



Chwarae Teg response to Finance Committee Call for Information: Welsh Government Budget proposals for 2021-22

November 2020

Introduction

Chwarae Teg are pleased to submit a response to this call for information. Budget processes continue to be one of the most important levers in delivering gender equality. We are all aware of the enormous challenges that Covid-19 has put upon our lives and finances as individuals and as a society. We understand that timelines for stated budget improvement plans may have changed as a result.

However, the improvements outlined in the Welsh Government Budget Improvement Plan¹ are needed more than ever now, to tackle the even greater inequalities faced by women as a result of Covid-19. This time of unprecedented change highlights a pressing need, and a real opportunity, to embed new structures which make a significant difference to how money is raised and spent in Wales.

We welcome the fact that the Welsh Government has already accepted recommendations made in the Gender Equality Review, *Deeds not Words*², which include embedding an equalities mainstreaming approach across government, including as part of budgetary processes. Work to pilot and implement equalities budgeting should continue to be prioritised.

Recovering and rebuilding from the Covid-19 crisis will be challenging, but we believe a feminist approach, that mainstreams equality into policy-making and resource allocation will enable Wales to emerge fairer, more equal and more resilient to future shocks. By adopting a gender mainstreaming approach and a Care-led society as outlined in the Gender Equality Review, *Deeds Not Words*³, and the report of the UK Women's Budget Group Commission on a Gender-Equal Economy⁴, Wales has a chance to overcome the issues of poverty, well-being and inequality exacerbated by current events.

¹ Welsh Government (December 2019) Draft Budget 2020-21, Annex E
<https://gov.wales/sites/default/files/publications/2019-12/2020-2021-draft-budget-narrative.pdf>

² Chwarae Teg (2019) *Deeds not Words: Review of Gender Equality in Wales (Phase Two)*

³ Ibid.

⁴ Commission on a Gender-Equal Economy (2020) "Creating a Caring Economy: A Call to Action" <https://wbg.org.uk/wp-content/uploads/2020/10/WBG-Report-v10.pdf>

Key messages and recommendations

- **Covid-19: response and recovery**
 - In 'Building Back Better' we must grasp the opportunity to think differently about our economic policy, to refocus on equality and well-being, and place care at the heart of economic development in Wales, recognising the strategic, national importance of this vital sector.
 - We advocate a Feminist Recovery Plan for Wales that urgently takes forward the recommendations of the Gender Equality Review and facilitates gender mainstreaming in order to tackle the structural causes of economic inequality.
- **Budgetary processes and impact assessment**
 - The Strategic Integrated Impact Assessment (SIIA) needs urgent review, to link policy and budget with robust evidence, showing long-term thinking and a preventative approach.
 - The ongoing review of the Budget Advisory Group on Equality (BAGE) i should ensure that the group retains its core focus on equalities, and that its work informs both general budgetary principles and processes, and the budget itself
- **Gender budgeting pilot**
 - We urgently await an update on the gender-budgeting pilot as part of the Welsh Government's Personal Learning Account, to cover the following points:
 - What tools are being used as part of the pilot?
 - What are the timescales for the pilot?
 - What are the aims of the pilot?
 - How will success be measured?
 - Will the pilot be evaluated?
 - How has the pilot informed spending decisions to date? Has the PLA policy been adjusted/ reviewed as a result of equalities analysis?
 - What role are strategic budgeting playing in the pilot? Who is leading the "gender budgeting" pilot?
 - In 2021, the newly-formed Welsh Women's Budget Group will seek to work closely with Welsh Government to develop understanding of best practice in gender-budgeting and how to roll-out a gender-budgeting approach, as planned in the Budget Improvement Plan.
- **Post-Brexit funding**
 - We recognize decisions relating to the UK Shared Prosperity Fund may not be made in Wales, but the Welsh Government should do all it can to ensure that funding continues to contribute to tackling inequality and poverty. We remain of the view that replacement EU funding should be delivered via a single, multi-annual fund across Wales; this fund should be administered in Wales, and make use of existing national infrastructure and planned regional infrastructure to enable effective spending.
 - We must ensure that post-Brexit funding maintains horizontal themes of equality and gender mainstreaming and is aligned with the vision and recommendations of the Gender Equality Review.

1. What has been the impact of the funding relating to Covid-19?

- 1.1 Women's unequal position in work is one of the most significant contributing factors to gender inequality in Wales. Women dominate in sectors and jobs associated with low pay, insecure contracts and poor working conditions. They are more likely to be in receipt of benefits, to work part-time or fewer hours, and less likely to hold managerial or director positions.
- 1.2 Covid-19 has exacerbated these existing inequalities. Women are more likely to be doing low-paid work on insecure contracts in sectors shut down by the virus, and are at a higher risk of falling into poverty. The pandemic has also highlighted our dependence on unpaid care, mainly done by women, for both children and vulnerable people.
- 1.3 Chwarae Teg's research paper, *Covid-19: Women, work and Wales* [footnote] has shown how the Furlough scheme, although welcome for the financial relief it provided, has had a negative on working women's sense of status, leaving a substantial gap in women's work-based identities. Only 33.6% of furloughed survey respondents in the report believed they would return to their previous role.
- 1.4 This research also showed that lower numbers of self-employed women received financial support than self-employed men. Women with a portfolio career with a mix of employment and self-employment found themselves between two stools in terms of government support, and newly self-employed women were particularly affected, being ineligible for government support.
- 1.5 Welsh Government should continue to plug identified gaps in UK support wherever possible. Ongoing monitoring of Welsh Government funding related to Covid-19 should include consideration of equality impacts. Evaluation should identify who has benefitted most, whether support reached those known to be at greatest risk of hardship and whether support inadvertently reinforced inequality, for example by incentivising women to take on the majority of care.

2. How do you think budget priorities should change to respond to Covid-19? How should resources be targeted to support economic recovery and what sectors in particular need to be prioritized? What are the key opportunities for Government investment to support 'building back better'?

- 2.1 One of the Wellbeing of Future Generations (Wales) Act's aims is to realise 'A more equal Wales: A society that enables people to fulfil their potential no matter what their background or circumstances.'⁵ Covid-19 has highlighted how deep rooted inequality still is; therefore we must further focus activity and budget priorities on measures that will help to address the root causes of inequality. We propose this should be done in the following ways:
 - 2.1.1 **Prioritise the hardest-hit sectors:** Recovery plans should focus on the sectors likely to be hardest hit by the economic recession, which are different to those in previous

crises. We must see targeted support for sectors such as hospitality and retail, and much greater investment in care.

- 2.1.2 **Take a feminist approach to recovery:** We believe the best approach to meet the aims of the Wellbeing of Future Generations Act, and the commitment to delivering economic and social justice outlined in the Welsh Government Economic Reconstruction plan would be to take a feminist approach to economic recovery. A Feminist Recovery Plan⁶ must take forward the recommendations of the Gender Equality Review and facilitate gender mainstreaming in order to identify and tackle the structural causes of economic inequality. This does not mean the recovery will focus on or only benefit women, but recognises that the economy is more than the production of things for the market. The survival and reproduction of people and society as a whole requires not only the production of material goods, but everything that people need to grow and flourish, including the provision of care.
- 2.1.3 **Focus on employability, training and skills:** Specifically, the recovery plan must prioritise the employability of women, supporting them to enter, and progress in, decent, fair work. There should be a focus on skills and lifelong learning, in order to be able to support people affected by unemployment and redundancy during the current crisis.
- 2.1.4 **Invest in childcare:** The recovery plan must also seek to increase the number of women in work by identifying and tackling what stops women from fulfilling their potential. Looking after children and/or the home remains a primary reason for women being outside the labour market. Efforts to increase the number of women in work must therefore be coupled with effective childcare infrastructure and efforts to rebalance unpaid care within households. Plans should look to deliver an integrated Early Childhood Education and Care System, invest in childcare infrastructure and reform childcare provision to deliver, free, good quality full-time childcare for all children.
- 2.1.5 **Create high-quality, flexible jobs:** Women are more likely to experience low pay, insecure contracts and poor working conditions, and the recovery plan must improve the quality of women's work. Jobs should enable women and men to share paid and unpaid work equally and make it easier for workers to combine paid work and caring responsibilities. Home-working plans need to allow for maximum flexibility, and a hybrid home/work model, rather than taking a 'one-size-fits-all' approach.
- 2.1.6 **Recognise that Care is central to our wellbeing:** Taking a feminist approach to recovery will offer a key opportunity for the government to 'Build Back Better', in line with the aims of the Wellbeing of Future Generations Act, by recognizing the central role that care plays in our wellbeing as a society. Care must become a key sector in our national economic strategy and we need investment in social infrastructure, including childcare, social care, health care and education, to enable people to engage with the economy, while delivering fair work within these sectors. The UK Women's

⁶ Chwarae Teg (June 2020) "A Feminist Economic Recovery Plan for Wales: Building Back Better from Covid-19"
<https://chwaraeteg.com/wp-content/uploads/2020/08/Feminist-Economic-Recovery-plan-for-Wales.pdf>

Budget Group *Commission on a Gender Equal Economy* projects that a care-led economy such as this would produce 2.7 times as many jobs as the equivalent investment in construction⁷

- 2.1.7 **Conduct robust evaluation with a focus on equality:** We also need robust, consistent evaluation of recovery plans, using equalities disaggregated data to show impact of funding on women in order to avoid unintended consequences of inequality.

3. Do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

- 3.1 While there are a number of processes, tools and approaches in place to support equality impact assessment of Welsh Government budget proposals, these are still not resulting in robust, meaningful analysis through an equalities lens.
- 3.2 In the Strategic Integrated Impact Assessment (SIIA) of the 20-21 budget⁸ it was welcome to read of the Welsh Government's commitment to piloting Gender Budgeting (pp 65 & 88); its sustained funding for the Equality and Inclusion Grant (p73); and its understanding of the impact of local funding on women (p75).
- 3.3 However, the SIIA still does not adequately explain how budget decisions will advance equality, tackle historical inequalities and contribute to the vision for gender equality. Although it makes reference to the five ways of working and the aims of the Wellbeing of Future Generations Act it does not do this consistently. Crucially it remains unclear how spending decisions tackle specific objectives and why those spending decisions have been chosen over others.
- 3.4 We recommend that the same IIA template and approach should be used for both policy and budget, and officials should be upskilled to build equalities competence, including all those involved in budgetary processes. Policy statements should provide clarity on how Impact Assessments have been used to guide policy decisions.
- 3.5 As recommended in the Gender Equality Review, *Deeds not Words*⁹, there should be a 'bottom up' approach to creating the SIIA, with a mandatory requirement for departments' submissions to the Treasury to have a full impact assessment attached.
- 3.6 As highlighted in the Gender Equality Review¹⁰, the Strategic Budgeting department should play an important challenge function to ensure that impact assessments provided by colleagues, which inform the SIIA, are done to the appropriate standard, making full use of equalities evidence and demonstrating how budget plans will advance equality as well as highlighting any potential disproportionate impact and mitigating action to be taken.
- 3.7 Furthermore, spending plans are siloed by protected characteristics, missing an opportunity to highlight spending which has multiple positive impacts. A different structure could better show intersectionality of impact and how decisions can have benefit across a number of different groups with protected characteristics.

⁷ Commission on a Gender-Equal Economy (2020) "Creating a Caring Economy: A Call to Action" <https://wbg.org.uk/wp-content/uploads/2020/10/WBG-Report-v10.pdf>

⁸ Welsh Government (December 2019) Draft Budget 2020-21, Annex C <https://gov.wales/sites/default/files/publications/2019-12/2020-2021-draft-budget-narrative.pdf>

⁹ Chwarae Teg (2019) *Deeds not Words: Review of Gender Equality in Wales (Phase Two)*

¹⁰ Ibid.

3.8 As stated in the Finance Committee’s report on the 20-21 Budget¹¹, the SIIA is currently falling short of its brief to provide a robust, evidence-based analysis of impact. The Committee described as ‘unacceptable’ that the planned review of the SIIA had been pushed back to 2023. The review which had been timetabled for Spring 2020 is already overdue.

3.9 We support Recommendation 12 of the Finance Committee’s report¹² calling for an urgent review of SIIA. We also support Recommendation 13 which discusses the budget scrutiny provided by the Budget Advisory Group on Equality (BAGE). It recommends that budgetary processes ensure the intervention of BAGE is timed appropriately, not just at the end of the budgeting process. It also calls on the Welsh Government to continue its discussions with colleagues in Scotland about the Scottish EBAG group, which has a more economist-led approach than that in Wales. We are aware that the review of BAGE as set out in the Budget Improvement Plan is ongoing. We stress that post-review, BAGE should retain its core focus on equalities and its work should inform both general budgetary principles and processes, and the budget itself. We await the outcome of these discussions.

4. How is evidence driving Welsh Government priority setting and budget allocations?

4.1 Use of evidence in the SIIA is limited, and when equalities evidence is noted, it’s not clearly linked to spending decisions.

4.2 There are examples of good practice in Scotland, in particular, in relation to linking policy objectives and spending decisions with evidence embedded at the heart of this¹³, which could inform approaches in Wales. See box overleaf.

5. Welsh Government policies to reduce poverty and inequality

5.1 We welcome ongoing commitments from Ministers to prioritise tackling inequality, including in the economic reconstruction plan, but we need to ensure that this commitment is reflected in delivery. It is critical that top-level commitments to tackling inequality and poverty are supported with resource allocation and that previously identified implementation gaps are closed.

5.2 We support the Finance Committee’s report on the 20-21 Budget¹⁴ welcoming the Welsh Government’s commitment to a gender-budgeting pilot as part of its two-year Personal Learning Account pilot, providing funding for vocational training to help employed people move into industry sector with skills shortages. This pilot is highlighted in the Budget Improvement Plan as a key starting point for adopting a gender-budgeting approach in Wales. We wholeheartedly support the Finance Committee’s Recommendation 14, to ‘use evidence and best practice to adopt a gender sensitive budgeting approach’ in Wales.

¹¹ National Assembly for Wales Finance Committee (January 2020) “Scrutiny of the Welsh Government Draft Budget 2020-2021” <https://senedd.wales/laid%20documents/cr-ld12991/cr-ld12991%20-e.pdf>

¹² Ibid.

¹³ Scottish Government (2020) “Equality and Fairer Scotland Budget Statement 2020-21” <https://www.gov.scot/binaries/content/documents/govscot/publications/impact-assessment/2020/02/equality-fairer-scotland-budget-statement-scottish-budget-2020-21/documents/equality-fairer-scotland-budget-statement-2020-21/equality-fairer-scotland-budget-statement-2020-21/govscot%3Adocument/equality-fairer-scotland-budget-statement-2020-21.pdf>

¹⁴ National Assembly for Wales Finance Committee (January 2020) “Scrutiny of the Welsh Government Draft Budget 2020-2021” <https://senedd.wales/laid%20documents/cr-ld12991/cr-ld12991%20-e.pdf>

5.3 To date there has been limited information provided about the gender budgeting pilot. It remains unclear what gender budgeting tools are being used as part of the pilot, what the timescales for the pilot are, what the aims of the pilot are and how success will be measured and evaluated. These are critical questions that need to be addressed if a gender budgeting pilot is to be successful and to facilitate engagement from external experts who can support development of a Welsh equalities budgeting approach.

5.4 2021 will see the formation of a new, independent Welsh Women's Budget Group. Drawing on expertise in the field of gender-budgeting and feminist economics, its aim will be to work with Welsh Government to provide the tools both for gathering and analysing data on gender equality in Wales, and for using this data to develop robust gender-budgeting processes. These tools will help us identify and overcome the unintended consequence of inequality and enable women to fulfil their potential.

2020-2021: Equality and Fairer Scotland budget statement, Scottish Government, Edinburgh 2020.

- Equality Evidence Finder <https://scotland.shinyapps.io/sg-equality-evidence-finder/> is a relatively new tool in Scotland which seeks to bring together equalities data in one place. It is searchable by policy area and equality characteristic and gives topline findings, statistics and graphs with links to the original evidence source. Each piece of evidence links to the national outcomes and indicators for which it provides evidence. The website also provides links to relevant publications from the Scottish Government and external organisations as well as data collection guidance.
- The Scottish Equality statement also makes clear the methodology used to analyse inequality and makes clear how budget allocations link to policy objectives. Government departments are expected to make these connections as direct and unequivocal as possible, linking 'specific budget lines to national outcomes' rather than generalised statements
- The statement highlights the piloting of gender budgeting tools in Scotland. Although it shows the use of these tools was not yet consistent across departments and some found them less helpful than others, the statement gives specific examples of how they have been used to good effect: <https://www.gov.scot/publications/equality-fairer-scotland-budget-statement-scottish-budget-2020-21/pages/18/> [1]

6. Support for business and economic growth after the EU transition period ends

6.1 As women are the majority of those who experience low pay, insecure contracts and poor working conditions in Wales, there is a real danger that they will bear the brunt of the impact of the end of the EU transition, particularly in the likelihood of a no-deal scenario.

6.2 The UK Shared Prosperity Fund should deliver sustainable, multi-year funding for specialist equality organisations who can support the delivery of an inclusive economic strategy . We have outlined our recommendations for this in [report, footnote], stating that this fund should be administered in Wales, and make use of existing national infrastructure and planned regional infrastructure to enable effective spending. It should ensure that replacement EU

funding maintains horizontal themes of equality and gender mainstreaming and is aligned with the vision and recommendations of the Gender Equality Review¹⁵.

Conclusion

In conclusion, as we build back better from the Covid-19 pandemic and the EU transition period, we have a real opportunity for economic decision-making to be guided and informed by new principles and foundations. As outlined in the Gender Equality Review report, *Deeds Not Words*¹⁶, we must ensure that the policy and budget are truly aligned so that budget decisions can be clearly linked to specific national aims to tackle inequality and poverty, provide fair work and improve well-being.

We must grasp this opportunity to fully recognise gender equality as an economic imperative and embed gender budgeting across Welsh Government and the Welsh public sector, with the support in the future of the Welsh Women’s Budget Group. In the medium to long term, these strategies will address the structural inequalities in our society and help to achieve the aim of a society ‘that enables people to fulfil their potential no matter what their background or circumstances.’

In the short-term, there are changes that could be made to current tools and approaches to better align policy and budget processes and objectives, strengthen equalities analysis and ensure those scrutinising the budget have the necessary information to consider whether equality duties have been met. The Welsh Government must review and strengthen the role of BAGE, maintaining a focus on equality, in order to develop economic policies in collaboration with diverse groups, and ensure mechanisms for engagement and involvement are adequately resourced and value the expertise that comes from lived experience.

In building back better, we must make care a key sector in Wales’ national economic strategy, recognize it as central to our wellbeing and make it a focus for investment and support. We must invest in state infrastructure, including childcare, social care, health care and education, to enable everyone to engage with the economy and to achieve their full potential.

We would be happy to provide further information in relation to any of the above. For further information please contact:

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¹⁵ ¹⁵ Chwarae Teg (2019) *Deeds not Words: Review of Gender Equality in Wales (Phase Two)*

¹⁶ Ibid.