

## Consultation on the Welsh Government Draft Budget proposals for 2023-24 by the Finance Committee

November 2022

**About the Women's Equality Network (WEN) Wales:** Our vision is of a Wales free from gender discrimination where all women and men have equal authority and opportunity to shape society and their own lives. We work with our vibrant coalition of organisational and individual members to transform society. Our work sits under three pillars. We will Connect, Campaign and Champion women so our vision is realised.

### 1. What, in your opinion, has been the impact of the Welsh Government's 2022-23 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective as the economic outlook for 2023-24 continues to worsen?

**Women have been at the centre of the pandemic and cost-of-living crisis**, often due to the strong link between caring responsibilities and financial insecurity. **Women who experience intersecting discrimination**, including disabled women, ethnic minority women, trans women, and women with no recourse to public funds, are being hit hardest by rising costs.

Even [before the pandemic and cost of living crisis](#), women were more likely to be in **low-paid jobs, at a higher risk of poverty** and food insecurity and had fewer savings and more debts than men. **These inequalities have increased during the pandemic**. In 2021, women were still more likely to be claiming Universal Credit (UC), and more likely to be reliant on UC whilst being in-work.

The Equality and Social Justice Committee's inquiry on [debt and the pandemic](#) found that more women, in particular single parents and survivors of domestic abuse, **had fallen into debt during the pandemic**. The rising costs of living will mean more women who **financially rely on an abusive partner** or experience [financial abuse](#) are **unable to leave due to facing significant financial hardship** for themselves and/or their children.

Research also shows that [women are hit harder by inflation](#). They spend more of their income on household goods like food and cleaning products, which are typically more susceptible to inflation-induced volatility. Among low-paid employees, women are more likely than men to have **fallen behind on household bills and skip meals** as a result of rising costs.

While we recognise the positive intention within the Welsh Government and that many factors involved in the last year are outside its control, the **net impact on women has clearly been a negative one**. There is an urgent need for more **determined action to tackle the root causes of gender inequality** in the forthcoming budget or we risk that progress will be lost for another generation of women.

### 2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

**Investments in childcare and social care are a key ingredient to address the impacts of the cost-of-living crisis by supporting those who are worst affected.** Making high-quality

childcare and social care more affordable and accessible will enable more women to take up paid employment or to increase their hours. Canada has recently invested [\\$30 billion in childcare](#) meaning that **parents will pay no more than \$10 (£6.43) per day**. They have done this because, following a successful test case in Quebec, they found that **for every dollar they invested in childcare they got between \$1.50 and \$2.80 back** into the wider economy through increased employment. Research based on UK data also shows that investments in the wider care sector are an [excellent economic stimulus](#), **creating 2.7 times more jobs than investments in construction (6.3 as many for women and 10% more for men), recouping 50% more direct and indirect tax revenue and emitting 30% fewer greenhouse gases.**

To support the economy following the pandemic and in response to the cost-of-living crisis, **we urgently need investments into childcare and social care**, including extending the Childcare Offer to all children from 6 months and progressing work to ensure social care and childcare as a profession are valued & improved. **Welsh Government should use gender budgeting and progress the recommendations laid out in the Gender Equality Review**, to ensure budgetary decisions responding to the cost-of-living crisis, and policies and laws in general, do not disproportionately impact women or favour men.

In addition, **diverse and equal representation is key** to ensuring the Welsh Government's response to the pandemic, Brexit and cost-of-living crisis is **robust and reflects the needs of the Welsh population in all its diversity**. Research shows that [diversity leads to better decision-making](#) and that a higher proportion of women's representation in parliaments can have a positive impact on policy and issues related to women's health, violence against women, childcare and reproductive rights. **It also shows that more is done to address poverty, violence against women and public health where more women elected representatives are elected.**<sup>1</sup> We therefore need to ensure that the Senedd Reform Act contains **legally binding gender quotas** with sanctions for non-compliance, and that **all political parties have due regard to the diversity of their candidates lists** representing all protected characteristics, including race/ethnic minority status, disability, age, sexuality and gender identity.

- a. **How financially prepared is your organisation for the 2023-24 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?**

WEN Wales is the pan-Wales umbrella membership women's organisation amplifying women's voices at this critical time of change. We are extremely grateful to be part-funded through the **Welsh Government's Equality and Inclusion Grant**, which has allowed us to make a greater impact and realise key achievements for gender equality in Wales. The current E&I programme commenced in July 2016 to support our Equality Objectives for 2016-20. The grant was due to end in September 2021 and a consultation on a successor programme was launched in February 2021. While this consultation was underway, the grant has been [repeatedly extended](#) on a six-monthly or annual basis. **The most recent extension will come to an end in March 2023 and details for the new funding programme are yet to be announced.**

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<sup>1</sup> Clayton, Amanda (2021). 'How to electoral gender quotas affect policy?' *Annual Review of Political Science* 24: 235-52.

We are grateful for the extended support, but the fact that our organisation **has been left in limbo for over a year** over future Welsh Government funding has led to **significant anxiety among staff** and meant a lot of our attention had to be focussed on **ensuring our viability rather than defending women's rights and gender equality during these unprecedented times**.

We understand that it is now the policy of Welsh Government to offer grant funded organisations a 3–5-year funding commitment and we do hope therefore, that the Equality and Inclusion grantees will also have the same commitment afforded to them.

Together with the other organisations funded through this grant, we **urgently require clarity** on the details of the future Equality and Inclusion Programme and would greatly benefit from a **longer-term funding agreement**.

### **3. With inflation and costs of living issues continuing to escalate, what action should the Welsh Government take to help households cope with this latest crisis?**

We believe that the impact of cost-of-living pressures on women needs to be a key consideration in Welsh Government's response, with a particular focus on the **impact on single parents, disabled women, Black, Asian and minority ethnic women and LGBTQ+ Women**.

**A staggering 46% of single parent households are in poverty – twice as high as the [overall poverty rate in Wales](#) at 23%. 86% of single parents in Wales are women.** Lack of affordable childcare provision means many women **would end up losing money if they increased their working hours**, as the costs of childcare is higher than the potential additional earnings. Combined with stagnating wages, this often leaves many with **no means whatsoever to keep up with rising costs** and, without urgent action, **will lead to many more women and children falling into poverty**.

Women's caring responsibilities, paired with a [lack of affordable childcare](#), means they are often **less able than men to increase their paid working hours** to make ends meet. Free childcare is currently only available for three and four-year olds, with very limited provisions (12.5 hours per week) for some two-year olds in Flying Start areas. Even those who are eligible are often unable to access free childcare. The [Family and Childcare Trust Childcare Survey 2022](#) showed that **less than a third of local authorities (29%) have enough childcare** under the Childcare Offer.

In lights of these facts, we urgently need to see **investments in nursery and early education provisions** to ensure they are accessible to all parents who are eligible, when and where they need them. This should particularly address the lack of provision during atypical working hours, provisions for disabled children and those with additional learning needs as well as provision in rural areas.

There is a **lack of data on the impact of rising costs on women who experience intersecting discrimination**, but evidence on the economic situation of disabled people, Black, Asian and minority ethnic people, LGBTQ+ people and people with no recourse to public funds suggests that women who share these identities will be disproportionately impacted by the rising costs of living.

Between 2015-16 and 2019-20, [relative income poverty](#) in Wales was higher among non-white ethnic groups (29%) than white ethnic groups (24%). Research suggests a **strong link between poverty and socio-economic disadvantage** and the inequality faced in employment and housing by ethnic minority people.

The data also showed that 38% of children and 31% of working-age adults who lived in a [household with a disabled person](#) were in relative income poverty, compared with 24% of children and 18% of working-age adults in households where no-one was disabled. During the pandemic, **disabled people have [disproportionately fallen behind on household bills](#)**, due to their position in the labour market and increased costs associated with being disabled.

There is little Wales-specific evidence of the impact of poverty and cost of living pressures on LGBTQ+ women in Wales, but a [2019 survey](#) showed a 16% pay gap for LGBTQ+ employees in the UK. **Trans people are at a disproportionately higher risk of unemployment and poverty.** While figures are not monitored in the UK, almost [half of transgender people in Ireland](#) are unemployed.

People with restricted or insecure immigration status who are subject to no recourse to public funds (NRPF) are unable to claim the majority of benefits, including Universal Credit and social housing. **Despite already being at a significantly higher risks of poverty and destitution, they risk [missing out vital cost of living support schemes like the Council Tax rebate](#).** Ineligibility for childcare benefits and restricted access to [VAWDASV services](#) especially impacts women with NRPF and compounds their vulnerability to cost of living pressures. **All financial support during the crisis should include people with NRPF and the Welsh Government should urgently set up a last resort fund to support survivors with NRPF.**

This shows there is strong reason to expect that the impact will be especially stark for women who experience intersecting discrimination, but analysis is hindered by a lack of comprehensive disaggregated data. The Welsh Government should ensure that the new **Equality, Race and Disability Evidence Unit** includes a key focus on gender equality and the inequality of women facing intersecting discrimination **to help us understand and address the impact of rising costs of living on those who will likely be hit hardest.**

#### **4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?**

While the Welsh Government clearly takes the issue of climate change seriously, we would like to see it adopt an approach of **climate justice as a feminist issue** more clearly. Neither the Environment (Wales) Act 2016 nor the Climate Change (Wales) Regulations 2021 explicitly recognise climate change as a human rights or a women's rights issue and therefore fail to adopt a social justice approach.

Seeing gender and climate justice as integrated issues is vital when women and children may be [14 times more likely to die or be injured in a natural disaster than men](#). Disabled and trans women are disproportionately impacted by [climate displacement](#), particularly in relation to healthcare.

A feminist climate justice approach also requires more focus on the rights and lives of indigenous women. This could include specifically **addressing supply chains** that involve deforestation which impacts women's livelihoods, lives and rights. The [Wales and Africa programme](#) is a good example of a social justice-based approach that should be extended more widely.

In discussions around the net-zero transition, the lack of inclusion of women's rights is further reflected by a focus on industries that tend to be male-dominated in Wales (for example, agriculture and heavy manufacturing) and a lack of consideration of female-dominated sectors like care. Research suggests that [investments in the care sector](#) would not only benefit

women in Wales, but is also **consistent with the transition to a low carbon economy**, as jobs in care produce only a small proportion of the emissions of the average current job and use fewer imported inputs.

We strongly believe that **investments in the [caring economy](#) are a key element of delivering a green recovery with inclusivity at its heart**. Research not only shows that such investments improve wellbeing and promote the fair work agenda, but they are also **[three times less polluting](#)** than investments into alternative sectors such as construction. Due to these proven benefits, other countries around the world have already made the caring economy a key part of their recovery plans, such as Canada's [Building Back Better initiative](#) and the [American Jobs Plan](#).

**Caring jobs are green jobs**. We believe that 'green jobs' should refer to [all roles that further the wellbeing of people and the planet](#). Caring roles – both paid and unpaid – clearly fit that description. **A well-funded care infrastructure forms the basis of a green and thriving economy**. It has the potential to make the Wales we live in healthier, more equal, prosperous, resilient, globally responsible and can be delivered to improve community cohesion and promote the Welsh culture and language, thereby **contributing to all seven well-being goals outlined in The Well-being of Future Generations Act**.

#### **5. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation?**

Although meaningful action is constrained by the UK social security, taxation and budgetary systems, the Welsh Government should continue to **work with third sector and grassroots organisations** to find both realistic and innovative solutions that consider the needs of all women. This should include an **integrated equalities mainstreaming approach across all budgets by 2025** and the use of devolved policy-making powers to introduce a **progressive Council Tax system in Wales**.

#### **6. Specific scrutiny areas:**

Most of these points have been addressed in the evidence outlined above and will not be repeated in this section, but we would like to highlight the following.

##### **a. How/whether the approach to preventative spending is represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).**

Investments in childcare and social care need to be recognised cross-governmentally as a key area of preventative economic policy, that improves resilience of both Welsh society and the economy and reduces long-term costs through preventing escalating need and improving general well-being.

##### **b. How resources should be prioritised to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?**

Women **[continue to be more likely](#) to have a long-term health condition**, are more likely to rate their general health as “bad” or “very bad” and to report that their daily activities are limited by poor health. Covid-19 restrictions compounded pre-existing health

inequalities and further reduced access to healthcare as **procedures were postponed and waiting lists became significantly longer**.

A [2020 study](#) found that the UK has the largest women's health gap among the G20, the countries with the largest economies in the world. While the pandemic has exacerbated the disparity, the driving factors behind it [remain unaddressed](#).

A [2019 report](#) by the Royal College of Obstetricians and Gynaecologists (RCOG) recommended the creation of women's health plans across the UK to address the areas of unmet need. Such work has been completed in [Scotland](#) and is well underway in [England](#). The Welsh Government currently lacks such a plan but has [committed to follow suit](#) in May 2022.

To ensure that waiting lists do not further amplify the gender health gap in Wales, the development and implementation of a **women and girls' health plan for Wales** that is [co-produced with women who have lived experience](#) of various health conditions needs to be prioritised.

**c. The sustainability of NHS, social care, further and higher education, local government and other public services more generally. Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.**

The pandemic has shown us that care work – paid and unpaid – is the backbone of our economy. Yet the sector is in crisis. In 2019, an [estimated 96% of annual care](#) in Wales was provided by unpaid carers, with **many struggling and in need of additional support**. This has [worsened during the pandemic](#), with an increase in the number of unpaid carers and hours of unpaid care. Women are overrepresented, making up [about 60% of unpaid carers in Wales](#). Women also make up **80% of the paid care workforce** in Wales, with women from Black, Asian and minority ethnic backgrounds being overrepresented in the most insecure and lowest-paying roles. In the paid workforce in childcare and social care, **pay and conditions do not reflect the importance and responsibilities**, negatively impact workers' well-being and lead to many leaving the sector. We appreciate that many of the escalating pressures on the sector are a result of the UK Government's budgetary decisions. Still, we believe that at Welsh Government level, a **bold cross-governmental commitment to the care sector** is needed that sees public spending not just as a cost, but as an **investment in our people and our communities**. As part of this, we would welcome a financial analysis that considers the long-term savings and benefits that investing in childcare and social care could generate by reducing poverty and inequality, increasing employment and overall general health and well-being.

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*WEN Wales would like to thank the Senedd's Finance Committee for the opportunity to contribute to their inquiry.*

*If you have any further comments or queries, please get in touch.*

**Dr Jessica Laimann, Policy & Public Affairs Manager**

