

Equality of Opportunity Committee

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Gender budgeting techniques and the impact of budget decisions on Women

Background

Women continue to experience disadvantage and inequality of outcome and opportunity in some aspects of society relative to men, according to key economic, social, and political measures of equality. It is recognised that more women tend to take responsibility for unpaid caring work and, as a consequence, are engaged in paid employment intermittently or for fewer hours. In political and public life, women tend to be underrepresented when compared to the proportion of women in the population. In Wales, elections to the National Assembly for Wales have achieved near parity in the composition of the elected membership on the basis of gender.

Because of this persistent inequality, the Welsh Assembly Government takes seriously the need to target resources to eradicate unlawful discrimination and further advance equality of opportunity between men and women. An internal review completed in 2009 revealed that in three years between April 2006 and March 2009, women's organisations received grant funding of £12.7 million. In the same period, a total of £636,298 was awarded to organisations whose primary focus was to support men only.

The Welsh Assembly Government has funded research and campaigns that have sought to raise awareness of gender pay inequality. There has been some success. Over the past decade, the trend has been a narrowing of the gender pay gap in Wales. There was an exception in figures published in November 2008 when the Office for National Statistics reported a widening of the gap. According to latest figures published by the Office of National Statistics in November 2009, the gender pay gap for full time employees (excluding overtime and based on mean hourly earnings) narrowed to 8.8 per cent. The figure now stands at 6 per cent for part time employees.

Only Northern Ireland has a narrower gender pay gap for full time employees at 8.5 per cent and Wales has the third narrowest gap in respect of part time employees behind Scotland at 2.8 per cent and Northern Ireland at 5.2 per cent.

In the challenging economic climate for the public sector, care must be taken to consider any negative impacts that funding decisions taken here in Wales may have on women. It is also important to be aware of the effect of budget announcements made by the UK Government in June 2010. The freezing of Child Benefit for three years, phasing out contributions to the Child's Trust Fund and the scaling back of maternity grants will all have a direct impact on women.

We also need to be aware of weaknesses more generally in the labour market. Statistics published by the Welsh Assembly Government's Statistics Directorate in August 2010 indicated that the seasonally adjusted Labour Force Survey estimate of the total number of men in employment in Wales was 692,000 in April to June 2010, a rise of 4,000 (0.5 per cent) from a year earlier. Over the same period, the total number of women in employment in Wales was 620,000, down 7,000 (1.1 per cent) from a year earlier.

During questions to the First Minister on Tuesday 21 September, in response to Christine Chapman AM the First Minister stated that '[the Welsh Assembly Government] will do what we can in Wales to make sure that the position of women and families and their financial status is protected as much as possible.'

Gender budgeting

There is considerable research available on adopting gender budgeting techniques for women. The Welsh Assembly Government recognises that expenditure and taxation policies have different implications for, and impacts upon, women and men in terms of their contributions to both the paid and unpaid spheres of work. Gender budgeting initiatives can reveal these discrepancies and provide governments with the opportunity to integrate a gender analysis into economic and social policy.

By strengthening the collection and analysis of gender-disaggregated data, it is argued that it is possible to enhance the ability to determine the real value of resources targeted towards women and men to better understanding of how resources are being spent and increase the efficiency of policy. However, the collection of disaggregated gender specific financial data is disproportionately resource intensive and is retrospective. It reveals only where instances of potential discrimination have occurred.

The passing and commencement of the Equality Act 2010 allows for a more proactive approach to be adopted. The Act both harmonises and strengthens UK anti discrimination law, and extends protection to personal characteristics beyond disability, gender and race, to now include maternity and pregnancy, religion or belief, sexual orientation, gender reassignment and marriage or civil partnership.

To enable better performance of the new general public sector equality duty, Welsh Ministers will for the first time have the power to make regulations to introduce statutory duties on listed devolved public authorities in Wales. The consultation on the proposed draft regulation started on 21 September and contains requirements that public authorities must make such arrangements as it considers appropriate to assess the likely impact of its proposed policies and practices on its ability to comply with the general public sector equality duty.

It is the general public sector equality duty that requires public authorities to have due regard in the exercise of its functions, to the elimination of unlawful discrimination, harassment of victimisation of people sharing the protected

characteristics. It is on this basis that the Welsh Assembly Government has developed its own version of impact assessment, known as Inclusive Policy Making.

Inclusive Policy Making

The Welsh Assembly Government's Inclusive Policy Making (IPM) process assesses policy funding arrangements as part of the functions exercised by the Welsh Ministers. The purpose of Inclusive Policy Making, the Welsh Assembly Government's version of Equality Impact Assessment, is to embed consideration of the equality duties throughout all of our policies.

In developing its Single Equality Scheme, the Welsh Assembly Government made a commitment to embed equality and diversity by undertaking impact assessments for all of the equality strands - age, disability, gender and gender reassignment, race, religion or belief and sexual orientation.

It is a systematic process that enables an assessment to take place that considers the potential negative or disproportionate impact that may take place because of the policies or practices being developed or implemented. In making that assessment, the Welsh Assembly Government is required to gather sufficient and relevant information needed to reach an informed decision. The historical and planned allocation of funding, together with other data and research findings would constitute that relevant information.

Inclusive policy making goes beyond gender budgeting insofar it requires an assessment to take place where there is relevance to any of the protected characteristics introduced by the Equality Act. Like gender budgeting, the process relies on the collection and analysis of disaggregated data that helps determine the real value of resources targeted towards people sharing protected characteristics that have historically be subject to discrimination. It increases the efficiency and sustainability of policy and their subsequent implementation. By fully considering the needs of the citizens of Wales in the policy development and budgetary allocation processes of the Welsh Assembly Government, the IPM process makes a significant contribution to effective policy development, making it less likely that changes will be needed to policy implementation in the early stages.

Benefits of IPM over gender budgeting

The Welsh Assembly Government has adopted IPM as one of the arrangements in place to assess the impact of its policies, practices and functions exercised by Welsh Minister. The benefits of the IPM process are that it:

- Strengthens the requirement for arrangements that gather credible data and other relevant information to better inform the decision making process;
- Is designed to foster a more inclusive approach to policy development, ensuring that the needs of all the citizens are considered in the decision making process;

- Makes a significant contribution to better performance of the general public sector equality duty introduced by the Equality Act 2010, and the need for Welsh Ministers to exercise their function with due regard to equality of opportunity for all people in fulfilment of Section 77 of the Government of Wales Act 2006.

Conclusion

The Welsh Assembly Government does not underestimate the impact that the current economic climate will have on people most vulnerable in our society, when taken together with the proposed spending decisions adopted by the UK Government in its Budget in June, combined with potential spending cuts likely to be imposed on Wales as part of the Spending Review.

The impact of these factors will be fully taken into account when recommendations are made to the National Assembly for Wales when the Draft Budget is presented in November. Arrangements have been put in place using the IPM process to understand the possible impact of funding decisions on all equalities strands.

It remains a commitment of the Welsh Assembly Government to make every effort to protect the services provided by the public sector in Wales to those most vulnerable in our society who ultimately depend on the services we provide.

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