



Welsh Government draft budget proposals for 2012-13

Chwarae Teg's Response to the Finance Committee

September 2011

Introduction

Chwarae Teg promotes, supports and develops the role of women in the Welsh economy. Established in 1992, we do this by raising awareness of the positive contribution women make to economy. We aim to sensitise Welsh Assembly Government strategy and policy to the barriers confronting women who wish to fully participate in the labour market.

The persistency of occupational segregation, the over representation of women amongst the working poor, the under-utilisation of women's skills, the gender pay gap, the lack of women in senior and management level positions and the limited number of women in decision making roles presents a challenge to Welsh policy and practice.

Funded by the **Welsh Assembly Government** to provide expert advice to Ministers and policy-makers on these matters, Chwarae Teg also designs and manages significant projects that support women's participation in the Welsh economy. In the past, this has included encouraging women's enterprise and providing pre-employment training for economically inactive women in their communities.

Our current project, **AGILE NATION: New ways of working in the 21st century**¹ provides bespoke, accredited management training to equip women to progress into leadership roles. We also work directly with employers, referral agencies and training providers to support the design of gender sensitive employment and training programmes. Chwarae Teg works in partnership with a range of organisations from all sectors.

Consultation Questions

1. Looking at the indicative budget allocations for 2012-13, do you have any concerns from a strategic, overarching perspective?

Chwarae Teg understands that the Welsh Government must make cuts to budget allocations in the coming year. In our analysis, we have assumed that these figures are absolute and not corrected for inflation. We are, therefore, concerned that inflation will have a significant impact on the proposed budget, particularly if it continues to increase at the current rate. This will make budget reductions greater than currently indicated which will in turn impact delivery and reduce the impact of increases. We also stress the importance of Equality Impact Assessments to inform the development of the final budget. We are aware that these assessments were carried out last year and hope that this good practice will continue. We would also promote a *gender budget analysis* approach to ensure gender equality in policy development. Women and men have different needs and policy can impact women disproportionately. Plans and priorities should be designed with this in mind.

2. Looking at the indicative budget allocations for 2012-13, do you have any concerns about any specific areas?

The *Supplementary Budget 2011-12 (Explanatory Note)* helped us to understand the proposed departmental allocations for the forthcoming financial year. Our main concern is that consideration is given to women's earning capacity as a key economic driver. Women account for 51% of the population and around 47% of the workforce. They are estimated to make 80% of all buying decisions and make up the majority of public service users. Women's earning capacity and spending power are crucial for economic recovery. We therefore stress the importance of action that will support women's economic development. Steps must be taken to support women's engagement within the economy.

¹ Funded by European Social Fund and Welsh Assembly Government 2008 - 2014

Business, Enterprise, Technology and Science

ICT Infrastructure

We support the Welsh Government's investment into ICT infrastructure in Wales. A reliable, high-speed broadband service is crucial for engagement with the global economy. It allows businesses to trade on an international level and enables individuals to access a job market that is increasingly dependent on the internet. A concern arising from this, however, is the growing digital divide. Evidence shows that women are more likely than men to be digitally excluded and face greater disadvantage as a result. Women account for

the majority of individuals within the 'at-risk' groups identified by the Welsh Government. However, the digital inclusion strategy does not recognise that women are vulnerable to this type of exclusion. Furthermore, there is no budget allocated for Digital Inclusion within the Local Government and Communities MEG. We appreciate that Communities 2.0 is delivering the digital inclusion strategy but, as this project is financed through the European Social Fund, areas outside of Convergence will not be able to access this support.

Encouraging Innovation

Innovation is a crucial part of economic growth. We appreciate that there was additional investment of £1million in the 2011-12 budget which is why there appears to be a decrease in funding for this area in the forthcoming year. We believe that research and development should continue to be supported. As we indicated in a letter to the Deputy First Minister in July last year, implementation plans to develop Wales' Research and Development activity, including encouraging STEM activity in Wales' universities, will require a gender focused approach. Statistics show that women's performance in science and technology at school, further education and higher education is stronger than ever before. In spite of this, women's representation in both employment and self-employment in the science, engineering and technology sectors is very low. In preparing programmes to develop Wales' skill base in these areas, the Chief Science Adviser and the related teams must ensure that they are designed to attract, develop and retain women, recognising that this will often need a different approach from traditional activities. This will be crucial in ensuring that Wales has the skill set to drive forward research in the four R&D priority areas identified.

Sectors and Business

Supporting the development of new businesses and creating jobs is a top priority for the Welsh Government particularly as Wales requires a significant increase in new jobs to counteract the effects of the UK Government's welfare reform programme. We support the continued investment into enterprise support and argue that there should be targeted programmes to encourage women into business. Women's enterprise has a great value to the economy and can contribute to a reduction in child poverty as women are more likely to start a business from a position of economic inactivity than men.

Gender should also be taken into account when planning allocations for sector specific support. 50% of the priority sectors identified by the Welsh Government are male dominated and the other 50% are typically low paid. Caution must be taken to ensure that investment into the priority sectors recognises and supports the actual and potential contribution of women.

Education and Skills

The restriction in budget for Education and Skills is a concern for us as this is the root of economic and social development. Chwarae Teg advocates lifelong learning and business skills in order to boost the economy. Skills needs are changing as the economy evolves. It is important that individuals are able to continue learning in order to meet changing business needs. It is not sensible for the Welsh Government to make cuts to adult learning at a time when the economy requires skills that will support business growth.

Basic Skills

The increase in funds for Basic Skills within *Qualification, Curriculum, Learning and Improvement* is encouraging in our view as these skills are imperative for the individual's economic engagement. We hope that ICT skills are included under this title as they are crucial for a modern economy.

Business and Skills

Within Skills, Higher Education and Life-long Learning, *Business and Skills* will support economic renewal. We are disappointed to see a reduction in the Business and Skills budget. It is important to encourage women and girls into Science, Technology, Engineering and Maths (STEM) industries in order that women can contribute to and benefit from economic growth.

Local Government and Communities

We support investment into developing sustainable travel, particularly as women account for the majority of public transport users. We are also pleased to see that there is no change in funding for Domestic Abuse programmes.

Financial Inclusion

The reduction in this budget line is disappointing as financial inclusion is important on many levels. This change will impact women particularly as they are generally responsible for household budgets. Financial Inclusion has the greatest benefit for those most vulnerable in our society many of which are women and we believe that any reductions should be made with caution.

Communities First

We were initially concerned with a reduction in funding for the Communities First programme but are now under the impression that this will be countered by the proposed re-structure, bringing management to a local authority/regional level.

Central Services and Administration

Digital Inclusion

We have commented above on Digital Inclusion. However, whilst it is promising that there is allocation for this within the Central Services and Administration MEG, we would be concerned that this is match funding for Communities 2.0. We value the work of this project but are aware that it operates only in Convergence areas.

Equality and Human Rights

We can see that there is a reduction in funding for Equality and Human Rights for the forthcoming year and are concerned about the impact of this. Equality and Human Rights support the most vulnerable in our society and departments and organisations are already struggling to deliver more for less.

3. What expectations do you have of the 2012-13 draft budget proposals? What spending commitments and priorities would you like to see in the 2012-13 draft budget proposals?

Chwarae Teg would expect that the budget proposals for the forthcoming years have been subject to an Equality Impact Assessment to ensure that any changes do not disadvantage the most vulnerable in our society. Policy planning often fails to take into account the needs of under-represented groups. However, we appreciate the Welsh Government stated commitment to creating a fair society and fully support them in this aim.

The second main consideration for financial planning should be economic growth through investment in skills and enterprise. As we have already outlined, there is a danger that women will be overlooked in economic growth although we are pleased to say that we are working with the Department for Business, Enterprise, Technology and Science to promote actions to encourage and support women in the priority sectors.

4. The new Welsh Government has not yet published a programme of government. However, the Welsh Government has emphasised that it is seeking to deliver an outcomes-based approach, with the First Minister declaring that “delivery will be the watchword of the next Welsh Labour government.” What- if any- outcomes do you believe the Welsh Government should be trying to achieve with its 2012-13 draft budget?

The Government should ensure that the budget supports services for disadvantaged groups. There should also be a monitoring and evaluation system in place that ensures the budget delivers value for money. This would help with financial planning for the future.

5. Can you suggest any elements that should be in the 2012-13 draft budget proposals to support more effective collaborative working?

Efficiencies should be made wherever possible and collaborative working can be a good way to achieve this. Communication between departments and with the third sector is crucial if opportunities are to be identified. Third Sector facing restricted funding organisations are delivering more for less, regularly looking for opportunities to work together. The Welsh Government might consider further collaboration with the third sector, using WCVA forums to explore ideas.

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