule provided for approval. At the same time, area and branch trade union officials and shop stewards from COHSE and NUPE, the two unions representing domestics at the hospital, were contacted and given a copy of the schedule for approval. The study thus followed a process of negotiation with both the domestic services management and local shop stewards and branch officials.

Sampling procedure

With the help of the domestic manager at Hospital A, I obtained information relating to the sex, current age, age at recruitment in current job, length of service, marital status, basic weekly hours, shift worked, and residence locality for all of the domestic staff in post at the time (N=142). From this information, I selected six workers for the pilot study and a representative sample of fifty workers on the basis of age, marital status, basic hours, shift, length of service, and employment before or after the official date of commencement of the bonus scheme. The six workers selected as potential pilot interviewees - which included the chair of the COHSE union branch at the hospital, who also approached the other pilot interviewees - all agreed to be interviewed.

It was agreed with the domestic manager that the interviews could be conducted during normal work hours; a time limit of an hour was permitted for each interview. The six pilot interviews confirmed that the original length of the schedule and open-ended format of some of the questions made it impossible to fully complete the schedule within the time allowed. Therefore, the schedule was amended - a few questions were entirely omitted and some others were changed to a fixed-choice answer format. In essence, however, the interview schedule was not radically changed.

Those workers initially selected to be interviewed were sent a letter informing them of the study and asking if they would participate. The letters were hand delivered by the COHSE chairperson (who was a domestic worker herself) to the individual workers concerned, allowing her to answer any questions they might have had about the study. The letter had a tear-off section which was to be filled out if the person was *not* interested in being interviewed, to be posted in a box provided in the clocking-in area. Those workers who did not respond negatively to the letter were then contacted by letter again, confirming the date, time and place of the interview. This letter was put in the worker's mail box in the clocking-in area. The actual time of the interview was determined by the domestic manager and

relevant supervisors in order to facilitate the least disruption to the worker's schedule. Generally, the interviews took place in the first or final hour of the interviewees' working day or after their lunch break.

Due to sickness and holidays, not all of the workers initially considered were able to be interviewed. Also, there were a considerable number of negative responses in the first instance, though after the first few days, once word about the study was transmitted, there were fewer negative responses from those subsequently contacted. On the whole, the majority of negative responses came from older workers and in particular, from one group of domestics who worked in the staff residence block. Further, only one of the domestic supervisors agreed to be interviewed. In the final outcome, all staff in post, excluding those on holiday or long-term sickness were contacted and 56 workers were interviewed, representing 47% of those contacted.

At the second hospital selected (Hospital 'B'), the 'surgical unit' which employed approximately 65, workers was chosen because of its size relative to other managerial units in the hospital complex and because the bonus had been introduced in this unit. For logistical reasons, the bonus was being gradually introduced throughout the hospital -unit by unit - and was not yet in operation in all of the units. The procedure for selecting and contacting the workers at Hospital B was generally similar yet different to that in Hospital A in a number of important ways. There were, unfortunately, no domestics in the unit who were union shop stewards. Therefore, the assistant domestic manager responsible for the unit took responsibility for delivering the letters to the workers herself and decided to inform the domestics about the study in groups. For those who did not respond negatively to this letter, confirmation of the time, date and location of the interview was transmitted by the supervisors or the assistant domestic manager. The fact that communication regarding the study came from domestic management was unfortunate, not simply because of the potential association of the study with management, but because the introduction of the bonus had been more of a contentious issue than at Hospital A - further reason to be

concerned about the association of the study with domestic management. The response rate was thus poorer than that achieved at Hospital A: only 20 of the 56 workers contacted (36%) agreed to be interviewed. Many of the refusals, however, came from domestics working the evening or 'backshift'. Thus, only 1 of 19 (5%) of workers working the 'back shift' agreed to be interviewed compared to 19 of 37 (51%) of those working the 'day shift'. Further, I was able to discuss the study with the domestic supervisors directly and the response rate from this group was much better than that achieved at Hospital A, where I was not able to do so.

Domestic ancillary workforce - general profile.

At Hospital A, of the domestic ancillary workforce (N=142), 96 (68%) were married, 27 (19%) were single, and 19 (13%) had been previously married (separated, divorced or widowed). Altogether, 115 (81%) worked part-time; 80 (83%) of married workers, 20 (74%) of single workers, and 15 (79%) of previously married workers. Only two (1%) of these employees were male (one married and one previously married). Table 4.1 below provides a summary of the age, hours worked and length of service (in months) by marital status of this group.

Table 4.1 Age, length of service, and hours worked of domestic ancillary workforce, by marital status (Hospital A, N=142)

	Married	Single	Prev. Married
	Mean (Range)	Mean (Range)	Mean (Range)
Age	43(18-65)	28(17-61)	49(27-60)
Service(Months)	90(1-324)	26(1-144)	65(1-168)
Hours	27(11-40)	29(20-40)	30(22.5-40)
Full-time	17%(16)	26%(7)	21%(4)
Part-time	83%(80)	74%(20)	79%(15)

The profile of the sample of employees interviewed at this hospital (N=56) was representative of the domestic ancillary workforce. Thirty-nine (70%) of the respondents were married, 9 (16%) were single and 8 (14%) had been previously married. Altogether, 42 (75%) of worked part-time; 30 (77%) of married workers, 7 (78%) of single workers, and

5 (62%) of previously married workers. A summary of the respondents' age, hours worked and length of service by marital status is provided in Table 4.2.

Table 4.2 Age, length of service, and hours worked of sample of Interview respondents, by marital status (Hospital A, N=56)

	Married		Single		Prev. Married	
	Mean	Med(R)	Mean	Med(R)	Mean	Med(R)
Age	40	42(18-63)	28	24(17-61)	49	54(33-61)
Service(Months)	70	19(1-266)	23	10(4-109)	66	43(6-174)
Hours	28	28(15-40)	29	30(20-40)	32	30(22.5-40)
Full-time	23%(9)		22%(2)		38%(3)	
Part-time	77%(30)		78%(7)		62%(5)	

At Hospital B, of the domestic ancillary workforce in the 'surgical unit' (N=62), 44 (71%) were married, 11 (18%) were single and 7 (11%) had been previously married. Six (10%) of these employees were male (one married, 4 single and one previously married). Overall, 39 (63%) worked part-time; 32 (73%) of married workers, 3 (27%) of single workers, and 4 (57%) of previously married workers. Table 4.3 below provides a summary of the age, hours worked and length of service by marital status of this group of workers.

Table 4.3 Age, length of service, and hours worked of domestic ancillary workforce, by marital status (Hospital B, N=62)

	Married	Single	Prev. Married
	Mean (Range)	Mean (Range)	Mean (Range)
Age	43(17-64)	28(17-58)	46(30-63)
Service(Months)	61(1-300)	21(7-60)	48(12-132)
Hours	25(15-40)	36(15-40)	31(20-40)
Full-time	27%(12)	73%(8)	43%(3)
Part-time	73%(32)	27%(3)	57%(4)

As these figures indicate, the general profile of the domestic ancillary workforce at Hospital B (marital status, mean age, hours worked and length of service) is comparable to that found in at Hospital A. The main differences are in the mean hours worked by workers who are

single - single workers at Hospital A worked on average fewer hours than their counterparts at Hospital B. Also, there were considerably more male workers employed at Hospital B.

The difference in hours worked by single workers may be explained by examining the history of productivity bargaining at the two hospitals. The negotiation of the bonus and introduction of efficiency measures had been a more lengthy but less conflictual affair at Hospital A. The domestic managers had adjusted their hiring policy by gradually introducing the practice of employing workers for shorter hours. The negotiation of the bonus and efficiency measures had taken place over a shorter period but had been far more acrimonious at Hospital B.

At Hospital B, the managers explained that in order for the bonus to be introduced in the surgical unit, management had to 'get rid of a lot of dead wood' (that is, older workers and 'lazy workers' who were said to be incapable of keeping up the pace of work required) by moving them to other areas of the hospital where the bonus had not yet been introduced - or by means of 'voluntary dismissal'. The surgical unit was then staffed by its 'best workers' and those from other areas of the hospital where the bonus had not yet been introduced, as well as by a few new recruits.

At both hospitals, the unions had been fairly successful in protecting the basic weekly hours of the staff in post. As a large proportion of the staff in the surgical unit at Hospital B had been moved there from other areas of the hospital, with a smaller proportion of new recruits making up the workforce, many had their existing basic weekly hours protected. As will be discussed in further detail in the following sections of this chapter, the hours of single workers employed before and after the introduction of the bonus were very different, with the new recruits working significantly fewer hours than existing staff in post.

While the general profile of the domestic ancillary workforce at the two hospitals were similar and the sample of interview respondents at Hospital A closely resembled that of the total domestic ancillary workforce, the sample of interview respondents at Hospital B was

not as closely comparable. Of the 20 interview respondents at Hospital B, 11 (55%) were married, 7 (35%) were single and 2 (10%) had been previously married. Nonetheless, despite the proportionately fewer married respondents (due to the very few numbers of respondents who worked the evening shift) and proportionately greater number of single respondents, the mean age of married and single respondents (and hours worked by single respondents) was not dramatically different from that observed for the domestic ancillary workforce in the surgical unit at Hospital B. Overall, 5 (25%) worked part-time; 3 (27%) of married workers, 1 (14%) of single workers, and 1 (50%) of previously married workers. Table 4.4 provides a summary of the age, hours worked and length of service by marital status of this sample of interview respondents.

Table 4.4 Age, length of service, and hours worked of sample of Interview respondents, by marital status (Hospital B, N=20)

	Married		Single		Prev. Married	
	Mean	Med(R)	Mean	Med(R)	Mean	Med(R)
Age	40	41(23-57)	28	24(19-48)	22	22(-)
Service(Months)	23	21(2-65)	26	26(8-61)	30	30(-)
Hours	35	40(22-40)	36	40(22.5-40)	40	40(-)
Full-time	73%(8)		86%(6)		50%(1)	
Part-time	27%(3)		14%(1)		50%(1)	

The differences in the marital status, hours worked and age profile of the two groups of interview respondents is primarily due to the high negative response rate of one group of staff at Hospital B. This group of workers worked the evening (or 'backshift') and were mostly married women. I attribute the high negative response rate to a combination of factors, but primarily to the approach adopted by the domestic manager and supervisor concerned. Given that the interviews were taking place during work time, it was agreed with management at both hospitals that the respondents would be assured that they could be freed from their usual work responsibilities during the period concerned. (It was clear from the interviews, however, that the majority of workers tried regardless to get their required work done by working harder and covering for each other).

At Hospital B, however, only 45 minutes (rather than an hour) was allowed for each interview and it became clear that the manager and in particular the supervisor (who participated in the interviews herself), by insisting that all of the required work had to be completed in order for the staff be interviewed, effectively discouraged the evening shift workers from participating in the study. In fairness to the management and supervisor, these workers were only employed for 3 hours each day (on average); 45 minutes thus represented a large proportion of their working day. Also, this shift was short-staffed, and there was already a great deal of 'cover-work' being undertaken in order to get the work done. Nonetheless, this was also the case at Hospital A, and the management there found it possible to facilitate staff participation in the study.

Given the similar general profile of the domestic workforce at both hospitals, both the respective domestic ancillary workforce populations and the sample of interview respondents have been combined for purposes of analysis. Thus the total (combined) domestic ancillary workforce for the study is 204 (142 + 62) and the total sample of interview respondents is 76 (56 + 20). In analysing the material, however, information obtained from the two hospitals was compared before combining the results. Generally, the material which will be presented regarding this study relates to the combined domestic ancillary workforce and interviewed populations, unless significant differences emerged indicating that the results should be considered separately for each hospital.

Of the combined domestic ancillary workforce (N=204), 140 (69%) were married, 38 (19%) were single and 26 (13%) had been previously married. In total, 154 (76%) worked part-time; 112 (80%) of married workers, 23 (60%) of single workers, and 19 (73%) of previously married workers. Table 4.5 provides a summary of the age, hours worked and length of service by marital status of the combined domestic ancillary workforce.

Table 4.5 Age, length of service, and hours worked of combined domestic ancillary workforce, by marital status (N=204)

	Married	Single	Prev.Married
	Mean(Range)	Mean(Range)	Mean(Range)
Age	43(17-65)	28(17-61)	48(27-63)
Service(Month)	81(1-324)	25(1-144)	60(1-168)
Hours	26(11-40)	31(15-40)	30(20-40)
Full-time	20%(28)	40%(15)	27%(7)
Part-time	80%(112)	60%(23)	73%(19)

Of the combined sample of interview respondents (N=76), 50 (66%) were married, 17 (22%) were single and 9 (12%) had been previously married. Thus the marital status profile of the sample of interview respondents is representative of that of the combined domestic ancillary workforce. In total, 47 (62%) of respondents worked part-time; 33 (66%) of married respondents, 8 (50%) of single respondents, 6 (60%) of previously married respondents. Table 4.6 provides a summary of the age, hours worked and length of service by marital status for the interviewed sample.

Table 4.6 Age, length of service, and hours worked of combined sample of interview respondents, by marital status (N=76)

	Married	Single	Prev.Married
	Mean(Range)	Mean(Range)	Mean(Range)
Age	40(18-63)	28(17-61)	46(22-61)
Service(Months)	60(1-266)	21(4-109)	62(6-174)
Hours	30(15-40)	32(20-40)	33(22.5-40)
Full-time	34%(17)	50%(8)	40%(4)
Part-time	66%(33)	50%(8)	60%(6)

As Tables 4.5 and 4.6 indicate, then, the hours worked, length of service and age profile of the sample of interview respondents is also representative of the total sample domestic workforce population.

Interview schedule and data analysis

The interview schedule (Appendix A) was composed of ten sections headed as follows: Respondent's current job as a domestic assistant/supervisor; Respondent's other current jobs and future job expectations; Respondent's work history and education; Characteristics of respondent's job; Comparison - work content and conditions of employment before and after the bonus; Respondent's earnings; Respondent's household; Household finance; Trade union affiliation and participation; Wages and jobs generally - respondent's perceptions. In devising this schedule, both the Cambridge schedule 'Understanding and Evaluation of Income Differentials' used in the Social Inequality Project and the schedule from the Women and Employment Survey (1984) were used as guides in organising the schedule and formulating certain questions.

The interview schedule was designed to explore both the circumstances of domestic ancillary work and the changes brought about by productivity bargaining, and the social circumstances of domestic ancillary workers. The information obtained was analysed using SPSSX and supplemented with qualitative analysis of questions which elicited lengthier and more detailed responses. The quantitative analysis produced frequencies, breakdowns, and crosstabulations of existing variables and those created in the process of analysing the data¹. In addition to the material obtained from the interviews, I collected data on the numbers of leavers and starters at Hospital A, covering a period of 16 months. This information was used to quantify the changes in overall staffing levels over the period and to provide a more detailed picture of the rate of labour turnover. The obtained information relating to the domestic ancillary workforce (N=204) was analysed for the purposes of providing a detailed profile of the domestic workforce population and to assess whether the efficiency initiatives had any impact on this profile.

¹A discussion of the statistical tests used in the analysis is provided in Appendix B.

An important area of investigation in the study, then, is the impact of the efficiency exercises on the circumstances of domestic employment and on domestic employees themselves. Thus, the comparison of employment terms and conditions and workforce profile before and after the introduction of the bonus scheme is an important one. In analysing the interview material, I was constrained to use the official date of commencement of the bonus for comparison purposes. When selecting the sample, I was not fully aware how artificial this date was and the sample was in part selected on the basis of employment before or after the official date of commencement of the bonus. In order to achieve a more balanced proportion of respondents employed before and after the bonus, the official date of commencement of the bonus is, nevertheless, used for comparison purposes in analysing the interview material. (Of the sample of 76 respondents, 57 were employed before the official commencement of the bonus and 19 were employed after this date.) Thus, the findings probably understate the changes brought about by the introduction of the bonus scheme.

The information collected for the group of leavers and starters at Hospital A (N=247) covered a period of 16 months up to and including the period of study. The accessible information was limited to the numbers of staff involved, the date of employment commencement and/or departure, and hours worked for each person, in the majority of cases. (For those workers who left during the period in which the study was being conducted, I had access to more detailed information.) This data on labour turnover relates to a period of 8 months before and 8 months after the official commencement of the bonus scheme. That is, these persons either started or left their employment in the months in which the bonus was being negotiated or after the bonus had been officially introduced. I was not able to obtain information on leavers and starters prior to this period. For this reason, in comparing leavers and starters, the date when the full bonus officially began is that which is used to distinguish those employed and departed 'before' and 'after' the bonus.

As the introduction of the bonus scheme involves a 6 month trial period preceeding the staff vote for and official commencement of the scheme, the information obtained on labour turnover only relates to the period of employment conditions and practices associated with the efficiency initiative. Therefore, even though I am able to identify changes in staffing levels and hours worked by staff during the period considered, it is likely that these findings underestimate the extent of changes. Had I been able to collect information relating to staffing levels and hours worked prior to the period in which the bonus was being 'requested', negotiated, and studied by the MEU, it is likely that the observed changes would be more striking.

In contrast, the information obtained for the domestic ancillary workforce (N=204) does permit a more appropriate distinction of employment practices 'before' and 'after' the bonus, since I had access to relevant information for the entire sample population of employees. The introduction of an incentive bonus payment scheme is a lengthy process. In the case of this study, it became clear that the domestic managers knew well in advance the general nature of the changes to shifts and hours that were required by the efficiency studies, and anticipated these in terms of their employment practices in the period immediately preceding the trial period. This action was taken in order to facilitate the full introduction of the bonus by gradually habituating the existing workforce to the changes in staffing levels entailed. Thus, workers categorised as employed 'before the bonus' are those who were employed before the start of the calendar year in which the bonus was introduced, and workers categorised as employed 'after the bonus' are those who were employed in the calendar year that the bonus was actually introduced (ie. in the months before, in addition to those after the official date of the commencement of the bonus). In other words, those workers described as employed 'after the bonus' were employed in an eighteen month period up to and including the time of the study while those employed 'before the bonus' were employed prior to eighteen months before the time of the study.

'De-Servicing' Domestic Ancillary Work

As part of various efficiency initiatives undertaken by the health board, both the hospitals considered in this study had introduced an incentive bonus payment scheme for their domestic services. Though officially an incentive bonus payment scheme is only introduced 'at the request' of the staff concerned, management practices were clearly important determinants in steering the 'staff request' of, and ultimate 'vote for', the bonus scheme. That is, the majority of staff interviewed² reported that whether or not they wanted or voted for the bonus, the reduced staffing levels and work intensification involved in such an efficiency initiative would prevail. Management had made it clear to the workers that the pressure to privatise (contract-out) the service meant that efficiency savings had to be achieved if the service was to be kept in-house. Therefore, staff were advised to accept the bonus scheme as a more palatable means of achieving the cost reductions required.

The following comments typify respondents' views regarding their involvement in the negotiation of the bonus and whether they were in favour of it:

'We weren't really involved at all. We were told by the unions and management that the bonus would have to be introduced to make the service work - be more competitive against privatisation. It wasn't the staff who requested the bonus. Management put it forward and the union representatives made an agreement. It was pretty obvious that we had no choice really.' (Domestic assistant Hospital B: #70)

'We didn't have much of a choice. At the end of the six month trial period we all had a vote but we more or less had to take it even if we didn't want it. It was made clear to us that staffing levels wouldn't be improved.' (Domestic assistant Hospital A: #16)

'I was in favour of the bonus and voted for it. Well, they threatened us with privatisation if we didn't vote for it...We were always threatened with privatisation and none of us wanted that but it's coming anyway.' (Domestic assistant Hospital B: #67)

'The staff didn't request the bonus. It was brought to them...We were all given a vote and I was in favour of it at the time. But I had just started and it's the type of thing they don't explain to you. In fact there were quite a lot of

² Of the staff who had been employed before the bonus officially commenced and who expressed an opinion on the matter, 80% (36 of 45) indicated that the reason why they 'supported' the bonus was because they would have to do the extra work anyway because of the cuts and threat of privatisation.

us who had just started and who voted 'yes'. I'm the only one left now...'
(Domestic assistant Hospital A: #26)

In total, 56% (32 of 57) of this group indicated that they had no real involvement in the process, either because they were not at all involved in the request and negotiation procedure for the bonus (42% - 24 of 57), or the scheme was 'fated' and they had no choice over the matter (14% - 8 of 57). Only 39% (22 of 57) indicated that they had participated in the proceedings, either by attending a meeting (9% - of 57), or having the opportunity to vote on the issue (30% - 17 of 57). Three (5%) of the respondents were shop stewards at the time and considered themselves to have been very involved in the process.

Reflecting the increased emphasis on achieving greater efficiency and 'value for money', what was previously the 'Work Study Unit' responsible to the Senior Administrator was, as mentioned, renamed in April 1987 the 'Management Efficiency Unit' (MEU), and became responsible to the Treasurer in the Finance Section. This Unit has been responsible for carrying out the efficiency studies and for recommending measures to 'improve' work organisation and methods. As a result of the transfer of responsibility, any budget reductions implied by changes in staffing levels and work content proposed by the MEU were to be immediately put into effect by the Finance Section. Thus, the hospital concerned would have its operating budget cut according to MEU proposals as soon as the scheme had been officially accepted by the staff. In practice, however, due to financial pressures, the domestic services' operating budgets were cut at the beginning of the six month trial period, even before the staff had officially accepted the scheme. Thus, hospital management and administration are compelled to introduce the findings of the Unit because their budget has already been cut by Finance. Previously, the operating budget was left intact and any 'savings' achieved were recouped at the end of the financial year in which the scheme had been introduced.

The efficiency studies undertaken by the MEU for domestic services consist of two parts. The first part concentrates on the utilisation of labour and includes identification of work content, review of cleaning frequencies and subsequent rationalisation of staff rota systems.

The second part concentrates on cleaning equipment and materials. Since labour accounts for 96.5% of domestic services costs (SCOTMEG 1988), more emphasis is given to, and greater cost reductions are achieved from, changes in labour utilisation. According to one of the Senior Project Leaders interviewed, proposed changes in cleaning equipment and materials, such as introducing new machinery and carpeting large floor areas, are a 'waste of paper', though they may achieve some savings in the end. In contrast, the majority of the changes and cost reductions relate to staffing levels.

Domestic efficiency exercises

In the early 1980's, a process of rationalisation and standardisation was carried out by domestic managers under the instruction of the Common Services Agency (CSA) responsible for hospital services in Scotland. A formalised set of cleaning frequencies and treatments for different types of areas and rooms within hospitals was collated, produced and issued to all hospitals in Scotland as guidance for service delivery. The national standard cleaning frequencies and treatments are adjusted to reflect variations required by each hospital according to domestic managerial discretion. Lothian Health Board decided to adopt these guidelines as the basis for determining the policy on efficiency exercises.

With the introduction of a bonus incentive payment scheme, the MEU quantifies the existing cleaning frequencies and treatments in the hospital concerned (the adjusted national standard frequencies and treatments) in relation to the total hours worked to achieve the work (whole time equivalent (WTE) staff in post) over a prescribed period of observation. Part of this quantifying procedure involves Performance Level Rating according to the scale produced by the British Standard Institute (BSI). That is, a sample of individual workers throughout the hospital is observed by 'trained' management efficiency personnel over a set period of time and the workers' level of work performance, or 'performance effort', is assessed according to the BSI scale, which ranges from 0 -100%. A performance effort up to and including a scaling of 75% translates to non-incentive work effort conditions. Therefore, any performance scaling of 75% or below does not qualify for a bonus payment.

A work performance scaling of between 75% and 100% BSI is equal to a bonus reward that ranges from 0 - 33.3%. Thus, the maximum bonus payable is 33.3%.

The most common performance target is 86.25% BSI which equals a 15% bonus. A 20% bonus requires a performance rate of 90% BSI and this is also fairly common. Management and MEU personnel indicate that a performance rate of more than 90% is generally unobtainable in the long term and is therefore not recommended as a permanent target performance requirement.

'To pay for a 30% bonus, there must be extensive absences, with remaining workers covering the absences and doing extra work. For workers to receive a 30% bonus they must be working very hard to get all the work completed. A 30% bonus is ideally only used in periods where there is high absence due to sickness and workers pitch in to get all the work done at these times. But some managers prefer to operate with lots of absences to give the remaining workers a larger bonus. This is an abuse of the system because the workers have to do a lot of extra work, in less time and could not possibly operate at a 30% bonus level constantly. Nevertheless, managers should aim to run under the whole time equivalent target staffing level - underspent - just to give themselves a margin of error in their own target operating budget.' (Domestic Services Manager Advisor)

Bonus level target decisions are made by domestic management 'in consultation with staff' and proposed to the Unit as the basis for their work content recommendations. Allowances are built in for absence for holidays (an 18.5% allowance is added for areas of the hospital which have to be serviced on public holidays and, for areas not covered on public holidays, a 14.65% allowance is added). Bonuses are not payable for periods of sickness. For rest periods a 15% rest allowance is added to the basic time. The information relating to cleaning frequencies and treatments, together with floor plans of the hospital, is computerised and the time required to perform the work at a specified performance rate, allowing for required rest periods and an estimated level of absences for holidays, is quantified. Thus each cleaning activity is allotted a specified time for completion on the basis that the workers concerned perform the work at a specified pace.

Domestics who work in hospital wards also assume a number of non-cleaning duties which are related to patient care. This work is calculated manually through direct observation studies by MEU personnel. Non-cleaning duties pertain to the preparation and serving of

meals, serving of beverages throughout the day, filling water carafes for individual patients, collection of meal trays, washing and drying and putting away of dishes, and so on. Domestic staff involvement in these tasks varies from hospital to hospital and in different wards; responsibility for the mix of duties is shared between domestic, auxiliary and nursing staff depending on the particular hospital or ward. Where these activities are officially undertaken by domestic staff, the time to perform them is quantified and added to the basic computerised time allotted for the cleaning treatments and frequencies.

In order for domestics to keep up the pace and standard of work required by the 'performance target' and bonus scheme, more supervisory and managerial work is required. Consequently, the workload and numbers of supervisors is included in the quantification of cleaning frequencies and treatments and in the costing of the work content. Needless to say, while the intention is to reduce the overall hours worked by basic domestics, the overall hours worked by supervisors and managers is increased.

At Hospital A, it was agreed that a variable bonus would be introduced. That is, the bonus level varied from week to week, depending on work performance. The bonus level ranged from 11% to 27%, and averaged 16% during the period between its introduction and the time of the study. At Hospital B it was agreed that a fixed bonus of 15% would be introduced. Thus, as long as the level of work performance averaged around 15%, the workers received a 15% bonus payment each week. The work performance rate is 'monitored' by domestic management and is the ratio of time allowed to time taken to complete the work. In this way, the actual hours worked are compared to the target hours allowed in order to ascertain the performance rate and bonus level. Though bonuses are paid with the weekly pay, they were calculated on a four-weekly moving average to level out fluctuations.

The MEU was charged with the task of identifying and introducing reduced hours and costs of cleaning, particularly in non-clinical areas and during weekends. Their proposals regarding cleaning frequencies and staff rotas generally involved substantial reductions in

weekend work and in employing people during 'unsocial' hours (ie. before 6am or after 8pm), in an attempt to avoid paying enhanced rates of pay. Most of the staff working a rota shift at both hospitals (as opposed to a set days shift, e.g. Monday to Friday) worked five weekends out of six. The reduction in weekend work required under the bonus scheme entailed switching from a six-week rota to a four-week rota. Thus those still employed on the rota worked only three weekends out of four as a result of the efficiency initiative. The change from the six to the four-week rota resulted in a 4.7% drop in individual basic weekly earnings for those affected. The MEU also recommended employing staff part-time in order to avoid National Insurance and superannuation contributions. It was also argued that 'from an efficiency point of view' it was better to employ a larger number of people for fewer hours because they work 'more efficiently' and steadily than when employed for longer periods.

The Scottish Management Efficiency Group commissioned a review of domestic work in 1985 in order to propose specific recommendations to be enacted by all domestic services, to achieve 'greater efficiency, effectiveness and economy in the provision of this important service' (SCOTMEG 1987). In its analysis of domestic staff rota systems, the study concluded the the most economical system is the '5 and 2' rota. This rota employs one group of workers Monday to Friday and another group at weekends. In addition, it was recommended that work be rescheduled to allow more tasks to be performed Monday to Friday, 'thus necessitating only minimum cover at weekends for essential duties, e.g. sanitary areas, spot cleaning, mopping and impregnated mopping' (SCOTMEG 1987). The review found that replacement of existing rotas which entail more weekend work with the '5 and 2' rota and minimum cover at weekends yielded potential financial savings of approximately 12.5%. The review also recommended that work in unsocial hours and the 'night shift' be eliminated where possible.

As with the Management Efficiency Unit's proposals regarding the implementation of the efficiency exercises in the current study, the SCOTMEG review also suggested that additional supervisors might be needed in order to implement the proposed changes.

Moreover, it was not considered feasible to include domestic supervisory staff in the '5 and 2' rota 'due to the need to maintain continuity of supervision of staff' (1987). The trend toward increasing the ratio of managerial to operational staff is in fact underlined by employment statistics for domestic services staff in both the Lothian Health Board and Scotland as a whole. Between March 1982 and March 1987 operational staffing levels in domestic services in Scotland as a whole were reduced by 14.7% WTE. At the same time, managerial staffing levels increased by 17% WTE. As Table 4.7 indicates, the trend in Lothian itself is similar: during the same period there was a 12.7% reduction in WTE operational staffing levels while managerial staffing levels increased by 24.8% WTE.

Table 4.7 Domestic services staff employment (WTE): Scotland and Lothian, 1982-1987

	31 March 1982		31 March 1983		31 March 1987	
	(a)	(b)	(a)(i)	(b)(i)	(a)(i)	(b)(i)
Scotland	11,970.1	174.4	11,873.1(-0.8)	174.3(-0.1)	10,215.7(-14.7)	204.0(+17.0)
Lothian	1,823.5	33.5	1,821.4(-0.1)	28.5(-14.9)	1,592.6(-12.7)	41.8(+24.8%)

Notes: (a) Operational Staff (b) Managerial Staff (i) % change over March 1982 figures

Source: Compiled from Table 2 Domestic services staff: whole time equivalent in *Hansard* Written answers to Questions 3 May 1988 col. 380

Effects on employment conditions

A major concern evident in the present study was the impact of changes in hours available for employment, and 'flexibility' required of the workers, on patterns of recruitment and labour turnover. This concern was expressed both by management and workers. While the bonus scheme has afforded management much more flexibility in relation to staff deployment and workers are obliged to accept the extra 'cover work' and duties entailed, recruitment is a big problem. This is underlined by one of the domestic managers:

'We are, and have been for the past few years, understaffed in all areas. We have real problems in recruiting enough staff. It's going to become more and more difficult to recruit enough domestics. For one thing, the bonus does mean that the workers have to work a *lot* harder and they don't often cope. So we've introduced disciplinary procedures in which the supervisors closely monitor problem workers. Often, the worker hands their notice in because they can't work to the bonus level. Now people know - or they find out when they start- that you have to do a day's work and you just can't take

days off here and there for no good reason. Also, the wages are pathetic. We advertise everywhere - job centres, papers, bulletins, word of mouth - but in the same places there are ads for similar jobs with the local authority or the university. The pay is much better for the same type of work in nicer surroundings. A lot of domestics are the sole supporters of their family - I don't know how some of them manage.' (Domestic manager Hospital B)

In the past, most domestics who were 'relief workers' (working in any area of the hospital to cover for absences and shortages) were 'reliefs' for only a short period. Within a few months of employment, most domestics were placed in their 'own' ward or area of the hospital. It became apparent from the interviews that domestic workers with responsibility for their 'own' ward took great care to keep their wards clean and properly scrubbed, and were fiercely proud of their work. With the introduction of the bonus, this practice was upset; this resulted, on the part of the workers, in a great deal of opposition to and resentment about the disruption caused by the constant movement of workers within the hospital to 'cover' when an area was short of workers.

Before the bonus scheme was introduced in the two hospitals studied, there were at least three workers for each ward, two of whom were full-timers. The bonus scheme entailed a substantial reduction in the numbers of staff employed on, and work hours committed to, any ward. After the bonus, there was only one full-timer and one part-timer (sometimes two) per ward. As a result, one worker would have to scrub down the ward alone and be responsible for cleaning duties in other wards and areas of the hospital as well. Workers employed on the rota shift who continued to work at weekends and full-time workers generally, experienced the greatest burden of work. Though the hospitals only provided skeletal staff coverage at the weekend when the work load was supposed to be cut to the bare minimum, much heavy work continued to be performed by very few workers.

Eighty-three percent (48 of 58) of the respondents who compared employment conditions before and after the bonus, indicated that the bonus had brought about changes in their work content and method. Of the 10 respondents who indicated that there had been no change, 7 worked part-time from Monday to Friday when the service was better staffed; of the remaining 3, 2 were supervisors. In total, 59% (34 of 58) indicated (in response to the

open-ended question as to what, if any, changes the bonus had made on their work) that the changes involved considerably more work, and had led to a more widespread problem of shortstaffing and concomitantly, more coverwork. Twenty-four percent (14 of 58) of the respondents, in responding to this question claimed that they did not have sufficient time to complete their cleaning duties. Importantly, 29% (17 of 58) of respondents also suggested that the reductions in staffing levels had resulted in lowered standards of cleanliness and service provision.

The following comments about the conditions of employment under the bonus scheme were typical:

'At weekends, one woman alone has to move all the beds and things and scrub one side of the ward. This work used to be done by two people. I thought there would be changes but not to the extent of doing the scrubbing single handed - everyone feels this. As it is now, one ward is scrubbed down every 3 weeks - each ward is scrubbed in 3 sections- one section per week. The ward should be scrubbed once a week from Monday to Friday when more staff are employed. Now parts of the ward are always very dirty.' (Domestic assistant Hospital B #72)

'It used to take two people to scrub one side of the ward. Now they expect one person to do it and do it efficiently. The bonus is supposed to cut out the middleman but it's very heavy going now compared to before. They've cut numbers down and all the heavy work is done at the weekend. The idea of a skeletal service at weekends hasn't panned out and us full-timers/rota workers have to do more work and heavy work at weekends.' (Domestic assistant Hospital B #67)

'At weekends they won't allow more than one person on the ward. There used to be two. Also they now expect one person to cover at least two wards. You're always running back and forward - it's hard on the legs and feet. Very tiring. They expect too much' (Domestic assistant Hospital A #26)

'Gradually it seems to be more and more work coming in. It's the same hours and same pay but more work for the time we have. They're getting their money's worth. There's more pressure and I think you can notice it on quite a few people. I didn't notice it at first, but gradually the change is happening.' (Domestic assistant Hospital A #30)

As these quotes indicate, the workers felt that they were expected to take on a very heavy workload and felt under tremendous pressure. The responses to two sets of questions about satisfaction with the standards and pace of work both at the time of the interview and before the bonus commenced, indicated a significant decrease in the level of job satisfaction after the bonus for the respondents concerned. That is, 48% (28 of 56) of this group of workers indicated that before the bonus began, they were 'very satisfied' with the

standards and pace of work; 41% (24) were 'fairly satisfied' and only 10% (6) were 'dissatisfied'. The responses from this group of workers indicated, however, that at the time of the interview, only 22% (13) of the respondents were 'very satisfied', 50% (29) were 'fairly satisfied', and 28% (16) were 'dissatisfied' with the standards and pace of work. Thus there was a significant shift both from 'very satisfied' to 'fairly satisfied' ($p < 0.05$, $\Phi = 0.23$), and from 'satisfied' to 'dissatisfied' ($p < 0.02$, $\Phi = 0.22$)³.

For those respondents employed after the bonus ($n = 18$), only 22% (4 of 18) were 'very satisfied' with the standards and pace of work at the time of the interview, 44% (8) were 'fairly satisfied' and 33% (6) were dissatisfied. Thus in total, 29% (22 of 76) of the sample of interviewed respondents were dissatisfied with the standards and pace of work under the bonus scheme. This compares to 22% (17 of 76) who were 'very satisfied' and 49% who were 'fairly satisfied'⁴. Clearly, however, the vast majority of the respondents were under no illusions about the purpose of the incentive bonus payment scheme: 80% (59 of 74) reported that the main purpose of the bonus scheme was to effect financial savings for the health board, and only 8% believed that the purpose of the bonus was to improve workers' earnings. Significantly, 56% (9 of 16) of the respondents who commenced employment after the bonus scheme began did not understand what the bonus was all about.

³ As a point of commentary on these findings, I should add that many workers expressed that the deterioration in work standards and staffing levels, and the increasing amount of coverwork required, had begun prior to the official commencement of the bonus. This is reflected in many of the responses which indicated that there had been no change in circumstances after the bonus scheme started. As indicated earlier, when selecting the sample, I was not fully aware how artificial this date was, and the sample was in part selected on the basis of employment before or after the official date of commencement of the bonus. In order to achieve a more balanced proportion of respondents employed before and after the bonus, the official date of commencement of the bonus is, nevertheless, used for comparison purposes in analysing the interview material. Thus, the findings probably understate the changes brought about by the introduction of the bonus scheme.

⁴ The satisfaction rates regarding the pace and standards of work at the time of the interview were not significantly different for full- and part-timers. But full-timers were, on the whole, less satisfied than part-timers: 17.5% (5 of 29) of full-timers compared to 25.5% (12 of 47) of part-timers were 'satisfied'; 44.8% (13 of 29) of full-timers compared to 51.1% (24 of 47) of part-timers were 'fairly satisfied'; 31.0% (9 of 29) of full-timers compared to 14.9% (7 of 47) of part-timers were 'a little dissatisfied'; and 6.9% (2 of 29) of full-timers compared to 8.5% (4 of 47) of part-timers were 'very dissatisfied'.

Having 'agreed' for the bonus scheme to be officially in operation, the staff had, however, sold away their rights of refusal to perform the extra work and covering required.

'They expect too much and you can't refuse to do the work now if you're asked to do it. Before, you could refuse to do the covering for another person if she was off or covering somewhere else.' (Domestic assistant Hospital A #54)

Neither were the workers entirely satisfied that the work was being accomplished as it should.

'There's a set time to do things now. Rotas are not as versatile. There's so much on them now that regardless of how well any task gets done, you have to move on to the next task.' (Domestic assistant Hospital A #73)

'There are new work lists. But unless you have the staff to do the work, you can make up as many lists as you want but you can still only do the bare essentials. Short-staffing has become more of a problem.' (Domestic supervisor Hospital B #57)

'It's difficult for people to accept change. If someone's been scrubbing the same corridor for twenty years one way and some young MEU man comes in and suddenly tells you you're doing it wrong and he's never cleaned a floor in his life - then there's obvious resentment. And older women find it particularly difficult to change their routine.' (NUPE Branch Secretary Hospital B)

'The main annoyance is having to move around the hospital to cover when an area is short of workers. Wards have been kept by individuals and generally the same people are in a ward or area for years. They take great pride in keeping their ward up to scratch.' (COHSE Branch Secretary Hospital A)

Opposition to the bonus scheme, however, did not just come from domestic workers themselves, but also from the medical staff. As the bonus scheme alters the work content and routine - in particular, defining more rigidly the timetables for cleaning duties and patient related duties - nurses and doctors are also affected.

'The idea of the bonus is to provide a better service, a more efficient and improved service. But because we've been so short-staffed, standards are not kept at the level we would wish. Nurses are down our throats because of falling standards, especially in the medical unit. They ask: "Why is it the standards have fallen when the bonus was supposed to improve the situation?" All we can say is that it's supposed to but we're very shortstaffed. The medical unit is where we've moved all the poor workers - who show a willingness to work and try hard when under disciplinary action - rather than dismiss them if they can't hack the requirements of the bonus in the area they were in. We find it difficult to get enough workers, let alone good workers.' (Domestic manager B)

Furthermore, under bonus conditions, the domestics are more clearly *not* under the control of the ward sisters.

'Ward Sisters like to think they are in charge of everyone in the ward - including the domestics. Obviously, if it's rest time or it's the doctors rounds or a patient is on a drip, the domestic wouldn't perform cleaning duties as on the task sheet timetable. But otherwise, the nurses have no business telling domestics when and where to clean and making their tea and coffee and running errands for them and the patients.' (Domestic manager B)

According to many of the domestics who had a long service history with the hospitals, the bonus meant that they were no longer supposed to do many of the patient related duties that they had previously. In particular, they were no longer allowed to interact with the patients as they had done before, including responding to and anticipating patient requests (such as for items from the hospital shop), helping patients to the toilet if the nurse or auxillary nurse was not available, or getting patients a cup of tea. Not only did domestic ward staff object to being moved around from ward to ward because they felt that the work in 'their own' ward was not completed properly, they strongly disliked the imposed detachment from informal patient-related activities. A common reason given for their interest in domestic work was because it involved working and interacting with people. The bonus scheme meant that very little time was left for what had been an important and rewarding aspect of the 'service' for these workers.

The account provided by the domestics interviewed stands in sharp contrast to the conclusion reached in the SCOTMEG review document:

'It may be argued that domestic staff working for only short periods in wards lack interest and incentive and that therefore a significant ingredient of patient-related care might be considered to be missing. There was, however, no real evidence available to the Group which supported such an argument' (1988:3.2).

The domestic managers also indicated that staff motivation and morale were very low:

'The motivation and morale among the workers is not good. The bonus has certainly made the problem worse. And it hasn't been helped by the reorganisation of the health board into units which affects managerial staff. It's unsettling because there are lots of rumours - how can you expect staff to be content when managerial staff are unsettled? Even so, resistance to the bonus is not as bad as it would have been if we were fully staffed. The situation with the bonus now is somewhat artificial because we are so short-staffed. Therefore, there's a lot of overtime available and though people lost weekend work with the bonus, in terms of their basic weekly hours, they can in fact work a lot of overtime at weekends because there are not enough staff to do the work. Consequently, workers aren't missing out on earnings in the way they would if the bonus scheme was working properly with the correct complement of whole-time-equivalents in post.' (Domestic manager)

Undoubtedly, uncertainty over the future of their own jobs was a factor in the low morale of domestic staff. Of the total sample interviewed, 48% (36 of 75) indicated that they were dissatisfied with the security of their job; more than half of these (20 of 36) were 'very dissatisfied'. There was, moreover, a significant difference between the levels of satisfaction with job security reported by those respondents employed before compared to after the bonus⁵, and by full- and part-time workers⁶. The large majority, (76%, or 13 of 17) of those respondents employed after the bonus officially commenced were satisfied with the security of their jobs; only 24% (4 of 17) were dissatisfied. On the other hand, the majority of respondents who had been employed before the bonus commenced, (55%, or 32 of 58) reported that they were dissatisfied with the security of their jobs; more than half of these respondents (18 of 32) were 'very dissatisfied'. Full-timers were much more likely to be dissatisfied with the security of their job than part-timers: 61% (14 of 23) of full-timers were 'very dissatisfied' compared to only 13% (6 of 46) of part-timers; and only 4.3% (1 of 23) of full-timers were 'very satisfied', compared to 20% (9 of 46) of part-timers⁷.

Summary

The evidence presented in this section suggests that the efficiency initiatives pursued by the Lothian Health Board, particularly the two hospitals studied, have altered the form and quality of domestic service provision. The pursuit of cost-cutting exercises, resulting in the strategy of rigidly quantifying the time permitted for each activity performed by domestics through work study measurement techniques, has attempted to streamline 'domestic operations' to the point of taking the 'service' aspect out of this job. With the reduced staffing levels required by the efficiency exercises and the increased problems of staff shortages,

⁵ When comparing those 'satisfied' to 'dissatisfied': Chi 5.29, $p < 0.05$, Phi=0.26 (Pirie-Hamden correction of Chi).

⁶ When comparing those 'satisfied' to 'dissatisfied': Chi 4.25, $p < 0.05$, Phi=0.25.

⁷ Chi 9.6, $p < 0.01$, Phi=0.57

not only did domestic workers have to assume a more onerous workload, many also had considerably less time in which to complete the duties specified on their work sheets. According to many respondents, the intensification of the work had a detrimental affect both on the workers themselves and the general quality of service provided to patients.

5. Changing Employment Experiences: Efficiency Initiatives and their Effects on Working Patterns

Introduction

The impact of efficiency exercises on domestic ancillary working patterns is considered in greater detail in this chapter. The research suggests that with the restructuring of domestic employment, in particular, the increased reliance on part-time work, the profile of the workforce has changed significantly. We shall see that the changing distribution of workers employed prior to and after the introduction of the efficiency initiatives underlines the centrality of social processes in the structuring of employment. The observed change in the profile of the workforce, and the variations in the employment experiences of the workers, suggest that there are coherent processes relating workers' social circumstances to employment experiences. In arguing that there is a significant social patterning of employment, the study undermines conventional conceptions of the relationship between wages and employment, which generally assume that wages are 'economically' determined and largely, if not exclusively, reflect 'job-market' criteria. Further, while gender appears to be a salient factor in the distribution of jobs at the aggregate level - domestic ancillary workers are almost entirely female - the female workforce itself is highly differentiated. There are, then, important variations in the social circumstances of female workers which structure their employment experiences.

Restructuring Employment Opportunities

Despite the collective bargaining structure entailing nationally negotiated rates of pay and conditions of employment, and despite the high degree of unionisation nationally (the estimated level is 80%), ancillary workers, especially those in the lower grades, have been a very low paid group. Women represent 67% of the entire ancillary workforce and are concentrated in the bottom two pay grades. More than half of the female workforce works

part-time. Trade unions representing ancillary workers suggest that nearly 80% of female workers earn less than 'official' poverty levels (that is, Supplementary Benefit levels), and thus live in conditions of poverty (Ancillary Staffs' Council Trade Unions' Side, 1986 Claim for Improved Pay and Conditions of Service). Female ancillary workers, in particular domestic employees employed in the bottom grade, are, then, typically associated with the prevalence of low pay and conditions of poverty.

The implications of the 'efficiency exercises' undertaken in response to resource constraints and government pressure to tender ancillary services to private contractors, are of considerable concern, particularly in regard to these workers' wages. Surveys indicate that the tendering process does further reduce the terms, conditions, and security of employment for those employed. For example, NUPE conducted a limited survey of private contractors' pay and conditions (May 1985), and identified a number of disturbing. In particular, their information suggests that private contractors use part-timers excessively, with extremely awkward shifts and shorter working hours (under 16 hours per week). There is virtually no provision for maternity leave, pensions or sick pay; and discrepancies exist between proposed wage levels and conditions in the tender documents and actual rates for staff in post.

NUPE also conducted a similar survey of contracts that were put out to tender but which were retained in-house. What both surveys highlight is that whether or not the contract is retained in-house, the effect on the jobs is very similar. In both in-house and private contracts, the initial phase of putting contracts out to tender resulted in the removal of full-time positions and reduction of part-time hours to lower the wages below the level requiring National Insurance contributions and Statutory Sick Pay (SSP) entitlement and massive rates of staff turnover. Although the Fair Wages Resolution has been rescinded, many health authorities retain fair wages clauses in their tender specifications. Nevertheless, wages (for in-house and contract employees) are greatly reduced due to the overall reduction in hours worked. Thus hourly wage rates are not the primary cause for concern.

Rather, what is at issue is the consequence of the alteration of hours for take-home pay and ultimately the workers' 'social wage'.

The data from my own study confirm these trends. Finance, management efficiency and domestic managerial personnel were quite explicit about the reasons for introducing more part-time work at shorter hours and altering the shifts worked. The standard cleaning frequencies introduced with the bonus entailed a dramatic reduction in weekend work, to avoid enhanced pay rates, a shift from full-time or high part-time employment to employing people for 20-25 hours per week Monday to Friday. Employing people part-time is argued improve work performance by concentrating activity in a 4-5 hour period rather than over 8 hours. From the point of view of management, as the worker does not tire as easily over the shorter period, s/he will work at a more consistent and intense pace. In addition, employing more people for shorter periods of time purportedly allows management to employ people at times of the day/week when they are needed most. This flexibility purportedly gives management greater control over labour costs which, from management's point of view, is the primary reason for employing people part-time. It was indicated by finance personnel that employing one worker 40 hours per week cost approximately £300 more per annum than employing two workers for 20 hours per week each¹. These savings are achieved by reduced or non-existent National Insurance contributions and superannuation costs.

The case study material bears out that a reduction in weekly hours worked by individual employees has been effected by the introduction of efficiency exercises. The unions (COHSE and NUPE) involved in negotiating the introduction of the bonus schemes with management were successful in safeguarding the existing weekly hours of the majority of staff in post. There were changes, however, in shifts worked, reducing the amount of

¹. This does not take into account the increased costs incurred as a result of escalating labour turnover.

weekend work for those who continued to be employed on the rota². That is, instead of working six out of seven weekends, the typical rota subsequently involved working three weekends out of four. Many more workers than previously were employed set days from Monday to Friday. Though management wanted to concentrate staff on this shift, staff in post were not forced to change from the rota but had the choice of opting for the set days shift. Apart from the reduction in weekend work, then, staff in post before the introduction of the bonus were spared the brunt of the changes in shifts and basic hours worked. On the other hand, it was the new recruits as the bonus was being introduced who experienced the force of the revised hours and shifts.

As Table 5.1 indicates, new recruits are working significantly fewer hours per week than their predecessors and this is particularly marked for those employed after the adoption of the full bonus schemes. Employees who left prior to the introduction of the bonus worked an average (mean) of 27 hours per week. This compares to the average of 18 hours per week worked by an employee who started after the bonus was introduced. These figures suggest that employees recruited after the bonus work only two-thirds of the weekly hours worked by employees who left before the bonus was introduced. .

² Importantly, the unions were able to protect the hours and shifts of twelve workers who had worked a set 5 day shift always over the weekend. These workers had worked at the hospital for many years and were older female members of staff who were either single or widowed.

Table 5.1 Hospital A: Average weekly hours worked before and after bonus, by leavers and starters³

	Leavers	Starters	%Start/Left
Before Bonus	25.7	23.0	89.7%
After Bonus	22.8	18.2	80.0%
Total	24.4	20.9	85.8%

The official reduction in hours required by the bonus is 16% at Hospital A and at least 14% at Hospital B. It is difficult to translate these figures into actual numbers of individual jobs lost, partly because the reduction is offset by employing more individuals for fewer hours, I do not have sufficient data to allow me to calculate this figure exactly. However, at Hospital A, given the existing ratio of numbers of staff in post to WTE numbers, the WTE reduction entailed an approximate loss of 26 jobs which represents 16% of the estimated total staff in post for the reference period. However, it must also be highlighted that both hospitals have not been able to employ enough people to fill the established WTE staffing requirements considered necessary to carry out the work properly. For the hospitals, this has remained a serious problem; for the staff in post, it has been a mixed blessing. On the one hand, it provides a limited amount of over-time hours available, which boosts take-home pay; on the other hand, it means that the work is intensified. With the introduction of the bonus, the intensification is more exaggerated as workers are required to cover more work as part of

³ For a fuller account of the procedure for determining the period in which the bonus was introduced, the reader is referred back to the discussion on instrumentation and data analysis (Chapter 4, 'Research Design'). The information collected for the group of leavers and starters at Hospital A (N=247) relates to a period of 8 months before and 8 months after the official commencement of the bonus scheme. That is, these persons either started or left their employment in the months in which the bonus was being negotiated or after the bonus had been officially introduced. In comparing leavers and starters, the date when the full bonus officially began is that which is used to distinguish those employed and departed 'before' and 'after' the bonus. The information that was obtained on labour turnover really only relates to a period in which employment conditions and practices associated with the efficiency initiative prevailed. Therefore, even though I am able to identify changes in staffing levels and hours worked by staff over the period considered, it is likely that these findings underestimate the extent of the changes. Had I been able to collect information relating to staffing levels and hours worked prior to the period in which the bonus was being 'requested', negotiated, and studied by the MEU, it is likely that the changes would be more striking.

their normal work schedule, which is compounded by the fact that there are not enough people to fill the *reduced* staffing requirements entailed in the bonus scheme. The effects on the service provided, as outlined in the previous section, has been highly deleterious.

Ancillary service employment: national trends

Ancillary and domestic ancillary employment trends in Scotland and Great Britain as a whole confirm the developing employment pattern suggested by the case study material. As Table 5.2 indicates, during the period 1979 to 1986, NHS ancillary services in Great Britain experienced a loss in WTE numbers of 24.6%. In Scotland, the equivalent loss was 9.8%.

Table 5.2 NHS ancillary employment (WTE): Great Britain, 1979-86

<u>Year</u>	<u>Numbers at 30 September</u>	<u>% Change Over Previous Year</u>
1979	211,100	-
1982	209,700	- 0.7
1984	189,600	- 9.6
1986	159,200	-16.0
Change 1979/1986	-51,900	-24.6

(Source: Hansard Monday 28th March 1988, vol. 130 No. 124, col.325)

The trend in Great Britain of more extensive employment losses than in Scotland, is because of more tendering exercises have taken place and proportionately more contracts have gone to private contractors in the south of England . The DHSS collects no statistics relating to the numbers employed by these private contractors. However, the tendering process itself, regardless of the eventual outcome, entails a substantial reduction in WTE numbers.

Taking a closer look at the Scottish scene provides an interesting insight into the changing employment pattern. Ancillary services have been experiencing losses since 1977. During the period 1977-1987, there was a 9.4% reduction in WTE numbers, and for the period

1979-1987, WTE losses amounted to 11.7%. WTE losses for domestic ancillary services during the period 1979-1987 were 13.5%, and for 1983-1987, 13%.

Table 5.3 NHS ancillary employment by sex: Scotland, 1979-1986.

Percentage Change Over Previous Year		
Year	Male	Female
1980	-1.0	-0.5
1981	+2.6	+1.3
1982	+0.5	+1.0
1983	-0.3	-1.2
1984	-4.5	-2.6
1985	-1.2	-2.0
1986	-1.5	-3.4
CHANGE 1979/1986	-4.2	-5.0
BASELINE 1979	6838	27499
NUMBER 1986	6553	26131

(Source: Compiled from *ISD Scottish Health Statistics 1979-1986/7* Table 9.2(g))

As Table 5.3 indicates, ancillary jobs employing both men and women have been affected by policies to reduce overall numbers employed. Women are located in jobs where this trend has had a slightly greater impact. Table 5.4 presents a different picture, however, in focusing on domestic employment.

Table 5.4 NHS domestic ancillary employment by sex : Scotland, 1979-1986

Percentage Change Over Previous Year		
<u>Year</u>	<u>Male(1)</u>	<u>Female</u>
1980	-4.2	+0.7
1981	+3.2	+2.0
1982	-11.3	+1.2
1983	-6.2	-1.1
1984	-4.2	-2.6
1985	-5.4	-1.8
1986	+11.4	-2.9
Change 1979/1986	-17.0	-2.9
Baseline 1979	259	16775
Number 1986	215	16290

1 Numbers entailed are fairly small - the total in 1986 was 215.

(Source: Compiled from *ISD Scottish Health Statistics 1979-1986/7* Table 9.2(g))

Though the actual numbers involved for male employment are fairly small (male employees only represented 1.5% and 1.3% of all domestic ancillary employees nationally in 1979 and 1986 respectively), in domestic ancillary employment male employees have experienced a much greater relative loss than their female counterparts. Also, the below-average job loss experienced by female domestic employees compared to all female ancillary employees is interesting. The changing pattern of full and part-time employment for ancillary and domestic staff, provided in Tables 5.5 and .5.6, indicates how this lower relative job loss affecting female domestic employees has been achieved.

Table 5.5 NHS ancillary employment, full/part-time: Scotland, 1979-1986

Percentage Change Over Previous Year			
Year	Full-Time	Part-Time	Change
1980	-1.9	+1.5	-0.2
1981	-0.1	+3.2	+1.6
1982	-1.4	+3.2	+0.9
1983	-3.0	+0.8	-1.0
1984	-6.6	+0.3	-3.0
1985	-5.3	+1.0	-1.9
1986	-10.3	+3.1	-1.2
Change 1979/1986	-21.6	+12.8	-4.8
Baseline 1979	17573	16764	34337
Number 1986	13780	18904	32684

(Source: Compiled from ISD Scottish Health Statistics 1979-1986/7 Table 9.2(g))

There have been losses in full-time employment positions over the period concerned, in particular since 1983. In domestic services, the losses have been more pronounced since 1980. At the same time, part-time employment has been steadily increasing for all ancillary workers, including domestics. In the early 1980's, part-time employment was increasing at a faster rate than the reduction in full-time positions, and thus the net effect was an increase in the number of ancillary and domestic jobs. Since 1983, however, increases in the number of part-time jobs have failed to compensate for the number of full-time jobs lost, and thus the effect has been an overall reduction in total numbers of ancillary and domestic jobs.

Table 5.6 Domestic ancillary employment, full/part-time: Scotland, 1979-1986

Percentage Change Over Previous Year			
<u>YEAR</u>	<u>FULL-TIME</u>	<u>PART-TIME</u>	<u>CHANGE</u>
1980	-2.8	+1.9	+0.6
1981	-2.1	+3.6	+2.0
1982	-4.0	+2.8	+1.0
1983	-6.1	+0.4	-1.2
1984	-12.8	+0.4	-2.7
1985	-11.5	+0.8	-1.8
1986	-22.2	+2.3	-1.0
<u>Change 1979/1986</u>	<u>-41.8</u>	<u>+11.8</u>	<u>-3.1</u>
<u>Baseline 1979</u>	4752	12282	17034
<u>Number 1986</u>	2768	13737	16505

(Source: Compiled from *ISD Scottish Health Statistics 1979-1986/7* Table 9.2(g))

Total ancillary WTE losses during the period 1979-1986 amounted to 9.8%. As Table 5.5 indicates, there has been a smaller percentage loss in actual numbers of jobs, but the loss is important nonetheless. Domestic services have experienced a 10.4% WTE employment reduction over this same period. As Table 5.6 illustrates, the actual number of jobs was only reduced by 3.1%. Thus, since 1979 the employment patterns suggested by domestic services and ancillary services as a whole, are a substantial reduction in full-time jobs, which appear to have to been offset by the growing number of part-time jobs. Moreover, since 1983 there has been a reduction in overall hours worked. Though domestic services, until 1986, experienced smaller relative total job losses than ancillary services as a whole, domestic services experienced a greater relative reduction in overall hours worked. Thus, there has been a larger relative increase in the numbers of part-timers employed in domestic services than in other ancillary services.

Changes in public service employment as a whole are generally reflected in the trends outlined above for ancillary employment in the NHS. The employment statistics compiled by

Rubery and Tarling (1989) suggest that between 1978 and 1984, public services experienced a net loss in female full-time equivalent positions, after a period of rapidly expanding part-time and full-time employment for women from 1971. Though total public service employment declined from 1978, Rubery and Tarling suggest that this loss was only marginal compared to the losses sustained by manufacturing and other industries. The relative stability of public service employment, then, is considered to be beneficial; it safeguards employment. Nonetheless, women accounted for 85% of the job losses incurred in the public sector which they argue could 'herald the beginning of a major loss for women in the public sector as a result of the government's policy of privatisation' (1989: 116).

The pattern of full-time job losses and reliance on part-time employment in public services associated with the privatisation agenda is a trend which weakens security of employment. This process of 'employment casualisation', as it is referred to, is generally described and explained as a problem of female employment. Thus Coyle argues

'As in other labour-intensive work, women get these jobs because they can be paid lower wages than men...This means that cleaners' pay rates are being set at a special rate (effectively a woman's rate) and this is making the application of the Equal Pay Act even more difficult than it is already' (1986: 224-225).

Health service domestic ancillary employment is predominantly, though not exclusively, carried out by women. Coyle's argument, however, refers not just to health service cleaning but to cleaning jobs generally. In this context in particular, the form of explanation adopted is somewhat weak, given that 25% of cleaners (industry-wide) are male. Moreover, though full-time male cleaners on average work more hours and have higher earnings than female full-time cleaners, relative to other manual employees, male cleaners earn only 76.9% of the average male wage while female cleaners earn 91.7% of the average female wage (NES 1984). (Incidentally, contracting-out policies have had a significant impact on local authority street cleansing and refuse collection services which largely employ male workers.)

It is true that the initial impact of privatisation policies has not been evenly distributed in terms of gender. Women are located in jobs where privatisation has had a far heavier toll. At the same time, it is important to further understandings of the differential impact of these policies and the patterning of social inequality more generally, with categories that fully and coherently encompass the diverse range of social practices and experiences.

Explanations of employment inequalities which use gender as an unspecified theoretical category are highly problematic. Divisions within the female and male labour forces need to be addressed, as they represent important processes which structure employment experiences. That is, 'women' and 'men' do not represent two mutually exclusive groups in which members within each group are equally placed. Thus, it is not sufficient to describe or explain the impact of privatisation policies on 'women' as an undifferentiated, homogeneous group; as if 'sexual divisions' fully encompass, or are necessarily the primary factors determining, processes structuring employment practices and inequalities. The gendered division of labour is clearly a powerful construct, but is insufficient in terms of providing an inclusive explanation of the range of domestic life and employment experiences evidenced by women and men.

The evidence which has accumulated regarding tendering exercises and measures aimed at increasing 'efficiency' in domestic ancillary services clearly suggests that the circumstances of the jobs concerned have deteriorated (NUPE 1985, 1986; Coyle 1986; Radical Health Statistics Group 1987; Hunt 1987; Cousins 1988). This is also borne out by my own study. There is, however, an important distinction which must be drawn between the circumstances of the job and those of the incumbents. In many studies, it appears to be assumed that the workforce is a constant, while the circumstances of the job change (*cf.* Coyle 1986; Cousins 1988) - in spite of increasing evidence which suggests that labour turnover is dramatically increasing as a result of the restructuring of ancillary employment. As Cousins notes in her study of contracting-out NHS ancillary services,

'Workers who were previously predisposed to accept low wages when the job offered security of employment, accommodation and non-pecuniary benefits such as a contribution to patient care, were no longer willing to accept the new terms and conditions' (1988: 224).

Cousins goes on to suggest that gender divisions explain the increasingly peripheral status of ancillary workers under privatisation. Thus, it is argued that contracting out

'has reinforced pre-existing gender relations by specifying work, which is seen to be appropriate for women, as even more low waged, insecure and dispensible' (1988:225).

While it is undoubtedly the case that gender divisions persist under privatisation, the form of explanation adopted dislocates gender relations from more general social processes (Siltanen, forthcoming). Despite recognising that the problem of labour recruitment and retention exists, as some workers (including many female workers) are not prepared to accept the terms and conditions of employment available in domestic ancillary work as a result of the changes brought about by contracting out the service, Cousins persists in arguing that gender accounts for the 'emerging segmentation of the labour force'. This is an unsatisfactory explanation inasmuch as it provides an inadequate description and explanation of the emerging forms of labour force differentiation which occur within, and not just across, gender distinctions.

The increasing significance of divisions within the female labour force is indicated by evidence from Rubery and Tarling's (1989: 121) study of women's employment in Britain during the period 1971-1985/6. Their study points to divisions between full-time and part-time workers, divisions between workers in union-regulated and unregulated employment, and divisions between adult and young workers. The deterioration in youth to adult pay is argued to be of particular significance: between 1979 and 1985/6, girls' (under 18) non-manual and manual average earnings declined by 6.5 and 7 per cent compared to females over 18 (1989: 120). Reductions in female full-time wages have largely been borne by young workers, a trend, it is argued, which will be exacerbated by the 1986 Wages Act which removes people under 21 from the scope of wages councils' legal minimum wage regulations.

It is true that the majority of ancillary workers are women, reflecting an aggregate pattern of gendered employment distributions. As Siltanen (forthcoming) argues, however, the aggregate pattern of gender inequality exists within a broader schema of social organisation and inequality that also stratifies women's employment. Though the domestic ancillary workforce examined in this study is predominantly female, gender divisions fail to fully explain the changing distribution of domestic ancillary jobs observed. The transformation in the domestic ancillary workforce profile, which has resulted from the restructuring of domestic ancillary employment brought about by the efficiency initiatives, is striking. But the findings of the research suggest that rather than gender processes, the relations between household circumstances and employment provide a clearer understanding of the way in which employment is structured.

The difficulties in recruiting and retaining workers was an important theme in the present study. The domestic managers indicated that approximately 50-60% of the people presenting themselves for job interviews were

'unsuitable - unemployable...We contacted the job centre about the type of people they were referring to us - untidy and dirty. Hospital cleaning is an important job and an indicator of how well people will clean and how important cleanliness is to them is reflected in their presentation and personal hygiene' (Domestic Manager Hospital A).

The actual rate of turnover was felt to be high, particularly for certain shifts and for 'relief workers'. Relief workers are those who have not worked long enough to be placed permanently in a particular ward or area of the hospital, and whose place of work changes constantly. The introduction of new cleaning frequencies and work schedules entails phasing out the tradition of allocating domestics their 'own ward', as workers are required to be more 'flexible' and cover any area of the hospital where they may be needed. In effect, an increasing proportion of the workforce remain 'relief workers', an ominous prospect for problems of staff retention.

The 'problem' turnover rates were those that occurred in the first 4 weeks of employment. If a worker stayed for 3 months, then the likelihood of her/him staying for at least 6 months, if not

much longer, was felt to be reasonable in terms of staff turnover. The shift that was identified as the most problematic was the evening shift (generally from 5.00 to 8.30 pm, with some variation at either end); this shift, largely staffed by married women with young children, was particularly difficult to fill.

Moreover, the location of the hospitals was regarded as an increasingly important factor contributing to the difficulty in recruiting staff, particularly for the part-time shifts which, as a result of the measures to effect 'efficiency savings', were fast becoming the only source of domestic employment. The 'catchment' areas of the hospitals were not considered to be optimal for the kinds of workers who would be looking for domestic work, or alternatively whom management considered to be appropriate for the job. The hospitals were located in areas largely inhabited by higher-income families in owner-occupied housing or by students and young people in privately rented accommodation. Traditionally, the majority of the staff had travelled from outlying council estate areas (within a 15 mile radius) by public transport. Hence, the disadvantages of working part-time, especially less than 20 hours per week, often outweighed the advantages, given the time spent travelling and the travel costs in relation to wages obtained. This was particularly the case for married women with children, where both time away from home and the relative amount of money gained through part-time employment are carefully balanced.

At Hospital A (where I obtained information relating to labour turnover over a period of almost 16 months), 128 staff left. This may be compared to an average of 143 staff in post over the same period. These figures, summarised in Table 5.7, relate to the year in which the bonus was introduced. The managers suggested that though they could not quantify the turnover rates, they did perceive the problem to be increasing. This degree of labour turnover has, however, facilitated the introduction of the bonus and other efficiency exercises - both now and in the past. Redundancies are unnecessary because leavers are simply not replaced.

Table 5.7 Hospital A: Labour turnover

(Week ending 6/4/86 - 31/5/87)

	Mean SIP Per Week	Total Left	Total Start	% Start/Left
Individual SIP 1	143	128	119	93.0
WTE 2	107	79	65	82.6

1 SIP Staff in post

2 WTE Whole Time Equivalentents

As Table 5.7 indicates, only 93% of leavers were replaced. The WTE figures are revealing on this point too, indicating that even fewer work hours are being replaced. Overall, there has been a loss of almost 20% of total hours worked in this period. Of the leavers, 42% had been employed for less than eleven months (representing 38% of the average numbers of staff in post during the period.) The mean length of service of these leavers was 12.5 weeks, ranging from 1-42 weeks. In contrast, the average length of service for all staff in post at the time of the study was six years. At Hospital B, I did not have access to as much data, but I was able to ascertain that there were 370 new recruits during the year in which the bonus was introduced. This compares to an estimated average of 449 staff in post over the 12 month period. Given that the hospital was reducing the number of people employed over this period, the number of leavers was undoubtedly greater than 370. Thus the two hospitals would appear to have similar labour turnover profiles.

Reshaping the Workforce Profile

Though I am unable to provide an exact measurement of the changing rates of labour turnover in my study, it does appear that they are increasing. A related but perhaps more critical issue, however, and one which has not been adequately addressed in other studies concerning the impact of privatisation on employment, relates to the repercussions of the process in which jobs are restructured on the profile of the workforce itself. That is, rather than assuming that the impact of the alterations to employment is uniformly encountered by

'the female workforce', the pattern of divisions within the female workforce and the differential effect of employment changes on workers is considered to be a highly salient issue. In considering the effects of the changing full- and part-time employment opportunities on the profile of the domestic workforce, it is important to recognise that the intensification of the work process, together with the downward pressure on wages effected by the reduction in hours worked, is reflected in a profile of domestic workers which has changed significantly.

For the combined domestic ancillary workforce (N=204), I was able to collect information relating to sex, age, age at recruitment in current job, length of service, marital status, basic weekly hours, shift worked, and residence locality. In exploring the relationship between the changing employment structure and profile of the workforce, a comparison was made of the workers employed before and after the period in which the bonus was introduced⁴. As was noted in Chapter 4 regarding the research design, because the domestic ancillary workforce at each of the two hospitals in the study are very similar, and because the effects of the bonus have had a similar impact on the working conditions and general workforce profile, I have for the most part presented the analysis as it pertains to the total combined domestic ancillary workforce. It is important, however, to consider the differences between the workforces where they exist because the aggregate patterns observed for the combined workforce may distort actual social practices and experiences, by obscuring salient relationships or, alternatively, creating associations which are without basis. This is indeed

⁴ For a fuller account of the procedure for determining the period in which the bonus was introduced, the reader is referred back to the discussion on instrumentation and data analysis (Chapter 4, 'Research Design'). The information obtained for the main sample of workers in domestic employment at the time of the study (N=204) permits an appropriate distinction of employment practices 'before' and 'after' the bonus because I have access to relevant information was obtained for the entire sample population of employees. Thus, workers categorised as employed 'before the bonus' are those who were employed before the start of the calendar year in which the bonus was introduced, and workers categorised as employed 'after the bonus' are those who were employed in the calendar year that the bonus was actually introduced (ie. in the months before, in addition to those after, the official date of the commencement of the bonus). In other words, those categorised as employed 'after the bonus' were employed over an 18-month period before and including the time of the study. Those employed 'before the bonus' were employed prior to 18 months before the time of the study.

the case when the issue of gender divisions within the domestic ancillary workforce is addressed. Thus, before proceeding with a discussion on the effects of the efficiency initiatives on the profile of the domestic ancillary workforce population, I will deal with the issue of gender divisions in some detail. The issue of gendered employment practices is important both because the two hospitals contrasted sharply regarding male employment, and because this issue is the substance of my investigation.

Gender divisions within domestic ancillary employment

Domestic ancillary workers are almost exclusively female. In 1986, the year before the study, only 1.3% of the domestic ancillary workforce in Scotland were male. Eight of the 204 workers in the current study were male, representing 3.9% of the combined domestic ancillary workforce. While this figure is very small, the proportion of males in this study is bigger than that evidenced for the national domestic ancillary workforce. Also, there was a slight, but not statistically significant, increase in the proportion of males recruited after the bonus (4 of 75, or 5.3%) compared to those recruited before (4 of 129, or 3.1%).

In comparing the full- and part-time employment of male and female workers before and after the bonus for the combined domestic ancillary workforce, it would appear that the trend toward employing part-timers is an entirely female rather than male phenomenon. As will become apparent, however, it is incorrect to simply assume that the differences in employment patterns observed for the domestic ancillary workforce accurately reflects processes of gender differentiation in employment practices. Table 5.8 below shows the distribution of full- and part-time hours by sex before and after the bonus for the combined domestic ancillary workforce. Due to the very small number of male cases, I am not able to use either Chi as a measure of significance or Fisher's Exact test in directly comparing female and male recruitment patterns. It would appear to be the case, however, that the pattern of recruitment into full- and part-time jobs for female and male employees, is quite different.

Table 5.8 Hours worked by sex before and afterbonus

Hours	Before Bonus		After Bonus	
	Female No.(%)	Male No.(%)	Female No.(%)	Male No.(%)
35+	43(34)	3(75)	5(7)	3(75)
<u><=30</u>	<u>82(66)</u>	<u>1(25)</u>	<u>66(93)</u>	<u>1(25)</u>
Total	125(100)	4(100)	71(100)	4(100)

The change in full- and part-time employment for women and men before and after the bonus can, however, be indirectly compared. As Table 5.9 indicates, the ratio of female part-timers to full-timers employed before the bonus was 2:1, but after the bonus the ratio was 13:1, an increase that was significant and moderately strong. On the other hand, the ratio of males employed full- and part-time before and after the bonus did not change. Only one of the four (25%) male workers recruited before and after the bonus was employed part-time.

Table 5.9 Hours worked before and after bonus by sex

Hours	Female ⁵		Male ⁶	
	Before Bonus No.(%)	After Bonus No.(%)	Before Bonus No.(%)	After Bonus No.(%)
35+	43(34)	5(7)	3(75)	3(75)
<u><=30</u>	<u>82(66)</u>	<u>66(93)</u>	<u>1(25)</u>	<u>1(25)</u>
Total	125(100)	71(100)	4(100)	4(100)

While ostensibly male employees appear to have a different and more privileged experience than female employees regarding the full-time basic weekly hours they have managed to secure, the type of shift worked by these male recruits is quite different - much less desirable - than that worked by female full-timers. Moreover, significant differences

⁵ Chi 18.33, p<0.001, Phi=0.31

⁶ Fisher's Exact=0.57 - not statistically significant.

emerged between the two hospitals regarding the employment of male workers, which suggests that gender divisions at the individual level - discriminatory practices against the female workers employed - are not really evident. First, concerning the type of shift worked, all of the male full-timers worked a split-shift from 7:00 am to 12 noon and again from 5:00 to 8:00 pm; none of the female full-timers employed after the bonus worked a split-shift, and only one of the female full-timers employed before the bonus worked a split-shift. I interviewed five of the six male full-timers and the female full-timer working the split-shift. The split-shift was strongly disliked by all because it entailed both starting the working day very early and not completely finishing until the late evening; it also doubled the cost of transportation to and from work (bus fares) if employees went home between shifts. It was, however, the only form of full-time employment that was open to them. Second, and more important, the two hospitals had very different patterns of male employment. At Hospital A, only 2 of 142 employees were male; males constituted only 1.4% of the entire workforce at this hospital. This figure is very close to that observed for domestic ancillary employment nationally. At Hospital B, however, 6 of the 62 workers employed in the unit (10%) were males, a considerably larger proportion than that observed at the national level.

Table 5.10 Sex by employment location⁷

	Hospital A	Hospital B
<u>Gender</u>	<u>No.(%)</u>	<u>No.(%)</u>
Female	140(98)	56(90)
<u>Male</u>	<u>2(2)</u>	<u>6(10)</u>
Total	142(100)	62(100)

As Table 5.10 illustrates, the difference between the two hospitals regarding the number of males employed is significant. Furthermore, the difference between the two hospitals regarding the distribution of full-and part-time hours for male employees is both significant and substantial, as indicated in Table 5.11.

⁷ Chi 7.82, p<0.01, Phi=0.20 (Pirie-Hamden correction of Chi)

Table 5.11 Hours worked by employment location for male recruits⁸

Hours	Hospital A	Hospital B
	No.	No.
35+	0	6
≤30	2	0
Total	2	6

At Hospital A, then, both of the male workers (one recruited before and one after the bonus) were employed part-time, whereas all the male workers considered at Hospital B (3 recruited before and 3 after the bonus) were employed full-time. While the number of males employed at Hospital A was very small, they were not more favourably treated than female workers. Indeed, their marital status, age and time of employment, rather than gender, better explains their working hours obtained. Most of the workers over 55 years in this study were employed part-time; the male recruited before the bonus was 63 years of age at the time of the study. The male recruited after the bonus was previously married, aged 30 years and, like all the other (female) recruits after the bonus who were single or previously married and aged 26-30 years, was employed part-time.

At Hospital B, a much larger proportion of the domestic workforce studied was male (10%), and all of the males recruited, both before and after the bonus, were employed full-time. Table 5.12, which compares hours worked by sex at Hospital B, indicates that the higher level of male to female full-time employment is significant, with the relationship between hours worked and sex being moderately strong.

⁸ Fisher's Exact=0.036, Phi=0.83

Table 5.12 Hours worked by sex at Hospital B⁹

Hours	Female	Male
	No.(%)	No.(%)
35+	18(32)	6(100)
≤30	38(68)	0
Total	56(100)	6(100)

This interpretation is only partially correct, however, and is misleading in that it does not go far enough. Again, when the pattern of employment is further disaggregated and analysed not simply in terms of gender differences, but in terms of marital status and age, for example, a more complex social arrangement is evidenced. Table 5.13 provides quite a different picture of the distribution of full-and part-time employment between female and male recruits than that suggested by Table 5.12.

Table 5.13 Hours worked by sex and by marital status at Hospital B

Hours	Single ¹⁰		Previously Married ¹¹		Married ¹²	
	Female	Male	Female	Male	Female	Male
	No.	No.	No.	No.	No.	No.
35+	5	4	2	1	10	1
≤30	2	0	4	0	33	0
Total	7	4	6	1	43	1

The above table indicates that there is no significant relationship between gender and hours worked for single, previously married and married recruits respectively. The disaggregation of data with such small numbers poses difficulties in establishing relationships with

⁹ Chi 6.42, $p < 0.01$, $\Phi = 0.4$ (Pirie-Hamden correction of Chi)

¹⁰ Fisher's Exact=0.38 - not statistically significant, $\Phi = 0.02$

¹¹ Fisher's Exact=0.43 - not statistically significant, $\Phi = 0.06$

¹² Could not perform statistical test of significance, $\Phi = 0.00$

statistical significance. Even so, in the pattern observed for single employees, for example, it may be argued that gender is of no particular significance in determining the full- and part-time hours worked. This is further substantiated by the fact that of the two single recruits working part-time, one was 58 years old and, as indicated above, older workers in this study predominantly work part-time. Age, rather than gender, then, would appear to be a more accurate indicator of employment arrangements for the single recruits; it is also an important factor determining the hours worked by previously married and married recruits. The mean (and median) age of married and previously married female full-time workers was 44 and 48 years respectively. In contrast, the age of part-time workers was spread over a larger range than full-timers, but can be divided into two groups of younger and older workers. Thus, of the previously married part-time workers, one was aged 63 years and the mean age of the other three was 40 years. Of the married part-time recruits, the mean age of workers aged under 50 years was 35 years and the mean age of those aged 50 and over was 55 years. As Table 5.14 shows, for ever-married female workers, full-timers are predominantly in their 40's, while part-timers are predominantly either under 40 years of age or 50 years and over. The relationship between age and hours worked for these workers is significant and moderately strong.

Table 5.14 Hours worked by age for ever-married female workers at Hospital A¹³

	40-49	Other	Total
Hours	No.(%)	No.(%)	No.(%)
Full-Time	8(62)	5(38)	13(100)
Part-Time	10(29)	25(71)	35(100)

The relationship between age and hours worked evidenced here underlines the relations between social circumstances and employment; in particular, the way in which employment is structured by opportunity and need. In the absence of more detailed information for the

¹³ Chi 4.37, p<0.05, Phi=0.3 (Pirie-Hamden correction of Chi)

domestic ancillary workforce, age and marital status serve as 'proxy' measures of domestic responsibilities. As other, large-scale studies of women's employment have shown (Rimmer and Popay 1981; Joshi 1984; Martin and Roberts 1984), age and marital status are strong indicators of employment activity rates, as they reflect other life cycle factors. But factors such as the presence of dependent children, the age of the youngest child, generation cohort, presence of a spouse, income of spouse, and so on are much more closely associated with employment activity rates for ever-married women than is age. The pattern of employment observed for the ever-married female workers considered here is similar to that found in the larger surveys of women's employment. For example, the Women and Employment Survey (Martin and Roberts 1984:17) found that the proportion of part-time workers increased with age among the younger age groups, peaking among women in their early thirties who were most likely to be caring for young children. The mid-thirties represented a transition period in which the proportion of women working part-time decreased with age until they reached their late forties.

The main point to be drawn from this examination of apparent gender differences within domestic ancillary employment is that as a theoretical construct, 'gender or sexual division' does not have meaning across all areas of social experience. Rather, as Siltanen (1986) argues, gender division is a special case of a more general structuring of employment in relation to domestic responsibilities. Domestic circumstances are important in structuring employment for women and men, though the relationship is perhaps more complex for women. This argument will be more fully developed in the research presented below.

Domestic ancillary workers before and after the bonus

The age profile of cleaners (both in the NHS and those employed in private industries and services) indicates that this group has historically been older than the national comparator age group generally used, that is, manual unskilled workers in all industries and services; this was established by the NBPI in 1971. A more recent study of cleaners in the civil service conducted by the Low Pay Unit (1981), indicated that the great majority of cleaners

were part-time workers between the ages of thirty-five and fifty-nine, and married with family responsibilities; young workers were found to be a rarity. In fact, Dex (1984) suggests that young women and childless women rarely experience part-time work at all; that part-time work in Britain is much more prevalent among women who have had children. (Unlike in the U.S or Canada, there have been relatively few young workers - male or female - working part-time in Britain. This pattern is, however, changing and is reflected in the pattern of recruitment of domestic ancillary employees presented here.)

Though NHS domestics have typically worked longer hours than other cleaners, the efficiency exercises have resulted in shorter hours worked by those recruited after the bonus. This applies for both 'leavers' and 'starters' (N=247; examined in Tables 5.1 and 5.7) and for the combined domestic ancillary workforce in post (N=204) at the time of the study¹⁴. The reduction in hours worked by new recruits was found to be highly significant, particularly in light of the trend away from employing full-timers (defined as working 35 hours per week or more) to employing workers for less than 25 hours per week (p.<0.001).

Table 5.15 Hours worked before and after Bonus¹⁵

	Before Bonus	After Bonus	Total
Hours	No.(%)	No.(%)	
35+	47(36%)	8(11%)	55
<25	49(38%)	43(57%)	92
Total	96(74%)	51(68%)	147

As Table 5.15 indicates, before the bonus was introduced 36% of employees worked full-time; in contrast, only 11% of those employed after the bonus worked full-time. The reduction in numbers employed full-time after the bonus is counteracted by the employment

¹⁴ There are no significant gender distinctions for the results reported in this section that are not already fully discussed in the section 'Gender divisions within domestic ancillary employment.'

¹⁵ Chi 15.75, p.<0.001, Phi =0.33

of proportionately more workers for less than 25 hours per week. After the bonus, 57% of recruits worked less than 25 hours per week, compared to 38% of recruits before the bonus.

It might be thought that the significant increase in numbers employed part-time translates to an equivalent increase in the numbers of married women employed. This, however, is not the case. As Table 5.16 shows, for those recruited before the bonus, the relationship between marital status and hours worked (full- or part-time) was significant ($p < 0.001$), though the relationship was only moderate (Phi 0.32) - a notable proportion of married employees worked full-time (26%) and an even larger proportion of single employees (40%) worked part-time before the bonus. For those recruited after the bonus, however, the relationship between marital status and hours worked is no longer significant.

Table 5.16 Marital status¹⁶ by hours worked before and after bonus

Hours ¹⁹	Before Bonus ¹⁷		After Bonus ¹⁸	
	Married	Single/PM	Married	Single/PM
	No.(%)	No.(%)	No.(%)	No.(%)
35+	24(19%)	22(17%)	6(8%)	2(3%)
≤30	68(53%)	15(12%)	42(56%)	25(33%)
Total	92(72%)	37(29%)	48(64%)	27(36%)

After the bonus was introduced, 33% of those who worked 30 hours per week or less were single/previously married whereas before the bonus, these workers comprised only 12% of employees who worked 30 hours per week or less. The change in hours worked by single recruits (as opposed to previously married or married recruits) after the bonus compared to before is more dramatic, however, than these figures suggest. While the majority (56%) of married recruits after the bonus continue to work 30 hours per week or less, this proportion is relatively unchanged from that existing before the bonus (53%). In focusing on single workers alone, on the other hand, it is clear that there has been a marked reversal in the pattern of full and part-time employment undertaken by single recruits. Only 40% (8 of 19) of single employees recruited before the bonus worked part-time, compared to 90% (17 of 19) of single employees recruited after the bonus. Not only do the vast majority of single

¹⁶ The information on marital status that was available for the entire sample distinguished between married, single and the divorced or widowed (the latter two groups I refer to as 'previously married'). This information does not, however, distinguish those who may be single parents who have never married or those individuals who are co-habiting. In this and other tables, I have combined the 'previously married' (n=26) with the 'single'; the distribution of shifts and hours worked by the previously married, though somewhat different to that of single workers, corresponds more closely to these workers than to married workers. As might be expected, the majority of 'single' workers are under 30 and the majority of 'previously married' workers are older. Where differences between single and previously married workers occur these are reported.

¹⁷ Chi 12.81, p<0.001, Phi 0.32

¹⁸ Chi 0.46, p>0.05 - not statistically significant (Pirie-Hamden correction of Chi).

¹⁹ No shift entailed working between 30 and 35 basic weekly hours. Though the NHS definition of full-time is 40 hours per week for domestic ancillary workers, for this study, unless otherwise indicated, I have defined full-time as 35 hours per week or more, and part-time as 30 hours per week or less.

workers recruited after the bonus work part-time, the proportion of single workers (compared to married or previously married) employed after the bonus (25%, or 19 of 75) is almost double that existing before the bonus (15%, or 19 of 129).

There has, however, been another more striking change in the profile of domestic recruits. As Figure 5.1 illustrates, there has been a noticeable downward shift in the age at which workers are recruited after, compared to before, the bonus. Before the bonus, the recruitment age of 50% of the workers was 38 years and under; after the bonus, the recruitment age of 50% of the workers was 28 years and under. Perhaps more remarkable is the fact that before the bonus the recruitment age of 25% of the workers was 29 years and under; the equivalent recruitment age after the bonus was 21 years and under. None of the workers employed before the bonus were recruited at age 17 years whereas after the bonus, though the number is very small, 5% of recruits were aged 17 years. At the other end of the age spectrum, 6% of recruits before the bonus were aged 56-60; after the bonus, there were only 2% of recruits in this age group.

Figure 5.1 Age at recruitment in current job before and after bonus

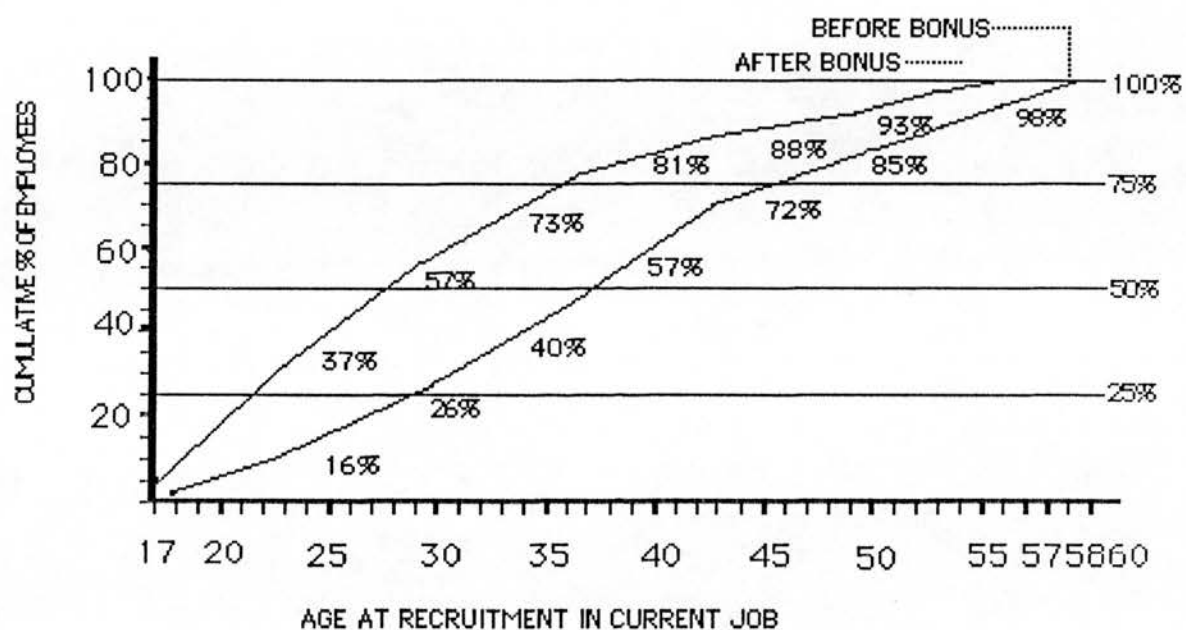
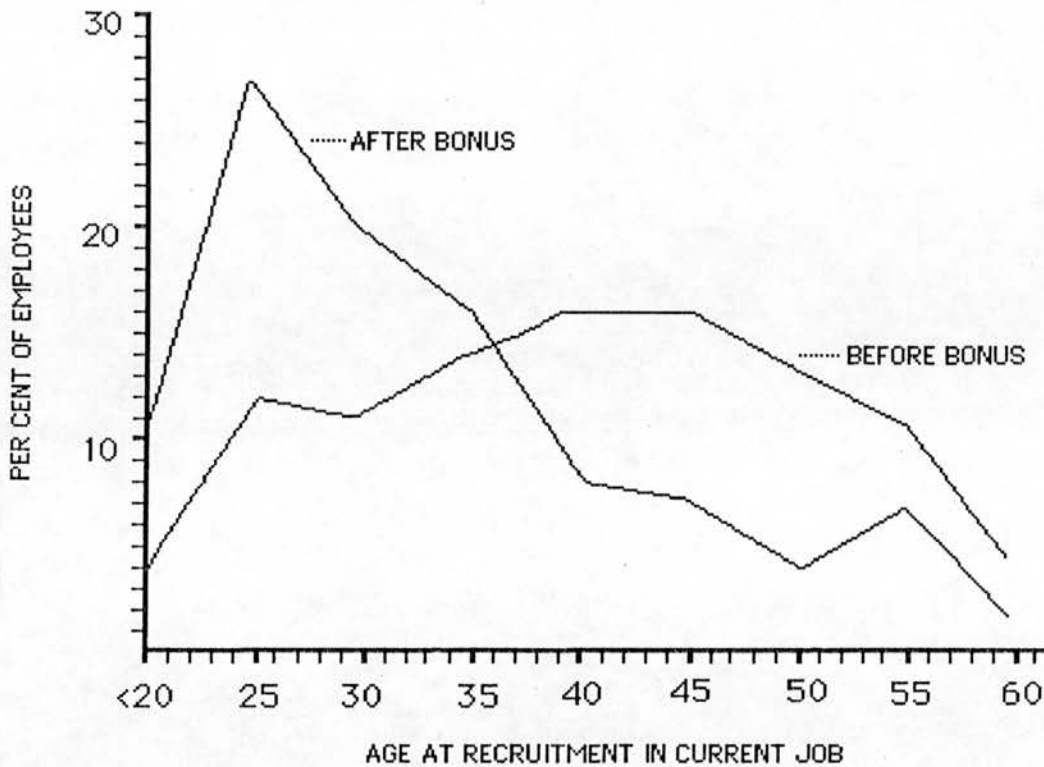


Figure 5.2 Age at recruitment in current job before and after bonus



Examining the age profile of recruits from a slightly different perspective, Figure 5.2 provides an interesting illustration of the distribution of recruits in different age groups before and after the bonus. The distribution of recruits before the bonus was fairly evenly spread across all age bands, though recruitment was highest for those aged 36-45 years and lowest for those aged under 20 or over 55 years. In contrast, after the bonus, the distribution of recruits was skewed toward the 20-30 age band, especially those aged 20-25 years²⁰. The majority

²⁰ For obvious reasons, age at recruitment rather than current age is used to consider the changing age profile of the domestic workforce. Having analysed the profile of those 'leavers' for whom I had information relating to age and length of service, the higher ratio of younger recruits employed after the bonus (Figures 5.1 and 5.2) cannot be attributed to higher labour turnover for younger workers. The mean age of those who left during the period in which the study was being conducted (2 months) was 30 years. Half of these leavers (9) were 'army wives' (mean age 28 years), and the reason they were leaving was because their husbands were being posted elsewhere. Not only were there relatively more leavers during this time, compared to other times of the year, but moreover, these 'army wives' were somewhat younger than the other leavers. The mean age of the remaining 9 leavers, excluding the 'army wives', was 32 years (range 19-47 years, with 4 of the 9 in their early-to-mid thirties). While the leavers in this particular two month period are not necessarily representative (because of the presence of so many army wives), as the reference period for the time 'after the bonus' covers 18 months, the recruitment and loss of

of recruits after the bonus (57%) were located in the 17-30 age band. Before the bonus, the largest proportion of recruits (74%) were over 30 years of age. Thus the proportion of recruits aged 30 and under more than doubled, from 26% to 57% of recruits, while the recruitment of workers aged over 30 years fell by almost one-half. There was only one age band, that of recruits aged 31-36, which was relatively unchanged after compared to before the bonus, with 14% of recruits before and 16% after the bonus aged 31-36 years. Thus it appears that the restructuring of domestic work has not only altered the hours worked by married and single or previously married recruits, but has also altered the age profile of the domestic workforce, as evidenced by the sharp increase in the proportion of younger workers aged 17-30 and the drop in the recruitment of older workers aged over 35 years.

The change in the distribution of recruits aged 30 years and under, compared to those aged over 30 years before and after the bonus is, in fact, significant and, as Table 5.17 shows, moderately strong.

workers considered in the analysis of trends before and after the bonus is, I would argue, representative. From my information, then, workers aged 30 years and under do not have a higher rate of labour turnover than older workers. If anything, the highest rate of labour turnover is for workers in their early thirties, many of whom were employed on the evening shift which, as identified by management, was the most difficult to fill, and where the greatest amount of labour turnover occurred. I have also compared the length of service of younger and older recruits for the 18-month period after the bonus was introduced; these findings indicate that the mean length of service of younger workers, particularly those 25 years and under, is noticeably longer than that of older workers. The mean length of service of recruits aged 30 years and under (n=45) is 7.1 months while that for workers aged over 30 (n=30) is 5.8 months. Recruits aged 25 and under (n=29) have a mean length of service of 7.5 months which compares that of 6 months for workers aged 26-30 (n=16). These figures would suggest, then, that younger workers are no more likely to leave their job sooner than older workers.

Table 5.17 Age at recruitment in current job before and after bonus²¹

Age Group	Before Bonus	After Bonus
	No.(%)	No.(%)
17-30	34(26%)	43(57%)
31+	95(74%)	32(43%)
Total	129(100%)	75(100%)

As Table 5.18 indicates, the decrease in the proportion of recruits aged 41-50 years after the bonus, compared to the increase in recruits aged 30 years and under, is more substantial than the change observed in Table 5.17 which compared the younger age band and all workers aged over 30 years.

Table 5.18 Age at recruitment before and after bonus²²

Age Group	Before Bonus	After Bonus	Total
	No.(%)	No.(%)	
17-30	34(26%)	37(29%)	71
41-50	58(45%)	7(8%)	65
Total	92(71%) ²³	44(37%) ²⁴	136

Considering the change in weekly hours worked by different age bands, Table 5.18 shows that for the younger age band, there was a significant decrease in the recruitment of full-time workers (defined as working 35 hours per week or more) and an increase in the recruitment of part-time workers (working 30 hours per week or less) after the bonus. This is not the case for the older age band (36-50 year-olds), where the change in numbers employed full- and part-time before and after the bonus was not found to be statistically significant.

²¹ Chi 19.4, $p < 0.001$, Phi = 0.32

²² Chi 26.5, $p < 0.001$, Phi = 0.44.

²³ Per cent of total sample population employed before bonus (n=129)

²⁴ Per cent of total sample population employed after bonus (n=75)

Table 5.19 Weekly hours worked by age group before and after bonus

Hours	Age Group 17-30		Age Group 36-50	
	Before Bonus No.(%)	After Bonus No.(%)	Before Bonus No.(%)	After Bonus No.(%)
35+	15(44%)	4(9%)	21(36%)	3(21%)
<30	19(56%)	39(91%)	37(64%)	11(79%)
Total	34(100%)	43(100%) ²⁵	58(100%)	14(100%) ²⁶
30+	22(65%)	15(35%)	41(71%)	6(43%)
<30	12(35%)	28(65%)	17(29%)	8(57%)
Total	34(100%)	43(100%) ²⁷	58(100%)	14(100%) ²⁸

For both age bands, however, there was a significant decrease in the recruitment of employees working 30 or more hours per week after the bonus, and a corresponding increase in the recruitment of employees working less than 30 hours per week. The impact of the efficiency measures on employment terms and conditions appears to have discouraged potential employees aged between 36 and 50 years from engaging in domestic employment. For the small number in this age group who did take up domestic employment, a much larger relative proportion worked less than 30 hours per week after the bonus (57%), than before the bonus (29%). The efficiency measures have also resulted in more younger workers being recruited and have had a striking impact on the hours worked by the younger age band (17-30 year olds). In contrast to employees recruited before the bonus, where 44% worked 35 hours or more per week, very few new recruits in this age group (only 9%) were employed full-time. Similarly, only 35% of those in this age group

²⁵ Chi 6.76, p.<0.001, Phi =0.4 (Pirie-Hamden correction of Chi).

²⁶ Chi 1.10, p.>0.05 - not statistically significant (Pirie-Hamden correction of Chi).

²⁷ Chi 6.76, p.<0.01, Phi =0.3

²⁸ Chi 3.84, p.<0.05, Phi =0.23 (Pirie-Hamden correction of Chi).

employed before the bonus worked less than 30 hours whereas 65% of those employed after the bonus worked fewer than 30 hours per week.

The pattern of recruiting proportionately more younger workers can be understood in terms of the differences in relation to household maintenance of these recruits compared to older single and married recruits. Information obtained from the interviews affords a better insight into the social circumstances of these workers. For example, the accommodation arrangements of workers 30 years and under, compared to workers over 30 years of age, may be contrasted. Of the interview respondents aged 30 years and under, 50% (15 of 30) were non-householder; that is, nearly half of these respondents were lodgers or boarders, the majority with relatives, though two lived in the staff residencies at the hospital (which provided subsidised accommodation). The large majority of these non-householders were single: 87% (13 of 15) of the single respondents in this age range, compared to 14% (2 of 14) of married respondents were non-householders. There was only one previously married respondent in this age bracket and this person was a non-householder. Thus, only 13% (2 of 15) of the single respondents in this age group were householders (both of whom rented their accommodation). As Table 5.20 indicates, the housing responsibilities of the interview respondents who were over 30 years of age is very different from that found for the younger age group. This difference is both significant and substantial ($p < 0.001$, $\Phi = 0.6$).

Table 5.20 Age of Interview respondents by housing responsibilities²⁹

Age	Householder	Non-Householder	Total
≤30	15	15	30
≥30	45	1	46
Total	50	16	76

Only one of the respondents interviewed in the older age group ($n=47$) was a non-householder, and this person was single. Almost the entire sample of respondents aged

²⁹ Chi 30.0, $p < 0.001$, $\Phi = 0.63$ (Pirie-Hamden correction of Chi). There was 1 missing case.

over 30 years, who were predominantly married (77%, or 36 of 47) or previously married (19%, or 9 of 47), were householders: 26% (12 of 46) owned their own homes, but the majority (74%, or 34 of 46) lived in rented housing. Furthermore, 26% (12 of 47) of these respondents received 'dig money' from a boarder/logder who was a relative, usually a son/son-in-law and/or daughter/daughter-in-law.

The relationship between marital status and housing responsibilities was found to be stronger still³⁰. Of the sample of single interview respondents (n=17), only 29% (5) were householders, while 71% (12) were non-householders. On the other hand, of the sample of married/previously married interview respondents (n=58), only 5% (3) were non-householders while the vast majority, (95%, or 55 of 58), were householders. It is clear, then, that the pattern of recruitment of younger and single workers into the part-time hours available for domestic employment and the diminishing proportion of older workers recruited reflects salient aspects of household maintenance responsibilities. Setting aside, for the moment, the issue of the desirability of young single workers continuing to live at home and remaining partially dependent on their parents, or the workers' aspirations toward a more independent living situation, these respondents were not burdened with the immediate financial pressures to independently (or even jointly) maintain a household.

Using the distinction between full-wage and component-wage jobs outlined by Siltanen (1986), it is suggested that the changing pattern of recruitment in domestic ancillary work evidenced in this study can be explained in terms of the changing job-type and household maintenance responsibilities of recruits. Domestic ancillary employment has essentially always provided what are best described as 'component-wage jobs', which do not enable the incumbent to be independently financially responsible for the maintenance of a household (1986: 110). But, as a result of the changing employment opportunities, the component-wage jobs now available to new recruits in domestic employment are drawing a

³⁰ Chi 42.1, p<0.001, Phi=0.75

larger proportion of younger workers with considerably fewer financial responsibilities, and a smaller proportion of workers with fuller financial responsibilities.

The structuring of employment in terms of the social circumstances of incumbents, as reflected in household maintenance responsibilities, is further evidenced in the recruitment pattern of workers aged over 35 years. There has been no significant change in the ratio of married and single/previously married respondents before and after the bonus, when comparing workers aged 30 years and under and those over 30 years (Table 5.21). At the same time, the increase in the proportion of younger workers (ages 17-30) after the bonus is significant (and moderately strong) for married and single/previously married workers alike (Table 5.22). But a closer examination of recruits aged over 35 years, and particularly those over 50 years, reveals a different pattern.

Table 5.21 Marital status before and after bonus by recruitment age group

Marital Status	Age Group 17-30 ³¹		Age Group 31+ ³²	
	Before Bonus	After Bonus	Before Bonus	After Bonus
	No.(%)	No.(%)	No.(%)	No.(%)
Married	19(15%)	24(32%)	72(75%)	24(73%)
Single/PM	15(12%)	19(25%)	24(25%)	9(27)
Total	34(100%)	43(100%)	96(100%)	33(100%)

³¹ Chi 0.00, p.>0.99, -not statistically significant

³² Chi 0.07, p>0.80, not statistically significant

Table 5.22 Age at recruitment by marital status before and after bonus

Age Group	Single/Previously Married ³³		Married ³⁴	
	Before Bonus	After Bonus	Before Bonus	After Bonus
	No.(%)	No.(%)	No.(%)	No.(%)
17-30	13(35)	18(67)	20(22)	24(50)
31+	24(65)	9(33)	72(78)	24(50)
Total	37(100)	27(100)	92(100)	48(100)

Table 5.23 Marital status before and after bonus by recruitment age group

Marital Status	Age Group ³⁵		Age Group ³⁶	
	36-50		51+	
	Before Bonus	After Bonus	Before Bonus	After Bonus
	No. (%)	No.(%)	No.(%)	No.(%)
Married	44(76%)	13(93%)	13(72%)	1(17%)
Single/PM	14(24%)	1(7%)	5(28%)	5(83%)
Total	58(100%)	14(100%)	18(100%)	6(100%)

Though the recruitment of workers aged over 35 years after the bonus declined for all workers (married , single and previously married), as Table 5.23 indicates, there was a larger (but not statistically significant) drop in the proportion of single/previously married recruits aged 36-50 years, compared to married recruits. After the bonus there was only 1 previously married respondent employed in this age band, with married workers making up an even larger proportion after the bonus (93%) than before (76%). In contrast, for recruits aged over 50 years, there was a significant and substantial increase in the proportion of

³³ Chi 9.44, $p < 0.01$, Phi=0.49 (Pirie-Hamden correction of Chi)

³⁴ Chi 10.74, $p < 0.001$, Phi=0.34

³⁵ Chi 1.98, $p > 0.10$, Phi =0.17 (Pirie-Hamden correction of Chi).

³⁶ Chi 5.62, $p < 0.02$, Phi 0.=49 (Pirie-Hamden correction of Chi).

single/previously married workers, and a corresponding decrease in the proportion of married recruits. Thus whereas before the bonus, single/previously married recruits represented only 28% of those recruits aged over 50 years, after the bonus, they represented 83% of this age band.

This pattern may be explained in terms of the hours typically worked by recruits in these age bands. For example, the virtual absence of single and previously married recruits in the 36-50 age group recruited after the bonus maybe explained by the lack of full-time employment opportunities. Of the 14 'single/previously married' employees recruited in this age group before the bonus, 11 were previously married and 3 were single. All 3 single respondents worked full-time and 6 (55%) of the previously married respondents worked full-time. Thus, 64% of the single and previously married recruits had worked full-time before the bonus, compared to only 7% after the bonus.

On the other hand, before the bonus the mean hours worked by married recruits aged 50 and over compared to single/previously married recruits was considerably greater: 29 basic hours per week compared to 22 basic hours per week respectively. This differential, with married recruits in this age band working more hours than single/previously married recruits, is maintained in the pattern of recruitment after the bonus. It appears that single/previously married recruits have not been discouraged from pursuing domestic employment because of the reduced hours available for employment, whereas potential married recruits have. Thus, with the reduced opportunities for full-time work, potential recruits aged 36-50 who are single or previously married, the majority of whom would have worked full-time, seem to have been discouraged from engaging in domestic employment. In contrast, older recruits (those aged over 50), the majority of whom have worked fairly short part-time hours, appear not to have been discouraged.

Why do single/previously married recruits aged over 50 years work considerably fewer hours than their counterparts aged 36-50? Age itself appears to be an important factor affecting the hours worked. For example, of the single/previously married workers aged 36-

50 when recruited before the bonus, the mean (current) age of the full-timers was 48 years, while that of the part-timers was 56 years. Information obtained from the sample of interview respondents is again useful in further exploring and understanding the patterns observed. Of the 18 respondents who were aged over 50 at the time of the interview, 7 (39%) indicated having experienced difficulty in finding their current job, and cited their age as the main adverse factor affecting their ability to secure employment. Four of these respondents stated that it was the only job they could find (including the one male respondent in this age range). These respondents ranged in age from 53 to 63 years; their mean age was 58 years. A sizeable minority of workers aged over 50 years, then, had very limited employment opportunities.

While age clearly appears to be an important factor restricting the employment opportunities of respondents in the older age group, the interviews also revealed other important aspects of respondents' social circumstances which affected their employment situations. Of the six single/previously married respondents aged over 50 years (1 single, 5 previously married), two volunteered the information that they were in receipt of some form of welfare benefit (housing benefit and pension), which they wished to safeguard and therefore had to keep their weekly earnings (and therefore hours worked) within a certain limit. Three indicated that there was no full-time work available and that in any case, at their age they were too tired to take on any more hours. One of the respondents, who was divorced, reported that she incurred no substantial housing costs (only annual rates), as the house she lived in was part of the divorce settlement and was entirely paid for. This respondent indicated that she did not need to work any more hours as her part-time earnings were sufficient for her needs. None of these respondents had any dependent children living at home.

Of the 12 married respondents in this same age range, 10 worked part-time and had partners who were working; 2 worked full-time (and over-time) and had partners who were unemployed. Three of these married respondents had dependent children living at home. In total, 6 of this group worked over-time (2 with unemployed partners, and 2 who wanted

full-time work but could not find it). Of the remaining 6 who did not work any over-time, 2 cited ill-health as the main reason why they worked part-time and why they did not work any over-time; the other 4 indicated that the hours they worked were enough - and that they would be too tired to work over-time.

The social circumstances of the married and single/previously married respondents in this age group clearly differ, and affect the range of hours worked. As we have seen, five of the 12 married respondents aged over 50 were either supporting dependent children or dependent partners, which would explain the longer hours worked (and 'full-wage' sought) by these respondents. In contrast, 3 of the 6 single/previously married respondents in this age range had additional sources of income and did not wish to work longer hours. The pattern of full- and part-time employment observed for the domestic ancillary workforce in this age range (n=25) is more fully explicable given the information obtained from those interviewed (n=18).

The pattern observed, in which both married and single/previously married workers aged 36-50 appear to have rejected the part-time employment opportunities in domestic employment while single/previously married workers aged over 50 have not, may appear contradictory or conflicting. As the information relating to hours worked and the more detailed material concerning the workers' social circumstances (available from the interviews) suggests, however, the relationship between employment patterns and the circumstances of workers and/or potential workers can be consistently explained.

Interestingly, the one age group that was relatively unaffected by the restructuring of employment opportunities in domestic employment consisted of recruits aged 31-35 years. Both those recruited before and after the bonus were either married (the vast majority), or previously married. Similarly, the hours typically worked by these recruits remained unchanged after the bonus. That is, 53% (10 of 19) of recruits aged 31-35 employed before the bonus worked 25 hours per week or less; after the bonus the proportion working 25 hours per week or less was 50% (6 of 12). Unlike the pattern evidenced for any other age

group, not only did the proportion of recruits in this age group remain steady, but so did the average hours worked: the mean hours worked by these recruits before and after the bonus was 26 hours per week. As the Women and Employment Survey (Martin and Roberts 1984) found, the proportion of part- to full-time workers peaked for ever-married women in their early thirties; these women were the most likely to be caring for young children. This appears to be the case for the domestic workers considered in the current study. That ever-married recruits in this age group typically seek part-time hours might explain the stability of the pattern of employment of these workers. In the next chapter, a more detailed investigation of the circumstances of domestic workers with dependent children will be presented.

Privatisation follow-up study

In the initial stage of designing the study, I considered the possibility of incorporating a follow-up component which would provide relevant information relating to the employment outcomes for those who left their NHS domestic jobs. Given time and financial constraints, however, it was decided that this follow-up component could not be undertaken. After I had completed the main study, however, all Scottish health boards received directives from the Scottish Home and Health Department to tender a certain percentage of their ancillary services. Consequently, both of the hospitals studied were forced to tender their domestic services (among other services), and the domestic services of one of the hospitals concerned (Hospital B) was in fact contracted-out to a commercial contractor. I therefore seized the opportunity to conduct a simple follow-up study to investigate the employment outcomes for the workers that had been included in the main study for Hospital B. Though the contracting-out of the service was a setback for the workers, unions and managerial staff who had been involved in industrial action to try and prevent the tendering of the service, the situation did provide me with a valuable opportunity to examine the impact of the contracting-out process on the employment opportunities and outcomes for the workers

concerned. The findings of this follow-up study, albeit involving a very small sample of workers, confirm some of the main findings of the research presented in this chapter.

I endeavoured to contact, by telephone or letter, 57 of the 62 workers from the domestic ancillary workforce at Hospital B, and obtained responses from 20 of the workers. Of these, 10 were employed by the incoming private contractor, 1 was ill but intended taking up a job with the private contractor when she recovered, and 9 had left their jobs as NHS domestics either before or at the time of the transfer of the service. Of the 9 workers who were not employed by the private contractor, 6 did not want to work for the contractor (though they had been given applications for a job), 2 had left before the applications had been sent out, and 1 was refused a job with the private company.

The profiles of the two groups of workers - those who were employed by the private contractor and those who were not - are different in a number of important respects. Of the 11 workers affiliated with the private contractor, 10 were married and 1 was widowed. Of the 9 workers not employed by the private contractor, 2 were single, 1 was divorced and 6 were married. In terms of marital status, then, the profiles of the two groups are somewhat different, with the group not employed by the private contractor having a larger proportion of single/previously married workers. A more striking contrast between the two groups exists with respect to the hours that had been worked as NHS domestics. As Table 5.24 indicates, there is a noticeable, if not significant, difference between the hours that had been worked by those who were subsequently employed by the private contractor and those who were not.

Table 5.24 Hours worked as NHS domestics by private contractor recruits compared to others³⁷

Hours	Private Contractor	Others
	No.(%)	No.(%)
<25	9(82)	4(45)
25+	2(18)	5(55)
Total	11(100)	9(100)

Almost all of the workers subsequently recruited by the private contractor had worked less than 25 hours per week as employees of the NHS. In contrast, more than half of the workers who did not take up employment with the private contractor worked 25 hours per week or more: 3 of the 5 employees concerned had worked 40 hours per week. Further, of the 9 private contractor recruits who had worked less than 25 hours per week in the NHS, 5 (55%) had worked less than 18 hours per week in the NHS, 6 recruits continued to work 20 hours per week or less with the private contractor, 4 were able to secure full-time hours, and 1 had not yet commenced employment with the contractor. Of the 4 private contractor recruits who were able to obtain full-time work, 2 had worked full-time with the NHS.

Of the 9 workers not employed by the private contractor, 6 had jobs to go to immediately upon leaving their job as domestics in the hospital (2 of these were redeployed within the hospital), 3 were initially unemployed (2 of these subsequently found employment - within two months). Only one had not found a job by the time that she had to leave her employment with the NHS, which coincided with the time that she was contacted for the follow-up study. This worker had been offered a job with the private contractor but refused because the pay was insufficient. It is also worth noting that this person had worked for almost 14 years with the hospital as a domestic and was thus entitled to a substantial amount of redundancy money. Of the 8 workers who found employment other than with the private contractor, 5 obtained full-time work (3 had been employed full-time as domestics, 2

³⁷ Chi 2.96, $p < 0.08$ but $p > 0.05$, $\Phi = 0.39$ (Pirie-Hamden correction of Chi)

had been employed part-time) and 3 found part-time employment; all of these had worked part-time as NHS domestics.

These findings indicate that the hours obtained in the new jobs, by recruits of the private contractor compared to those employed elsewhere, again are very different. This difference, illustrated in Table 5.25, is in fact both significant and substantial. The pattern of employment observed within the NHS is reflected in the employment arrangements obtained after the workers left their NHS jobs.

Table 5.25 Hours worked after NHS employment by new employment³⁸

Hours	Private Contractor	Other
	No.(%)	No.(%)
<25	6(60)	1(12)
25+	4(40)	7(88)
Total	10(100)	8(100)

In terms of the weekly hours and thus weekly rates of pay obtained, at least, it is heartening to find that of the 18 workers who found employment immediately upon leaving their NHS job 5 (28%) workers actually improved their employment situation. Interestingly, 4 of these (female) workers were in their forties (mean age of 46 years), and the other worker was aged 30 years. All were married. In addition, the 5 workers who had worked full-time in the NHS were subsequently able to secure full-time positions. Two of these workers were single (1 female, 1 male) and 3 were married. The mean age of the married recruits was 39 years. Thus, 9 of 18 (50%) workers were able to obtain full-time positions after losing their NHS jobs, with 1 other substantially improving her part-time hours. Of the 8 workers who were employed for less than 30 hours per week after losing their NHS jobs, 6 were married and 2 were previously married. As Table 5.26 suggests, the age of these workers stands in contrast to the age of the ever-married workers working 30 or more hours per week.

³⁸ Chi 4.33, p<0.05, Phi=0.48 (Pirie-Hamden correction of Chi)

Table 5.26 Hours worked by age for ever-married workers subsequent to NHS jobs³⁹

Hours	Age Group	
	40-49	Other
	No.(%)	No.(%)
30+	5(83)	3(30)
<30	1(17)	7(70)
Total	6(100)	10(100)

Of the 8 workers who worked less than 30 hours per week, only one was in her forties; 4 were under 35 years (mean age 31 years), and 3 were over 50 (mean age 54 years). All but one of the women in her forties worked 30 or more hours per week (4 worked full-time and 1 worked 30 hours). This pattern of employment is similar to that observed for the domestic workforce of ever-married workers at Hospital B (n=48, see table 5.14). As will be explained further in the next chapter, this trend largely reflects the constraints of responsibilities for children. That is, if ever-married women in their forties have dependent children, these children will tend to be older whereas, for example, women with dependent children in their late twenties or early thirties typically have at least one very young child. The younger the child, the greater the constraints to employment because of child care responsibilities. The hours worked by ever-married women over the age of 50, on the other hand, reflect both age and generational effects. Belonging to the older generation appears to lower employment participation rates and to reduce the hours worked by those who engage in paid employment, compared to ever-married women under the age of 50 (controlling for the youngest child's age) (Joshi 1984:5).

The employment trends observed in the follow-up study confirm the findings of the main study. In the absence of more detailed information, age, marital status and hours worked together are good indicators of the domestic responsibilities of incumbents. By being able

³⁹ Chi 4.13, p<0.05, Phi=0.52 (Pirie-Hamden correction of Chi)

to investigate the employment outcomes of the enforced redundancies from the NHS, the findings support the argument that domestic responsibilities - social factors - clearly influence who will seek full- and component-wage jobs. While the sample in the follow-up study is very small, it seems clear that the processes structuring employment can be consistently explained. As with the efficiency initiatives undertaken within the NHS, private contractors extensively rely on part-time employment. Those employed by the private contractor and those not, differed significantly with respect to the hours worked, age and marital status. Irrespective of employer, however, age was strongly associated with employment hours obtained for ever-married women - women in their forties predominantly secured full-time employment. Only 27% (3 of 11) of the ever-married workers employed by the private contractor were in their forties, compared to 57% (5 of 7) of those not employed by the private contractor. This pattern, in which women in their forties chose not to continue in employment as domestics with the private contractor while other workers did stay on, reflects the general trend observed for the domestic ancillary workforce considered above. The efficiency initiatives - both the incentive bonus payment schemes and privatisation - have restructured the conditions and general employment opportunities of domestic ancillary work. As a result, the workforce profile has changed considerably.

Summary

The findings presented in this chapter suggest that with the changing circumstances of domestic ancillary employment, the profile of the domestic workforce does not remain static, but also changes. This development underlines the relations between social circumstances and employment. An important change to domestic ancillary employment brought about by the efficiency exercises entailed a significant reduction in weekly hours (and hence, wages) available to new recruits. The hours of existing staff in post, on the other hand, were largely protected (although those who worked the rota did have their weekly hours cut by about 5% because the number of weekends worked was reduced from 5 out of 6 to 3 out of 4). While the hours available to new recruits decreased, important changes were evidenced in the

profile of workers recruited to domestic employment under the conditions created by the efficiency initiatives, compared to the profile of workers employed before this period.

As the information presented in Figures 5.1 and 5.2 above suggest, the age of domestic recruits has not only dropped, with younger recruits making up a much larger proportion of the workforce population, there has been a reversal in the proportion of 17-30 year olds compared to recruits aged 41-50. At the same time, the recruitment of workers over 50 has also declined significantly, while the recruitment of workers aged 31-35 has remained stable. Reflecting the increased proportion of younger recruits, the proportion of single recruits has almost doubled, while the proportion of married and previously married recruits has decreased.

It is the incoming younger cohort which has absorbed the decline in hours available for domestic employment in the most dramatic way. While the average hours worked by those aged 36 and over who were recruited after the bonus did decline (and the hours of recruits aged 31-35 after the bonus remained stable), the most substantial change in the pattern of full- and part-time hours worked by recruits before and after the bonus was that found for recruits aged 30 years and under. As the information obtained from the interviews suggests, for those single respondents in this age group, the great majority were non-householders. These respondents were not burdened with the immediate financial pressures to independently (or even jointly) maintain a household. Thus, the changing pattern of recruitment in domestic ancillary work evidenced in this study can be explained in terms of the changing job-type and household maintenance responsibilities of recruits. In greatly reducing the availability of full-time employment, the cost-cutting exercises have resulted in the employment of a larger proportion of younger workers with considerably fewer financial responsibilities, and a smaller proportion of workers with fuller financial responsibilities.

The findings presented here underline the importance of considering both the changing circumstances of the job itself and the impact this has on the composition of the labour force. Clearly, it is misleading to assume that the workforce composition is fixed and that the

impact of the changing terms and conditions of work is uniformly encountered by all workers. More specifically, as the present research shows, gender is not the only salient factor specifying the changing pattern of domestic ancillary employment. Rather, household maintenance responsibilities, as reflected, for example, in the age and marital status of the workers, holds far more explanatory power in terms of understanding the way in which employment is structured.

6. Market Performance, Low Pay and Social Circumstances

Introduction

Low pay, measured in terms of an individual's position within a national earnings league, is concentrated among particular groups within the general population. Women, young people, older manual workers and ethnic minorities are all more heavily represented at the bottom of the earnings hierarchy. In this chapter, after briefly reviewing conventional market explanations of low pay, alternative explanations, which are associated with arguments favouring measures, to combat the problem of low pay such as a national minimum wage and pay equity legislation, will be considered in more detail. As MacLennan *et al.* (1983) indicate, in order to be able to take decisive action against low pay, we must have a clear understanding of its real causes. The purpose of this chapter, then, is to examine the nature and extent of low pay among domestic ancillary workers, and in light of this, to consider the likely impact of minimum wage legislation.

Definitions of Low Pay

Traditionally, trade unions have considered anyone earning less than two-thirds of the average male manual wage to be low paid. Other common low pay thresholds come close to the target specified by the Trade Union Congress (TUC); the Low Pay Unit's benchmark is two-thirds of median male earnings, and that of the Council of Europe is 68% of full-time mean earnings. As Pond and Winyard (1983) argue, these benchmark levels would seem to be supported both by Townsend's (1979) study of poverty in the U.K. - families of workers earning less than two-thirds of male manual earnings were found to be suffering severe poverty and deprivation - and by the threshold put forward by the Royal Commission on the Distribution of Income and Wealth (RCDI&W Cmnd 7175 1978) - that low pay be defined as those earning less than the lowest decile of male manual workers. The NBPI also defined

low pay as earnings falling within the lowest decile, which produces a figure roughly equal to two-thirds the average for all manual men. Further support for these thresholds is argued to come from the benchmark represented by the 'official poverty line'; that is, the supplementary benefit minimum subsistence income level specified by Parliament. As Table 6.1 illustrates, the various definitions of low pay are roughly coincidental¹.

Table 6.1 Definitions of low pay 1986/7[†]

	£ per week
Low Pay Unit (two-thirds median male earnings) ^{††}	123.40
Council of Europe (68% full-time mean earnings)	125.60
TUC (two-thirds mean male manual earnings)	116.27
Supplementary benefit (earnings equivalent) ^{†††}	119.22
Family Income Supplement (eligibility limit) ^{†††}	111.25

† Based on April 1986 earnings data and July 1986 benefit levels

†† For a basic 38 hour week. Taken as £3.25 per hour pro-rata

††† Two adult, two child household (one child aged 11-15, and one aged under 11)

Source: Low Pay Unit *Low Pay Review*, no. 29 Spring 1987: Department of Employment, *New Earnings Survey*, 1986.

Pond and Winyard indicate that the definition of low pay obtained from these thresholds apply to any adult worker working a standard 38 hour week, excluding overtime. Thus the basic (gross) earnings 'should be sufficient without overtime or shift work to provide for a socially acceptable standard of living' (1983: 9). For part-time workers, the LPU's benchmark implies a pro-rata hourly rate of £3.25. As Smail argues, while comparison with official subsistence levels gives some support for the general acceptability of the LPU, TUC, and Council of Europe's definitions of low pay, comparisons with benefits are unsatisfactory.

¹ Interestingly, the rank order of the various low pay thresholds has changed considerably over the period 1982/3-1986/7. In 1982/3, the supplementary benefit earnings equivalent for the prescribed family type was higher than any of the other measures: £104.31 per week, compared to the LPU's of £92.70 and £92.82 for the Council of Europe. The change undoubtedly reflects the real decline in the value of supplementary benefits during this period.

As benefit levels themselves are widely regarded as inadequate, the LPU's threshold would leave many households below the supplementary benefit poverty line (LPU 1987). Additionally, the generalisations about household composition which underly the various low pay definitions are questionable. (This will be discussed in more detail below) Nevertheless, it is on the basis of these thresholds that the extent of low pay in Britain is calculated.

Low pay in Great Britain

According to the LPU, an estimated 8.8 million workers, that is, 43.2% of the adult workforce, were being paid low wages for the basic hours they worked in 1986. Nearly 6 million of the low paid (67%) were women, and 3 million (43%) were part-time workers (1987: 5-6). As Table 6.2 suggests, even if overtime pay is included, the proportion of full-time workers on adult rates of pay earning low wages was only reduced from 32.2% to 26.8%. Low pay was particularly pronounced for women manual workers, with 20% earning less than £80 for a basic working week in 1986: 10% of all female full-time workers earned less than this amount and 50% of all female part-time workers earned below £2.40 an hour. Of the ten lowest-paid jobs for full-time employees, cleaning ranks very close to the bottom, with 87.6% of full-time cleaners earning under £123 per week (1987: 7-8).

Table 6.2 Estimated numbers and proportions of adult employees earning low wages†, April 1986

Male full-time workers on adult rates ††

	Including overtime pay		Excluding overtime pay	
	%	Million	%	Million
Manual	19.9	1.14	30.9	1.78
Non-manual	9.5	0.44	10.8	0.50
All	15.3	1.59	21.9	2.28

Female full-time workers on adult rates ††

Manual	73.2	0.92	79.0	0.99
Non-manual	42.6	1.66	44.4	1.73
All	50.0	2.57	52.8	2.71

All full-time workers on adult rates ††

		26.8	4.16
Adult part-time workers		32.2	4.99
Women		80.2	3.18
Men		73.5	0.60
All		79.1	3.78

All Workers 43.2 8.78

† Under £123 a week, £3.23 an hour

†† Trainees excluded. Proportions derived from 'adult rates not affected by absence' and applied to total number on adult rates. Rounding errors may exist.

Source: LPU *Low Pay Review*, no. 29, Spring 1987: NES 1986 Part B, *Tables 35,36,39*; Hansard, 29 January 1987, col. 346; DE Gazette.

The problem of poverty for those in work has been more extensive in Scotland, where a disproportionate share of Britain's low paid workers is found. In 1983, while 9.7% of all employees in Britain were located in Scotland, this compares to 11.3% of all low paid workers (Twine 1983: 5). Further, within Scotland too, there have been large regional variations in the incidence of low pay: the major urban centres - Strathclyde, Lothian,

Tayside and Grampian - contained more than 75% of all the low paid. Lothian, having the second-highest concentration of low paid workers, had 18.5% of the male and 15.8% of the female (16.6% of the total) low paid employees in Scotland (1983: 8-10).

Using the LPU's threshold of low pay, virtually all of the workers considered in the current study are low paid: the basic hourly rate of pay at the time of the study ranged from £2.03 to £2.10 for basic-grade domestics, and from £2.50 to £2.55 for domestic supervisors (depending on length of service.) In addition to the bonus (averaging 15% on basic weekly hours worked), enhanced rates of pay at 1.5 to 2 times the basic rate exist for hours worked on 'rest days', 'days off', weekends and overtime. And as suggested in Chapter 4, many workers, both full- and part-time, work overtime on a regular basis; specifically, 38.2% of the total interview sample, including 66.0% of the full-timers and 27.7% of the part-timers². Excluding overtime earnings, 89.7% of full-time workers had (gross) earnings of less than £119.22, the supplementary benefit threshold for a two-couple, two-child family. Similarly, 89.7% earned less than the LPU's threshold (£123.40) and that of the Council of Europe (£125.60); 82.8% earned less than £116.27 (the TUC threshold) and 31.0% earned less than £111.25 (the FIS threshold). All of the part-time workers (working less than 35 basic hours per week) earned less than £100 per week, the highest weekly part-time wage was £97.21.

With overtime pay included, the proportion of full-time workers earning less than the FIS eligibility limit was 20.7%; 34.5% earned less than the TUC threshold; 41.4% earned less than both the supplementary benefit cut-off (for the prescribed family type) and the LPU's threshold of £123.40; and 44.8% earned less than the Council of Europe's threshold. Thus, without overtime pay, only 10.3% of full-time workers earned more than £123, the cut off

² Thirty-six percent (27) of all the respondents worked 40 hours, 22% (or 17) worked between 30 and 40 hours, 9% (or 7) worked between 24 and 30 hours and, 33% (or 25) worked under 24 hours per week. Shift worked - 40% (30) worked a 'full day', 21% (16) worked 'morning part-time', 8% (6) worked afternoon part-time and, 32% (24) worked the 'backshift'.

used by the LPU, increasing to 55.2% if overtime earnings are included. Only 4.2% of part-timers earned more than the FIS threshold of £111.25 with overtime earnings; none earned more than the LPU threshold. For full-time workers, it would seem that though the proportion earning low basic wages is higher than the national figure presented in Table 6.2 (89.7%, compared to 79%), the proportion earning low wages when regular overtime pay is included is considerably lower than the national figure (44.8%, compared to 73.2%).

Explanations for Low Pay

The uneven distribution of wages is commonly argued to reflect differences in natural ability, skill, experience, education and training - factors which are assumed to directly determine individual productivity. Orthodox economic explanations of low pay emphasise the importance of *particular* individual worker characteristics such as skill and investment in training and education, and advance theoretical justification for the notion that people are paid what they are worth (wages are equal to the marginal product of labour). Thurow asserts, 'If an individual's income is too low, his productivity is too low. His income can be increased only if his productivity can be increased' (1969: 26). This notion is perhaps nowhere more explicitly advocated than by the Thatcher government: 'We are a low pay economy because we are a low output economy and have low productivity growth' (John Wakeham, Treasury Minister, Hansard, 18 March 1983, vol. 39, col. 454). In asserting that wages are determined by the productivity of workers, the government also alleges that unemployment stems from workers pricing themselves out of jobs, that low levels of productivity necessitate a further lowering of wages.

As suggested in Chapter 1, this reasoning has, in fact, informed successive government wage policies and measures adopted to combat low pay. In keeping with traditional economic analyses, the measures recommended by the NBPI to improve the position of low paid workers in the public sector are also based on the assumption that low pay is a problem of low productivity. Consequently, from the mid-1960s onwards, productivity

bargaining, particularly in the form of incentive bonus payment schemes, has been increasingly advocated and adopted within the health service and other public sector industries and services. Similarly, although the Clegg Commission on pay comparability ostensibly represented a move away from the position adopted by the NBPI, described by Clegg as 'tireless advocates of relating pay to productivity' (Cmnd 7995 1979: 6), the pay awards recommended were actually directed at *reinstating* wage differentials on the grounds that these were warranted by differences in job characteristics (eg. skill and responsibility). Consequently, despite the trade unions' requests that public sector pay be indexed to two-thirds average manual earnings in order to improve the pay of the lowest paid workers, the Clegg commission recommended pay awards ranging from 3.8% for the lowest paid and lowest grade of NHS ancillary workers, to 16.9% for the highest grade (Cmnd 7641 1980). Thus the existing wage disparities between low paying jobs (held mainly by women) and higher paying jobs were perpetuated. In rejecting unions' requests for wage indexation and that non-unionised firms be excluded from comparisons, the commission responded that the issue as to whether absolute wage levels were fair was not its concern; rather, wage disparities arising from, for example, differential trade union strength and organisation, was '*an inevitable feature of economic life and must be accepted by the service*' (Cmnd 7641 1979: 24 ,*emphasis added*).

There is, however, little evidence to support the assumption that 'workers are paid their worth': that wages, and therefore low pay, are the result of inexorable (economic) 'market forces'. Orthodox assumptions of the (long-run) equilibrating functions of the market, which purportedly ensure that wages are equal to the marginal product of labour, have been critically examined in Chapter 2. The persistence of 'short-run' disequilibrium associated with such factors as gender, generation and ethnicity, where the returns to otherwise equivalent labour (in terms of quality and quantity) are not equalised, challenges the popular assumption that low wages reflect object differences in workers' education, training, and skill and, therefore, productivity. Though women's low pay is often attributed to their

lack of training and low skill levels, research to date indicates that this is not the case³. Clearly, there is a strong association between education and earnings, but non-market factors, such as gender, affect income in ways which are not consistent with those of a market for labour. Further, if the 'priced out' hypothesis is correct, that is, if workers are paid more than their 'market value', government policies to increase the relative pay of female workers should reduce their employment prospects. Conversely, if women's labour is in great demand, their wages should rise 'naturally' in relation to men's. Rubery and Tarling (1989) point out, however, that despite the increasing demands for women's labour, their earnings remained at 60% of men's until the 1970s. Similarly, the introduction of equal pay legislation in the early 1970s might have been expected to provide the conditions for a significant decline in the rate of female employment relative to men, but in contradiction of market predictions, there has been no inverse relationship between wage and employment rates (Neuburger 1984: 10-15). It is clear, then, that though wage differentials are widely explained by reference to 'market forces', the main effect of orthodox economic theory has been to justify the *status quo* rather than provide an explanation of employment and wage structuring.

Problems in defining 'low pay'

As Pond and Winyard argue, '[a] proper explanation of low pay requires a more convincing account than that provided by traditional economic theory' (1983: 17). In deciding what must be done about the problem of low pay, an understanding of its causes is essential. There are, however, considerable difficulties in defining 'low pay' which, as MacLennan *et al* (1983: 2) suggest, perhaps explains why the issue has not received greater political attention. For example, should low pay be defined in terms of the type of work done, or in terms of what others are paid in the job, or in terms of providing an adequate standard of

³ *cf.* Doeringer and Piore 1971; Piore 1973, 1978; Edwards Reich and Gordon 1973; Cain 1976; Phelps Brown 1977; Rubery 1978; Layard *et al.* 1978; Rubery and Wilkinson 1981; Wilkinson 1981; Atkinson 1982; Craig *et al* 1982, 1984, 1985; Stewart *et al* 1985; Rubery and Tarling 1989.

living for the wage-earner and her/his dependents? Twine (1983: 2) argues that low pay be defined in terms of the 'general inequality of labour market reward', rather than family need, on the grounds that low pay defined in terms of failure to meet family need reinforces the notion that low pay among women is of secondary concern. That is, a definition based on family need conjures up images of a 'family wage' which focuses attention on 'heads of households', who are conventionally taken as male⁴. Thus Twine contends that:

'To give men and women equal attention we must consider low pay in terms of the general inequality of labour market reward rather than family need. Like unemployment, low pay is a problem of industry, not the family. Thus, the perspective taken here is one that focuses on the reward attached to particular positions in the labour market, rather than the characteristics of individuals who may occupy those positions at a moment in time. (1983: 2)

The tendency to regard women's earnings as 'pin money' has, with successive governments, been widespread. For example, when first considering whether or not Britain should institute a national minimum wage, the Labour government suggested that part-time workers (identified as largely female workers) might be justifiably excluded from a national minimum wage on the grounds that their livelihood did not depend on their own income:

'...there is a case for arguing that a national minimum should only extend to workers whose livelihood depended upon employment and not to those who did some work casually or for "pin money", and many part-time workers might be in this category. (1969: 33).

Similarly, the present government has asserted that

'The great majority of low paid workers are young people or married women whose income supplements the earnings of other workers in the household. Very few poor people would be helped by a national minimum wage' (Employment Minister, Michael Alison, Hansard 1983).

Though Twine argues forcefully against a definition of low pay based on family need, the LPU's position is not so clear-cut. By setting the LPU threshold at 66% male median earnings, the Unit aims to ameliorate relative inequalities in earnings, irrespective of the domestic circumstances of the wage earner. At the same time, while the LPU views low pay

⁴ As Twine was writing for the Low Pay Unit in this publication, it is somewhat ironic that in a publication concurrent with Twine's, the Low Pay Unit itself formulated the supplementary benefit threshold on the basis of 'two child families...a married couple, husband only working' (Pond and Winyard 1983: 9).

as a relative problem, the threshold obtained is in part substantiated by drawing a comparison with supplementary benefit levels which, though inadequate, do take into consideration family responsibilities. Thus when defining low pay and setting the low pay threshold, the LPU does not simply consider the level of individual earnings in terms of a national earnings league but supplements this information by calculating how well this threshold would allow the wage earner to support a family of four⁵. The call for a national minimum wage, then, is not just inspired by the desire to effect some measure of earnings redistribution to improve the position of the low paid, but is also intended to provide the wage earner an income which could support an 'average family' at a socially acceptable level. There is, then, some recognition of the need to address the issue of 'family responsibilities', though these are conceived in a very generalised way and given a peripheral position.

There exists a tension regarding the need to incorporate into the analysis of the problem of low pay a consideration of the social circumstances of the individuals concerned, but a reluctance to radically depart from conventional approaches which rest on the assumption that employment ('labour market') processes are independent of other (non-market) processes. This ambiguity is reflected in the provided explanation of low pay, but in drawing on the labour-market segmentation approach, it could be argued that the LPU moves even further away from a position which might challenge the residual conceptualisation of social influences. It is argued that a 'proper explanation' (Pond and Winyard 1983: 17) of low pay can be found in considering the role of the industrial structure in determining job and pay structures. That is, in explaining differential rewards for workers, unaccounted for by productivity differences, it is argued that the emphasis should be on the question of 'who pays' (demand factors) rather than 'who earns' (supply factors) low wages (MacLennan *et al*

⁵ Refer to the section on 'domestic responsibilities and employment experiences: earnings and low pay' below for a more detailed discussion of the use of Supplementary Benefit levels in establishing the low pay threshold.

1983: 16), because 'low pay is a problem of industry, not the family' (Twine 1983: 2). Thus the higher incidence of low pay is explained by the concentration of certain groups of workers in jobs and industries that pay low wages. The argument is succinctly put by MacLennan *et al* :

'An understanding of the factors that underpin the problem of low pay is important in deciding what action must be taken to deal with the problem. If the orthodox theories of wage determination are correct, with their emphasis on individual productivity, then trade unions and government cannot intervene to raise wages directly without risking an increase in unemployment...But if *low pay is due to economic industrial factors...direct intervention is not only possible without the dire consequences often predicted, it is essential* (1983: 21, *emphasis added*).

I am not convinced, however, that this approach will provide an adequate understanding of the problem of low pay. The emphasis on industrial structure as a basic cause of inequality in jobs and rewards provided by labour market segmentation theory has been an important development in challenging the orthodox preoccupation with individual productivity. But in framing the issue in the manner described, the LPU subscribes to and perpetuates the artificial separation of economic and social processes. Government policy and activities are still perceived to 'intervene' in 'market' processes, rather than understood as constitutive of processes of resource distribution in society. In conceptualising government action as 'intervening' in the processes of wage determination, the LPU seriously weakens its argument for more equitable wage policies and a more equitable distribution of resources. Further, even though the Unit is highly critical of and sets out to challenge 'market' analyses of the problem of low pay, their own explanation does not break free from market-based understandings. That is, rather than taking issue with the economic conceptualisation of 'supply' and 'demand' factors, the question of 'labour supply', narrowly defined in terms of 'market-based' characteristics of workers (skill and productivity), is undisputed. Thus even though the Unit rejects the argument that labour supply consists of *low* productivity and *low* skilled workers, it does not challenge the market assumption that there is a single price for the same quantity and quality of labour; rather, in keeping with labour market segmentation theory, it suggests that in the long term demand-side factors impede the actualisation of an equality of exchange for certain groups of workers.

There is, then, an underlying acceptance of the market assumption that the same quantity and quality of labour deserves the same 'reward' or wage. Support for equal pay legislation attests to this. As Grubb and Lazerson (1984: 248-249) argue, the wide acceptance of 'equal pay for equal work' reflects a fundamental compliance with orthodox market economics that returns to employment (should) reward productivity. Similarly, the agenda for comparable worth rests on the assumption that

'jobs ought to be paid according to their intrinsic worth, as measured by such factors as skill required, responsibility entailed, and effort involved, and that the wage levels of jobs of "comparable worth", that is, equal worth or equal value, ought to be equal' (Hartmann *et al* 1985: 3).

Though it is generally recognised that skill definitions are socially constructed, the call for equal pay legislation in large part emanates from the acceptance of the idea that pay should reflect 'objective' measures of job content and, in so doing, will remedy wage discrimination based on sex or other non-market factors. But if the source of the problem is external to the 'market', it has to be questioned whether a 'solution' which attempts to impose 'market' relationships does in fact adequately address the issue. That is, social processes external to the 'market' are simultaneously the source of, and basis for solving, the problem. As Stewart *et al* argue, this is, in fact, a fundamental contradiction, a negation, of 'market operation' (1985: 282).

While recognising that the problem of gender and wage inequality is real, we need to move beyond the restrictive parameters set by market understandings of the problem, toward an understanding of resource distribution in other than market terms. The argument that gendered wage differentials primarily reflect unequal rewards to equal labour power reinforces the artificial separation of economic and social factors in explanations of the structuring of social resources, and perpetuates the dichotomisation of the spheres of family and work. Understandings and explanations of social practice, of the relations of domestic circumstances to employment, must be analysed as components of a single process, where social relations are constitutive of this process. The tendency, however, has been to

assume the analytical independence of 'society' and 'economy', of family and work. This has circumscribed our understanding of the problem of resource distribution and inequalities to the extent that if issues of 'need' and 'dependencies' (domestic circumstances) are taken into account, they are considered as peripheral to 'economic' labour market processes. Further, it is precisely the assumption that rewards are attached to particular positions in the 'labour market', independent of the processes allocating people to positions⁶, which is predicated upon the analytic separation of 'social' and 'economic' processes, and which inhibits understandings of the relations of family and work. The call from feminist analysis, to consider the 'supply side', is not to focus on individual characteristics as prescribed by market economics but rather to consider the social circumstances and institutional conditions of women's labour force participation. To provide an analysis which considers the domestic circumstances and needs of individuals is not to provide an analysis which falls back onto economic explanations that individualise the problems; rather, the intention is to provide an analysis which recognises the fact that employment experiences and returns to employment are socially determined, and are not the outcome of immutable economic market forces.

Relations Between Social Circumstances and Employment

The attempt to re-establish, and reluctance to fully relinquish, 'market' explanations of the structuring of employment stems from the perceived need for coherence. It is suggested here, however, that the contradiction between 'market' understandings and social practice does not reflect a lack of coherence in patterns of social experience but is generated by the lack of theoretical integrity. Thus, the relationship between social circumstances and employment is meaningful and patterns of social experience are consistent, but the system of resource distribution and processes maintaining income inequalities cannot be explained

⁶ This assumption is explicit in the quote from Twine (1983: 2) above.

in 'market' terms. Arguments for a national minimum wage and pay equity legislation derive from concerns to redress the unequal distribution of wages; I question, however, whether these strategies are based on an adequate understanding of the processes maintaining income inequalities - if they are not, their implementation will be of limited value. As we have seen in Chapter 5, the effects of efficiency initiatives and the process of tendering public services is primarily a threat to the workers' weekly and social wage, not hourly wage rate. Further, the findings of this study suggest that both parents' employment hours are constrained by child care responsibilities where these are necessary. How effective, then, is minimum wage legislation in terms of improving the income of these workers? ⁷

Chapter 5 has investigated the effects of changing domestic ancillary employment opportunities on the profile of the workforce, and suggests that with the decrease in the availability of income-generating hours, more younger recruits are being employed, many of whom are still partially dependent on their parents. In the remainder of this chapter, the relation between respondents' social circumstances and employment experiences will be further investigated. Domestic ancillary workers are poorly placed in relation to processes structuring the distribution of social resources; this is reflected in their relatively disadvantaged educational and employment histories, and in their own and their families' claims to resources. After exploring the social backgrounds of the interviewed sample of ancillary workers within the general structure of social inequality, the distribution of earnings will be considered in relation to the workers' domestic circumstances, and the potential effectiveness of minimum wage will be examined.

Educational and occupational background

The principle measures of social background used here are educational experience, previous employment, father's occupation and mother's occupation. As suggested above,

⁷ This question will be considered in the discussion following.

the social location of domestic employees is disadvantaged. This is particularly evident when educational experience is considered. The vast majority of interview respondents had left school by the time they reached the minimum school leaving age. Reflecting rises in the statutory minimum school leaving age, the average age at which respondents left school was inversely related to the age of the respondent. Thus the average school leaving age of respondents aged 50 years and older at the time of the interview was fourteen and half years, rising to fifteen years ten months for respondents aged under 30.

As Table 6.3 indicates, 52% of the respondents received no school leaving qualifications at all. The likelihood of having no school leaving qualification was greatest for workers aged over 30 years: 37.5% of respondents aged under 30 had no qualifications, compared to 62.5% of respondents over the age of 30. Of those with school leaving qualifications, 16% had a lower or higher school leaving certificate, 13.3% had at least one CSE, 16% had at least one 'O' grade or 'O' level and only 5.2% (1 person) had Highers. Though there were only three respondents under the age of 20 in the interview sample, all had received either CSEs or 'O'grades/'O'levels, whereas 37.5% of respondents aged 20-29 had obtained no school leaving qualifications.

Of those who received a school leaving qualification above the level of the lower/higher leaving certificate, 6.0% (2) received 2, 30.3% (10) received 3, 18.2% (6) received four and 9.1% (3) received 5 or more qualifications. While a quarter of the respondents pursued some form of further education and training, only half of these completed and received the qualification pursued (sitting guilds, secretarial, o'levels, hotel management, catering/cook). The one person who obtained Highers (male) and went to university, did not complete his university education and received no other qualifications.

Table 6.3 Obtained school leaving qualifications, by age group

Age	No Qual. %(No.)	Lower/Higher Cert. %(No.)	CSE %(No.)	'O'Grade/Level %(No.)	Highers %(No.)	Foreign %(No.)
<= 19			33.3(1)	66.7(2)		
20-29	37.5(9)	4.2(1)	33.3(8)	25.0(6)		
30-39	60.0(9)	13.3(2)		26.7(4)		
40-49	53.3(8)	33.3(5)	6.7(1)			6.7(1)
50+	68.4(13)	21.0(4)			5.2(1)	
All ages	52.0(39)	16.0(12)	13.3(10)	16.0(12)	1.3(1)	1.3(1)

Looking at the jobs held by respondents over their working lives⁸, it would appear that the range of occupations held by any individual is quite limited. Using the OPCS classification scheme, the correlation between the first job held after leaving school and the 'penultimate job'⁹ is significant. The correlation between the 'exit job' (the job left in order to have children) and the permanent re-entry job, though not significant at the 5% level, has a significance value of 0.0564. Interestingly, the correlation between the respondent's father's occupation (held at the time the respondent left school) and the respondent's current job is also significant¹⁰. Using the Cambridge scale, the correlation between the respondent's parents' jobs (held at the time the respondent left school) is significant¹¹. Thus it would

⁸ Respondents who had no children were asked about their first job upon leaving school, their penultimate job, and their current job(s). Respondents who had children were asked about their first job upon leaving school; their 'exit job' - the job they had left in order to have their first child, or upon marriage if they did not return to work before having their first child; (if applicable) their temporary re-entry job; their permanent re-entry job; their penultimate job; and their current job(s). Individual jobs were classified according to the Cambridge Scale (Stewart *et al.* 1985: Table 2.6) and the OPCS unit groups (1970).

⁹ Correlation = 0.438, Slope = 0.564, Significance = 0.00005.

¹⁰ Correlation = 0.363, Slope = 0.937, Significance = 0.0018.

¹¹ Correlation = 0.278, Slope = 0.418, Significance = 0.041. The correlation between the father's job and the respondent's current job has a significance value of 0.094; that between the father's job and the respondent's penultimate job has a significance value of 0.082.

appear that the types of jobs held by the respondents are fairly homogenous, and in the case of the first job held after leaving school in particular, there is a great deal of similarity between the respondent's father's job and their own.

The similarity in the social location of respondents is further borne out in an examination of the proportional distribution of the respondents' parents' jobs in terms of their rank order within an occupational scale. On the basis of the Cambridge Scale, respondents' fathers were employed in the following occupational categories: 56.1% (37) unskilled manual; 33.3% (22) skilled manual; 4.5% (3) non-manual; 4.6% (3) managerial; and 1.5% (1) professional. In terms of the mother's occupations, 66.7% (30) were employed in unskilled manual, 8.9% (4) were employed in skilled manual, and 24.4% (11) were employed in non-manual occupations. Thus, the majority of domestic assistants come from families where both parents worked (59% of the sample), primarily in unskilled manual jobs.

Work histories

Work histories provide important information regarding the distribution of people to jobs over their lifetime. And when workers' domestic circumstances and employment situation are considered simultaneously, the longitudinal data obtained provides a much better source of information than cross-sectional data for understanding the structuring of employment experiences¹². Work history data is particularly informative when considering patterns of women's employment and has become an important tool in analysing the effects of time spent caring for dependents, primarily children, on women's employment careers.

The pattern of not-working periods, time spent not working, and main reasons for not working for the different age groups presented in Tables 6.4 to 6.6 generally reflect those observed in larger-scale surveys of women's employment. Only 7% of the sample of female

¹² Work history information obtained in this study is retrospective.

respondents experienced no interruptions¹³ in their working careers while 44% had only one period of not working, and 13% had 4 or more interruptions¹⁴. As Table 6.4 indicates, respondents aged 30-39 were the most likely to have had just one not working period: 60%, compared to 46% of respondents aged 40 years and over. In contrast, only 38% of female respondents aged under 30 and 39% of female respondents aged 50 and over had only one interruption. Table 6.5, which records the main reasons for not working for different age groups, shows that unemployment accounts for a much larger proportion of the total time spent not working for those aged under 30, compared to older workers. Given that older workers are more likely to have had children, this pattern might be expected. But as Table 6.6 shows, for workers aged under 30, more than one-quarter of the total time spent not working *during the first interruption* to employment was a result of unemployment, whereas for older workers, less than 1% of the time spent not working during this interruption was due to unemployment, the remainder almost entirely a result of child care responsibilities. Unemployment is also a significant factor for workers aged 50 and over (Table 6.5), as 10.5% of their total time spent not working was due to unemployment. The proportion of time spent unemployed for the latter age group was four times greater than that experienced by workers aged between 30 and 50 years. As Table 6.6 suggests, periods of

¹³ Interruptions, or 'not working periods' of less than 4 weeks, were excluded from the analysis.

¹⁴ Male respondents' (n=6) work histories contrasted those of female respondents in a number of ways. While 7% of female respondents had no interruptions, all of the male respondents had experienced at least one period out of employment, almost exclusively because of unemployment: 98.8% of the time spent not working for male respondents was due to unemployment, the remaining 1.2% of the time was accounted for by having a 'break' from employment (after being made redundant). Male respondents had, on average, experienced a greater number of interruptions to employment than female respondents; the mean number of periods not working for males was 2.7 compared to 1.84 for female respondents. On the other hand, the mean time spent not working for male respondents (31 months) was considerably less than that for female respondents (55 months). This pattern is not entirely sustained, however, if the time spent not working is analysed by age group; the mean time spent out of work for male respondents aged 20-29 (n=3) is 40.3 months compared to 30 months for female respondents; on the other hand, the mean time spent not working for the remaining male respondents, all of whom were aged 40 and over, was 21.7 months, compared to 75.4 months for female respondents in the same age range.

unemployment for the older age group were mostly subsequent to the first period of not working, which was mainly accounted for by child care/family responsibilities¹⁵.

Notably, there were important differences in the work histories of respondents recruited before and after the bonus. As with the domestic ancillary workforce in both hospitals, the difference in the recruitment age of respondents employed after compared to before the bonus was significant and substantial¹⁶. Eighty percent of respondents recruited after the bonus were aged under 40 years while 52% of respondents recruited before the bonus were in this age group. Further, respondents recruited after the bonus have, on average, more employment interruptions; the mean number of employment interruptions for respondents recruited after the bonus was 2.1 compared to 1.8 for those recruited before the bonus. Respondents recruited after the bonus are also more likely to have had a greater number of jobs during their employment careers; the mean number of jobs held by respondents recruited after the bonus was 5.3 compared to 4.6 for those recruited before the bonus. Only 14% of respondents recruited before the bonus had experienced unemployment as their first employment interruption compared to 33% of respondents recruited after the bonus. More striking is the difference in the mean length of the first period of unemployment: respondents recruited before the bonus had been unemployed for an average of 6 months in the first period, compared to 11 months for respondents recruited after the bonus.

¹⁵ The pattern of leaving employment upon marriage, rather than during the first pregnancy, was not extensive but was greatest for workers aged 50 and over.

¹⁶ Chi 7.04, $p < 0.01$, Phi=0.34

Table 6.4 Number of employment interruptions for female respondents, by age group

	Age at Interview					
	16-19	20-29	30-39	40-49	50+	All Ages
No. of Interruptions	%(No.)	%(No.)	%(No.)	%(No.)	%(No.)	%(No.)
0	67(2)	5(1)		8(1)	6(1)	7(5)
1	33(1)	38(8)	60(9)	46(6)	39(7)	44(31)
2		33(7)	20(3)	15(2)	33(6)	26(18)
3		14(3)	7(1)	23(3)		10(7)
4+		10(2)	13(2)	8(1)	22(4)	13(9)
Total%	100	100	100	100	100	100
No.	3	21	15	13	18	70
Mean No.	0.33	1.9	1.8	1.9	2.0	1.84
Mean time spent not working (months)	6	30	56	80	72	55

Table 6.5 Time spent not working for various reasons as a proportion of all the time not working for female respondents, by age group

Main reason for not working	Age at Interview				
	16-19	20-29	30-39	40-49	50+
	%	%	%	%	%
Looking for work	100	45.6	5.3	0.3	10.5
Illness		2.9			
Kids/pregnant		43.4	93.2	98.2	82.4
Elderly/sick care					3.4
Moving/separation			1.5		3.8
Break/rest		8.1		1.5	
Total	100	100	100	100	100
No.	1	20	15	12	17

Table 6.6 Time spent not working for various reasons as a proportion of total time not working during first interruption for female respondents, by age group

Main reason for not working	Age at Interview				
	16-19 %(No.)	20-29 %(No.)	30-39 %(No.)	40-49 %(No.)	50+ %(No.)
Looking for work	100(1)	27.5(10)	0.6(2)	0.2(1)	0.8(1)
Kids/pregnant		67.2(8)	99.4(13)	99.8(11)	95.8(14)
Other		5.3(2)			3.5(3)
Total%	100	100	100	100	100
No.	1	20	15	12	18

As can be seen from Table 6.5, 89% of the time spent not working (in paid employment), for those aged 30 years and over, was due to respondents' child care responsibilities. The mean length of time spent not working because of child care responsibilities for workers aged 30 and over was 66 months (or 5 and a half years), ranging from 56 months (4 years 8 months) for workers aged 30-39, to 71 months (just under 6 years) for those aged 40-49. What is the effect of time spent looking after children and out of paid employment? Analysis of the WES by Martin and Roberts (1984) and by Dex (1984) suggest that downward occupational mobility is markedly intensified by domestic commitments, though it is not confined to women with such commitments.

Bearing in mind that the types of occupations held by respondents in the present study do not vary greatly, it would appear that for those female respondents who have had children, roughly a third experienced downward occupational mobility upon their return to employment. At the same time, a third of returners experienced upward mobility. Table 6.7 records the direction of change in occupational mobility, for two transitions, different age groups of workers who have had children: mobility between the job left to have the first child and the permanent re-entry job; and mobility between the penultimate job and the current job. This table suggests that downward mobility is particularly marked for younger workers (those aged under 40) in the transition from exit job to permanent re-entry job, with the

pattern reversed regarding the transition from penultimate job to current job, where older workers (those 40 and over) are more likely to experience downward mobility. For the majority of respondents (70.6%), however, the move between the previous and current jobs entailed no change in occupational standing; the *overall* change observed in the move from exit job to permanent re-entry job also indicates no change because the proportion experiencing downward mobility is effectively cancelled out by the proportion experiencing upward mobility. The even distribution of upward, downward and level mobility observed in the move from the exit job to the permanent re-entry job is somewhat different than that found in the WES (Martin and Roberts 1984: 147), which found that 37% experienced downward mobility (which is very similar to that found in the current study), 49% experienced no change, and 14% experienced upward mobility. In the present study, a much larger proportion experienced upward mobility (33.3%), and a smaller proportion experienced no change (31.3%)¹⁷. The effects of time spent caring for dependent children on subsequent earnings was not analysed in this study. But in Joshi's (1984: 21 and 'note to readers') analysis of the WES, the measure of wage¹⁸ downgrading among those women who had children and were currently working was only 5%.

¹⁷ Almost all of the workers worked full-time in their exit job - 94.2% (49), compared to 5.8% (3) who worked part-time. The proportion returning to full-time work after having children was 35.3% (18), compared to 64.7% (33) who returned to part-time employment. These figures parallel those found in the WES (Martin and Roberts 1984: 147), where 31.7% of women returned to full-time work and 68.3% returned to part-time work.

¹⁸ The measure was based on hourly earnings.

6.7 Occupational mobility of female respondents who have had children, by age group†

	Exit Job†† » Permanent Re-entry Job	Penultimate Job » Current Job
	%(No.)	%(No.)
<i>Aged 20-29</i>		
Increase	10(1)	
No change	50(5)	70(7)
Decrease	40(4)	30(3)
<i>Aged 30-39</i>		
Increase	23.1(3)	7.7(1)
No change	30.8(4)	92.3(12)
Decrease	46.1(6)	
<i>Aged 40-49</i>		
Increase	36.4(4)	
No change	45.4(5)	63.6(7)
Decrease	18.2(2)	36.4(4)
<i>Aged 50+</i>		
Increase	52.9(9)	11.8(2)
No change	23.5(4)	58.8(10)
Decrease	23.5(4)	29.4(5)
<i>All ages</i>		
Increase	33.3(17)	5.9(3)
No change	31.3(16)	70.6(36)
Decrease	35.3(18)	23.5(12)

† Occupations are classified on the basis of the Cambridge Scale (from Stewart *et al.* 1985 *Social Stratification and Occupations* Table 2.6)

†† 'Exit job' refers to the job the respondent left in order to have her first child, or upon marriage if she did not return to work before having her first child.

In sum, half of the respondents had either not had any or had only one period of not working throughout their employment careers.; 77% had 2 or fewer periods out of employment. Unemployment accounted for a substantial proportion of the time spent not working for workers aged under 30, and younger workers were more likely to have experienced unemployment than older workers. However, child care accounted for the largest amount of

time spent not working (71.8%) for those who had children. As has been found in other surveys, the mean duration of employment before the birth of the first child increases the older the worker¹⁹. Older workers were also more likely to have had the longest initial job interruption due to child care responsibilities. Bearing in mind the fact that the types of jobs undertaken by the respondents over their employment careers was fairly restricted, the transition between exit job and permanent re-entry job did entail downward mobility for a third of the respondents affected. This was offset, however, by an equal proportion who experienced upward mobility. Unlike the evidence from the WES, where the sample of respondents was representative of the female population and where a much smaller proportion (14%) experienced upward mobility in this transition, the evidence here, for the total sample of female workers who have had children, does not indicate a general deterioration in occupational position. At the same time, while 94.2% of the respondents worked full-time in their exit job, upon returning to employment after having children, the majority (64.7%) worked part-time; although a minority, the proportion returning full-time (35.3%) is not insignificant. As will be discussed below, the distribution of full and part-time hours is strongly associated with child care and household maintenance responsibilities.

Domestic responsibilities and employment experiences: respondents with children

Forty-three percent (33) of the interviewees had financially dependent children²⁰; of this group, 15% (5) were single parents. In keeping with findings from larger-scale surveys, the hours and shift worked by female respondents with dependent children vary according to the number and age of dependent children: respondents with two or more children were

¹⁹ The mean duration of employment before the birth of the first child was: 4 years 6 months for workers aged 20-29; 5 years 3 months for workers aged 30-39; 5 years 5 months for workers aged 40-49; and 8 years 2 months for workers aged 50 years and older.

²⁰ 'Dependent' as defined by the respondent. Thus a small proportion of these are children who continue to live at home and either work (part-time or in low paid jobs, or are in YTS positions) or claim benefit on their own behalf. These dependents could thus be described as 'partially dependent'. As Chapter 5 suggests, a large number of single respondents do 'board' at home or with relatives. Of the remaining respondents who had no dependent children (57% of the interviewed sample), 37% (16) were single; 51% (22) had a partner; and 11.6% (5) were divorced.

more likely to work a part-time shift than those who had only one dependent child²¹; and the hours worked increased with the age of the youngest child. Table 6.8, which provides a breakdown of the hours worked by the age of the youngest child for female workers, indicates that the relationship between hours worked and age of the youngest child is significant and strong²². That is, the younger the age of the youngest child, the fewer the basic weekly hours worked by their mothers: respondents with children under 5 years predominantly worked less than 24 hours; respondents with children between the ages of 5 and 10 years mainly worked between 24 and 30 hours (although the hours worked were a little more diverse); and respondents with children over 11 years predominantly worked 40 hours²³. There is, then, a clearly patterned distribution of hours worked which is strongly associated with the age of the youngest child.

²¹ The relationship between shift worked, that is, 'full-time' or 'part-time', and number of dependent children is both significant and moderately strong: $p < 0.03$ with Yate's correction, $p < 0.01$ without Yate's correction, $\Phi = 0.43$. The relationship between hours worked and number of dependent children is also significant, but less strong: Pearson correlation = -0.293 , $p = 0.01$, $\Phi = 0.37$.

²² Pearson correlation: 0.7043 , $p < 0.001$, Gamma -0.92 .

²³ The breakdown of weekly basic hours provided here corresponds closely to the three main shifts worked: full-time day shift, part-time day shift, and the back shift. Although I could not apply the Chi statistic to compare shift worked and age of youngest child (more than 25% of the cells had expected frequencies of less than 5), the gamma statistic (-0.883) confirmed that the strength of the relationship between shift worked and age of the youngest child was also strong.

Table 6.8 Hours worked by age of youngest child for female respondents

Hours Worked	Age of Youngest Child		
	Under 5 No. (%)	5 - 10 No.(%)	11+ No.(%)
40			9(75)
24 - < 40	1(10) ¹	7(70)	2 ² (16.7)
< 24	9(90)	3 ³ (30)	1 ⁴ (8.3)
Total	10(100)	10(100)	12(100)

1. Single parent who works 24-30 hours per week.
2. Of the two respondents, one has a partner who is unemployed.
3. Two respondents have extra caring responsibilities for elderly relatives and one respondent has another part-time job.
4. The respondent has extra caring responsibilities.

As the notes to Table 6.8 suggest, there are clear explanations as to why certain respondents did not fit the general pattern observed. The respondent indicated in note '1' was a single parent who worked more than 24 hours in order to be eligible for Family Income Supplement. None of the single parents in the interviewed sample worked less than 24 hours²⁴. Of the three respondents indicated in note '3', two had extra caring responsibilities for elderly relatives and one had another part-time job, which explained why they did not work as many hours as the remainder of respondents with children in the same age group. The respondent indicated in note '4', who worked considerably fewer hours than the other respondents with their youngest child over age 11, had extra caring responsibilities for an elderly relative and, before assuming this caring, had another part-time job. Of the respondents indicated in note '2', the partner of one was unemployed, which may explain the reduced hours worked.

²⁴ This single parent in fact worked between 24 and 30 hours. There were only two respondents (of 10) who worked such hours which explains the rather large 24 to less than 40 hour band used - the majority of respondents in this band worked between 30 and 40 hours.

The majority of respondents with two or more dependents worked part-time - 84% (16 of 19), compared to 16% (3 of 19) who worked full-time. While there is an inverse relationship between the basic weekly hours worked and the number of dependent children, a large number (52.6% or 10 of 19) of respondents with two or more dependent children worked over-time. In contrast to respondents with only one dependent, the main reason given for working over-time for the vast majority (90%) of those with more than one dependent was that they needed the money, whereas the main reason given for the majority (75%) of those with one dependent was that they wanted to help 'cover' when the shift was shortstaffed²⁵. There is, then, a significant difference between the two groups in terms of their reasons for doing over-time.

It may appear contradictory that the majority of respondents with more than one dependent worked part-time, and that half of these then worked over-time. While there is very little full-time work available, this does not explain the pattern observed; only 3 of the 10 respondents with more than one dependent child who worked over-time wanted to work full-time. When asked what hours they would preferred to work, 79% (15 of 19) of respondents with more than one dependent child indicated that they wanted to work part-time. Obviously, however, a substantial proportion of these workers did work more part-time hours because the financial returns from their basic weekly hours were insufficient. It was the arrangement of hours worked during the day - the timing of shifts - which was a key factor for the workers' that is, over-time was generally obtained by working additional hours on 'days off' (eg. weekends) rather than by working additional hours on normal working days. The majority of part-timers worked set days, Monday to Friday; over-time therefore involved working one or two part-time days at the weekend. Thus, it could be suggested that for some, the reason for working part-time has more to do with the time of the shift rather than

²⁵ The relationship between main reason for working over-time (for noney or to help cover) and number of dependent children was significant and substantial: Fisher's Exact Test < 0.01, Phi = 0.66.

the number of hours worked. This explanation is strengthened when the child care arrangements for workers with dependent children is considered.

There was only one respondent who had a child in a day care programme, and this was a special social work scheme provided free of charge. The remaining respondents with dependent children of pre-school and school age generally relied on their partners, friends, mothers/-in law or parents, or a combination of these above, to look after their children when they were at work. Interestingly, shift worked was not only a good predictor of the age of the youngest child, but also an indicator of who looked after the children while the mother worked. Almost all of the respondents with a child under 5 years of age and with a partner (89% - 8 out of 9), worked the 'back shift' (and worked less than 24 hours per week) allowing their partners to assume responsibility for child care during this time. (The 'back shift' is worked in the evenings, generally starting late afternoon and finishing mid-evening, with some variation at either end). As Table 6.9 suggests, the relationship between child care arrangements (for children who require supervision) and shift worked for those with a partner is significant and substantial²⁶. That is, in 64% (9 of 14) of families where both parents were present and child care arrangements were necessary, the (male) partner was primarily responsible for taking care of the children while the respondent was working. In 89% (8 of 9) of the cases where the father was responsible for child care when the respondent was at work, the respondent worked the back shift. In contrast, the relationship between hours worked and child care arrangements was not statistically significant, emphasising the importance of the timing of the shift in determining the hours worked by respondents with dependent children²⁷. Four out of the 5 single parents interviewed

²⁶ Fisher's exact test= 0.022, phi = 0.689

²⁷ When child care arrangements are analysed by the respondent's basic hours worked, that is less than 24 hours per week or 24 hours per week and over, the figures in the left hand column of the Table 6.9 remain unchanged; of those respondents whose partners looked after their children, 8 worked less than 24 hours per week and only 1 worked longer hours. The right hand column of Table 6.9, however, changes substantially; of those whose partners did not look after their children while they were at work, 3 worked less than 24 hours per week and 2 worked longer hours.

needed to arrange child care; this was provided by a combination of friend and/or mother; all 4 of these respondents worked more than 24 hours per week and did not work a back shift.

Table 6.9 Shift worked by child care arrangements of female respondents with partners

Shift	Child Care Arrangements	
	Partner No.(%)	Other No.(%)
Day shift	1(11)	4(80)
Back shift	8(89)	1(20)
Total	9(100)	5(100)

When respondents with children were asked why they worked part-time, of the 8 who worked the evening backshift, 4 reported that they needed work which coincided with their partner's availability for child care - in order to look after the children, their the partner had to return home before the respondent could leave for work. Of the other four respondents concerned, one indicated that there was no child care available during the day, and the other three indicated 'family reasons'; which suggests that given that their partners also looked after the children while the respondents were at work, they also needed to coordinate their working schedules. Moreover, in 7 of the 8 cases, the age of the youngest child was under 5; that is, there was at least one child at home who had not yet started school - possible child care arrangements would again seem to be the most the likely factor influencing respondents' employment patterns. This explanation is strengthened by the fact that there were only two other respondents with pre-school age children who did not work the backshift. One of these was a single parent, who for financial reasons needed to work more hours than could be provided by the back shift, and who also had no partner available to assume child care responsibilities. The other respondent had free day care provided for her child by the social work department. Consequently, she did not work the backshift, although she only worked less than 24 hours. Her partner was unemployed (and had been

for a fairly long time), and the family was in receipt of some supplementary benefit (which was likely influential in limiting the hours/pay she sought).

Of those respondents with dependent children who worked full-time (9), in each case the youngest child was 11 years or older (4 were 16 years old), and therefore the children were either at school for most of the time that the respondents worked, or did not require supervision. Child care arrangements, if needed at all (in only 2 of the 9 cases), were consequently less obtrusive. The overall pattern suggested by the above tables regarding the relationship between the age of the youngest child and the hours/shift worked by the respondents, is one which suggests a general movement toward increased (full-time) hours and daytime work generally (away from 'unsocial hours'), the older the youngest child. Of the 9 respondents with dependent children (aged 11 and over) and currently working full time, 5 had previously worked their jobs as hospital domestics on a part-time basis (their average length of service was just above 8 years). The other 4 respondents who started their jobs as full-timers had worked for a relatively shorter period of time (their average length of service was just above 2 years); at the time of starting their jobs, their youngest child would still have been over 11 years of age.

In sum, it would appear that for those families who have dependent children who are young enough to require supervision, if there is a male partner present, in the majority of instances this partner assumes responsibility for looking after the children when the respondent is working. Respondents whose partners look after their children while they are at work almost exclusively work the back shift, and work between 15 and 24 basic weekly hours. Many of them also work over-time, but at the weekends (primarily Sundays) when their partner is also available for child care. On the other hand, for respondents with older dependent children - those who require little or no supervision - the majority work full-time. As Table 6.8 illustrates, there appears to be a general movement toward increased hours as the age of the youngest child increases. Interestingly, this pattern is observed not just cross-sectionally but also longitudinally within the current job; workers who have older dependent

children and who have been employed for a number of years have progressed from part-time employment to full-time employment within the same job.

Domestic responsibilities and employment experiences: earnings and low pay

In specifying a supplementary benefit level with which to compare their low pay threshold, the LPU takes a family of four as the basis of its calculations. Thus, in 1986 a 'typical' family of four would have needed a gross income of £119.22 to be left with the same net income that they would receive on Supplementary Benefit (SB), which closely compares to the LPU threshold of £123.40, calculated on the basis of two-thirds median male earnings. (Forty-one percent of full-time workers in the present study feel below these thresholds, with overtime included.) There are a number of problems, however, with this definition of low pay. First of all, the generalised assumptions about family and employment situations are highly problematic. It is assumed that the household consists of a two-couple, two-child family (one child aged 11-16 and one aged under 11), with one parent working, typically the male (Pond and Winyard 1983: 9). In 1985, 14% of families were headed by a lone parent, the vast majority being lone mothers (Family Policy Studies Centre, 1986). Further, the proportion of economically active mothers with dependent children was 53% in 1984, rising to 64% for married women with dependent children over the age of 5 years (General Household Survey, 1984: Table 6.6). Women's earnings are also a very important component of the families' income: in one out of eleven (9%) households the wife is the main breadwinner, in that her earnings are greater than her husband's; where the wife's earnings are equal to or exceed her husband's on a regular basis, the proportion rises to one in seven (Equal Opportunities Commission, 1983). Clearly, the majority of families do not conform to the household type assumed.

In the current study, none of the families conformed to the 'typical' family outlined above as ^Lall of the female respondents were working (as were both of the married male respondents' partners). Moreover, only 9% (3 of 33) of families with dependent children

consisted of a two parent two child (one aged under 11 and one aged 11-16) family. While two parents were present in 85% of the households with dependent children, in 10.7% (3 of 28) of these households the woman's wage was the sole source of earned income for the family. Apart from those households where the male partner was unemployed, 7% of the respondent's (female) earnings equalled or exceeded that of her partner. Also, 15% (5 of 33) of families with dependent children were headed by single mothers. Thus, 24.2% (8 of 33) of families with dependent children were supported by a woman's income alone.

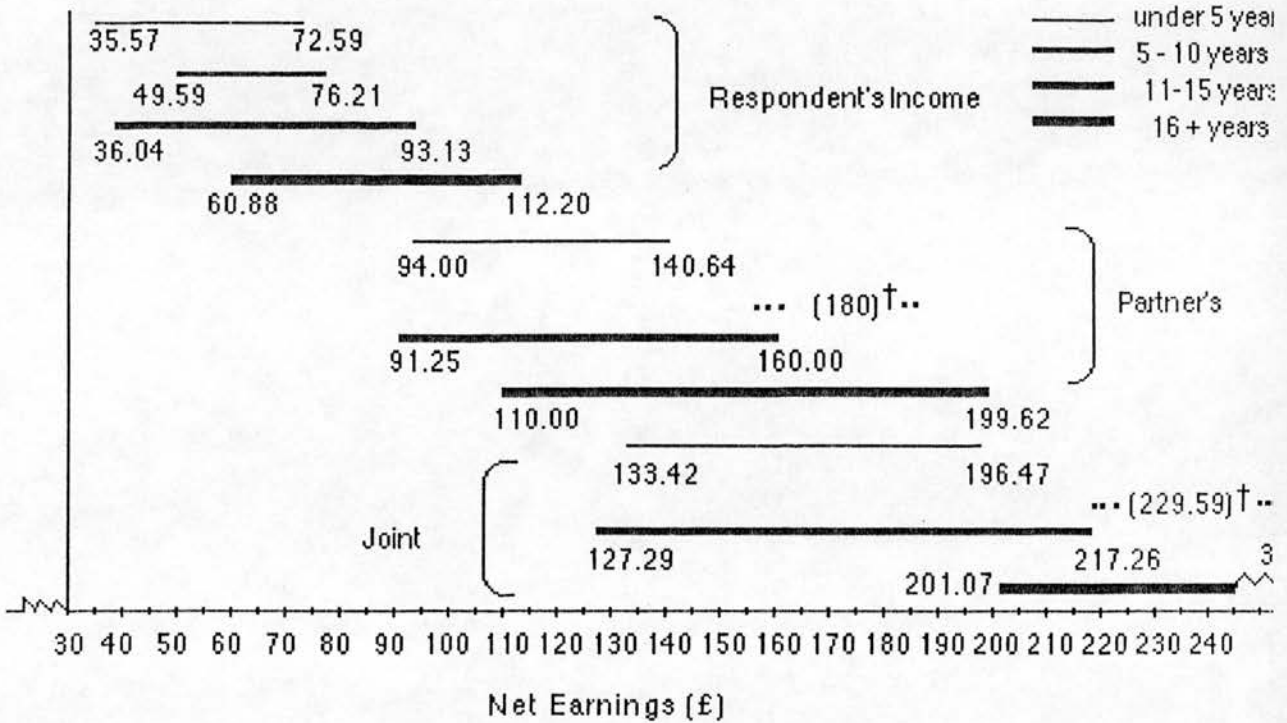
The evidence both from this study and national surveys suggests that the short-hand summarisation of the 'typical family', where both parents are present but only one of the them (generally the father) is assumed to be working, is in fact quite atypical. As Twine (1983) argues, one person's earnings are often insufficient to bring the family's income above the 'official poverty line'. The Central Policy Review Staff has estimated that the numbers in poverty would be four times as high if it were not for the contribution of (married) women's earnings to family income (MacLennan et al 1983: 6). In terms of relative earnings, and adjusting for household size, 41% of households with children headed by lone parents are in the bottom 20% band of disposable income, compared to 18% of households with children headed by a couple (FPSC 1988: 12).

Women's employment participation is clearly affected by domestic responsibilities. The age of the youngest child is an important factor influencing the weekly hours worked, and hence the weekly wage obtained. As Figure 6.1 suggests, there appears to be a general tendency for earnings to increase the older the age of the youngest child for respondents, their working partners, and their joint income²⁸. The lower relative earnings of female respondents with dependent children is because of the reduced hours worked due to child

²⁸ The correlation is significant and strongly positive for respondents' earnings (Pearson correlation = 0.6281, $p < 0.001$); the relationship is positive but not statistically significant for respondents' partners (Pearson correlation = 0.2416, $p = 0.305$); the relationship is moderately positive but not statistically significant for their joint earnings (Pearson correlation = 0.3308, $p = 0.154$).

care responsibilities. As Table 6.5 above suggests, however, there are a few women who have responsibilities for elder care and this also affects the hours worked.

Figure 6.1 Net earnings by age of youngest child²⁹



† There were only 3 cases in this band and in two of these, the information on the partners' income was missing. Earnings for the remaining case are given in brackets.

It is true that respondents with younger children are likely to be younger themselves and that earnings typically increase with age³⁰. But, as we have seen, parents with pre-school age children in this study share child care responsibilities on a daily basis. This limits the number of hours available for paid employment for both women and men, but in different ways. Although the men work full-time, they are not able to work over-time to boost their earnings which, as Rimmer and Popay's (1982) study suggests, has been a distinctive and

²⁹ The 'respondents' are female, and the 'partners' are male.

important source of income-generating hours for young families. And women's employment hours are restricted by the need to look after their children while their husbands work.

Table 6.10 presents net earnings as a proportion of supplementary benefit requirements for the respondents (by 'marital status'), their partners (where applicable), and the joint earnings of the couple. Rather than using the Supplementary Benefit (SB) threshold calculated by the LPU, the actual rather than imputed requirements for respondents, taking into consideration their household and family circumstances, was calculated³⁰; 100% of SB requirements represents the 'official poverty line', though as Townsend's (1979) study suggests, earnings below 140% of SB requirements would indicate that there is considerable poverty and deprivation. It is also the case that the value of supplementary benefits has deteriorated, both in real terms and relative to average earnings. For these reasons, both the 100% and the 140% thresholds will be used to define and discuss the nature and extent of low pay among the domestic ancillary respondents. Figure 6.2 provides a summary of the information contained in Table 6.10. As can be seen, of all the respondents, 54% of the respondents earned less than their SB requirements. All of these were respondents with dependent children: 14.3% of respondents who had a partner earned less than or equal to 50% of their SB requirements; 75.5% earned less than or equal to 100% of their requirements; and though none of the single parents earned less than or equal to 50% of their SB requirements, 80% earned less than 100%. In addition,

³⁰ On the basis of 1987/8 rates, the respondent's Supplementary Benefit requirements were calculated as follows: Basic Rate¹ + travel costs² + housing costs³ + earnings disregard⁴

¹ Couple: £49.35; Single person: £30.40; Child0-10: £10.40; Child11-15: £15.60; Child16-17: £18.75

² Weekly ³ Weekly: rent/rates; mortgage; board costs. The average (median) rent/rate costs: £26.31; mortgage: £25.15; board costs: £20.00

⁴ Earnings disregard: £4; £12 (single parents)

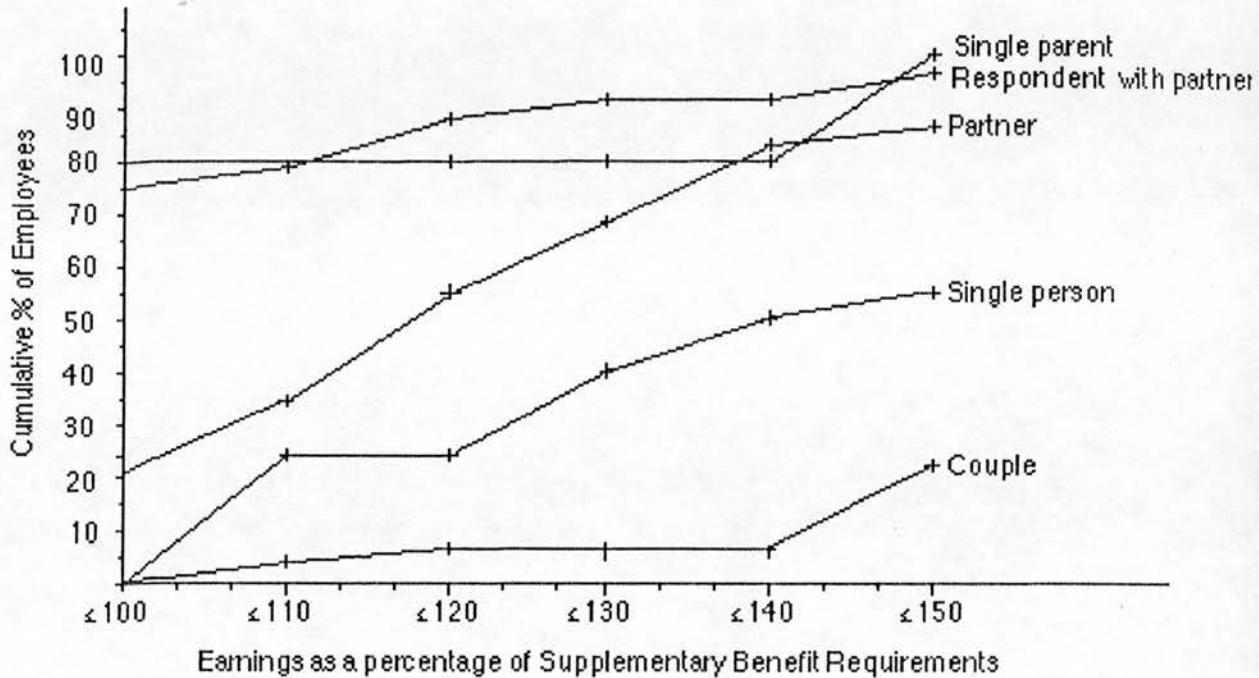
20.7% of respondents' partners earned less than or equal to the official poverty line, but no couples earned less than this threshold, nor did any of the single respondents.

Table 6.10 Net earnings as a proportion of supplementary benefit requirements³¹

	≤50%	≤100%	≤110%	≤120%	≤130%	≤140%	≤150%	≤200%	>200%
	%(No.)	%(No.)	%(No.)	%(No.)	%(No.)	%(No.)	%(No.)	%(No.)	%(No.)
1.	14.3(7)	75.5(37)	79.6(39)	87.8(43)	91.8(45)	91.8(45)	95.9(47)	100(49)	
2.		80.0(4)	80.0(4)	80.0(4)	80.0(4)	80.0(4)	100(5)		
3.		20.7(6)	34.5(10)	55.2(16)	69.0(20)	82.8(24)	86.2(25)	96.6(28)	3.4(1)
4.			25.0(5)	25.0(5)	40.0(8)	50.0(10)	55.0(11)	80.0(16)	20.0(4)
5.			3.3(1)	6.6(2)	6.6(2)	6.6(2)	23.3(6)	56.7(17)	43.3(13)
1.	Female respondent with partner - individual net earnings								
2.	Female single parent respondent - individual net earnings								
3.	Partner of female respondent - individual net earnings								
4.	Single respondent - individual net earnings								
5.	Couple (female respondent and partner) - joint net earnings								

³¹ 'Respondents with partners' are all female, 'partners' are all male, and 'single persons' are male and female respondents.

Figure 6.2 Net earnings as a proportion of supplementary benefit requirements³²

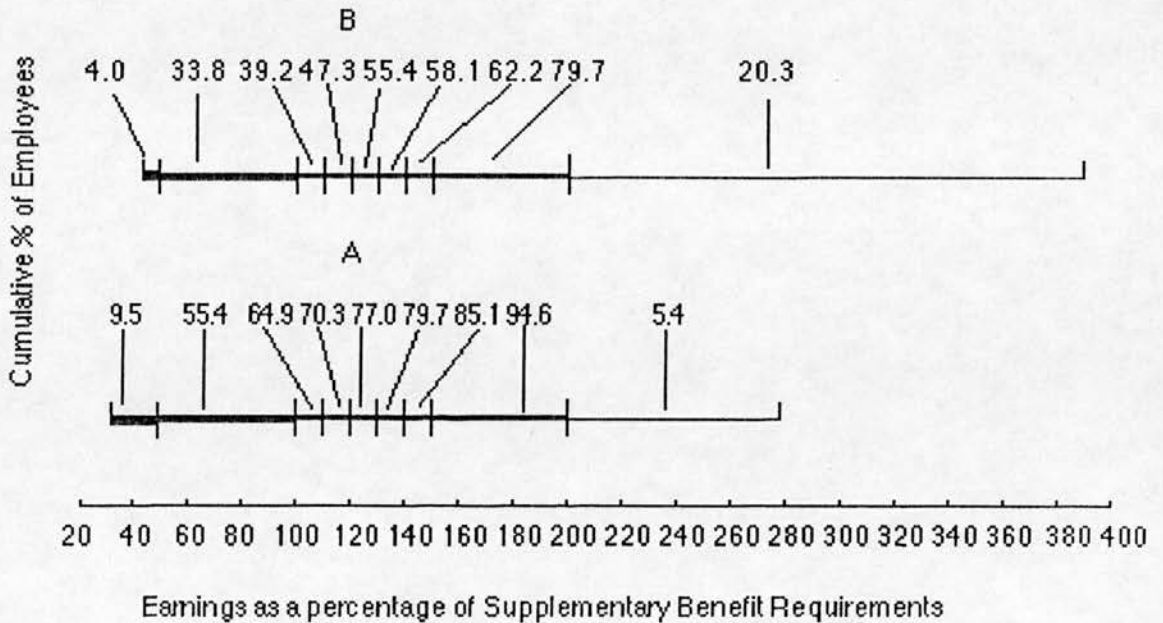


If we consider the threshold represented by 140% of SB requirements, 91.8% of respondents with a partner earned less than or equal to this amount, compared to 80% of single parents' earnings; 82.8% of respondents' partners' earnings, 50% of single respondents' earnings, and only 6.6% of couples' joint earnings. None of the respondents with partners earned more than 200% of their SB requirements, nor did any of the single parents. Only 3.4% of respondents' partners earned more than 200% of their SB requirements, compared to 20% of single respondents, and 43.3% of couples (on the basis of their combined income). Fifty-six percent of respondents with partners had dependent

³² 'Respondents with partners' are female, 'partners' are male, and 'single persons' are male and female respondents.

children, and to the extent that their own earnings, and those of their partners, fell below the basic SB requirement threshold, it was due to the presence of these children. A much larger proportion of respondents' earnings, compared to their partners', fell below the basic SB threshold: 75.5%, compared to 20.7%. Even though the basic hourly wage rate of the respondents was generally lower than that of their partners, their lower weekly wage resulted more from their weekly hours worked than from their basic hourly wage rate. This is further emphasised when the respondents' incomes, on the basis of the consolidated minimum hourly wage rate of £3.25 proposed by the LPU, are calculated and compared to their SB requirements.

Figure 6.3 Actual and imputed 'minimum wage' earnings of respondents, as a proportion of supplementary benefit requirements



A. Actual earnings as a percentage of SB requirements for all interview respondents, not including their partners' or joint incomes.

B. 'Minimum wage' earnings as a percentage of SB requirements for all interview respondents, not including their partners', or joint income. Instead of the normal basic hourly pay, bonus pay, and over-time earnings, the income of each respondent is calculated on the basis of the consolidated minimum hourly wage rate of £3.25 suggested by the LPU; this sum is then multiplied by the respondent's normal basic weekly hours to produce the weekly wage they would earn on the basis of the minimum wage target. This hypothetical weekly wage is then compared to the respondent's SB requirements.

Figure 6.3 displays the respondents' actual (A) and hypothetical 'minimum wage' (B) gross earnings as a percentage of SB requirements³³. As diagram A indicates, on the basis of their actual income, 9.5% of all respondents earned less than or equal to 50% of their SB requirements, while 55.4% earned less than or equal to 100% of their SB requirements. Altogether, 79.7% of respondents earn less than 140% of their SB requirements; 94.6% earned less than or equal to 200%; and only 5.4% earned more than 200% of their SB requirements, all of whom were single³⁴. Diagram B illustrates the potential minimum wage earnings of respondents if they were to receive the hourly basic minimum of £3.25 recommended by the LPU. The LPU suggests that the minimum wage (weekly and pro-rata part-time hourly earnings) should provide a 'socially acceptable standard of living' for the wage earner (and any dependents), without the worker having to work over-time or shifts. The question remains, how well does this minimum provide for the respondents in this study?

Diagram B of Figure 6.3 indicates that while the higher basic wage would considerably improve the position of some of the respondents, a large proportion of workers would still receive wages which are insufficient to maintain themselves and dependents at a 'socially acceptable standard'. That is, 4% of respondents still only earn, at most, 50% of their SB requirements; 33.8% earn less than or equal to the SB threshold; and 58.1% have earnings that do not exceed 140% of their SB requirements. Though the proportion earning more than 200% of the SB threshold increased from 5.4% to 20.3%, all of these were single

³³ See note for diagram 'A' of Figure 6.3 for an explanation of the 'minimum wage' calculation.

³⁴ The calculations for Figure 6.3 are based on gross rather than net earnings. There is, then, a very slight discrepancy between the figures presented in Table 6.10 and those presented in diagram A of Figure 6.3. In basing the calculations on gross rather than net earnings, the figures provided in Figure 6.3 slightly overestimate the respondents' actual and potential earnings as a proportion of their SB requirements; that is, the figures underestimate the proportion of respondents whose earnings fall within each of the percentage bands given. Thus, for example, the proportion of respondents with earnings of more than 200% of their SB requirements is 3.4% according to Table 6.10, while Figure 6.3 indicates that 5.4% earn more than this threshold. There is, therefore, some inconsistency between the figures in diagram A of Figure 6.3 and those in Table 6.10 but the calculations and figures presented in diagrams A and B of Figure 6.3 are themselves consistently produced.

respondents who earned more than 140% of the SB threshold on the basis of their actual earnings. Those whose 'minimum wage' earnings (Diagram B of Figure 6.3) remained below 100% of their SB requirements all had dependent children; those whose minimum wage earnings fell below 140% of their SB requirements included all those with dependent children (33), plus those respondents who had a partner (10), in addition to one divorcee (without any dependent children). Thus the consolidated minimum wage is successful in increasing the earnings of single respondents with no dependents above 140% of their SB requirements, but it would appear that an hourly minimum wage of £3.25 is not very effective in terms of providing a sufficient independent source of income for workers who have dependents, given the basic hours worked.

Even if the (full-time) weekly minimum wage of £123.40 is adopted, on the basis of this wage alone, 8.7% of respondents with partners would earn less than 100% of their SB requirements, and more than half of those with partners (56.5%) would earn less than 140% of their SB requirements. Though none of the single parents would earn less than or equal to 100% of their SB requirements, 80% (4 of 5) still would have earnings less than 140% of the SB threshold. Given that the vast majority of respondents' partners of the respondents worked full-time, we can compare their earnings to the LPU full-time minimum wage of £123.40, and the extent to which this provides an income above either 100% or 140% of their SB requirements. From the third row of Table 6.10, which records respondents' partners' income as a proportion of SB, it can be seen that the full-time weekly minimum wage proposed by the LP&U would reduce the proportion of partners earning less than 100% of their SB requirements, from 20.7% to 8.7%, but only reduce the proportion earning less than 140% from 82.8% to 56.5%. This suggests not only that a sizeable minority of male partners earn very low wages - below the £123.40 minimum threshold - but that many are earning wages which are insufficient to independently support their family at a level which would bring them out of conditions of poverty.

The minimum wage suggested by the LPU, whether used as an hourly or weekly rate, though effecting some improvement in the position of individual earners, is clearly insufficient in providing an adequate income for individuals with financial dependents³⁵. It is interesting to find from Table 6.10 that the combined incomes of respondents and their partners bring all of the families concerned above the SB threshold, and 93.4% of the families above the 140% threshold. Almost half the couples (43.3%) had combined earnings which brought their household income to a level above 200% of their SB requirements. This is not to imply that these combined wages are sufficient, or to be complacent about the level of individual wages³⁶, but the pattern suggests that for those whose claims on social resources are relatively disadvantaged, there is a general patterning of the relations of domestic circumstances and employment experiences, structured in terms of financial need and household maintenance responsibilities. That is, family income is consistent (though not necessarily sufficient) with family responsibilities. In this sense, a 'living wage' system is clearly operational, not in terms of a 'male' wage adequate to support a dependent wife and children, but where both incomes are indispensable³⁷.

³⁵ It may be argued that combined, child benefit and a national minimum wage could bring families out of poverty; as long as the weekly benefit rate was sufficient, I would agree. But, for the same reason that there has been little government support for a national minimum wage, there is weakening support for, and a real decline in the value of, child benefit. Because of their explicit objective to provide a certain level of income, minimum wage and child benefit provisions are perceived to be brought about by political interventions in the market processes of resource distribution.

³⁶ It is debatable as to whether the threshold of 140% of SB requirements is adequate, or 'socially acceptable', not to mention 100% of SB requirements. State benefits (excluding child benefit) were received in almost a third (30.3%) of the respondents' households; in half of these cases (or 17% of the total interviewed sample) Housing Benefit was received by the household.

³⁷ As with the findings of the WES (Martin and Roberts 1984), the majority of respondents with partners in the present study perceived their income to be absolutely essential: 42% indicated that they would not be able to manage at all without their earnings; 32% indicated that they would have to 'give up' a great deal; 4% indicated that they would have to 'give up' a lesser amount; and 21% indicated that the loss of their income would make no substantial difference. The distribution of income within the household is an important issue. It is argued that even if adequate, the 'family wage' is often unevenly distributed within the family, to the detriment of women and children (Millar and Glendinning 1989). An important indicator of a more equal distribution of income within the household is whether the female partner is aware of how much her partner earns. Compared to the findings of the WES, where roughly two-thirds of the wives could give a figure for their husband's earnings, 82% (41 of 50) of respondents with partners in the current study knew their partner's

If the minimum wage proposed is to operate as an hourly minimum wage, with the intention of providing a socially acceptable standard of living for individual wage earners (female or male) and their dependents on the basis of this one income, it will fall far short of its objective, whether or not wage earners are employed on a part- or full-time basis. While the (hourly) minimum wage threshold would be effective in improving the position of persons who have no financial dependents, it would be of little help to part-time workers, and particularly to single parents. The minimum wage would also be of limited value in boosting individual parents' incomes to an acceptable standard, for those who are part of a couple. On the other hand, given the level of couples' combined earnings, the implementation of an hourly minimum wage of £3.25 would effectively improve their combined weekly earnings, even if one works part-time.

Summary

There is a fundamental incongruity with the main explanation of low pay provided by the LPU - that it is a matter pertaining primarily to the economics of industry and not an issue of the family, and the stated objective to provide each individual wage earner with a socially acceptable standard of living. This perhaps explains the somewhat contradictory impact of the suggested minimum wage on single-parent families (15% of the sample), two-parent single earner families (10% of the sample), and two-parent dual-earner families, can be explained. In considering the nature and extent of low pay, and assessing the likely impact

earnings. Using the typology developed by Pahl (1985), it is probably the case that the majority of respondents with partners in this study operated a 'whole wage' or 'pooling' system of allocating resources. Typically, the whole wage system prevails in situations where the income level of the household is low, and where one partner takes responsibility for managing all the household finances. The pooling system occurs where both partners have access to all the household money and where both are responsible for managing expenditure; this system is also more likely to occur when income is low, and as income rises, and where the wife is in employment. In Pahl's study, 93% of the couples who used the whole wage system had incomes below £9,000 per annum; 63% of couples who used the pooling system had incomes below the same amount. Altogether, 55% of couples used the pooling system and 14% used the whole wage system.

of the proposed minimum wage, it is evident that the relations of domestic to employment experiences are socially patterned. At its current level, the minimum wage is not adequate for those who need it most - those who require an independent or 'full-wage'. But it is more likely to provide an adequate 'component-wage' for each partner in dual-earner families. As Siltanen (1986) argues, the distinction between full- and component-wages is not entirely related to the actual level of the wage, but is also formed on the basis of differences in relations to household maintenance. Thus a full-wage (job) enables the incumbent to take sole responsibility for maintaining an independent household, which may include financial dependents; a component-wage (job) is not sufficient to enable the incumbent to be wholly responsible for financially maintaining a household.

The distribution of low earnings among respondents, and their partners where applicable, suggests that while the distribution of low earnings is sex-skewed, a substantial proportion of male partners also earn component-wages. Further, more male partners earn component-wages than do single respondents. It is, however, single parents and single-income families who are poorly served by the minimum wage because with a combined income, most couples jointly provide a full-wage for the household, the vast majority above 140% of their SB requirements. The pattern of low earnings observed for the sample of domestic ancillary workers illustrates that pay does not reflect the quantity and quality of labour supplied; that is, 'individual worker characteristics' defined in terms of the 'market'. Rather, employment experiences are structured in relation to the social circumstances and domestic responsibilities of respondents.

Conclusion

The growth in public sector employment during the post-war period has been significant and, importantly, associated with the marked increase in the employment of women. Women's increased labour force participation is closely linked to the expansion of social welfare services, that is, health, education and social services; given the growing size and importance of the public service sector as a source of women's expanding employment opportunities, women in particular are susceptible to the consequences of cuts in public spending and attempts to reduce the scope and content of social welfare services. The government's privatisation policies are, therefore, a major cause for concern in regard to women's employment.

The privatisation programme, which incorporates policies to contract-out public services, denationalise public industries, and 'liberalise' legislative controls, is closely allied to assumptions of orthodox economic theory and is designed to 're-establish' the primacy of 'market' principles in the distribution of resources. The expansion of the welfare state and of social wages (income and services provided by the state) is argued to interfere with the proper functioning of the market and, consequently, is said to be the cause of wage inflation, unemployment and poor productivity growth. Thus, the privatisation agenda has been engineered to reduce the size and cost of the public sector, primarily by effecting a downward pressure on public sector wages, on the grounds these have been artificially raised by exogenous social and political interventions into what is ostensibly the province of economic market operations. The unfettered operation of the labour market, then, is argued to bring about the most 'efficient' allocation of resources (wages, jobs, goods and services).

Privatisation policies have been marshalled, however, in relation to those circumstances where market distinctions are most problematic. As I have suggested in Chapters 2 and 3, market-based explanations fail to coherently account for public service sector employment and the growth of 'social wages'; they are also unable to adequately explain gender

differences in earnings and the general pattern of low pay. In each instance, the market assumption that there is a single price for the same quantity and quality of labour is contradicted. In seeking to impose a market determination of resource allocation (through privatisation policies), the assumption is that the failed market prediction is an aberrant and ephemeral product of social and political interference in 'economic' processes. Thus, social categories are residually employed in an attempt to explain away the observed countervailing tendencies.

The form of discourse favoured by economists has been pervasive among sociologists as well as social policy analysts. Social theory perpetuates the categorisation of social processes as 'exogenous' and peripheral to processes of resource distribution. Within the sociology of stratification, the 'market' has had a central place in explanations of the structuring of inequality. Attempts to explain patterns of low pay and gender differentials in earnings have focused on the efficacy of labour market explanations. This has led to the development of labour market segmentation analyses. Labour market segmentation theory has evolved out of the recognition that 'market' criteria are limited. Although they are unable to demonstrate the explanatory power of 'market' processes, however, segmentation analyses typically remain entrenched within a normative economic frame of reference and thus fail to cope with the centrality of social processes. That is, like orthodox economic explanations, labour market segmentation theory accepts that there is a single price for the same quantity and quality of labour, but suggests that in the long-term, social/structural factors impede its actualisation for certain groups of workers.

Arguments developed in the present research suggest, however, that the consequence of invoking social categories in explanations of the structuring of employment and resource distribution, fundamentally challenges their perceived residual status. The urge to retain 'market' explanations of the structuring of employment stems from the perceived need for coherence. But 'market' explanations do not further our understanding; rather, it is suggested here that the apparent incoherence in patterns of social experience identified by 'labour

market imperfections' or 'rigidities' is, in fact, generated by the lack of theoretical integrity. The study of gender and employment, in particular women's employment in the public service sector, is instructive in challenging the way conventional explanations, within economic and sociological theory, assume social processes and issues to be peripheral. The post-war expansion of female part-time service sector employment brings into focus, in a very powerful way, the fundamental significance of social relations.

Existing patterns of female employment contradict the assumption that rewards are attached to particular jobs ('economic' processes), independent of the processes allocating people to these positions ('social' processes). This is further emphasised by the case study material presented here. The findings presented in Chapter 5 suggest that with the changing circumstances of domestic ancillary employment, the profile of the domestic ancillary workforce does not remain static, but also changes. This development underlines the relations between social circumstances and the structuring of employment. The changing pattern of recruitment in domestic ancillary work evidenced in this study can be explained in terms of the changing job-type and household maintenance responsibilities of recruits. Domestic ancillary employment has essentially always provided 'component-wage jobs' (which do not enable the incumbent to be independently financially responsible for the maintenance of a household). But as a result of the cost-cutting exercises, particularly the increasing use of part-time work, the component-wage jobs now available to new recruits in domestic employment draw a larger proportion of younger workers with considerably fewer financial responsibilities, and a smaller proportion of workers with fuller financial responsibilities. While the findings suggest that household maintenance responsibilities influence who will seek full- and component-wage jobs, it is not assumed that the choices involved are free from constraint. It is argued, however, that the constraints and outcomes are socially determined.

The need to move beyond the restrictive parameters set by 'market' understandings of the problem of wage and gender inequalities, toward an understanding of resource distribution

in other than 'market' terms is clear. Further, the argument that gendered wage differentials primarily reflect unequal rewards to equal labour power is rooted in the assumption that there is a single price for the same quantity and quality of labour, that processes of wage determination are separate from processes of employment allocation. This assumption reinforces the artificial separation of economic and social factors in explanations of the structuring of social resources, and perpetuates the dichotomisation of the spheres of 'paid' and 'domestic' labour. Understandings and explanations of social practice, of the relations of domestic circumstances to employment experiences, must be analysed as components of a single process, where social relations are constitutive of this process. The tendency, however, has been to assume the analytical independence of 'society' and 'economy', of family and work. This has circumscribed our understanding of the problem of resource distribution and processes maintaining inequalities to the extent that if issues of 'need' and 'dependency' (domestic circumstances) are taken into account, they are perceived to be residual to 'economic' labour market processes.

As Chapter 6 suggests, minimum wage debates underline the problematic nature of the separation of 'economic' and 'social' factors in explanations of resource distribution and processes maintaining inequalities. Arguments for a national minimum wage are not only inspired by the desire to effect some measure of earnings redistribution to improve the position of the low paid, but are also intended to provide the wage earner (and any dependents) an income which could provide a 'socially acceptable standard of living'. There is, then, some recognition of the need to address the issue of 'family responsibilities'. On the other hand, calls for government legislation to institute a national minimum wage suggest that government 'intervention' in wage determination processes is warranted on the grounds that the 'market' has failed (because of structural demand-side rigidities) to equally reward the same quantity and quality of labour. This explanation of low pay seriously weakens the argument for a minimum wage: firstly, it subscribes to the market assumption that political processes are exogenous to and not constitutive of processes structuring the

distribution of resources; secondly, it suggests that wages are simply rewards for 'economic' performance, which again undermines arguments for more equitable income distribution to ensure a 'socially acceptable standard of living'.

It is not a coincidence that privatisation policies, premised on erroneous market explanations of income distribution, have the most detrimental impact in precisely those areas where mistaken understandings converge. Women's employment in the public sector juxtaposes the artificial division of domestic and paid labour, and 'public welfare' and 'private market' forms of resource distribution, underlining the contrived nature of the separation of 'economic' (productive) and 'social' (non-productive or reproductive) processes. While conventional 'malestream' analyses focusing on 'economic man' have been criticised for their general disregard and inappropriate treatment of women as 'other' and subsidiary, there are clear parallels to the manner in which public welfare services and women are analytically treated: as 'social' categories they are construed to be peripheral and are therefore marginalised.

Conservative policies to 'roll back' welfare state activities have been widely criticised as turning the tide against the 'welfare state'. This 'crisis in welfare' is argued to reflect the collapse of consensus regarding the 'mixed-economy' of 'market' and 'state' welfare assumed by pioneers of the welfare state. It is argued in Chapter 2, however, that the current 'crisis in welfare' is rooted not in the collapse of consensus but in the consensus rationale that state activities constitute intervention in 'market' operations. Both free-market theorists and leftists share similar analytical understandings of the relations between politics and the 'market economy'; both positions assume that improvements in social welfare through government action constitutes interference with the 'logic of the market'. It is this pervasive assumption which has hitherto constrained welfare state developments and which continues to debilitate the left's capacity to successfully counter the privatisation agenda.

The application of 'market' principles in public service provision and wage determination has been unequivocally advocated by the Thatcher government. But, as Chapter 1 indicates, privatisation is simply one instance of government policies concerning wages in the public sector, instituted throughout the post-war period, that promotes the salience of 'market forces' in the determination of wages. Whether the principle of pay determination for public sector employees is that of 'fair comparison' with outside work, or linking pay to work performance (productivity bargaining), the assumption has been that state 'conventions' should emulate 'real market' determinations.

The pressure to hold down 'social' wages, and cut back welfare state provision generally, is rooted in the presumption that different logics govern the allocation of 'private' and 'social' wages. Income from employment is assumed to be primarily determined by market forces. The reluctance to fully relinquish market understandings of income distribution has far-reaching implications for public sector developments. That is, because private sector costs (prices and wages) are said to be determined by the 'market', and the costs of public sector services, primarily employment, are not, public services have been classified as 'unproductive' and 'non-progressive'. Thus, increases in public expenditure are construed to be disadvantageous to the 'economy'; this has fuelled arguments for public expenditure contraction. The escalating 'economic' costs implied by the expansion of the 'unproductive' public service sector find their counterpart in the increasingly rigid policy measures adopted to control 'public expenditure'. But the implied increasing 'relative price effect' of public service sector expansion is not inevitable; rather, the problems created by the expansion of the public service sector are borne out of the contradictions and explanatory failures of economic theory.

Through its privatisation policies, the Thatcher government's attempt to curtail social welfare developments is highly deleterious. However, political and social research critical of the government's position concerning the privatisation of public services, nevertheless has perpetuated and ultimately reinforced these policies by failing to fully challenge the

principles underlying the privatisation agenda. On both the left and the right of the political spectrum, the state is perceived to interfere in the 'private market' arena. While the operation of the 'private economy' is seen to be independent or autonomous, the growth of the welfare state is perceived to have been shaped by politics. In positing a disjunction between 'private market' and 'public welfare' activities, the welfare state is assumed to have a peripheral role in processes of resource distribution. Rather than the allocative function presumed of 'economic market' operations, the function of social policy is restricted to that of redistribution and the correction of market failure. Social welfare developments are thus defined residually.

The legitimacy of and increasing emphasis given to 'market' criteria has been cultivated as a result of the power given to economic, as against social, explanations, rather than emanating from any intrinsic 'economic' logic. Conventional explanations of the growth of the public sector are simply a continuation of inadequate explanations and arguments for its contraction; the main effect of orthodox economic theory has been to justify the status quo on the basis of deficient understandings. To argue in favour of a form of analysis which considers the domestic circumstances and needs of individuals is not to provide an analysis which falls back onto economistic explanations that individualise problems; rather, the challenge is to provide an analysis which accounts fully for the range of social relations. Recognition of the centrality of social processes in the structuring of employment and incomes has far-reaching policy implications. Such recognition challenges, in a fundamental way, the entrenched assumption that government action constitutes 'interference' in either the 'family' or the 'economy'; it places the power and onus on society to determine the direction of the social and political process.

APPENDIX A.

HOSPITAL NHS DOMESTIC ASSISTANT WORKERS - QUESTIONNAIRE

Introduction - reiterating purpose of interview, as indicated in letter requesting their participation in the study. Reassure respondent of the confidentiality of the interview and of their responses.

RESPONDENT NO.

BEFORE BEGINNING FIRST SECTION - ESTABLISH DATE OF BIRTH.

SEX MALE 1 FEMALE 2

SECTION I RESPONDENT'S JOB

Let me just check off a few things about your work....

- 1) You started working here at the Hospital as a domestic assistant in ?
- 2) You work in(ward/theatre/relief etc.) ?
- 3) You normally work hours per week not including overtime?
- 4) You work (set days/rota etc) ?
 - (a) You normally work(specify days) ?
 - (b) You normally work from ... to ... (specify daily hours)?
- 5) You normally have days off per week?
- 6) Have you always worked in (area specified above) ?

IF NO

- (a) Where did you use to work?
 - (b) When did you move to your present position?
 - (c) Why did you move to your present position?
- 7) Is it possible for you to work overtime?

IF YES

- (a) Is overtime work offered to you very often?
 - (b) How often do you do overtime?
 - (c) How many hours per week (on average) overtime do you do?
 - (d) Why do you/don't you do overtime? / would you want to do overtime?
- 8) Do you ever do any cover work?

IF YES

- (a) How often?
- (b) Are you paid for this work?

- 9) Do you normally work public holidays - one on one off, or do you not work them at all?
- 10) Have you had time off in the past 12 months, (or since started work) apart from paid holidays?

IF YES

(a) Why?

(b) How long?

- 11) How long does it take for you to travel to work?
- 12) How do you normally get to work?

IF FARES

(a) How much does it cost you in fares each day, adding together the cost of both ways?

(b) So how much is that over a week?

- 13) Have you been given any training at the Hospital in how to do your present job?

IF YES

(a) What sort of training have you had?

(i) How long did this training last?

- 14) What are your reasons for working?

(a) What is your main reason for working?

- 15) Why did you choose this particular job?

(a) What is your main reason?

IF WORKS PART TIME (40 HOURS OR LESS)

- 16) What are your main reasons for working part-time? (prompt health if no reason ...)

(a) What is your main reason for working part-time?

ALL

- 17) When you were looking for a job and found this one, did you want to work full-time or part-time?

(a) How many hours a week did you want to work?

(b) At what times did you want to work?

- 18) Thinking of the number of hours you work now, would you prefer a job where you worked more or fewer or different hours per week?

SECTION II RESPONDENT'S OTHER CURRENT JOB(S) AND FUTURE ONES

- 19) Do you have any other paid jobs at the moment?

IF YES

(a) How many?

(b) What do you do?

(c) When did you start this job?

20) 4 Have you looked for a second (additional) job in the past 12 months (or since started...)?

IF YES

(a) Why was this?

21)) Have you looked for an alternative job in the past 12 months (or since started...)?

IF YES

(a) Why was this?

22) Are you in the process of looking for a job now?

IF YES

(a) What is your main reason for planning/expecting to leave?

23) When you got the job at the had it been difficult for you to find the sort of job you wanted?

IF YES

(a) What made it difficult?

24) If you had to look for another job, how easy do you think it would be now to find a job you would be prepared to accept?

IF DIFFICULT

(a) Why would it be difficult?

WOMEN AGED UNDER 40

25) Women's work plans are often affected by whether or not they expect to have any (more) children.

Do you think you will have any (more) children at some time in the future?

IF YES

(a) Are you planning to return to work after you have the baby?

OR Do you think you would want to continue working, apart from a period of maternity leave?

OR Would you give up work altogether?

- 25) (b) (Whether or not you intend returning to your present job after you have a baby) how soon after the baby's birth do you think you would start work again?
- (c) Do you think you would work full-time or part-time at first?

ALL

- 26) Thinking forward over the next 3 or 4 years, do you expect to be working here at the
- (a) What sort of work do you think you will be doing?

AGED OVER 40

- 27) Do you expect to go on working until you reach retirement age?

IF NO OR PART-TIME

- (a) Why do you think you may stop work/go part-time before you reach retirement age?

SECTION III RESPONDENT'S WORK HISTORY AND EDUCATION

Later on in this section, I want to ask you some questions about your education, but first I would like to fill in some details about the previous jobs you have had.

- 28) What was your first job after leaving school?

- (a) When was that?
- (b) Was this job full-time or part-time?
- (i) Approximately how many hours a week did you work?
- (c) How long were you in this job?
- (d) What were your reasons for leaving your first job?
- (i) What was your main reason for leaving?

IF SINGLE NO DEPENDENTS **GO TO Q 33 AND**

Repeat Q. 28 (a) - (d) in relation to PENULTIMATE JOB

IF MARRIED/HAS CHILDREN

Having established reason for leaving first job, if NOT for pregnancy/childcare then establish

- 30) 1) What the FIRST EXIT JOB was (ie.exits for pregnancy not including maternity leave)
Repeat Q 28 (a) - (d)
- 31) 2) What the FIRST RE-ENTRY JOB (CASUAL/TEMP) was. Repeat Q 28 (a) - (d)
- 32) 3) What the FIRST PERMANENT RE-ENTRY JOB was. Repeat Q 28 (a) - (d)

33) What the PENULTIMATE JOB was. Repeat Q 28 (a) - (d)

34) Approximately how many paid jobs have you had since your first job?

(a) How many of these were full-time and how many part-time?

35) How many spells out of employment have you had?

(a) What were the reasons for these spells out of employment?

(b) How long did each of these spells last?

36) What type of school did you last attend?

(a) Did it change while you were there?

IF YES

(1) What type was it when you first went?

37) How old were you when you left this school?

38) At school did you get any formal qualifications or pass part of a qualification?

IF YES

(a) What did you get?

39) What was your father's job at the time you left school (or last job held)?

(2) What was your mother's job at the time you left school (or last job held)?

40) Have you had any full-time education or training since leaving school?

IF YES

(a) Did it lead to qualifications of any sort?

IF YES

(1) What was the highest qualification you obtained?

41) Have you had any part-time further education?

IF YES

(a) What was the highest qualification?

(b) Are you currently studying for any qualification?

42) Did you serve an apprenticeship?

IF YES

(a) In what occupation?

SECTION IV CHARACTERISTICS OF RESPONDENT'S JOB

I should now like to ask you some more questions about your job here at the

- 43) Would you say that your work is fairly typical of hospital cleaning here in the or do you do any particular things that others don't normally do? (probe - patient related activities)
- 44) How much choice do you have about the way you do your job - that is the tasks you have to do and the order in which you do these tasks? Would you say it is
- (a) Mainly laid down with not much choice
- (b) or only partly laid down, and mostly up to you
- 45) Thinking of your supervisor/assistant manager/manager - which of you has the most control over what you actually do on the job?
- (a) How closely does she supervise you?
- (b) When your supervisor/assistant manager/manager wants you to do something, does she usually
- (i) just ask you to do it ?
- (ii) or does she discuss it with you at all?
- 46) I am going to read out a list of some of the things that affect how people feel about their jobs and I want you to tell me how satisfied you feel with each in your present job. Can you choose your answers from this card.

How satisfied are you with....

- (a) The people you work with
- (b) The ease of your journey to work
- (c) Your prospects
- (d) Your hours of work
- (e) The sort of work you do
- (f) Your rate of pay
- (g) The opportunity to use your abilities
- (h) How secure your job is
- (i) The pace of work and the standards required in your job
- (j) Overall, how do you feel about your job

SECTION V COMPARISON : BEFORE AND AFTER THE BONUS - WORKERS WHO WORKED BEFORE BONUS INTRODUCED

I would now like to talk about your work before the bonus was introduced last _____ and how it compares with your present work under the bonus scheme.

- 47) Has there been much of a change in the work you do?
- 48) What difference, if any, has the introduction of the bonus made to your work?
- 49) Did you expect there to be much change after the bonus was introduced?
- (a) Why/why not?
- 50) Did you clean the same area as you do now before the bonus was introduced?
- IF NO
- (a) Where did you clean before?
- ALL (i) Did you work the same number of hours per week as you do now?
- IF NO
- (ii) How many hours did you normally work per week before?
- (b) What was your shift before?
- 51) Was it possible to do overtime and therefore to earn extra money before the bonus was introduced?
- IF YES
- (a) Are you able to do more or less overtime now?
- 52) Did you do cover work before?
- IF YES
- (a) How often?
- (b) Were you paid for doing this?
- (c) Do you do more or less cover work now than before?
- 53) Was your actual cleaning routine and method the same before as it is now?
- (a) Regarding the completion of all the work you are required to do - would you say that
- (i) you managed more easily before the bonus was introduced
- (ii) or you manage more easily now that the bonus has been introduced.

54) How much choice did you have about the way you did your job - that is the tasks and the order in which they had to be done, before the bonus was introduced compared to now? Would you say that you had

- (a) more choice before the bonus was introduced
- (b) or less choice before
- (c) or the same amount of choice

55) Thinking of your supervisor/assistant manager/manager which of you had the most control over what you actually did on the job before the bonus was introduced - compared to now?

- (a) How closely were you supervised before the bonus was introduced compared to now?
- (b) When your supervisor wanted you to do something, did she usually
 - (i) just ask you to do it
 - (ii) or did she discuss it with you at all - before the bonus was introduced?

56) I am going to read out the list of things that affect how people feel about their jobs again and I want you to think back to the period before the bonus was introduced and tell me how satisfied you felt with each in your job. Can you choose your answers from this card again.

How satisfied were you before the bonus was introduced with...

- (a) The people you worked with
- (b) The ease of your journey to work
- (c) Your prospects
- (d) Your hours of work
- (e) The sort of work you did
- (f) your rate of pay
- (g) The opportunity to use your abilities
- (h) How secure your job was
- (i) The pace of work and standards required in your job
- (j) Overall, how did you feel about your job before the bonus was introduced?

57) Are you more or less satisfied with the work that you have to do now compared with your ^{work} before the bonus was introduced?

- 58) How involved were you in the staffs decision to request the bonus scheme?
- (a) Were you in favour of the bonus?
 - (b) Why in your opinion did the staff request the bonus scheme?
 - (c) Reflecting on how the different payment systems have operated, which do you prefer and why?
- 59) In your opinion, what is the ^{main} purpose of incentive bonus payment schemes? Would you say that their purpose is
- (a) to increase individual worker's earnings
 - (b) or to reorganise the method of work to secure overall financial savings for hospital management.

SECTION VI. RESPONDENT'S EARNINGS

- 60) How much do you presently earn per week from your job at the Hospital?
- (a) take-home including bonus
 - (b) gross including bonus
 - (c) overtime - take-home including bonus
 - (d) overtime - gross including bonus

FOR THOSE WHO WORKED BEFORE THE BONUS WAS INTRODUCED

- 61) How much per week did you normally earn before the bonus was introduced?
- (a) take-home
 - (b) gross
 - (c) overtime (gross/take-home specify)
- 62) Are there more opportunities to increase your earnings now or were there more before?
- (a) Do you actually earn more, less or the same now as you did before?
Specify whether gross or take-home.

FOR THOSE WITH OTHER JOB(S)

- 63) How much do you earn in your other job(s)?
- (a) take-home
 - (b) gross
 - (c) overtime (gross/take-home specify)

SECTION VII RESPONDENT'S HOUSEHOLD

Now I'd like to ask some questions about the people who live with you and what they do and if you have children, who looks after them when you're at work and so on.

64) Are you married/have a partner, separated, divorced, widowed or single?

FOR MARRIED/WITH PARTNER ONLY (OTHERS GO TO Q 68)

65) Does your husband/partner have a job?

IF YES

(a) What does s/he do?

(i) Does s/he work full-time or part-time?
Specify number of hours.

IF NO

(b) Even though your partner isn't working, does s/he have a paid job that s/he is away from at present?

IF NO

(c) Why is your partner not working at the moment?

IF HUSBAND/PARTNER IS WORKING

66) Sometimes the sort of job a husband does can affect his wife's employment - I mean whether or not she works or the job or hours she does.
Does your husband's/partner's job affect the sort of job you can do?

IF YES

(a) In what ways does his job affect your employment?

IF HUSBAND/PARTNER IS NOT WORKING

67) Sometimes whether a husband is working or not can affect his wife's employment - I mean whether or not she works or the job or hours she does.
Does your husband's/partner's not working affect the sort of job you do?

IF YES

(a) In what ways does his not working affect your employment?

FOR ALL

- 60) Record details of household in which informant lives.
Who lives in your household?
What is their relationship to you?
What do they do? - *employed - full / parttime*
How old are they?

THOSE WITH CHILDREN

- 69) How many of your children are still financially dependent on you?

ALL

- 70) Do you have any (other) dependents apart from spouse or children?
- 71) Apart from looking after the family in the usual way, some women have extra responsibilities for looking after a sick or elderly friend or member of the family. Is there anyone like this who depends on you to provide some regular service for them?

IF YES

- (a) Who is this person?
- (b) May I just check, does s/he live with you?
- (i) How often do you see him/her?
- (c) What is it you do for ... (or do you just generally look after him/her)?
- (d) About how long do you spend doing this each day/week?
- (e) Has what work you do or the hours you work been affected in any way by having to look after...?

IF YES

- (i) In what ways has it affected your work?

THOSE WITH CHILDREN

- 72) Do you need to arrange for anyone (else) to look after your child(ren) while you are at work?

IF NO GO TO Q 76

IF YES

ARRANGEMENTS FOR PRESCHOOL AGE CHILDREN

- 73) Who looks after you child(ren) while you are working?
- (a) How much does this cost you each week altogether?

ARRANGEMENTS FOR SCHOOL AGE CHILDREN

74) Thinking of your child(ren) who go/es to school, who looks after him/her/them...

- (a) In term time
- (b) In the school holiday's
- (c) How much does this cost you each week?

ALL WITH CHILDREN

75) If your child(ren) is/are ill or need(s) to be taken anywhere by you, can you get time off work easily?

- (a) Would you take time off anyway?
- (b) Do you have to take time off...
 - (i) As part of your holidays
 - (ii) As part of your own sick leave
 - (iii) As unpaid leave
 - (iv) other specify
- (c) Are you able to make up for the time you take off?

SECTION VIII HOUSEHOLD FINANCE

I'd like to ask a few more questions about your financial situation. I am interested in the different components of household income and the ways in which wages from employment fit into income gained from other sources.

IF HUSBAND/PARTNER WORKS

76) How much does your husband/partner earn per week

- (a) including overtime
- (b) gross
- (c) take-home

IF ADULT DEPENDENTS/NON-DEPENDENTS

77) How much does/do the other adult(s) in your household earn/what is their income?

ALL

78) Are you (or your husband/partner) at present receiving any of the state benefits or allowances listed on this card?

79) Apart from earnings and benefits do you (and your partner/husband) receive any regular income from any other sources, such as those listed on this card?

80) Could you tell me, how much is your (and your husband's/partner's) net income from ALL the sources you have mentioned - I mean your total income after income tax, national insurance and other statutory deductions? *incl. state benefits eq 11B.*

81) Is your (household's) accommodation owned or rented?

IF OWNED

(a) Is it owned outright or being bought on a mortgage or loan?

IF RENTED

(b) Is it rented from the Council, a housing association or rented privately?

OTHERS

(c) What sort of arrangement do you have?

ALL

(d) Type of accommodation occupied by household - specify.

IF BOARDER

82) Do you pay for your board and lodging?

YES (a) How much do you pay in total each week?

(b) What does this cover?

IF OWNER/OCCUPIER

83) Can you tell me the average monthly mortgage payments that you pay?

(a) What are your rates payments?

(b) Insurance payments

IF RENTS

84) How much rent do you pay?

(a) Do you pay rates separately or is it included in your rent or are you not responsible for paying rates at all?

(i) How much are your rates?

(b) Does/do the rent (and rates) you pay include any rent (or rates) rebate?

(i) How much of a rebate do you get?

MARRIED/COHABITING PEOPLE

85) If you were not working, would you be able to get by alright on your husband's/partner's money? Would you say that you

(a) would have to give up a lot of things

(b) or would you not be able to manage at all without the money you earn?

(c) or would it make no real difference at all?

SECTION IX TRADE UNION AFFILIATION AND PARTICIPATION

86) Are you a member of a trade union?

IF YES

(a) Which union?

(b) Do you ever attend union meetings?

if no

(i) Is there any particular reason why you don't go to union meetings?

(c) Have you ever held any office in your union - such as shop steward or committee member?

(d) In general, are you happy with the way the union looks after the pay and other conditions of employment at your work place?

(e) How would you compare your union to other unions organising domestic assistants/supervisors?

IF NO

(f) Why have you not joined a union?

(i) Have you ever been approached by a union rep. here?

(ii) Have you ever belonged to a trade union? If no (iii) If you were approached by a TU rep would you consider joining a union?

87) Thinking of trade unions generally, are you in favour of them?

SECTION X WAGES AND JOBS GENERALLY - RESPONDENT'S PERCEPTIONS

I should now like to ask some questions about jobs - how they differ in various ways, the kinds of people who do them and so on.

First, I should like to ask some more about the people you work with and the sort of work you do.

88) Do you think of your work as :

- mainly women's work
- mainly men's work
- or work that either men or women do?

(a) Why do you think your job at the City is mainly done by women?

Here is a list of jobs that I should like to have your views on. (PIP ; MIF ; H/LPAY).

89) Let's start by considering the question of general working conditions, things like hours worked, unsocial hours, pleasant surroundings as against noisy or dirty ones. Would you order the jobs from that with the best conditions to that with the worst.

(a) Where would you place your own job in terms of the working conditions?

- 90) Can we now turn to the incomes that people get from each of the jobs. How much do you think an average person in each of these jobs earns?
- 91) Could you now look at these jobs again and this time consider....
- (a) Which one would be mainly done by a young married man with children?
 - (b) Which ones would mainly be done by a woman single parent?
 - (c) Which ones would mainly be done by an older married woman with school age children?
 - (d) Which ones would mainly be done by an older single man?
- 92) At the present time, everyone may agree on the desirability of reducing unemployment, but there is a lot of discussion about the need to expand competitive employment sectors, thus creating more productive jobs and to cut back on unproductive jobs. Would you say that public sector jobs should be cut back?
- (a) Are there any of these types of jobs that it is necessary to cut back on?
 - (b) Are there any of these types of jobs that it is necessary to create more of?
- 93) I am now going to read out some statements often made in respect of jobs and wages and I want you to say whether you agree or disagree with them.
- (a) There should be a single rate for the job irrespective of job performance, on the understanding that general work performance is adequate.
 - (b) Laws giving men and women equal pay for equal work have been very important and progressive pieces of legislation.
 - (c) The public sector should take a lead rather than follow the private sector, in respect of rates of pay.
 - (d) To get a decent wage you have to ruin your social life by working much too long on over-time or shifts.
 - (e) There should be a statutory minimum wage which all employers have to observe.
 - (f) There's a lot of talk about fair wages, but nobody pays a fair wage for people like me.
 - (g) Recent moves by the government to increase competition for jobs and services is increasing inequalities in the distribution of income and wealth.
 - (h) Family responsibilities and similar financial commitments should be reflected more closely in rates of pay.

Appendix B

Statistical testing and small samples

Chi-square was the main statistic used in testing the significance of association. SPSSX automatically applies Yates' correction of Chi-square for lack of continuity in all 2X2 contingency tables. Correction for lack of continuity is, however, generally only recommended when $df=1$ and any expected frequency is less than 10 (Downie and Heath 1974). Moreover, Yates' correction has been argued to over-correct, leading to an underestimated approximation of the level of significance. An alternative formula, which makes a much smaller correction is that proposed by Pirie and Hamden¹. (Downie and Heath 1974:197). Therefore, where $df=1$ and any expected frequency is less than 10 (but greater than 2), I have manually calculated the Pirie-Hamden correction of Chi-square. In 2X2 tables where the expected frequencies of each cell is 10 or more, I have calculated the raw Chi-square.

Where there are fewer than 20 cases in a 2X2 table, SPSSX automatically computes Fisher's Exact Test. As the name implies, Fisher's Exact method computes the exact probability of association (whereas Chi-square is an approximation). The Chi-square approximation is generally used for larger samples and tables because the actual computation of exact probabilities is very laborious or impossible (Hays 1981:552). In smaller 2X2 tables and, in particular, where expected frequencies are very small (2 or less), Fisher's exact method should be used (Downie and Heath 1974:198). Even so, the formula entailed in Fisher's Exact Test involves 9 factorials which is formidable². Fortunately, Finney et al (1963) provide tables for computing exact probabilities for 2X2 tables with marginals up to 40, which makes the task easier.

¹ Pirie and Hamden correction of Chi-square is expressed in the following formula:

$$x^2 = N[(ad-bc) - 0.5]^2 + klmn$$

² Fisher's Exact Test: $p=(a+b)!(c+d)!(a+c)!(b+d)! + N!a!b!c!d!$

Most of the associations presented in the current study are based on 2X2 tables and consist of nominal variables. Thus Phi has been selected as the most appropriate measure of strength of association³. Phi adopts a more restrictive definition of perfect association than Yule's Q, requiring all of the data to be concentrated in one diagonal of the table for there to be a perfect association (Loether and McTavish 1988). The Phi coefficient, for nominal variables, can vary between 0 and 1. In rxc tables other than 2X2 tables, gamma is used to measure the strength of association⁴.

³ $\Phi = \frac{ad-bc}{\sqrt{(klnm)}}$

⁴ $\Gamma = \frac{N_S - N_D}{N_S + N_D}$

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FROM PUBLIC PROVISION TO PRIVATISATION: THE CRISIS IN WELFARE REASSESSED

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Abstract Privatisation policies, pursued by a government informed by neoclassical economic theory and intent on 'rolling back the frontiers of the welfare state', have been widely criticised as turning the tide against both the 'welfare state' and 'welfare' more broadly. The policy to privatise public industries and services is, in effect, both an employment and wage policy: the intention is to govern, not simply the general type of service provision but also, the method of wage determination itself. The argument in this paper is that the privatisation strategy is the culmination of, rather than a digression from, post-war policies in the public sector concerning wage determination. In arguing that privatisation represents the culmination of public sector wage policies in the post-war period, it is being suggested that privatisation denotes the most categorical statement and extension of successive policy developments promoting the salience of so-called 'market' principles in the determination of wages. It is contended, furthermore, that the legitimacy of and increasing emphasis given to criteria such as efficiency and productivity in the name of 'economic necessity', has been cultivated as a result of the power given to economic, as against social explanations, rather than emanating from any intrinsic 'economic' logic.

Political and social research concerning the privatisation of public services, though often highly critical of the Government's philosophical and economic beliefs, nevertheless has perpetuated and ultimately reinforced these beliefs by failing to challenge fully the principles underlying the privatisation agenda. The privatisation debate is premised upon the assumption that 'the logic of the market' provides a salient description of the overall process occurring. I would suggest that this needs to be reconsidered and an alternative conception established to further our practical and analytical understanding of the processes observed.

Introduction

The privatisation programme heralded by the present Conservative Government, is premised explicitly upon neoclassical economic theory, and ascribes paramount importance to the belief in 'market forces' distributing resources, that is, wages, jobs, goods and services. It is argued that by introducing 'market competition', privatisation will make public industries and services more efficient, providing better 'value for money' by removing wasteful employment practices (*cf.* Kay *et al.* 1986; Beesley and Littlechild 1986; Moore, M.P. 1986; Minford 1987; Barry 1987; Ascher 1987). Privatisation is an umbrella term encompassing an array of policies designed, in the Government's view, to 're-establish' the primacy of so-called 'market' principles in the provision of public services and these policies are at the heart of controversies concerning the distribution of resources.

The policy to privatise public industries and services is, in effect, both an employment and wage policy: the intention is to govern, not simply the general type of service provision but also, the method of wage determination itself. My argument in this paper is that the privatisation strategy is the culmination of, rather than a

digression from, post-war policies in the public sector concerning wage determination. In arguing that privatisation represents the culmination of public sector wage policies in the post-war period, I am suggesting that privatisation denotes the most categorical statement and extension of successive policy developments promoting the salience of so-called 'market' principles in the determination of wages. It is my contention, furthermore, that the legitimacy of and increasing emphasis given to criteria such as efficiency and productivity in the name of 'economic necessity', has been cultivated as a result of the power given to economic, as against social explanations, rather than emanating from any intrinsic 'economic' logic.

Political and social research concerning the privatisation of public services, though often highly critical of the Government's philosophical and economic beliefs, nevertheless has perpetuated and ultimately reinforced these beliefs by failing to challenge fully the principles underlying the privatisation agenda. The privatisation debate is premised upon the assumption that 'the logic of the market' provides a salient description of the overall process occurring. I would suggest that this needs to be reconsidered and an alternative conception established to further our practical and analytical understanding of the processes observed.

I do not doubt that the alterations to employment and service provision witnessed exacerbate forms of inequality. However, I would suggest that the restructuring occurring in the wake of privatisation policies, though heralded (by supporters and critics) as resulting from the introduction of 'disciplines of the market' to public services, cannot be straightforwardly attributed to the operation of 'market processes'. Thus, the observed diversification is not one of 'privatisation' in the underlying sense in which it is widely used and intended, that is, as increasing the role of 'market forces'.

As Block has argued (1986:177 – 181), both free-market theorists and leftists share similar analytical understandings of the tension between politics and the 'logic of the market economy'. Both positions assume that improvements in social welfare through government action constitutes interference with the 'logic of the market' or the exigencies of accumulation. This in turn rests on the assumption that the 'market economy' is autonomous, obeying a single logic. Thus government policies represent superstructures on top of an economic base and are perceived either to ameliorate or obstruct 'market forces'. When referring to 'market forces' then, I am primarily using the term in the sense that it is employed as an economic rationale for processes of resource distribution and exchange in society. That is, as an economic function, the 'market' is assumed to have an internal logic of its own which governs allocative processes.

Further, in arguing that the privatisation strategy is coextensive with post-war public sector wage policies, what I wish to emphasise is the persistent underlying presumption that a market determination of wages operates in the private sector and that public sector forms of resource distribution are not simply different, but essentially aberrant. It is this rationale which has seriously constrained all forms of public sector resource distribution and which has been a critical factor shaping the perceived 'crisis in welfare'. This crisis, signalled over the past decade or so by the collapse of consensus regarding the 'mixed-economy' of 'market' and 'state' welfare assumed by pioneers of the 'welfare state' (Mishra 1984), could be argued to have been endemic.¹ Accordingly, I would suggest that a better perspective and account of

the current welfare crisis or 'rolling back of the welfare state', in which valued services and citizenship rights are being seriously eroded, should be provided. As I attempt to argue in this paper, the Keynes-Beveridge rationale for state intervention pandered to the notion of the 'economic logic of the market' and, whether as a force to be mitigated or elevated, this logic is, I would suggest, entirely misleading.²

Throughout the post-war period, the question of public sector pay has been central to the growing concern about the increasing size and, more importantly, the increasing cost of maintaining the public sector. The prevailing presumption is that public expenditure, affording essentially 'unproductive' services, is a drain on the national economy, threatening economic growth. Wages are regarded as the largest element in escalating public expenditure costs. There are, however, problems in measuring government activity and public expenditure. Measures of public sector size are relatively arbitrary in two ways – in relation to public sector accounting practices and in relation to welfare costs specifically. Criticisms of public service provision in fact mobilise a stereotypical conception of 'the welfare state' which conveniently disregards the broad range of welfare benefits provided and, the equally diverse recipients of these benefits.

The nature of the social divisions of welfare (Titmuss 1958; Sinfield 1986) and the interplay between fiscal, economic and social policies reflect these entrenched, and in my view, incorrect assumptions about the relation between 'socio-political' and 'economic' processes. The attempted subsumption of social processes under the centrality of market-commodity production stems from the separation of 'economic' processes from apparently additional 'social' influences. This conceptual framework has important implications for understandings of the distribution and allocation of resources.

The future of welfare, a question central to issues of citizenship and the universality of social rights in contemporary society, is necessarily bound up with controversies concerning the distribution of income and resources. This debate, which has focused on the role of the public sector, involves distinctions between apparently alternative forms of income, that is, income from individual 'civil rights' (participation in the economy) and income from 'social rights' (Marshall 1964:72). As Friedland and Sanders argue (1986), the pressure to hold down 'social' wages and cut back welfare state provision generally, is rooted in the presumption that different logics govern the allocation of 'private' and 'social' wages. Public sector employment is doubly implicated in this given that the public sector serves both as a source of employment and as a form of welfare provision.

Public Sector Wage Policy Developments

Welfare issues then, in particular, those of public as opposed to private sector service provision, highlight the problematic nature of the division of economic and social processes which has been a common feature of theories addressing the distribution of resources. The assumed dichotomy, the separation of economic and social factors, is a contrived one imposing serious limitations on our understanding of social processes, and fostering unconvincing explanations of inequality.³ The separation of economic and social categories has far reaching policy implications which are reflected in the analysis and design of policies concerning the provision of

social services, and wage and employment legislation. I wish to delineate the way in which privatisation, a policy narrowly conceived in terms of economic criteria, is a product of the assumed fundamental disjunction between social and economic factors.

The debate about public sector pay has invariably been set in relation to private sector pay. The controversy centres on the relative rates of growth of average earnings in the two sectors and the apparent divergence of average pay levels. The controversy, though arguably heightened since the early 1970s, has always been a pressing issue. There has been a dual concern underlying the endeavour to clarify the principles determining pay in the public sector: firstly, to specify the ostensibly economic relationship between the so-called 'productive' and 'non-productive' or 'market' and 'non-market' areas of employment, in order to aid the formulation of government employment policy; and secondly, to ensure that public sector employees are not poorly paid in relation to other workers, apparently a socio-political objective, deriving in part from the former problem.

Public expenditure, defined generally as the 'dispensation by the state on non-market criteria of economic resources which it has acquired from firms and households' (Heald 1983:10), is used to measure the size of the public sector, usually by comparison with the national income aggregate, Gross Domestic Product (GDP). It is not the purpose here to discuss in detail the various public expenditure/national income ratios which, by all accounts, record an expanding share of national income involving the state. Nonetheless, it is important to restate the standard cautionary warnings, typically ignored, that there are problems in measuring government activity and public expenditure and therefore, measures of public sector size are relatively arbitrary. In the protracted political debate about the size of the public sector, such measures have, nevertheless, been extensively employed, and have themselves contributed to an escalation of concern over what appears to be the steady encroachment of the public sector on the rest of the economy.

Government policies regarding public sector wages have taken various forms over the post-war period. Essentially, there have been five institutional approaches: incomes policies, fiscal policies, arbitration and enquiry, cash limits on public expenditure, and privatisation. Successive enquiries concerning the pay and conditions of employment for public service workers in the civil service, local government and the NHS, beginning with the Tomlin Commission in 1929 and ending with the Clegg Commission in 1980, have accorded priority to the principle of pay comparability. This principle, that 'fair market rates' should be paid to public service workers, stemmed from two rather conflicting concerns. One major concern was the need to recruit and retain sufficient staff in the public sector. Another concern, from the point of view of the Treasury, was that a broad comparison of wages provided by the generality of outside employers established, as near as could be, a surrogate commercial 'market' basis for wage determination in the public sector. A 'market price' was argued to be necessary in order to provide some defence against criticisms (from both employees and 'taxpayers') about public sector wage levels and public expenditure costs in general.

I would argue that the development of incomes policies, cash limits and privatisation has demonstrated a progression towards tighter controls designed to constrain public expenditure with particular pressure on wages. Incomes policies, policies designed to control the rate of growth in wages, are the most obvious and

familiar form of government wage intervention and were widely used in the years 1948–1979. The operation of pay comparability exercises as the basis of remunerating public service workers was often modified or deferred on the grounds of national incomes policies. From the mid-1970's, incomes policies were accompanied by the use of cash limits on public expenditure which, since 1981, have been employed more extensively and stringently. Cash limits, intended to restrict the cash requirements for the public sector as a whole, do so to a large extent by limiting wage costs. The assumptions underlying cash limits include provisions for projected pay movements and thus reflect an implicit government policy on pay. Privatisation of the 1980's, which incorporates policies to contract-out public services, denationalise public industries and 'liberalise' legislative controls, is both a wage and employment policy, intended to introduce to the public sector a 'market allocation' of wages and services thereby restricting wages.

The common rationale for incomes policies, cash limits and privatisation alike, is the prevailing presumption that public expenditure, affording essentially 'unproductive' services, is a drain on the national economy, threatening economic growth. It is the nature of public services in particular which is argued to create the problem of allocating resources (which includes wages, jobs and services) because demands are not restrained by a 'market price'. This has been most explicitly addressed and politicised by the current government but has informed and constrained government employment and wage policies throughout the post-war period.

The following series of extracts taken from government documents over the post-war period is intended to provide a sense of this uninterrupted logic.

The nation's *economic welfare* depends largely upon our ability to make and sell the exports necessary to buy the imports we need to feed our people and keep our industry going. Our costs of production are of vital importance and they depend to a considerable extent on the amount which industry has to pay in profits, salaries and wages (1948:para 1; *emphasis added*).

Thus began the first incomes policy of the post-war period. Warning of the ever present dangers of inflation, the policy declared that there should be no further general increase in levels of individual money incomes without a corresponding increase in the volume of production. A year previously, the *Interim Report* of the Cost of Living Advisory Committee (1947) suspended the existing cost-of-living index, proposing in its stead a retail price index. The adoption of an interim index and the subsequent retail price index, in part stemmed from the out-dated basis of the official cost-of-living index figure. However, as the Interim Report itself indicates, the desired revision was not simply due to the fact that the index was out of date but that the whole conception of a 'cost-of-living' index had come to be perceived as inappropriate and misleading. The adoption of the index based on retail prices rather than costs or standards of living facilitated the desired distancing of the index from an explicit wage index; a policy clearly in line with the anti-wage inflation concerns of the government at that time.

In the 1956 White Paper *The Economic Implications of Full Employment*, the government underlines the 'obvious social evil' of continually rising prices, the most important factor being productivity concerns – wages and productivity levels. The 'social unfairness' of the 'spiral of rising incomes and prices' is ardently

criticised. The objective, to achieve full employment without inflation is, nonetheless, bound by the view that levels of income depend on the balance of supply and demand.

The Government of this country does not attempt to tell the people what income each one of them ought to be receiving at any given moment. Wages are fixed by free negotiation But the satisfactory operation of this whole system depends upon everyone involved being fully aware of the issues at stake, and upon their acceptance of the full duties of citizenship which this realisation places upon them (1956:para 31).

The ordained solution was self-restraint together with increasing productivity.

The *Economic Survey* of 1962 indicates that one of the main factors contributing to poor national productivity performance at that time was the

. . .growth in employment during the past two years . . .of workers (for example immigrants, school workers and women, including many working part-time) who have gone largely into the service industries, where output is difficult to measure, or whose contribution to production is for various reasons bound to be limited (1962:para 43).

The Incomes Policy of 1969 notes that '[S]ince the war, governments have needed to find a new approach, breaking the hitherto link between expansion and inflation' (1969:para 1). The statement suggests that the special problems with pay in the public sector, that is, the difficulty in measuring output and making a direct link between efficiency and pay, is because a 'market price' cannot normally be assigned to the value of labour's output, 'thus removing one of the major factors which bear on pay in other sectors of the economy' (1969:para 93). By the mid-1970's, containing the growth of public expenditure (and wage increases) was pursued through the use of, not only incomes policies, but also cash limits.

In planning total public expenditure, the Government have to ensure that the resources taken by the public sector are sensibly related to the total resources available in the economy as a whole (Cash Limits on Public Expenditure 1976:para 1).

Since 1981, the Public Expenditure Surveys (which form the basis for government decisions about public expenditure finance) have been conducted in terms of cash expenditures rather than in terms of 'volume' expenditure. This cash planning is a further extension of the general principle of cash limits as a means of controlling cash spending. The purpose is 'to decide first what can and should be afforded, then to set expenditure plans for individual programmes consistently with that decision' (1984:para 25).

Again it is argued, but more forcefully, that it is the nature of public services which creates the problem of allocating resources because demands are not restrained by the 'price mechanism'. Public pay and pensions, said to account for about one third of public expenditure, or 13% of GDP, are criticised further for having a far heavier effect on public services such as law and order (73%), education (62%), health and personal social services (56%) and defence (37%) (1984:para 43).

Wherever it is possible and sensible to do so, the government is seeking to transfer the provision of services into the market sector. In other areas it may be possible to use charges

as a more direct way of testing demand, even within the public sector. There may, too, be a case for hypothecating revenues to individual expenditure programmes, particularly in the social field, in order to bring home the costs (1984:para 26).

The implied 'oversupply' of public services in this statement should be noted.

To think of workers as part of a market is not to devalue them; it is to recognise that the realities of economic life are not waived just because the factors are people, not things. Skill and effort are traded between workers as sellers and employers as customers; and here as in all other markets, the customer cannot be expected to buy unless he is getting what he needs at a price he can afford (1985:para 5.3).

Until the early 1980's, the principle of pay comparability has existed alongside incomes policies which, at best, have been intended to permit wage increases in line with improvements in the 'efficiency of production'. Though the incoming Thatcher Government did partially honour the recommendations of the Clegg Commission on pay comparability in the NHS, the Commission was disbanded in 1980. In 1981, the Government suspended the pay research procedures in the civil service and withdrew from the existing civil service pay agreement. Following the report of the Megaw Inquiry into civil service pay in 1982, the Civil Service Pay Review Unit which had developed the pay comparability system operating over the post-war period in the civil service, was also dismantled. The Government, recognising that pay comparison was not an alternative to a 'market approach', but was a part of that approach (Megaw 1982:para: 110) nonetheless criticised the assumption that 'fair comparison' would *adequately* reflect 'market' rates of pay. Essentially the Government believed that the range of comparator employers was too selective raising pay levels in the civil service above their 'true market value' and that civil servants were further privileged by underrated benefits such as job security. Thus privatisation, in particular policies to tender public sector services to private contractors (contracting-out), has become another, though more direct, form of comparability exercise in which 'fair market rates' represent the *lowest* wages provided by the generality of outside employers.

As this brief summary illustrates, the obsession with public expenditure over the post-war period has become progressively intensified through time, reflected in the increasing severity of measures adopted to curtail public expenditure growth. Wage recusance is the primary factor implicated in the undesired cost increase. I would suggest that this ultimate concern, to prevent wage inflation, rests on inadequate assumptions about wage determination and erroneous notions of public sector accounting.

'Economic' Rationales for Wage and Price Inflation

The fundamental theoretical ideas behind concerns to prevent wage and price inflation are specific analyses of the relationship between employment and wages. The most widely accepted theory allegedly explaining the behaviour of employment and wages (as for example, indicated in the quotation above) is that the price of labour (as any other type of 'commodity') is determined by the interactions of

supply and demand in a market environment with equilibrium representing that price at which the quantity demanded equals the quantity offered (an equality of exchange).

Over the post-war period, economists' views about the determination of wages have vacillated in relation to the 'Simple Phillips Curve', the 'Expectations Phillips Curve' and 'Keynesian' and 'Institutionalist' views of money wage determination (Artis 1981; Davies 1983; Bleaney 1985). The neoclassical foundations of the Phillips curve model and its successor, the Expectations Phillips curve, seem clear. An alternative wage determination proposition is that put forward by the Keynesian/Institutionalist theories of inflation. The Keynesian view is reflected in a number of different perspectives. This in part stems from the fact that the *General Theory* does not itself provide a model of money wage determination but implies that wages are determined orthogonally to the economy, that is, outwith the economy. The emphasis generally given by both Keynesian and Institutional theories of wage determination is to social and political forces rather than economic forces. In particular, trade unions and issues of 'comparability' are seen as being the primary cause of increasing wages and costs. In this perspective, it is argued that the maintenance of full employment over the post-war period enabled trade unions to successfully push for higher wages, hence increasing inflation, a phenomenon independent of (economic) market forces (Artis 1981; Davies 1983; Flemming 1978).

The oscillation of wage determination rationales, characteristic of the post-war period, may be set out as a question of the location of this process in relation to the economy, that is, whether the determination of wages is endogenous or exogenous to the economy. The Phillips curve model, through its various stages of 'refinement', is predicated on the assumption that the determination of wages is endogenous to the economy. So-called socio-political explanations do not generally enter this debate which uncritically accepts the neoclassical presumption that laws of supply and demand in a market economy determine the price of all commodities, including labour. Yet the failure of these models to explain the behaviour of wages, in particular in relation to issues of gender, generation and ethnicity, which are not adequately accommodated, has led to the search for explanations external to 'the economy'. This search focuses on social and political processes as independent forces either impinging on the essentially autarchic economic processes determining wages or else operating entirely separately from the economy.

It is important to recognise that all these perspectives can be aligned in relation to the position taken regarding conceptions of 'social' and 'economic' processes: where the economic and social are not set up as mutually exclusive categories which have no bearing upon one another they are, nonetheless, accorded intrinsic autonomy as systems which have independent status but *may* operate interactively. Thus, for example, wages are argued to be paid to positions on 'economic' grounds; but who gets into the positions is argued to be a different matter and is generally explained in terms of 'social' factors. It is this assumption of the relative independence and coherence of 'economic' versus 'social' categories, informing theories of wage determination and government policies, which I wish to criticise.⁴ The separation of economic and social issues, though difficult to relinquish, entails a form of analysis which inevitably contains contradictions (Stewart *et al.* 1980; Holmwood and Stewart 1983; Prandy 1986). I wish to underline the explanatory failure and contradictions inherent in analyses which assume that social and economic factors

act upon wages as different and mutually exclusive orientations, by briefly considering the Keynesian response to neoclassical economics and the issue of public sector wage determination.

'Keynesian Economics': A Revolutionary Post-War Orthodoxy?

The main point to be developed in this section is that explanatory contradictions, arising from the mobilisation of residual categories such as 'short-run empirical' versus 'long-run theoretical' and distinct exogenous-social/endogenous-economic components in explanations of wage inflation and wage determination, suggest that the analyses concerned are no longer tenable. Given that economic theories of wage determination and resource allocation play such a critical role in interpreting and influencing public service sector developments, it is important for sociologists to consider the adequacy of these explanatory models.

The idea that Keynes' *General Theory* produced a new revolutionary economics, challenging the neoclassical tradition in a very fundamental way, has been effectively dispelled (Bleaney 1985). As Bleaney argues, Keynes unquestioningly accepted the bulk of orthodox economic assumptions as a basis for further development.

Nonetheless, the problem of so-called 'short-run' disequilibrium characteristic of the 'real market world', which neoclassical economists have systematically avoided, is addressed by Keynes' analysis. Thus, the remedial concept 'effective demand' resurrected by Keynes (1985:2–17), attempts to explain why actual 'market transactions' fail to operate consistently in terms of the primary (neoclassical) theory. The notion of 'long-run' equilibrium as the benchmark remains unchallenged however. Therefore I disagree with Bleaney's suggestion that Keynes analysis adequately overcomes the gulf between favoured explanations and social circumstances which has been the great weakness of neoclassical theory. On the contrary, the remedial concept, 'effective demand' is a development which does not eliminate explanatory contradictions, it simply shifts them to the contradiction between short-term (social) and long-run (economic) processes. As Holmwood and Stewart argue (1983) in relation to a parallel problem confronting stratification theory – the contradiction between class (economic) and status (social) categories,

Further attempts to deal with these emerging explanatory failures may have the appearance of the elaboration of theory but . . . [t]hey take their problems entirely from the preexisting theory and are *determined* by its explanatory deficiencies . . . [as] they themselves are the embodiment of these problems (1983:238).

The issue of the conceptual limitations of analytical systems is also addressed by Goldthorpe (1978) in his consideration of the problem of inflation. As he cogently illustrates, economist's analyses of inflation resort to the use of 'residual categories' (which are typically negatively defined), to try and explain why modes of social action fail to conform to the behaviour prescribed by the particular economic analyses concerned. The difficulty, however, with using such residual categories is, as highlighted above and as Goldthorpe suggests, that their application both undermines and radically departs from the central tenets of the analysis (1978:212).

Thus, following Parson's analysis in *The Structure of Social Action* (1937), Goldthorpe argues that:

...the limits of an analytical system are best indicated by the occurrence of 'residual categories': that is, categories which are introduced to deal with phenomena recognised as relevant to the enquiry in hand...but categories which are at the same time distinguished by their lack of theoretical fit with those that are central to the analytical system in use and 'positively defined' within it (1978:186).

Returning to the consideration of the Keynesian analysis then, the problem of 'short-run' dynamics, the 'empirical reality' of disequilibrium which is set against the 'long-run' theoretical principles of equilibrium, is indeed *exposed* by Keynesian analysis but is not resolved by it. Instead of leading to the development of a new basis which is theoretically integrated, failure has prompted the *ad hoc* separation of explanatory principles, in an attempt to explain away the countervailing tendencies observed. The *absence* of the assumed equilibrating economic laws of supply and demand of market-commodity production, is presented as simply a short-run empirical question and not subject to theoretical determination. That is to say, counteracting influences appear to be produced by a process external to the analytical theory as though they are given, rather than acknowledged as an intrinsic explanatory failure generated by the theory itself.

Similarly, separating social and economic categories is presented as necessary, though the intention is to elaborate an integrated theory. This mobilisation of distinct exogenous-social/endogenous-economic components is intended to provide explanations of experience which cannot be accounted for by the other component but nonetheless, the separate explanations contradict each other, giving rise to incoherent principles of income determination. Social categories and explanations are presumed merely to impinge upon established economic accounts. However, if closer attention is paid, the consequence of invoking 'social' categories and explanations is more powerful than simply exerting an influence which modifies, as their utilisation negates 'economic' accounts (Stewart *et al.* 1985). As such, the use of these distinctions should signal the occasion to produce an alternative understanding in which explanations of processes, previously identified as primarily 'economic' and residually, 'social', are accomplished with categories which encompass the full range of social circumstances. This should facilitate greater theoretical integrity. Instead, the respecification of traditional wage relationships is contingent, and generally specified counterfactually, as *what-is-not-but-should-be*, rather than what *actually is*.

Given that unintegrable 'short' versus 'long-run' dynamics and 'economic' versus 'social' processes are mobilised in these analyses, how is change over time accounted for? Goldthorpe suggests that it is recognition of processes of structural change which sociological investigation permits. Thus, in relation to theories of inflation he argues that:

...the ambition of any sociological enquiry must be...to investigate how inflation, understood as the monetary expression of distributional conflict, is ultimately grounded not in error, ignorance or unreason on the part of actors involved, in the way that economic analyses are constrained to suggest, but rather in *on-going changes in social structures and processes* (1978:195).

That is to say, the use of residual categories in theoretical explanations indicates that structural changes have occurred, undermining and rendering untenable the analytical system which employs such residual categories. Furthermore, Goldthorpe suggests that approaches to explanations of inflation by sociologists and economists are necessarily competitive rather than complementary because of their different evaluations of the capitalist market economy. Indeed, I would emphasise that they are competitive because social theory attempts to develop the 'residual categories' in a way that challenges their residual status. Whereas economists are said to perceive the market economy to be inherently stable (or capable of being stabilised), sociologists are said to view it as inherently unstable. In Goldthorpe's words, the sociological view of the market economy is that it exerts a

constant destabilizing effect on the society within which it operates, so that it can itself continue to function satisfactorily only to the extent that this effect is offset by exogenous factors: most importantly, by the integrative influence of some basic value consensus in the society, deriving from sources unrelated to the economy... (1978:194).

While I agree that evaluations of the market economy are indeed of central concern and that both economic and sociological analyses tend to conceptualise the market economy in the manner described by Goldthorpe, I consider this to be highly problematic. More specifically, I do not share Goldthorpe's approval of this particular, albeit predominant, Parsonian form of sociological theory. It appears to me that Goldthorpe fails to appraise critically social theory as rigorously as he does economic theory.

Contrary to Goldthorpe's suggestion, social theory has simply displaced, not resolved, the problems highlighted by the use of residual categories in economic theory and, moreover, has reinforced a restriction of the relevance of social theory to a limited set of circumstances. Goldthorpe is critical of the position adopted by economists, that in the 'long-run' the market economy is stable, as day-to-day social circumstances and 'modes of social action' fail to conform to the behaviour prescribed by economic theory. Economic theory, then, can only try and explain social circumstances through the use of residual categories. Social theory, however, adopts a similar strategy. In portraying the market economy as unstable in the 'long-run' only, because factors exogenous to the economy are said to permit its continued satisfactory functioning in the 'short-run', sociological analyses also fail to take account of processes of change. Moreover, this form of analysis which maintains the notion that social factors are 'exogenous', restricts the relevant field of study for social theory to a limited set of circumstances perpetuating their perceived residual status.

Understandings of social change and transition *are* crucial. As Abrams argues (1972:18), one of the most important things about the sociological emphasis is that it searches for 'tendentious explanations', that is, it attempts to account for both structure and action over time. That sociological analysis has not been entirely successful in this pursuit, which is highlighted above, is significant. More specifically, sociology has perpetuated the 'objectification' and 'abbreviation' of history (Abrams 1972:26) through its own use of 'conceptual polarities' (and often by not challenging their use in related disciplines). As a result, processes of change are not recognised, indeed, they appear to be impossible to delineate.

The next section extends the discussion about the role of counterfactual forms of explanation in engendering the controversies which beset issues of public sector provision and, in particular, the perceived crisis in welfare.

Issues of Public Sector Provision and Accounting

Concerns about public sector wage determination and productivity issues reflect problems which are created and sustained by the spurious separation of 'economic' and 'social' processes, in particular, the reluctance to challenge the assumed unavailability of the 'economics' of market and commodity production. The public sector dilemma is two-fold. On the one hand, it is the apparent lack of a price mechanism allocating resources (including wages) which is problematic. On the other hand, the lower imputed productivity gains in the public service sector (which is argued to be an essentially 'unproductive' or 'non-progressive' sector), further exacerbates the perceived difficulties caused by the absence of a market allocation. Together, these apparent malfunctions have not only generated the pressure to keep wage costs down, but moreover, have operated against the expansion of public service provision and generally restricted its development in an insidious way. This is not to say that public service provision has not grown as very obviously it has. However, there has always been a critical tension between the drive to expand and improve welfare services and escalating concerns regarding the relative costs of public service provision which, more often than not, focuses on wage costs alone (mirroring economic models).

The importance of public sector pay movements in public expenditure is evidenced by structural constraints on public expenditure produced by historical trends in a phenomenon known as the 'relative price effect' (Price 1979). As Price argues, the impetus to keep public expenditure costs down, in particular the drive to effect public expenditure cuts by the Conservative Government which came into office in 1979, stems from the tendency for public expenditure to increase in relative cost over time. This *adverse* relative price effect, more contentious in periods of relatively high inflation than in others, is always present and furthermore, tends to re-emerge as a more intractable problem because it has not been recognised as a continuous problem. The root of the problem Price indicates, is the failure to measure public service output properly. He suggests that:

...whereas pay rises in the 'enterprise' sector (public as well as private) are not fully translated into price changes because of productivity offsets, in the government sector productivity growth is assumed to be zero (in effect it is not measured), so that prices increase as fast as wage and salary rates. This means that the price of the services provided by government employees rises r per cent per annum faster than the price of goods and services provided by the rest of the economy, where r is the rate of productivity growth in the non-government sector (1979:69).

Hence, so long as pay in the public services tends to move in line with pay in other sectors (and as long as productivity in the economy generally continues to grow) the share of public spending in GDP will appear to increase, the relative price effect being positive, representing a productivity disadvantage to the economy as a whole. The convention which fails to impute productivity gains to government employees,

argues Price, also circumscribes measurements of growth in government services: any volume growth in services provided can only occur through increased employment and therefore cost.

Price's argument is that the cyclical suppression of constraints on public spending plans has meant that plans for the volume growth of public spending in these periods have been established on questionable grounds, given that the adverse long-term relative price effect is not explicitly addressed (1979:70). The remedy Price proposes – to avoid the recurrent financial crises of control over public spending caused by this erratic behaviour – is to recognise that:

public servants will not, in the longer run, accept lower growth of real incomes than their counterparts in the non-government sector purely on the grounds of lower *imputed* productivity gains. Attempts should therefore be made to identify actual or notional productivity gains in the public services and this would at once relieve some of the pressure to expand through recruitment and would prevent also the unjustified suppression of relative incomes in the government sector. This succeeds in the short term at the cost of disruption later (1979:75).

That Price regards this remedy as a viable short term solution only, concluding his paper with the suggestion that nevertheless, the problem will re-emerge as strongly in the future, indicates that perhaps he realises that the account provided is not an entirely adequate statement or understanding of the problem.

Price's account, on the one hand, argues that if only one could ascribe some productivity gain to public service output, then individuals (governments, taxpayers, consumers) would no longer demand expanded service provision in the form of employing more people. Instead, by imputing 'actual' or 'notional' productivity gains, such persons would realise that the service was improving without any employment increase. The implication is that (at best) without there being any actual change in service provision (notional productivity gains merely credited to its performance), individuals should be placated by the 'fact' that these services are productive and are thus deemed to be expanding, as though their previous assessment of the adequacy of service provision was incorrect. Price further argues that if productivity gains were imputed, then there would also be less pressure to suppress incomes in the government sector, as wages could increase in line with the attributed productivity gains in that sector. Wage increases would, therefore, no longer represent a productivity disadvantage to the economy as a whole.

There is a point to be made that public services are inaccurately classified as 'unproductive' and their contribution to society incorrectly assessed. The remedy is not, however, one of imputing 'notional or actual productivity gains' to the public sector. This is because the root of the problem is not as Price would have it, simply the failure to measure public service output properly.⁵ On the contrary, the classification of public services as 'unproductive' reflects entrenched assumptions about the salience of market-commodity production, in particular, it is a conventional reaction, consisting of the counterfactual categorisation and explanation of activities which do not conform. The problem of identifying and measuring outputs, although common to all products, especially services whether public or private (Brown and Jackson 1986:106), is perceived as a threat to economic stability really only when the services involved are not seen to be 'vially' operating on the 'free market'.

Price's analysis is, in fact, modelled on Baumol's (1967) formal examination of the perceived 'problem of unbalanced growth in the economy', that is, the observed growth of service employment and the persistent cumulative rising costs of producing personal services in the public sector. Baumol's argument is, quite simply, that there are two types of economic activities, one 'progressive' and the other 'non-progressive': maintaining the output of the non-progressive sector entails cumulative rising relative costs and the absorption of more of the labour force, and a decreasing labour force in the progressive sector, slowing 'economic growth'. (Baumol ignores the fact that 'economic growth' is measured in such a way as to favour the 'progressive' sector.)

... the place of any particular activity in the classification is not primarily a fortuitous matter determined by the particulars of its history, but rather... it is a manifestation of the activity's technological structure, which determines quite definitely whether the productivity of its labour inputs will grow slowly or rapidly (1967:416).

It is important to unpack this statement. In doing so, one discovers that the critical 'technological structure' referred to in fact consists of labour's perceived role in the process.⁶ In the 'progressive' sector, labour is argued to be an instrument merely required for the achievement of the final product, whereas in the 'non-progressive' sector, labour is said to be itself the end product (labour services are part, if not all, of the product being produced). In this formulation, a productivity differential exists between the 'progressive' and 'non-progressive' sectors, not because labour in the non-progressive sector is working inefficiently.⁷ Rather, regardless of the most 'efficient' use of labour and technologies, the price of the non-progressive sector will 'rise cumulatively and without limit'.

It is argued that in the progressive sector, unit costs remain constant because improvements in labour productivity are accompanied by equivalent wage rate increases. In the non-progressive sector, alternatively, unit costs rise because wage increases equivalent to that in the progressive sector take place while productivity remains constant, if not actually decreasing. Hence the relative price of non-progressive sector outputs increase compared to those in the progressive sector. Implicit in this analysis is the assumption that the non-progressive sector absorbs an ever increasing proportion of resources (essentially labour) to the detriment of the progressive sector. The employment expansion in the non-progressive sector and the contraction in the progressive sector is argued to occur because the progressive sector experiences cumulative increases in productivity (restricting labour growth) whereas the non-progressive sector simply absorbs more and more labour to maintain its output.⁸

There is a certain pathos about Baumol's argument. Despite the argued dangers to economic growth represented by the expanding non-progressive sector (largely identified as public services), Baumol concludes that:

This is a trend for which no man and no group should be blamed, for there is nothing that can be done to stop it (1967:423).

The argument, however, is tautological and mobilises residual definitions. Baumol's 'proof' consists merely of a restatement of the observed expansion of personal service employment *because* of its *lack* of 'productivity'. As Fraser notes (1987),

services are essentially defined negatively, that is, as activities *not* producing material goods. Once again, we witness the mobilisation of residual categories when phenomena observed fail to conform to the assumed theoretical model. The pattern of expanding service employment should represent a serious challenge to assumptions about labour and market-commodity production, but is not regarded in this way. Instead, it is set up as an ephemeral or superficial aberration, with the theoretical model presumed to be unscathed and intact.

Contrary to Baumol's assertion (1967:416), the classification of activities as 'progressive' or 'non-progressive' is, in fact, crucially determined by a historical tradition of insufficient responses to explanatory crises generating residual components and contradictions in explanations. Moreover, the deliberate focus on wage-labour costs alone, ignoring all other costs, and the particular concern about services which do not operate on the 'free market' (1967:420–422) underline the persistent and unresolved difficulties posed by the public service sector in the face of obdurate refusals to relinquish the 'economic' market-commodity model of price determination, whether for labour (wages) or other 'commodities'.

Public sector developments have created significant problems for this general framework of understanding, taxing both its ability to explain the 'price of labour' and economic accounting practices. The 'relative price effect', borne out of the contradictions and explanatory failures of economic theory, is not an inevitability but has nonetheless, very real and deleterious consequences for welfare developments, constraining public service provision. Its rationale restricts conceptions of 'economic' and 'social' systems, circumscribing forms of organisation. Furthermore, the escalating 'economic' costs implied by the 'relative price effect' find their counterpart in the increasingly rigid policy measures adopted to control the 'problem'. In a sense, the post-war development of incomes policies, cash limits and ultimately, privatisation, demonstrates the desperate resolve to try and effect a 'market-based' price mechanism.

Rethinking the 'Public Welfare'/'Private Market' Division.

In this paper I have suggested that the crisis in welfare, linked as it is to issues of wage determination and the distribution of resources more broadly, might be understood as an issue not simply of scarce resources combined with philosophical preferences for private enterprise. Rather, the crisis should be perceived to reflect and to have been exacerbated by, the conceptual framework delineating resource production and distribution in society. Furthermore, it is my suggestion that recourse to notions of a 'market distribution', rely upon a contrived separation of the allocative and distributional process and is a critical factor in the escalating crisis in welfare.

From the point of view of most economists, the position adopted by many social theorists, (including factors other than economic ones as part of the explanation), is iconoclastic. However, it is my contention that most sociological arguments are inadequate and should be developed much further to challenge the whole notion of the operation of 'markets'. In summarising attempts to interpret women's employment participation, especially their concentration in social welfare jobs, Rein concludes that,

The problem of interpretation lies in the twin reluctance of economists to move beyond labour market supply theory and of sociologists to enter this terrain and establish a theory of the sociology of labour markets (1985:55).

I would go a step further and remark that to the extent that sociologists have erred, it is in doing precisely what Rein wishes them to do – they *have* entered this terrain and attempted to provide market-based sociological explanations. Their reluctance has been to move *beyond* market theory, in order to establish an alternative theory. I would suggest that what is required, is an alternative inclusive explanation of social welfare and resource distribution. As Stewart *et al.* argue (1980:106–107), the production of multi-dimensional models of stratification in order to try and accommodate antithetical processes is at odds with both the underlying belief that the stratification system operates consistently and attempts to provide a theoretically integrated model. The intellectual appeal of an *adequate* endogenous account of theory and practice should be upheld.

The tendency to depict public welfare as ‘unproductive’ and a drain on the ‘private market sector’ because public sector developments do not conform to ‘economic laws’ of ‘market-commodity production’, are all the more arbitrary in the light of forms of welfare provision developed over the post-war period. Criticisms of public service provision mobilise a stereotypical conception of ‘the welfare state’ which conveniently disregards the broad range of welfare benefits provided by the state for those in secure employment.

The latent assumptions which commonly underlie these criticisms [of the public sector]... have little relevance while they remain attached to a stereotype of social welfare which represents only the more visible part of the real world of welfare. The social history of our times inevitably becomes, in the process, sadly distorted (Titmuss 1958:53).

As Sinfield argues (1986), Titmuss’ contribution regarding the ‘social division of welfare’ is very relevant today. Titmuss identified three systems of ‘social services’ – social welfare, fiscal welfare and occupational welfare. The first, ‘social welfare’ refers to the traditional area of social policy and administration generally understood as ‘welfare state’ services. Sinfield prefers to call this ‘public welfare’ to emphasise the visible nature of the welfare provision. The second, tax or fiscal welfare includes tax reliefs and allowances from the government, though these are not included in the public expenditure accounts despite the fact that they provide ‘similar benefits and express similar purpose in the recognition of dependent needs and social welfare’ (Titmuss 1958:44). Occupational welfare covers benefits received by an employee through or as a result of employment, including industrial and fringe benefits.

Thus, those who benefit from both fiscal and occupational welfare are those in secure employment and especially, well paid employment. Fiscal and occupational welfare are funded by government in the form of ‘tax expenditures’. The result is a reduction in tax revenue which not only limits the amount of resources perceived to be available for ‘public welfare’ but also may be reflected in lower wages and salaries (Sinfield 1986).

Titmuss argues that though the three systems are regarded as distinct, independent systems perpetuating the stereotypical conception of ‘the welfare state’, the division is contrived. He suggests that the three systems

signify that man can no longer be regarded simply as a 'unit of labour power'; they all reflect contemporary opinion that man is not wholly responsible for his dependency, and they all accept obligations for meeting needs of the individual and the family (Titmuss 1958:3).

I would, however, like to develop further the framework delineating the social divisions of welfare as I believe it is crucial to the debate about 'market' distribution. The most salient analytical point illustrated by attempts to specify the nature of the social divisions of welfare is precisely that the division between 'economic determinants' and 'social influences/outcomes' is impossible to sustain. All forms of the divisions of social welfare – 'public', 'fiscal' and 'occupational', constitute public expenditure on welfare, effecting a distribution of resources. The debate about the social divisions of welfare then, needs to be made absolutely central to the debate about welfare 'efficiency' and 'market' distribution.

It is therefore important to emphasise that typically, the present Government, and governments in the past, have maintained the false distinctions between the various forms of welfare identified by construing both the 'fiscal' and 'occupational' forms of welfare as essentially 'productive' processes, compatible with the operation of 'market forces'. In contrast, 'public' or 'social' welfare is depicted as 'unproductive' and incompatible with the operation of the 'market'. Consequently, the contrived link between productivity and market forces on the one hand, and low productivity (or unproductiveness) with state service provision on the other, is extended.

This process of separating out and undermining the legitimacy of public welfare highlights, I believe, the contradictions inherent in approaches assuming market validity. As Mukherjee cogently points out in respect of state responsibilities:

Statutory intervention... has been in the interest of re-establishing freer markets. From long usage, a seal of respectability is attached to government intervention in making product and capital markets work in a way approximately resembling text book models (1974:3).

Sustaining the notion that there is a credible system of 'market distribution', even if its perceived mode of operation falls short of the model described in text books, is, I would suggest, part of the process which increasingly undermines the legitimacy, not only of 'public' welfare, but also of social welfare in its broadest sense, as it concerns understandings of the production and distribution of resources.

Conclusion

In proposing that there has been a public sector wage and employment policy continuum bound largely by 'economic' rationales, I have suggested that social theory is centrally implicated in the current crisis in welfare. Controversies concerning welfare reflect problems of understanding regarding processes of resource distribution and allocation. The area of 'labour market' research is an important area of stratification research but has glossed over important theoretical questions. Specifying the mechanisms by which outcomes are produced is an issue of theoretical capacity. The problems of theories of wage determination, in particular in relation to the public service sector, constitute an explanatory crisis and consist in

the attempted *subsumption* of social processes under the centrality of market-commodity production. The contradiction inherent in this separation of 'economic' processes from additional 'social' influences prevents an endogenous and theoretically powerful account of social practice.

Notes

1. I wish briefly to elaborate this proposition as it is important to distinguish it from the (predominantly functionalist-marxist) arguments that welfare is functional for capitalism or similarly, that state welfare developments have and can merely serve to compensate partially individuals against the full impact of market/capitalist forces (*cf.* O'Connor 1973; George and Wilding 1976; Gough 1979; Taylor-Gooby and Dale 1981). These arguments deny processes of social change and transformation of any real solidity and thus can only present an impoverished strategy for progress. In contrast to such arguments, the point I wish to stress is that, to a large degree, problems of welfare are borne out of the restrictive conceptual parameters determining this debate. Problems of understanding and explaining social processes are, then, an integral part of 'material' experiences/events. A more promising line of argument is that welfare 'increases the need for more sharply focused social criticism' (Wilensky 1975:110).
2. Despite his pioneering work conceptualising citizenship and the right to welfare as consisting of legal through to social and even moral rights, Marshall too perceives the role of welfare to be that of modifying the operations of 'economic market processes' (1981:107).
3. The economic/social divide apparently underlined by welfare developments is rooted in the convention which maintains an axiomatic separation of conceptions of 'natural' and 'social' phenomena. As Stewart *et al.* argue (1980), the dissolution of this distinction is necessary to facilitate a more adequate understanding of human activity. Such distinctions are, however, both diverse and deep-seated. This is an area which I hope to develop in later work.
4. Neoclassical advocates of the market as a 'social institution' notwithstanding (Barry 1987), the 'welfare judgement' implied by a 'market' allocation of resources consisting of an equilibrating system of exchange, is that individual private actions *in the market economy* bring about the most beneficial allocation of resources. Thus the institution of the 'market' could only (and at best) be argued to have 'social' *outcomes* but not *entail* social processes.
5. Ironically perhaps, Price's suggestions are being applied in the public service sector presently. For example, in the health service, the stricter application of cash limits expressed in terms of cash expenditures rather than volume expenditures (introduced in 1981) has certainly constrained specific expenditure programmes and continues to do so. Also, the 'competitive' tendering programme, euphemistically presented as the opportunity for ancillary services in the NHS to prove 'just how productive and efficient they really are' has brought about the widespread introduction of productivity bargaining in a relatively short period of time as in-house teams attempt to retain the services. The proliferation of 'efficiency exercises' and incentive bonus payment

- schemes, explicitly linking pay rewards to 'productivity gains', is precisely the 'remedy' prescribed by Price – 'productivity measures' are imputed to services classified as 'unproductive' in order to persuade the public that the services are improving despite expenditure and labour force reductions.
6. To this end, all non-wage costs are ignored in the analysis – an 'incidental premise' simplifying the mathematical model.
 7. The model assumes that there is no 'x-inefficiency' in the system, that is, it is assumed that the services are being produced at minimum cost, with no over-staffing – the most efficient technologies being employed.
 8. Fuchs (1968), provides an empirical confirmation of Baumol's thesis.

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