

MEW 03a

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

Making the economy work for people on low incomes

Ymateb gan: Oxfam

Response from: Oxfam

Oxfam works with partners to overcome poverty in three ways:

1. By developing projects and programmes with people experiencing and living in poverty that improve their lives and show others how things can change
2. By raising public awareness of poverty to advocate and create pressure for change
3. By working with policymakers to tackle the causes of poverty.

For further information about Oxfam's work, please see [www.oxfam.org.uk](http://www.oxfam.org.uk)

Oxfam Cymru welcomes the opportunity to provide evidence to the Equality, Local Government and Communities enquiry. Over the last decade, we have accrued a vast amount of experience in working with partners to help people raise themselves out of poverty and build sustainable livelihoods. We work at grassroots level and pan Wales levels and actively campaign at a UK level for real and positive change.

## 1. Background

1.1 An inclusive labour market delivering an economy that works for everyone would offer people and their communities across Wales the opportunity to participate in rewarding, well paid secure work that brings both social and economic benefits.

1.2 23% of people live in relative poverty in Wales, and it is becoming increasingly clear that to realise inclusive growth and sustain labour market productivity, improved employment for low income households are essential.

1.3 Oxfam's latest research report, *Double Trouble*<sup>1</sup> is a review of the relationship between UK poverty and economic inequality, and establishes the relationship between income inequality and relative

income poverty, as poverty rates tend to be higher when income inequality is higher.

1.4 Low pay continues to be one of the significant factors contributing to these poverty levels. Nearly a quarter of people are paid less than the living wage as defined by the Living Wage Foundation<sup>2</sup> (the Living Wage Foundation rate is calculated annually based on the cost of living whereas the UK Government National Living Wage is the minimum pay rate for over 25s currently based on 55% of median earnings). Over 100 businesses accredited as living Wage employers<sup>3</sup> (currently the Living Wage is £8.75 and £10.20 in London<sup>4</sup>).

1.5 In-work poverty is an increasingly worrying concern as labour market changes have led to shifting working practices; including an increase in zero contract hours and work that offers a lack of training routes.<sup>5</sup> This impacts on women and BAME communities of people the most.<sup>6</sup>

## Gender

1.6 Gender inequality is one of the oldest and most pervasive forms of inequality and shapes our economies, societies and communities. It denies women their voices, devalues their work and results in power imbalances between men and women.

1.7 Women are more likely to be in low-paid, insecure jobs than men, and the gender pay gap is still significant and stands at 14.8%<sup>7</sup> in Wales. The gap between median, full-time, gross pay for men and women is £68.00 a week.<sup>8</sup>

1.8 Women tend to earn less to begin with and are more likely to be lone parents with care responsibilities. In the UK, the groups with highest poverty rates are lone parent families and families with three or more children. Continued funding cuts for public services that include social care and child care provision are a common way to reduce public spending, but ultimately requires women to provide

even more unpaid labour at home, which in turn constrains the ability for women to participate fully in the labour market.

1.9 Recent analysis published by the Social Mobility Commission<sup>9</sup>, reports that it is particularly difficult for women in their early twenties to escape low pay, with the lack of good-quality, flexible work to fit alongside caring responsibilities as the main barriers.

1.10 Oxfam Cymru welcomes the Welsh Government childcare commitment of providing 30 hours of childcare for two – three year olds for 48 weeks. However, we are concerned that provision currently only extends to working parents, and that women who are looking but are not currently in employment or training, will fall even further away from the labour market and their economic empowerment will not be realised if they are unable to access this provision.

1.11 80% of all part-time jobs in Wales are held by women<sup>10</sup>, and overwhelmingly they are in low-paid 5 C's occupations typically found in the Foundational Economy (catering, cleaning, clerical, cashiering (retail), and caring work) which also affects their pensions. Part-time workers are particularly vulnerable to poverty, with a poverty rate more than twice as high as full-time workers, and qualifications are far less effective in improving their pay prospects than for full-time workers.<sup>11</sup> Women in part-time employment represent more than 63% of all women earning less than the voluntary Living Wage.<sup>12</sup>

1.12 Oxfam Cymru welcomes the *Economic Action Plan* and the commitment of the Welsh Government to tackle reckless employment practices and promotion of the Living Wage through the *Code of Practice on Ethical Employment in Supply Chains* as part of the overall package of decent work.

1.13 Oxfam Cymru also welcomes the Fair Work Commission which must be ambitious in promoting work which meets those factors which we know women value from work.

**1.14 Recommendation 1:** Gender specific process and procedures are in place to ensure that economic policy is evaluated for its impact on

womens economic empowerment, ensuring gender is accurately reflected in statistical and data capture and analysis.

**1.15 Recommendation 2:** The Welsh Government sets a target for ending the Gender Pay Gap, and puts into place an action plan to reach it.

## **2. Skills, Training and Productivity**

2.1 Oxfam Cymru welcomes the recognition within the *Economic Action Plan* of the link between skills and productivity and the commitment to investing in the labour market through its *Employability Delivery Plan*.

2.2 Recognising the social capital and value of the foundational economy is key to creating an inclusive economy, as the foundational economy provides employment to half a million people in Wales<sup>13</sup>. Women dominate the labour market in these sectors and to provide good quality employment and progression opportunities could help improve the pay and career prospects of many women in Wales, and also develop ways of improving the quality of part-time work.

2.3 Not being able to access training and progression opportunities is a significant factor in the gender pay gap, as women often remain stuck in low paid, lower skilled work. The economy needs to recognise the different skills, information and experience that women have and ensure they are treated with equal parity: so that women can build a career and benefit to a greater degree from economic growth than many currently do.

2.4 Achieving economic outcomes will require a revolution in support for these groups – away from ‘work first’ approach towards a ‘work in life’ approach which emphasises the many; away from services and activities towards building and nurturing communities and networks.

## **Oxfam Cymru: A Wales that Works for Women 2018**

During 2017, Oxfam Cymru commissioned three distinct pieces of research with a central and specific focus on women at the lower end of the labour market on the changing nature and experience of work, and what makes decent work for Women in Wales.

### **1. Focus Groups**

A series of participatory focus groups, where we asked people what they thought makes decent work for women in Wales. We wanted to hear the lived experiences and aspirations of low paid female workers in Wales and to know what their concerns, priorities and ambitions are, with a view to identifying potential barriers to enter the labour market and subsequent career progression. This report was produced by the Institute of Welsh Affairs.

### **2. Sector Analysis**

An analysis of the domiciliary care and Food and Drink Sectors, two specific sectors of the economy that are traditionally dominated by women. The Food and Drink sector has the biggest risk of in-work poverty at nearly three times the average, with residential care at twice the national average. The research comprises sector analysis of the two sectors with supporting participatory interviews where we asked women employed in the care and food and drink sectors what decent work meant for them. This report was produced by Chwarae Teg.

### **3. Literature Review:**

A review the existing literature, examining a selection of factors that it has been suggested drive the relationship between gender and inequality and the search for decent work for women in Wales. The research provided a detailed analysis of the position of women in the labour market in Wales. The report aims to identify the possible causes and barriers for women in the labour market and produces wide ranging policy solutions which should be

considered in the economic, social, cultural and environmental challenges that lie ahead. This report was produced by Dr Claire Evans at Cardiff Metropolitan University.

2.5 Oxfam Cymru would like to see the *Employability Delivery Plan* include detailed pathways that support and encourage the progression of women furthest from the labour market, as well as job entry to access the non-gendered 100,000 high level apprenticeships. It should be developed in partnership with the bodies at the local level, complimentary to the Regional framework provided by the *Economic Action Plan*, in order to reflect different labour market conditions across Wales and effectively reach into the communities.

2.6 If a positive approach to gender equality were to be adopted, additional indicators would help measure progress and could improve economic active participation rates of men and women. Given that apprenticeships in some sectors, especially STEM, have historically been dominated by men, then specific, positive action to tackle gender segregation is warranted.

**2.7 Recommendation 3:** The Welsh Government continues to work with employers and sector organisations to address gender inequality through improving progression and flexibility in employment and careers advice.

**2.8 Recommendation 4:** The Welsh Government sets out a common approach to identifying the needs of the individual as part of its approach to employability. Identifying those with employment support needs at the earliest possible stage and making the referral process more seamless and less daunting; provide tailored, community outreach for those who face multiple barriers to work: use the Valleys as a test bed for a place based approach to enhancing employability.

**2.9 Recommendation 5:** The Welsh Government develops specific proposals to remove barriers which exist for women and girls accessing the 100,000 higher level apprenticeship identified by the

Welsh government in its *Economic Action Plan*. Ensure that gender division within apprenticeships is reduced, by providing flexible or part-time opportunities supported by childcare. If these methods are not successful, quotas for apprenticeships should be considered in sectors where women are underrepresented to address this under-representation.

- <sup>1</sup> Oxfam, Double Trouble, November 2017 <https://policy-practice.oxfam.org.uk/publications/double-trouble-a-review-of-the-relationship-between-uk-poverty-and-economic-ine-620373> <sup>2</sup> Oxfam Cymru, Even it up: A Blueprint for Change, January 2016 <https://policypractice.oxfam.org.uk/publications/even-it-up-a-blueprint-for-change-593008>
- <sup>3</sup> Cynnal Cymru, accessed 11/01/2018 <https://www.livingwage.org.uk/accredited-living-wage-employers> <sup>4</sup> Living Wage Commission, accessed 11/01/2018 <https://www.livingwage.org.uk/accredited-living-wageemployers>
- <sup>5</sup> PPIW, Harnessing Growth Sectors for Poverty Reduction (January 2016) <http://ppiwi.org.uk/files/2016/10/PPIW-Report-ESRC-Evidence-Review-Paper-Progression.pdf>
- <sup>6</sup> JRF, Breaking the links between Poverty and Ethnicity in Wales, (February 2016) <https://www.jrf.org.uk/report/breaking-links-between-poverty-and-ethnicity-wales>
- <sup>7</sup> ONS Annual Survey of Hours and Earnings (October 2017) <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsashegenderpaygaptables>
- <sup>8</sup> Stats Wales, Gender Pay difference (October 2017) <https://statswales.gov.wales/Catalogue/BusinessEconomy-and-Labour-Market/People-and-Work/Earnings/genderpaydifferenceinwales-by-year>
- <sup>9</sup> Social Mobility Commission, State of the Nation (November 2017) [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/662744/State\\_of\\_the\\_Nation\\_2017\\_-\\_Social\\_Mobility\\_in\\_Great\\_Britain.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/662744/State_of_the_Nation_2017_-_Social_Mobility_in_Great_Britain.pdf)

<sup>10</sup> Chwarae Teg, Poverty in Wales accessed 11/01/2018

<https://www.cteg.org.uk/tackling-poverty-in-wales/>

<sup>11</sup> JRF, UK Poverty (December 2017) [https://www.jrf.org.uk/report/uk-](https://www.jrf.org.uk/report/uk-poverty-)  
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[2017?utm\\_content=bufferd4be1&utm\\_medium=social&utm\\_source=twitter.com&utm\\_campaign=buffer](https://www.jrf.org.uk/report/uk-poverty-2017?utm_content=bufferd4be1&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer)

<sup>12</sup> ONS, Low Pay in the UK (April 2016)

[https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earnin](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/lowpay/apr2016#low-pay-by-region)  
[gsandworkinghours/bulletins/lowpay/apr2016#low-pay-by-region](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/lowpay/apr2016#low-pay-by-region)

<sup>13</sup> Bevan Foundation, (2017)

[https://www.bevanfoundation.org/commentary/wales\\_foundational\\_econo](https://www.bevanfoundation.org/commentary/wales_foundational_economy/)  
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