

MEW 13a

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

Making the economy work for people on low incomes

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Prof Caroline Lloyd, School of Social Sciences, Cardiff University: Response to *Prosperity for All:  
Economic Action Plan*

The report includes a number of important objectives in relation to regional development, fair work and sustainable growth. Below are some comments relevant to the Committee's Inquiry into Making the Economy Work for People on Low Incomes.

### 1. Quality of Employment

There is a tension in the report between a recognition that there is a lack of quality jobs available and an agenda based on employability and skills improvement to enable individuals to access 'decent jobs'. The report states that 'We know that improving the level of skills for people from all backgrounds and places in Wales and encouraging a better match between these skills and the needs of employers is the best way of creating better jobs, higher wages and improved health outcomes. These changes help to reduce the pay gap...' pg 30. Unfortunately, there is no evidence that this is the 'best' way to create better jobs. Over many years, skill levels have been rising, yet the number of poor quality jobs has continued to increase. Women out-perform men in educational qualifications but the pay gap persists. Recognising that other forms of intervention are more likely to drive the creation of better jobs would provide a more realistic approach to the role of skills within such an agenda. The issue of the use of public finance to support apprenticeships, for example, could be better targeted on those areas of the economy and those employers that can deliver quality employment opportunities.

### 2. Inequality in access to good jobs

There is little in the report about inequalities in employment. Apart from the reference (pg 30) to skills breaking down the gender and ethnicity pay gap, there is only one other reference to inequalities in employment. On page 32, it states that attempts will be made to encourage women into traditional male preserves, girls to take STEM subjects and 'do all we can to reduce the gender pay gap'. There is no indication of the policies that might be used to achieve this. BME access is not mentioned nor encouraging men into traditional female preserves. Apprenticeship is a case in point where there is often very rigid gender segregation in participation. The quality of apprenticeships is also highly variable and we know little about inequalities in access, whether that relates to gender, ethnicity, class or locality.

### 3. The foundation sectors

The emphasis on placed-based services is important and provides the opportunity to enhance the quality of employment and quality of life more broadly. However, these sectors are often part of the problem for people on low incomes. The four foundation sectors identified in the plan are all characterised by high levels of low paid, female employment, and increasingly the

provision of insecure and unsocial working hours. It is important to integrate policies aimed at tackling poor quality employment with local and national development plans.

#### 4. The Fair Work Board

The Fair Work Board has considerable potential as a body that can evaluate evidence, consider different policy proposals and make recommendations to government. There are a number of gaps in the Economic Plan in relation to employment which rely on the output from the Fair Work Board. However, there appears to be no details on the Welsh government website (or elsewhere) as to its composition or terms of reference. Why is there not more transparency in relation to this body?

#### 5. Procurement

Procurement is identified as one of the key levers to affect issues of equality and inclusion. Welsh government could do more to encourage existing public sector and quasi-public sector organisations to pay the living wage and provide permanent and direct employment with security of hours, eg. local government, FE colleges and universities. For procurement policies to work in relation to equality, inclusion and fair employment, senior managers and procurement officers require adequate training and resources to ensure that these elements are integrated into the process.

#### 6. Care sectors

Childcare and elderly care have a number of commonalities in that the workforce is typically female, low qualified and low paid. At the same time, childcare is expected to be high quality delivering early years learning that can reduce inequalities, while elderly care has the potential to improve the quality of life for an ageing population. In both areas, government plays an important role as regulator and funder. A starting point to improve the quality of care and beneficial outcomes would be to raise the pay, hours and qualification standards required in these two sectors. Given restrictions on funding, choices have to be made. One example, might be to direct resources at improving pay and quality of care throughout the sector, rather than increasing free provision for 3 and 4 year olds which may only have a marginal impact on employment.

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