

MEW 15a

Gwneud i'r economi weithio i'r rheini sydd ag incwm isel

Making the economy work for people on low incomes

Ymateb gan: Chwarae Teg

Response from: Chwarae Teg

This paper sets out additional information in response to the Committee's call in relation to the following:

1. Prosperity for All: Economic Action Plan
2. The original terms of reference, in particular a focus on low pay sectors and the role of welfare to reflect recent events and further research in these areas

1. Prosperity for All: Economic Action Plan

- 1.1. Prior to the publication of the economic action plan, we were keen that it recognise that addressing gender equality is an economic issue. We called for the inclusion of a number of founding principles and a move away from focusing on sectors that are dominated by men.
- 1.2. There are a number of positives in the plan in this regard:
 - 1.2.1. The plan appears to be based on a number of foundations, which include inclusive growth and tackling inequality, and there is a strong focus on ensuring investment with social purpose. There is recognition of the need to deliver fair work as part of economic development and of the need to address some of the barriers women face to engaging fully with the economy, such as childcare.
 - 1.2.2. We are pleased to see a shift away from sectors that are predominantly dominated by men. The broader thematic sectors will incorporate more sectors in which women are working and the inclusion of foundation sectors, which tend to be lower paid and employ large numbers of women is a welcome recognition of the economic value of this work.
 - 1.2.3. We are also pleased to see the principles discussed in the plan underpinned by financial conditions in the economic contract and associated calls to action. This will build on work around procurement to further utilise the buying power of the Welsh Government to ensure public money delivers benefits for all members of Welsh society.
 - 1.2.4. We welcome the decision to make apprenticeships in the national and foundation sectors at lower levels. This will be particularly important for sectors like care as part of efforts to improve pay and progression by mapping out clear career pathways.
- 1.3. There are a number of areas in the plan where we think more could be done to ensure that economic growth benefits men and women equally and that gender equality is pursued as an economic priority.

- 1.3.1. The plan sets out a new Ministerial Advisory Board to provide expert advice. It's important that this Board is diverse in its membership and is gender balanced.
- 1.3.2. The success of the action plan will be measured through the National Indicators. While this provides a useful link with the Well-being of Future Generations (Wales) Act, it could prove difficult to draw a direct line between actions undertaken as part of the plan and any change in the indicators. We are however pleased that this will at least ensure that success will be measured using disaggregated indicators and the gender pay gap. We would also highlight that given the focus on fair work within the action plan, there may be a need to revisit the National Indicators once the Fair Work Board has published its definition of fair work to ensure all factors are included within them.
- 1.3.3. The action plan lists a number of calls to action that businesses in receipt of Government support will be expected to contribute to. We are pleased to see high quality employment included here. However, this might be a missed opportunity to embed a focus on advancing gender equality along the lines of examples from Europe, such as the City of Berlin.¹
- 1.3.4. The plan does not explicitly discuss poverty. While it's implied within discussions on inclusive growth it would be good to understand how it's envisaged that the plan will tackle some of the root causes of poverty.
- 1.3.5. The focus on foundation sectors is a positive but the plan states that the starting point for retail and care is to understand the barriers and challenges as well as the opportunities for growth and innovation. It's our view that much of this is already known, particularly for care, and that there could be a legitimate focus on action in these sectors as there is in the other foundation sectors.

2. The original terms of reference

- 2.1. In relation to inclusive growth and tackling economic inequalities, much of the additional points we would make are covered in the above discussion of the economic action plan.
- 2.2. In relation to low pay and wider issues of decent work, we look forward to seeing the outcomes of the Fair Work Commission and the intended next steps to improve the provision of fair work in Wales.
- 2.3. An exploration of low pay sectors
 - 2.3.1. We were pleased to carry out research on behalf of Oxfam Cymru in 2017 exploring the issue of decent work in the domiciliary care and food and drink sectors. This report is due to be launched shortly.
 - 2.3.2. Given the relevance of the research to this inquiry we have highlighted a number of the key findings:
 - 2.3.2.1. The value of both the domiciliary care and food and drink sectors is under-estimated and at odds with the reality of working in them.

¹ Example referenced in oral evidence to the Committee on DATE

- 2.3.2.2. It's difficult for those working in these sectors to access training beyond induction and basic compliance training. The cost of training can be prohibitive for both employees and employers in these sectors and we are concerned that current provision, such as apprenticeship and leadership training are largely funded by EU structural funding. Brexit therefore poses a significant risk.
- 2.3.2.3. In both care and food and drink it's clear that the opportunity to progress can depend on working with a manager who is able to identify and support employees to take advantage of opportunities. However, without support and training themselves it can be difficult for managers to perform this role, and while we heard examples of good practice, it can come down to luck of the draw for many employees.
- 2.3.2.4. In both sectors, a lack of work-life balance, long hours and overworking were reported as being the norm. This has an impact on worker's well-being but also presents further barriers to progression for women, who are more likely to have pressures on their time outside of work.
- 2.3.2.5. Gender stereotyping is also present in both sectors, but manifests itself in different ways. It shapes the demographic of the care workforce, which continues to be predominantly female, and in food and drink it leads to a heavily segregated workforce, continued issues of sexism and limits progression opportunities for women.
- 2.3.2.6. While these two sectors share a number of challenges and some cross-sector solutions can be developed, there remains a need for a sectoral approach to deliver decent work. The context in each sector is very different and a one-size-fits-all approach is unlikely to address the key barriers to decent work in different sectors.

2.3.3. The role of welfare

- 2.3.3.1. Given the changing context of welfare reform and Universal Credit (UC) roll-out we thought it might be useful to highlight a number of our key concerns in relation to Universal Credit in Wales.
- 2.3.3.2. We remain significantly concerned that the design of Universal Credit is such that women are at risk of being unfairly affected by it. Evaluations to date have suggested that the approach of Universal Credit has a limited impact on the job seeking behaviour of those with families. It's vitally important that employability programmes in Wales learn lessons from this and develop an approach that adequately supports women into sustainable, well-paid employment.
- 2.3.3.3. Crucially, in Wales we are concerned that the potential for confusion for UC claimants is high as the new childcare offer is piloted and rolled-out. Evidence to date suggests that UC claimants are encountering difficulties in accessing the childcare element of UC and there remains a lack of awareness as to what support is available. It's vital that claimants in Wales have access to clear,

accurate information about what support is available with childcare to ensure that they are not moving back out of employment as a result of caring pressures.